

# Adjudico

## • EXPERT SERVICES •

### Adjudication Awareness Bulletin (March, 2019) Scenario – Lifecycle of a Typical Contract Dispute Dispute to Adjudication to Resolution

This is further to the *Adjudication Awareness Bulletin (February, 2019)* titled “Classification of Adjudicator Skills – Use of O\*NET Methodology” with respect to the Construction Act (“Act”) that came into force in Ontario in 2017.

The following is a potential scenario of the life cycle of a contract dispute from the dispute arising to referral to adjudication, determination, and resolution.

1. **Contract:** The Owner and Contractor have entered into a standard form of stipulated price construction contract for the Project.
2. **Dispute:** There is a dispute between an Owner and the Contractor in respect of a matter as set out in the relevant legislation governing statutory adjudication.
3. **Review:** The Contractor obtains an independent "cold eyes" review of its position including the "cost and value" of pursuing the dispute and seeks adjudication.
4. **Preparation:** The Contractor starts to engage resource and compiles all relevant information in support of its submission (item 9 below) as the referring party.
5. **Dispute Notice:** The Contractor prepares and issues a notice of dispute, in the prescribed format, to refer the dispute to adjudication.
6. **Proposed Adjudicator:** The parties ask the Authorized Nominating Authority (ANA) to propose an Adjudicator considering the nature of the dispute.
7. **Adjudicator Selection:** Considering the dispute, the ANA selects an Adjudicator, from its register of adjudicators and the Owner and Contractor agree to such appointment.
8. **Adjudicator Engagement:** The Owner and the Contractor sign an Adjudicator Engagement Agreement, including the fees for Adjudication, as provided by the Adjudicator.
9. **Referring Submission:** The Contractor submits details of the dispute, including relevant substantiation to support its position to the Adjudicator.
10. **Responding Submission:** The Owner then provides its details of the dispute, including substantiation to support its position to the Adjudicator.
11. **Report of Expert:** The Adjudicator engages the assistance of a subject matter expert and receives an Expert Report.
12. **Adjudicator Determination:** The Adjudicator reviews all information, including the Expert Report, and provides its determination which requires payment from Owner to Contractor.
13. **Payments:** The Owner pays the Contractor the amount determined by the Adjudicator at the time set out in the determination.
14. **Fees:** The Owner and Contractor pay their portions of fees to the Adjudicator and Expert and the matter is closed pursuant to the legislation governing statutory adjudication.

*Watch this space: Further Adjudication Awareness Bulletins will follow!*

**Note:** This Adjudication Awareness Bulletin is issued for informational purposes only and does not constitute legal advice. Further, Adjudico Inc. is not liable for reliance by any party in respect of any and all statements contained within this Adjudication Awareness Bulletin.

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