

From: Kerry Powell
Date: August 25, 2022

Subject: Re: Prompt Payment and Construction Lien Act - GowlingWLG FAQs - Issue No. 4 - August 23, 2022 - Questions and Answers 161-220

As part of our continuing effort to inform our clients, contacts and industry associations of the upcoming implementation of the *Prompt Payment and Construction Lien Act*, we attach for your reference the last of our FAQs from our complimentary webinar series - Issue No. 4 – Questions 161-220.

These FAQs result from questions asked about the new legislation in more than thirty-five webinars we have presented over the last months to various sectors of the construction industry including owners, consultants, contractors, trades, suppliers, insurers and financial institutions, so the questions reflect the interests and concerns of a broad cross section of the construction industry.

We have also attached for your ease of reference a copy of Issue No. 1 – FAQs 1-58, Issue No. 2 – FAQs 59 – 109, and Issue No. 3 – FAQs 110 to 160.

Please note a clarification to FAQ 68 which asked “Does the Alberta prompt payment legislation apply to the health sector?” Our answer was “Projects undertaken under contract with Alberta Health Services will not be subject to Alberta’s prompt payment legislation.” Note that this is likely only the case where Alberta Infrastructure is involved directly in the financing or management of the project, and typically would only relate to large capital projects like the construction of a new hospital or major addition or renovation to an existing large health centre, projects which would be considered “public works” under the *Alberta Public Works Act*. Improvements to other health facilities provided under contract directly with Alberta Health would likely be subject to the prompt payment legislation.

This is our last set of FAQs although we are pleased to continue to provide complimentary webinars and answer any questions from industry after the August 29, 2022 effective date of the legislation.

We do however plan to collect any concerns or problems that industry members have or experience in the first six months of working with the new legislation in order to provide a listing of those to the industry and to Service Alberta. Service Alberta has indicated a willingness to review with industry stakeholders any significant problems experienced with the new legislation after the initial six months. Accordingly, please drop us a note or give us a call to let us know if you are experiencing any difficulties working with the new legislation.

We hope that our FAQs and complimentary webinar series has been helpful. We have been pleased to be part of the on-going effort to inform industry of the changes that the new prompt payment legislation will bring about in the construction industry. Take care.

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