



Standard Practices

A publication of CCA's Standard Practices Committee

Cautionary Note to Contractors Bidding Infrastructure Stimulus Projects March 2010

In order to be eligible to receive funding under the federal infrastructure stimulus programs announced in the January 2009 Federal Budget, municipalities and universities/colleges had to attest that their projects would be completed by no later than March 31, 2011. The Federal Government and Provincial Governments continue to state that they will meet their financial obligations on those projects only up to and including March 31, 2011 and will not pay any amounts after that date.

Given this financial risk, CCA cautions contractors to ascertain *prior to bidding* such projects:

- 1) Whether the project is funded under one of the federal infrastructure stimulus programs that is subject to the March 31, 2011 funding deadline;
- 2) Whether the proposed contractual completion date is realistic and achievable;

- 3) The degree to which the Contractor will be held liable for damages for failure to meet the contracted schedule, including any loss of federal and/or provincial government funding should the project not be completed by March 31, 2011; and
- 4) Whether the contract conditions include liquidated damages provisions spelling out the extent of the damages the Contractor will be required to pay in the event of a delay in completion beyond the March 31, 2011 funding deadline.

CCA will be bringing this Bulletin and the issues it raises to the attention of the Federal Government and is asking its Partner Associations to do likewise with provincial and municipal governments.