2025 CCDC construction contract updates

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On June 30, 2025, the Canadian Construction Documents Committee (CCDC) released a new collection of updated contracts, including:

- CCDC5A – Construction Management Contract – for Services;
- CCDC5B – Construction Management Contract – for Services and Construction;
- CCDC17 – Stipulated Price Contract between Owner and Trade Contractor for Construction Management Projects; and
- CCDC30 – Integrated Project Delivery Contract.

The CCDC5A, CCDC5B, and CCDC17 were last updated in 2010. The CCDC30 was last updated in 2018. Since then, the construction industry, along with common allocations of risk between project participants, has evolved. Notably, many jurisdictions in Canada have also adopted prompt payment legislation. These updated contracts demonstrate an attempt to re-align the template forms with a modern contracting landscape and to revise or introduce various concepts like pre-construction services, “Ready-for-Takeover”, termination for convenience, and many other revisions. In this summary, we highlight the key changes of which you should be aware.

Changes to the contracts

The following key concepts were modified within the CCDC5A, CCDC5B, and CCDC17:

i. *Ready-For-Takeover and Early Occupancy;*

ii. *Payments Terms and Progressive Release of Holdback; and*

iii. *Limitations of Liability.*

i. Ready-For-Takeover and Early Occupancy

Like the changes introduced in 2020 to the CCDC2 – Stipulated Price Contract, the updates to the contracts introduce the concept of “Ready-for-Takeover”. This project milestone sets out the requirements to achieve completion of the Project. As outlined in the contracts, “Ready-for-Takeover” is achieved by the applicable parties when various prerequisites are attained and verified by the, including:

- verification that the Project is ready for use or is being used for the purpose intended;
- evidence of requirements for occupancy or occupancy permit;
- final cleaning and waste removal;
- delivery of operations and maintenance documents;
- make available as-build drawings;
- scheduling of required demonstration and training; and
- other items as set out in the applicable contracts

The updates to CCDC 5A, 5B and 17 also permit the Owner to take early occupancy of all or part of the Project before the Ready-for-Takeover milestone is achieved. Any early occupancy by the Owner requires the agreement of any affected Trade Contractors or Construction Manager and prior approval by any applicable authorities.

ii. Payment Terms and Progressive Release of Holdback

The introduction of prompt payment legislation across several Canadian jurisdictions has required changes to the CCDC templates, which were typically addressed in supplementary conditions. Now, the updated contracts include adjustments to applications for payment (i.e., including a “proper invoice”) and payment on or before 28 calendar days after receipt of an application for payment. The previous versions of the contracts required an Owner to make payment within 20 calendar days after receipt of an application for payment.

With respect to the progressive release of holdback under a CCDC5A and 5B, the previous versions contemplated this mechanism only in relation to Subcontractors and Suppliers. The updated contracts now align with applicable lien legislation by mandating the progressive release of holdback for all aspects of the Work. This means the Construction Manager may now request, and the Owner is contractually obligated to release, holdback amounts on a progressive basis for any eligible portions of the Work performed by the Construction Manager.

iii. Limitation of Liability

The updates to Contracts have adjusted the limitations of liability that are not covered by insurance as follows:

- CCDC5A:
  - The old CCDC5A limited the liability for uninsured losses to the total of the Construction Manager’s compensation (the Fee for Services plus reimbursable expenses).
  - The new CCDC5A limits the liability for uninsured losses to the greater of the Fee for Services or $2 million (but in no event greater than $20 million).
- CCDC17:
  - The old CCDC17 limited the parties’ liability solely with respect to their indemnification obligations.
  - The new CCDC17 limits the liability for uninsured losses to the greater of the Contract Price or $2 million (but in no event greater than $20 million).
- CCDC5B:

- The old CCDC5B previously did not have a definition for Contract Price, and the liability for uninsured losses was previously limited to the greater of the Price of the Work, which was the aggregate total of the Construction Manager's Fee for the Work (excluding the Services) and the Cost of the Work.
- The new CCDC5B limits liability for uninsured losses to the greater of the Contract Price or $2 million (but in no event exceeding $20 million). The newly defined term "Contract Price" includes the Construction Manager's Fee for both Pre-construction Services and Construction Services, reimbursable expenses, and the Cost of the Work. As a result, the limitation of liability for either party has increased compared to the previous version of CCDC5B.

Additionally, all the updated Contracts now specifically exclude from the limitation of liability, including the waiver of consequential damages, particularly bad conduct (e.g. criminal acts) and all of the updates to the Contracts introduce a mutual waiver of consequential damages. However, as with the CCDC2 – 2020, the mutual waiver of consequential damages remains undefined.

The following additional changes have been introduced:

A. Distinction Between Pre-construction and Construction Services [CCDC5B]

In the previous versions of CCDC5A and 5B, while pre-construction services were contemplated in the schedule outlining the scope of the Construction Manager's Services and corresponding compensation, they were not treated as contractually distinct from the Services. In the new CCDC5B, however, "Pre-construction Services" is now a defined term, separate from the newly defined "Construction Services," and is governed by its own set of contractual terms and conditions applicable to the Construction Manager, the Owner, and the Consultant. Notable changes in CCDC5B relating specifically to Pre-construction Services, as distinct from Construction Services, include but are not limited to the following:

- separate fee model for Pre-construction Services;
- the Consultant does not receive nor certify any applications for payment in respect of Pre-construction Services, applications are now processed directly with the Owner;
- the Consultant will not make a finding with respect to a claim relating to the compensation for Pre-construction Services;
- the Work excludes the Pre-construction Services; and
- reimbursable expenses are now only for the Pre-construction Services, not for Construction Services.

With respect to CCDC5A, it does not go as far as CCDC5B in contractually defining Pre-construction Services as separate from the overall Services. However, it now allows the parties to allocate the Construction Manager's "Fee for Services" into three phases: the pre-construction phase, the construction phase, and the post-construction phase.

Ultimately, in line with the industry's increasing focus on pre-construction services, the separate fee structure and delineation of scope for pre-construction services are now more appropriately addressed.

B. Owner's Right to Suspend or Terminate for Convenience [CCDC5A & 5B]

The new CCDC5A and 5B introduce the Owner's right to suspend or terminate the Contract for convenience (i.e., terminate without cause).

In the new CCDC5B, if termination for convenience occurs during the "Pre-construction Phase" then the Construction Manager is entitled to a break fee, which is a pre-determined percent of the respective Class [A, B, C or D] Construction Cost Estimate as agreed upon pursuant to Article A-5.

If termination for convenience occurs during the "Construction Phase", then the Construction Manager is entitled to "such other direct damages as the Construction Manager may have sustained as a result of the termination including reasonable loss of profit."

Additionally, under the Construction Manager's right to terminate the Contract for cause, the revised contract now incorporates the direct damages and break fee provisions in relation to the Construction Manager's entitlement to payment.

Note that neither CCDC 5A nor CCDC 5B address how the waiver of consequential damages provision aligns with these "loss of profit" amounts.

C. Contract Time: Introduction of separate Construction and Project Schedules [CCDC5A & 5B]

In the previous versions of CCDC5A and 5B, Contract Time was ambiguously defined and contingent on a schedule provided in the "Description of the Project" section or as a separate contract document, if any. Additionally, there were no defined terms for construction or project schedules.

In the new CCDC5A and 5B, Contract Time is now clearly defined as the commencement of the Services [CCDC5A] / Pre-Construction Services [CCDC5B] to the date of Ready-for-Takeover.

The Contract Time may also be expressly agreed to in writing by the parties and aligned with the Project Schedule or Construction Schedule. These terms are defined generally as:

- the Project Schedule is the Owner's prepared schedule (which may include Owner's activities); and
- the Construction Schedule is the Construction Manager's schedule that is prepared upon the commencement of the services, and then progressively updated during the Project.

D. Execution Plan may be Requested by the Owner [CCDC5B]

The new CCDC5B gives an Owner the right to request an “execution plan” from the Construction Manager. This plan must be agreed upon by the parties and identifies the following:

- the methodology in completing the Work;
- the procurement methodology for subcontract work;
- the planning and costing of Construction Manager’s own forces; and
- the anticipated cash flow for progress payments and costs reports.

Additionally, the above “execution plan” may limit or modify the Construction Manager’s obligation to the control of the Work.

E. Updates to CCDC 30

The CCDC30 is a collaborative contract, focused on integrating the key project participants, establishing a target price, and allocating profit and putting it at risk depending on project outcomes. See our previous article on the CCDC30 here for more: link. Integrated project delivery (IPD) represents a shift away from traditional contracting and should be approached with appropriate care.

Key changes in the newest update to the CCDC30 include:

- introduction of new tools for collaboration, including an IPD Advisor (an optional party to facilitate during the Validation Phase); the Big Room (co-location and information sharing); Lean tools and practices; and Key Personnel clauses;
- providing additional detail around the structure and intention of the Validation Phase and the requirements of a Validation Report;
- as mentioned above changes to account for new prompt payment legislation; and
- provides additional clarity around termination rights, including a new clause focused on curing default and a structure for what happens if the Validation Report is not accepted.

F. Other Notable Revisions in the New Contracts:

- Cash Allowances have been deleted from CCDC5A and 5B.
- Dispute resolution now contemplates adjudication as prescribed by the applicable legislation.
- In the new CCDC5A, the Construction Manager can now terminate in the event of an Owner’s insolvency, or if the Project is suspended for more than 30 calendar days through no fault of the Construction Manager.
- In CCDC5B:
    - Where the parties elect to proceed with a Guaranteed Maximum Price, a separate supplementary conditions appendix is now provided, like the appendix used for the stipulated price option.
    - The Owner may audit the Construction Manager’s records relating to the Cost of the Work for up to one year (previously only 60 days).
    - The list of delays beyond the Construction Manager’s control now expressly includes “any Subcontractor’s default, insolvency, abandonment, or termination.”

- In CCDC17, the roles and responsibilities of the Construction Manager and Consultant in relation to Trade Contractors are clarified. The revised document provides more structured coordination, approval processes, and oversight mechanisms to support smoother project delivery.

How we can help

In BLG's Construction and Infrastructure Groups, our goal is to work with owners, contractors, procurement agencies, governments and others and to help provide guidance when both negotiating and disputing construction contracts. While this article highlights key changes to the updated Contracts, it provides only a high-level overview and does not capture all revisions introduced by the CCDC.

We often recommend using tailored supplementary conditions to reflect commercial negotiations, and project specific risk allocation to ensure the successful execution of a construction project for all parties involved.

If you have any questions regarding this article or an upcoming construction project you are involved in, please contact the authors below.

Any capitalized terms used within this article which are not defined, are defined in the respective contract.

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