Contract Modernization Vendor Orientation

Questions and Answers | June 18, 2026

#	Question	Infrastructure Response
1	Will Liquidated Damages be the sole and exclusive remedy available to Alberta Infrastructure for delays under the Construction Management Agreement ("CM Agreement")? You mentioned the waiver of consequential damages does not apply to delays. Presumably, these are captured under the Liquidated Damages provision.	Liquidated damages are Alberta Infrastructure's primary and sole monetary remedy for the specific delays covered by the liquidated damages provisions, namely the Construction Manager's failure to achieve Interim Acceptance of the Work, or a Component of the Work, by the applicable Milestone Dates. While the Agreement includes a waiver of Consequential Loss, that waiver does not apply to loss of use of the Work. The liquidated damages provisions are intended to address those delay-related losses. The liquidated damages regime does not limit Alberta Infrastructure's ability to exercise other contractual rights and remedies that may be available in response to a Construction Manager default, provided there is no duplication of recovery.
2	Do Liquidated Damages also apply to Consulting Services Agreement ("CSA")?	The CSA does not include liquidated damages. Instead, Article 13 preserves ordinary liability principles. The Consultant must indemnify the Province for third-party claims arising from the negligent performance, breach of the Agreement or Standard of Care, wilful misconduct, fraud or third-party intellectual property claims.
3	Schedule 16 for CM Agreement isn't clear on mark-ups such as overhead and profit for changes. What is the expected approach on these contract templates for Subcontractors performed under CM? There are definitions for Direct Cost and Overhead Cost but it doesn't note anything on allowable mark-ups for overhead and profit. Lastly, Schedule B3 seems to only apply to the CM not the Subcontractor for labour rates for changes.	Schedule 16 defines "Overhead Cost" and the overhead is calculated for both the CM and the Subcontractors. It also prevents the CM from recovering the same overhead costs more than once. For example, overhead already covered by the Fixed Fee or Reimbursable Expenses cannot also be recovered through a Change Order. The CM's profit is addressed through the Fixed Fee structure, rather than change markups. The Agreement does not establish a prescribed markup for Subcontractor profit on Changes. Subcontractor pricing, including any profit component, is addressed through the terms of the Subcontract. At this time, the CM Agreement does not prescribe or cap any such markup. Schedule B3 applies only to the CM's own personnel. When pricing changes to the Work, the CM must use the labour rates included in Schedule B3. These rates do not apply to Subcontractor labour pricing.

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4	Can you explain the new dispute resolution process?	Schedule 20 outlines the dispute resolution process. While the same core framework applies across most contracts, certain elements may be tailored based on the size, scope, duration, and complexity of the project. One of the key variables is whether the contract includes the optional Reference and Complex Arbitration provisions, which may not be appropriate for every project. For additional details on the dispute resolution process, please refer to Schedule 20 of the CM Agreement.
5	How are future tariffs being dealt with, will these be relief events?	Tariffs are not considered a Relief Event under the Agreement. Instead, Schedule 33 includes a separate process that specifically addresses tariff-related impacts. Relief may be available where the Government of Canada introduces Retaliatory Tariffs in response to U.S. tariffs on Canadian goods and those tariffs increase the cost of eligible Tariff Goods used in the Work. To qualify, the Construction Manager must demonstrate that the increased costs are directly attributable to the applicable tariffs and satisfy the requirements set out in Schedule 33. Where those requirements are met, the Province will reimburse the Construction Manager for the difference between the tariff-impacted cost and the ordinary cost of the applicable Tariff Goods, subject to the terms of the Agreement.
6	How will master service agreements and their subsequent scopes of work (SOW) be updated to align with these new contract templates?	The CSA template is designed as a project-specific consulting services agreement and is not structured as a master service agreement with subsequent task orders or scopes of work. Alberta Infrastructure is reviewing options to incorporate the modernized contract terms into the SOWs issued following pre-qualification processes.
7	Is the intent to apply holdback provisions under contracts for professional services?	The CSA does not include holdback provisions similar to those in the CM Agreement. However, the Province may withhold amounts payable to the Consultant where permitted under the Agreement. These amounts are referred to as Withholdings in the CSA.
8	What is the Province’s stance on Part 13.5 (no limit of liability) when compared to article 14 for insurance requirements? Insurance for no limit on liability is difficult to obtain.	Alberta Infrastructure's position on limits of liability has not changed. The Consulting Services Agreement allocates risk based on the principle that each party is responsible for its own actions and obligations under the Agreement. Consultants remain responsible for losses arising from their negligent performance, breach of the Agreement or Standard of Care, wilful misconduct, fraud, and certain intellectual property claims.

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		The insurance requirements in Schedule 6 are intended to be tailored to the specific risks and scope of each project. These requirements establish minimum insurance coverage levels but are not intended to limit a Consultant's overall liability under the Agreement. The modernized Consulting Services Agreement maintains the existing liability framework set out in Article 13 – Indemnification and Limitations of Liability.
9	The Unlimited Liability introduced into the modernized Consulting Services Agreement is of great concern to the consulting industry and has a negative knock-on effect on subconsulting contracts. There is no insurance available for Unlimited Liability. This risk transfer by GOA appears to be too far-reaching and results in some consultants not able to engage on the advice of their legal counsel.	The modernized Consulting Services Agreement maintains the existing liability framework set out in Article 13 – Indemnification and Limitations of Liability.
10	What is the Province's stance on subcontractor default insurance in place of subcontractor bonding?	Alberta Infrastructure views bonding and subcontractor default insurance as different forms of security. Bonding provides access to an independent third-party surety that may step in to investigate, support mitigation efforts, or arrange for completion of the Work in the event of a default. Subcontractor default insurance does not provide Alberta Infrastructure with those same protections. For this reason, subcontractor default insurance is not considered an acceptable substitute for bonding under the CM Agreement. Schedule 12 includes specific requirements for surety involvement in the event of a default, including conducting an independent investigation and participating in mitigation efforts when requested. These protections are not available through a subcontractor default insurance arrangement.
11	Why is Subcontractor Default Insurance not an acceptable form of security?	Please refer to the response to Question 10 regarding subcontractor default insurance and bonding.
12	Is Alberta Infrastructure training their project teams to maintain consistency in contract management? We have experienced that different teams manage them differently.	Alberta Infrastructure recognizes the importance of consistency in contract management across project teams and has implemented training sessions and training materials for its project teams.
13	When will the Design Build and Stipulated Price contracts be released?	The Design Build and Stipulated Price contract documents have been prepared and follow a similar structure and approach to the Construction Management Agreement. The timing for their release has not yet been confirmed.

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14	Is Vendor Performance Management still part of the contract requirements?	Yes, Vendor Performance Management remains an integral component of the contract requirements under the modernized agreements. Each of the modernized contract documents includes a schedule for the Vendor Performance Management Program (VPMP). The VPMP is compulsory on all contracts with Alberta Infrastructure with an estimated value of $100,000 or more.
15	Can you please provide some additional clarity on what is currently being completed for limitations of liability in consultant agreements?	The limitations of liability framework under the modernized Consulting Services Agreement is set out in Article 13 – Indemnification and Limitations of Liability and has not changed. The liability framework provides protections to the Consultant under the mutual Consequential Loss waiver. Alberta Infrastructure is reviewing options to assess and test different levels of insurance requirements for consulting projects and will issue those through pilot projects in the coming months.
16	How are risks within contracts delineated between the responsibility of the Province versus Industry for items such as site due diligence, compliance with provincial procurement policies and guidelines, permitting, and owner loaned or procured equipment to contractors?	The CM Agreement is structured so that the Construction Manager is generally responsible for risks associated with performing the Work, except where the Agreement specifically assigns a risk to Alberta Infrastructure. Alberta Infrastructure remains responsible for certain risks expressly identified in the Agreement, including its representations and warranties, aspects of the Contract Documents, and specified Relief Events. The Agreement includes detailed provisions addressing the allocation of risk in areas such as site due diligence, procurement compliance, permitting, and construction equipment. Parties should review the Agreement in detail to understand how risk is allocated for specific circumstances.
17	Is Industry able to rely on information that is provided by the Province or by its consultants?	Yes, subject to the terms and limitations set out in the applicable agreement. Both the CM Agreement and the CSA identify circumstances where a Construction Manager or Consultant may rely on information provided by Alberta Infrastructure. However, that reliance is subject to the limitations set out in the applicable agreement. Alberta Infrastructure may provide information, reports, surveys, studies, and other project-related information to support project delivery. While the agreements permit reliance on certain information in specific circumstances, Consultants and Construction Managers remain responsible for exercising due diligence and for their own interpretation and application of that information.

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		Parties should review the applicable agreement to understand the extent to which reliance is permitted for specific types of information.
18	Who is responsible for the risks to projects posed by weather?	Under the modernized contract documents, weather-related risk is generally the responsibility of the Consultant or Construction Manager. However, relief may be available in limited circumstances where a weather event meets the definition of Extreme Weather and qualifies as a Force Majeure Event under the Agreement. The definition of Extreme Weather has been updated to reflect weather conditions that have not been experienced within the previous 10 years, based on Environment and Climate Change Canada records. The Agreement also requires parties to reasonably anticipate and plan for normal weather conditions. As a result, ordinary weather conditions, including seasonal variations, precipitation, wind, and temperature fluctuations, remain the responsibility of the Construction Manager and are expected to be accounted for in the Construction Manager's Proposal, Construction Execution Plan, and Detailed Construction Schedule.
19	Will Alberta Infrastructure also follow prompt payment timelines under these new contract forms?	Alberta Infrastructure is required to comply with legislated prompt payment timelines, which are reflected in the modernized contract documents. Invoices are submitted monthly for work completed since the previous invoice. Subject to any applicable deductions, withholdings, or holdback amounts, the Province is required to make payment within 28 days of receiving the invoice.
20	Is there going to be feedback on low bidding selections for contracts? Feedback on evaluations any changes?	No changes have been made to the evaluation process at this time. Alberta Infrastructure is currently updating its debriefing procedures. Details on the updated processes will be shared through industry associations and the ILC A1 page once finalized. The revised approach is intended to provide bidders with more specific and actionable feedback to support future submissions.
21	In instances where the CM issues substantial completion on portions of the overall project, what effect does that have on warranty, distribution of holdback payments, management of this process?	The modernized contract documents do not use the concept of "Substantial Completion," as that is a term used in builders' lien legislation and does not apply to public works. Instead, the contracts use the concepts of Interim Acceptance, Partial Acceptance, and Final Acceptance. Interim Acceptance confirms that the Work has been completed in accordance with the Contract Documents

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		and is ready for its intended use. The Warranty Period begins on the date of Interim Acceptance. However, the Construction Manager remains responsible for completing any outstanding deficiencies and warranty work. Holdback may be released following Interim Acceptance, subject to the requirements of the Agreement and any amounts the Province is entitled to retain. The Province may also retain a Withholding for outstanding work required to achieve Final Acceptance in accordance with the Agreement. Where the Work has been divided into Components, the Province may grant Partial Acceptance for a completed Component and may release the portion of Holdback associated with that Component. Certain component-specific warranties may also begin at that time, depending on the nature of the Component and the contract requirements. Final Acceptance represents the completion of the Construction Manager's construction obligations (other than warranty obligations) and is evidenced by a Certificate of Final Acceptance. Any remaining Holdback is released in accordance with the timelines set out in the Agreement.
22	When do you expect the prime consultant contract to be used?	The Consulting Services Agreement (CSA) is available for use on prime consultant contracts.