

ADJUDICATION BASICS

Adjudication is a new method of dispute resolution contained in the *Ontario Construction Act*. It allows parties to a construction contract to enforce a right of payment without going to court.

Did you know?

Every adjudicator has at least 10 years' experience in the construction industry.

Ten Key Facts about Adjudication

1. Owners, contractors, subcontractors, and construction professionals in Ontario can enforce their right to timely payment through adjudication.
2. If you are a contractor, then your right to refer a dispute to adjudication expires **90 days** after the earlier of the date that your contract is completed, abandoned or terminated, unless the parties agree to an extension.
3. If you are a subcontractor, then your right to refer a dispute to adjudication expires **90 days** after the **earlier** of:
 - The date that the prime contract is completed, terminated, or abandoned;
 - The date that your subcontract is certified complete; and
 - The date of your last supply to the project.
4. Adjudication is fast: An adjudicator will generally rule on a dispute within **40 days**. Payments ordered must be made within **15 days**.
5. Adjudication is administered by Ontario Dispute Adjudication for Construction Contracts, often called "ODACC."
6. You can start an adjudication by visiting the ODACC website: <https://odacc.ca/en/>
7. You do not need a lawyer to start an adjudication, although it may be a good idea if the dispute involves a large amount.
8. ODACC generally charges an adjudication fee that increases with the amount in dispute. For example, the fee for a dispute involving between \$35,000 and \$50,000 will generally be \$3,700, divided between the parties.
9. The determination of an adjudicator can be enforced in the same way as a Court Order, through garnishment and other means.
10. The determination of an adjudicator is only binding on an interim basis. If either party to the dispute is unhappy with the determination, they are free to go to court or arbitration, where they may get a different result. The decision of the adjudicator generally remains enforceable, however, until the court or arbitrator has rendered its decision on the same issue.

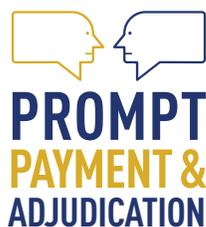
Ready to Learn More?

See our related fact sheets:

- Prompt Payment for Owners
- Prompt Payment for Contractors
- Prompt Payment for Subcontractors
- How does the Basic Holdback Work?
- What is a Proper Invoice?
- Prompt Payment for Annual Release of Holdbacks

Other resources:

- Ontario Dispute Adjudication for Construction Contracts (odacc.ca)
- COCA Webinar on Prompt Payment and Adjudication (coca.on.ca/advocacy/prompt-payment)
- Ontario Construction Act (ontario.ca/laws/statute/90c30)



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Disclaimer: This fact sheet is intended to provide information to the industry at large and should not be considered legal advice. Contact a lawyer to find out how Prompt Payment and Adjudication may apply in your particular circumstances.