

Strategic Opportunities Committee

Communiqué 10 Final

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Ontario Realty Corporation Adopts New Consultant Contract

Contract based on OAA Document 600 with Standard ORC Supplementary Conditions

The Ontario Realty Corporation (ORC) has begun using a new contract for design consultants. The new contract uses the Ontario Association of Architects (OAA) Document 600, the Standard Form of Contract for Architect's Services, supported by a standard set of supplementary conditions that have been developed in consultation with the industry through the Strategic Opportunities Committee (SOC). This parallels the approach taken by ORC in developing its new construction contract based on the industry standard CCDC 2 document and is a key element of ORC's strategy to streamline its contracting approaches and be more attuned to industry best practice.

ORC and its project management service providers are currently using the new consultant contract when engaging architects and interior designers. Once ORC establishes the Vendor of Record list for consulting engineers later this year, this new contract will also be used when engineering companies are being engaged as prime consultant.

In announcing the move to the new consultant contract, ORC Senior Vice President, Project Services Mike Greidanus said "We are very pleased with the continued collaborative spirit and constructive input we received from the industry during this consultation process."

Greidanus characterizes the introduction of this new contract as a "first stage release", noting that a small number of provisions are still under discussion at SOC. "We were anxious to get the new contract into use as quickly as practical because of the benefits it brings to ORC in servicing our clients, and to the consultants who are engaged on our projects. This approach enables us to do so while we continue discussing those last few outstanding terms."

OAA President Gerrie Doyle commented "We all welcome this very proactive move by ORC to adopt industry standard contracts. The profession recognizes that major clients like ORC often have their own specific requirements when engaging consultants and while the OAA has not necessarily endorsed each individual condition, we were pleased to provide input into the development of conditions that would meet those needs while at the same time attempting to strike a reasonable balance with the interests of the design professions. We see this "first stage" version as a major improvement over the previous ORC contract, and are encouraged that this will be the standard for ORC. Our

members can make their decision to pursue ORC work based on the knowledge that a standard agreement and set of supplementary conditions is in place."

Clive Thurston, President of the Ontario General Contractors Association said "The consistency and certainty that has been established with the new construction and consultant contracts is a major achievement and will be of great value to ORC, its clients and the industry." It is anticipated that project specific supplementary conditions may be necessary to address the unique circumstances of a particular project. Thurston added "The industry is very pleased to learn that ORC is developing a guideline for the use of project specific conditions to preserve that consistency. We're anxious to work with ORC as those are created."

Deborah Rutherford, President of the Association of Registered Interior Designers of Ontario added "ORC's approach drives real efficiencies for our industry because it has adopted industry standard language and approaches. We believe this will provide best value for ORC because of the talented companies that this refreshing approach to public contracting will attract."

ORC is currently planning what the industry is calling a "road show" later this Spring with a series of presentations planned in a number of locations around the province to familiarize design professionals and contractors with ORC's updated project delivery model and these new contracts.

The Ontario Realty Corporation is a crown corporation of the Government of Ontario and, as one of Canada's largest real estate management companies, is a major customer of Ontario's design and construction sector, initiating 2,000 to 2,500 projects last year worth approximately \$400 million.

The Strategic Opportunities Committee (SOC) was originally initiated in 2004 and was re-energized in 2008 at the invitation of ORC President and CEO David Glass to facilitate constructive consultation between ORC and the design and construction industry. Participants in this standing liaison committee include Consulting Engineers of Ontario, the Ontario General Contractors Association, the Ontario Association of Architects and the Association of Registered Interior Designers of Ontario, as well as ORC itself.

Additional background on the Strategic Opportunities Committee is available by reviewing all previous SOC Communiqués on the ORC website www.ontariorealty.ca - click on "What's New" and "News Archives".

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