

CCDC 40

**Rules for Mediation and Arbitration
of Construction Disputes**
(For Use with CCDC Contract Forms)

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The Canadian Construction Documents Committee (CCDC) is a national joint committee responsible for the development, production and review of standard Canadian construction contracts, forms and guides. Formed in 1974 the CCDC is made up of volunteer representatives from:

Public Sector Owners
Private Sector Owners
Canadian Bar Association (Ex-Officio)
* The Association of Consulting Engineers of Canada
*The Canadian Construction Association
*Construction Specifications Canada
*The Royal Architectural Institute of Canada

*Committee policy and procedures are directed and approved by the four constituent national organizations.

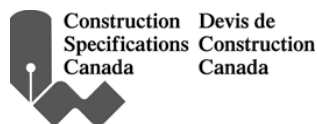
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INTRODUCTION

Construction disputes are common place. The multiplicity of parties and technical complexity of major construction projects makes these projects very susceptible to disagreements. The cost associated with resolving major disputes is burdensome even for the largest organizations. Delay in resolving outstanding disputes causes serious cash flow problems for smaller companies and sub-trades. Acrimony fed by the adversarial system can seriously impair or permanently damage future business dealings. When you add this to the problems of overburdened courts, it is easy to understand the dissatisfaction of construction industry participants with lawyers, judges, and the courts and it is easy to understand why players in the construction industry are seriously searching for more effective ways to manage conflict on construction projects.

Recently in Canada, sectors of the construction industry have been considering other processes - often known as alternate dispute resolution (ADR) processes to manage conflict in construction contracts more effectively. CCDC adopted this approach to dispute resolution in its contract forms. This required a rewrite of the general conditions governing disputes.

CCDC contract forms set out very specifically the methods for settlement of disputes incorporating the ADR concepts of negotiation, mediation, and arbitration in a manner that encourages speedy, inexpensive, and voluntary resolution of construction disputes.

The Rules for Mediation and Arbitration of Construction Disputes have been specifically designed to be used with the dispute resolution procedures of CCDC contract forms and are incorporated into the contract by reference.

CCDC encourages national use of these Rules for Mediation and Arbitration in the construction industry. This will benefit owners, construction firms, and consultants directly as they will not have to become familiar with different rules for each jurisdiction. It will also benefit the industry through constant review of the recommended processes for dispute resolution. Modifications of these Rules by way of addition, deletion, or revision should be kept to a minimum and only considered after a thorough review. CCDC encourages questions, comments, and feedback from users across Canada as to the effectiveness of these Rules.

These rules are specifically written to set the requirements of the process and should be read and understood by both parties to the CCDC Contract.