

# Guiding Principles for the COAA Contracts Committee

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The following document contains the guiding principles of the COAA Contracts Committee.

**PURPOSE:** To develop best practices that enhance efficiency and performance for all contracting parties on industrial projects in Alberta.

**GOAL:** To offer tools that will help contracting parties:

- be clear on the obligations and risks they are about to undertake when entering into construction contracts; and
- maintain a consistent approach in contract development, preparation and administration so as to reduce the costs and uncertainty associated with contract formation and administration.

**OBJECTIVES:**

- The identification, standardization and publication of a consistent approach to common issues in contract development, preparation and administration.
- The development of standard forms of contract specifically intended for use on industrial projects in Alberta, including Engineering, Procurement and Construction (EPC), Engineering, Procurement and Construction Management (EPCM) and other forms of contract, in both lump sum and reimbursable bases of compensation, as appropriate.
- The development of a standard index, format and organization model for contract documents (without dictating detailed content) to be used by owners and contractors as a “checklist” to know that all material elements to a contract have been considered, and to know where to look for relevant provisions when dealing issues that arise over a contract's duration.

**IMPLEMENTATION:**

- By providing a standard format and organization for the contract documents to allow ease of reference, and use as a starting point for parties to commence contract development;
- By standardizing or aligning definitions and terminology, where possible, with the COAA Stipulated Price Agreement;
- By providing for a proper ordering of subject matter in the contract documents;
- By allowing flexibility through use of Appendices so that the contract documents can be easily adapted to suit different sites without materially altering the format, presentation or essential content.

**FOLLOW UP:**

- Regular review, feedback and periodic revisions to reflect industry experience and needs.
- Promotion of the use of the standard contracts.