

2024

2025



ARCANA
Alberta
Construction
Adjudication



ARCANA ALBERTA ANNUAL REPORT

TABLE OF CONTENTS

Introduction	2
ARCANA (AB) Structure	3
The Partners	4
Message from Leadership	5
What is Adjudication?	6
Benefits of Adjudication	6
Accessing Adjudication	7
Amendment to the ACT	8
Introduction to Bill 30	8
Roster of ARCANA Adjudicators	9
Training, Credentials, and Professional Development	9
ARCANA Fee Structure	10
Government Liaison	11
Construction Sector Advisory Council	12
Adjudication Statistics	13
ARCANA Website & Publications	23
Public, Legal, and Industry Education	23
Challenges	24
Testimonials	25
Conclusion	26
Contact Information	26
Appendices	26

Introduction

ARCANA (AB) is pleased to present its second annual report to the Government of Alberta, covering the period from April 1st, 2024 to March 31st, 2025. In Alberta the Prompt Payment and Construction Lien Act (PPCLA) and accompanying Regulation govern the adjudication process and the scope of the Adjudicator's duties. Recent Bill 30 amendments to the PPCLA were not in effect during this reporting period.

ARCANA (AB) has been appointed under the PPCLA as a Nominating Authority (NA), and offers an online roster of professional and experienced Adjudicators that are fully trained and certified. Service Alberta has extended ARCANA's mandate for an additional two years, ending in June 2027.

ARCANA (AB)'s second full year built on the success of its inaugural year, though it too came with its own set of challenges. The availability of accessible and affordable construction adjudication services in Alberta helps ensure that construction projects can advance to completion, that contractors get paid, that small businesses thrive, and that the Courts are relieved of a significant burden.

ARCANA (AB) Structure

ARCANA (AB) represents a partnership between the ADR Institutes of Alberta & Canada (ADRIA & ADRIC), and the Royal Institution of Chartered Surveyors (RICS). RICS has over 25 years of experience in the delivery of construction adjudication services around the world, and brings invaluable expertise and experience to the Nominating Authority (NA).

ADRIC and RICS have partnered to deliver an exceptional 40-hour training program for construction adjudicators. ADRIA & RICS administer and deliver NA services in Alberta and provide ongoing support and professional development to ARCANA (AB)'s roster of independent adjudicators. In its second year of operation, ARCANA (AB) continued to serve Albertans and the Province's construction sector by providing access to a trusted, Alberta-based Nominating Authority with world-class expertise in construction dispute resolution.

ARCANA (AB) adjudicators remain independent contractors, trained and certified by the NA, and appointed to individual files in accordance with the PPCLA and Regulation. Throughout the year, adjudicators upheld a strong commitment to professionalism—adhering to a strict Code of Conduct and fulfilling ongoing professional development requirements—to ensure that their decisions remain compliant with legislation, are ethically sound, and responsive to evolving sector standards.

The Partners

The Royal Institution of Chartered Surveyors (RICS)



The Royal Institution of Chartered Surveyors (RICS) is a globally recognized professional body that sets and upholds standards of excellence in land, property, infrastructure, and construction. With a commitment to integrity, transparency, and professional competence, RICS provides guidance, certification, and regulation to ensure trust and confidence in the built environment across both public and private sectors with over 20,000 adjudications over the past 25+ years pursuant to statutory and contractual regimes in the UK, Australia, New Zealand, Southern Africa, the Republic of Ireland and now Canada. The RICS training, accreditation and performance monitoring programs for construction adjudicators are regarded as the gold standard by industry professionals and users of adjudication globally.

The ADR Institute of Canada (ADRIC)



The ADR Institute of Canada (ADRIC) is recognized as Canada's preeminent self-regulatory professional Dispute Resolution organization. ADRIC sets the standard for best practices for ADR (Alternative Dispute Resolution) in Canada and provides leadership, value and support to our individual and corporate members and to our clients. ADRIC provides education and certification, promotes ethical standards and professional competency, and advocates for all forms of ADR for public and private disputes. ADRIC members include Canada's top dispute resolution professionals, many of whom are skilled and experienced in construction industry law and practice. ADRIC and RICS are working with individual Affiliates across Canada to support Provincial Construction Adjudication initiatives.

The ADR Institute of Alberta (ADRIA)



ADRIA is well known to the Provincial Government as Alberta's professional association of mediators, arbitrators, adjudicators and other ADR practitioners, and the source of ADR expertise in Alberta. ADRIA functions as an independent Regional Affiliate of ADRIC in the delivery of highly qualified and credentialed ADR professionals in all sectors of Alberta's economic and civil life. For over 20 years ADRIA has administered the Canadian Motor Vehicle Arbitration Plan (CAMVAP) in Western Canada, in partnership with the CAMVAP national body. ADRIA has represented the new ARCANA (AB) partnership throughout Service Alberta's consultation process and the drafting of prompt payment adjudication legislation, regulation and amendments. ADRIA staff provide the primary liaison between the Government of Alberta (Service Alberta and Red Tape Reduction & Alberta Infrastructure) and the Nominating Authority (NA).

Message from Leadership



Welcome to ARCANA (AB)'s second annual report! While the actual number of adjudications did not increase significantly in our second year, we have seen adjudications involving larger claims being determined.

Looking forward into ARCANA's third year, and noting the recent implementation of Bill 30, we expect greater improvements in the efficacy of adjudication for contracts that were entered into after April 1, 2025, and contracts falling under the Public Works Act. Notably the automatic stay provisions that applied when a judicial review is initiated have been eliminated. All owners, contractors, sub contractors, sub sub contractors, suppliers, etc. will benefit from this particular amendment.

ARCANA (AB) looks forward to applying the Bill 30 amendments, and to working with both the Government of Alberta and the construction sector to further enhance the delivery of adjudication services.

ARCANA (AB) is proud of its accomplishments this past year, and looks forward to another year of adjudications under the PPCLA and its recent amendments.

Sincerely,
Stephen Carter-Edwards, J.D., P. Eng., Q.Adj (Construction)
ADR Institute of Alberta President

What is Adjudication?

Adjudication is a form of expedited dispute resolution used to resolve construction disputes quickly and cost effectively. Used properly, adjudication and all forms of alternative dispute resolution (ADR) allow disputes to be resolved without recourse to litigation and the courts.

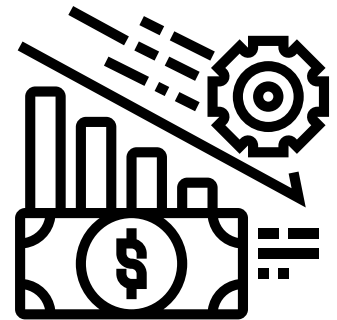
An independent Adjudicator is appointed by a Nominating Authority and the Adjudicator will make a determination in accordance with the Act and the Regulation. Adjudication is designed to be quick - the Regulation sets out a strict timetable which the Adjudicator and the parties must follow. This ensures that disputes are determined promptly - usually within one month of the Adjudicator receiving submission documents from both parties.

Adjudication is intended to be a straightforward process without the need to involve lawyers, though parties are encouraged to seek professional advice if they are involved in adjudication in order to familiarize themselves with their rights and remedies under the Act and Regulation.

Benefits of Adjudication

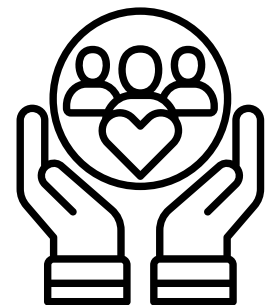
Quick and Cost effective

Adjudication is usually regulated by strict timetable that ensures determinations are made quickly. The Act and the Regulation usually require an Adjudicator to do so within 40-60 days of their appointment.



Protects Relationships

Disputes are resolved when they arise, avoiding unnecessary tension between the parties and potentially preserving the relationship.



Avoid Delays

An Adjudicator's determination is binding and must be complied with (unless steps are taken to have it suspended or set aside). This enables construction projects to continue even if the matter is eventually referred to court.



Accessing Adjudication

In its second year, ARCANA (AB) continued to offer an accessible and straightforward path to adjudication, requiring only the submission of a Notice of Adjudication to initiate the process, as set out in the Act and Regulation. To support this step, ARCANA (AB) maintains a user-friendly template, application form and guidance materials on its website. In many cases, the mere act of issuing the Notice—free of charge to the applicant—prompted meaningful dialogue with the respondent, sometimes even resulting in payment without further ARCANA (AB) involvement. These early, informal resolutions align with the goals of the Government's prompt payment initiative.

Within seven days of serving a Notice of Adjudication, NA fees become payable, triggering the formal adjudicator appointment process. ARCANA (AB)'s fee structure is designed to promote early dialogue between parties, including a reduced appointment fee when parties can agree on selecting an adjudicator. Once appointed, the adjudication proceeds in accordance with the legislated timelines. A comprehensive user guide outlining each step of the adjudication process remains available on ARCANA (AB)'s website.

To ensure accessibility, ARCANA (AB) continues to offer a tiered fee schedule, making adjudication accessible for a range of claim sizes. Additionally, information on cost-effective alternatives - particularly relevant for claims under \$15,000, or claims that lie outside of the legislation - is provided to assist users in making informed decisions about dispute resolution.



Amendment to the ACT

Initiated in 2024, the PPCLA underwent a consultation process to further refine Alberta's prompt payment and adjudication regime. The resultant amendments were informed by feedback from industry stakeholders and aimed to improve clarity, enhance procedural efficiency, and ensure the legislation continues to meet the needs of the construction sector. Key changes included updates to terminology, adjudication procedures, and compliance requirements—all designed to support the continued success of the prompt payment framework and adjudication services.

Introduction of Bill 30

Accordingly, the Alberta government introduced **Bill 30** which came into force on April 1, 2025. Bill 30 effected amendments to three acts: the Condominium Property Act, the PPCLA, and the Public Works Act - the latter falling under the Ministry of Infrastructure. Industry members and ARCANA (AB) had identified concerns with the PPCLA, including shortfalls in the adjudication process, rigidity around payments and holdback to the engineering and architectural consulting professions, ambiguity around when a construction contract was considered complete under the Act, and other uncertainties.

As excerpted from Hansard November 6, 2024: "The amendments would clarify that a contract is to be considered complete when the final payment has been made in full and would specify that adjudication rule will be available for 30 days after the date of completion. With regard to adjudication, Bill 30 includes amendments that will streamline adjudication processes to encourage contractors to access adjudication to resolve disputes as opposed to using the courts."

Bill 30 also introduced amendments to bring the prompt payment rules and processes to government of Alberta construction projects for amounts in dispute less than or equal to \$200,000 (the maximum amount referenced in section 9(l)(i) of the Court of Justice Act) and for projects that are not maintenance or P3.

While reinforcing the goals of timely payment and dispute resolution ARCANA (AB), as Alberta's authorized Nominating Authority, remains committed to aligning its practices with the legislative framework and ensuring a smooth transition under the now amended PPCLA.

Roster of ARCANA Adjudicators

In its second year, ARCANA (AB) expanded its roster from 9 to 14 independent adjudicators, reflecting steady growth in its capacity to meet anticipated demand, and offering a full range of legal and construction expertise as required by the PPCLA.

All adjudicators on ARCANA (AB)'s roster are highly trained, carry professional liability insurance, maintain their ADR Canada's Adjudication credentials, operate independently from the NA, and are held to a high standard through a strict code of conduct, ethics framework, and a transparent public complaint process. As the adjudication system continues to mature in Alberta, sustaining the availability and diversity of qualified adjudicators remains a key priority. Up-to-date adjudicator profiles are available for public viewing on ARCANA (AB)'s website.

Training, Credentials, and Professional Development

ARCANA (AB) adjudicators bring a minimum of 10 years of experience in the construction sector, ensuring deep industry knowledge and practical insight. Prior to joining the adjudication roster, candidates must complete over 40 hours of in class training and many hours of additional preparation time and pass a rigorous written evaluation. They are also assessed by a three-member review panel composed of seasoned experts in the field.

To maintain high professional standards, all adjudicators must be members of the ADR Institute of Alberta and the ADR Institute of Canada (ADRIA/ADRIC), and hold ADRI's national designation of Qualified Adjudicator (Construction), or Q.Adj(Const). This designation requires annual renewal through a Continuing Education & Engagement (CEE) program, ensuring that adjudicators remain current with developments in the field and continue to meet the expectations of the role.

ARCANA conducted several professional development webinar workshops over the reporting period to keep current and aspiring roster adjudicators abreast of the evolving legislation, caselaw, NA expectations and industry practices..

ARCANA Fee Structure

ARCANA (AB) offers a consistent and fair fee structure to users. Fees depend on the amount of the claim that is in dispute (not the overall value of the contract). There are two fees payable:

- Appointment fee – a nominal fee charged by the Nominating Authority for the appointment of the Adjudicator. This will vary depending on whether the parties can agree on the specific Adjudicator to be appointed or not (within the first week).
- Adjudicator's professional fee – the fees charged by the Adjudicator. A retainer or deposit is normally required at the time of appointment, ideally shared by the parties.

Before an adjudicator begins deliberations, must pay the adjudicator's deposit or retainer. To keep adjudication affordable, ARCANA (AB) has implemented a tiered fee structure based on the dispute's value, including capped fees for lower-value claims. ARCANA (AB) fees are structured within five tiers and posted online to ensure that adjudication services are affordable and accessible for construction projects and contracts of any scale.

Government Liaison

In its second year of reporting, ARCANA (AB) values the ongoing collaborative relationship with Service Alberta and has consistently taken every opportunity to offer thoughtful input as the Alberta Government continues to review and enhance the legislation. Similarly, as Bill 30 was formulated and introduced, ARCANA (AB) has appreciated the engagement opportunities afforded by Infrastructure Alberta as the Public Works Act enters the PPCLA prompt payment framework. As of April 1, 2025, Provincial public works contracts under \$200,000 now fall under the Prompt Payment and Construction Lien Act (PPCLA), marking a significant win for industry fairness following a period of sustained advocacy.

Another major development introduced by Bill 30 replaces the often-contested notion of “contract completion” with new “date of final payment” criteria. Throughout this and the previous reporting period, jurisdictional challenges under the Act commonly arose from disputes over when a contract was considered complete. ARCANA (AB) identified this legal ambiguity as a source of unnecessary conflict and worked to bring clarity to the process. Whether the new standard will fully eliminate similar challenges remains to be seen, but it represents a significant improvement. These changes reflect the government’s responsiveness to industry concerns and were championed by ARCANA (AB). They also underscore the collaborative impact in shaping a more transparent and reliable construction dispute resolution environment.

Construction Sector Advisory Council

Over the past two years, ARCANA (AB) has worked with the construction sector to encourage the establishment of a Construction sector Advisory Council (CSAC). The CSAC is intended to provide a broad range of industry perspectives that will provide input to the NA and support its efforts to enhance usage of the adjudication process. Meeting as a fully representative body for the first time in early 2025, the CSAC has begun liaising with the NA and educating itself in regard to the accessibility, effectiveness and challenges of NA adjudication services. CSAC representation now includes the following: Alberta Roofing Contractors Association, Alberta Road Builders Association, Alberta Trade Contractors Council, Mechanical Contractors Association, BILD, Concrete Alberta, General Contractors Association of Alberta and the Electrical Contractors Association.

ARCANA (AB) appreciates recent efforts to increase the depth of the CSAC, and the opportunities it has accepted to be fully informed of NA performance, successes and challenges. An early gain for the CSAC is ARCANA (AB)'s introduction of post-determination surveys now issued to those expecting payment. Survey submissions are voluntary, but will provide feedback to the NA and CSAC as to the effectiveness of the adjudication process in securing payment. Initial feedback from the newly constituted CSAC is attached, accompanied by feedback from ARCANA (AB) on the points raised. Most importantly, ARCANA (AB) looks forward to future engagement with the CSAC, greater collaboration, and opportunities to promote construction adjudication within the sector.

Adjudication Statistics

1. Introduction

This report provides an overview of ARCANA (AB) Nominating Authority adjudication activity over the 12-month period from 1 April 2024 to 31 March 2025. It examines trends in application volumes, geographic distribution, financial values of disputes, case outcomes, jurisdictional challenges, party representation, and adjudicator workload. The findings indicate a modest increase in the number of notices of adjudications compared to the previous year, with a broader geographic spread of cases and insights into dispute resolution trends within Alberta's construction industry.

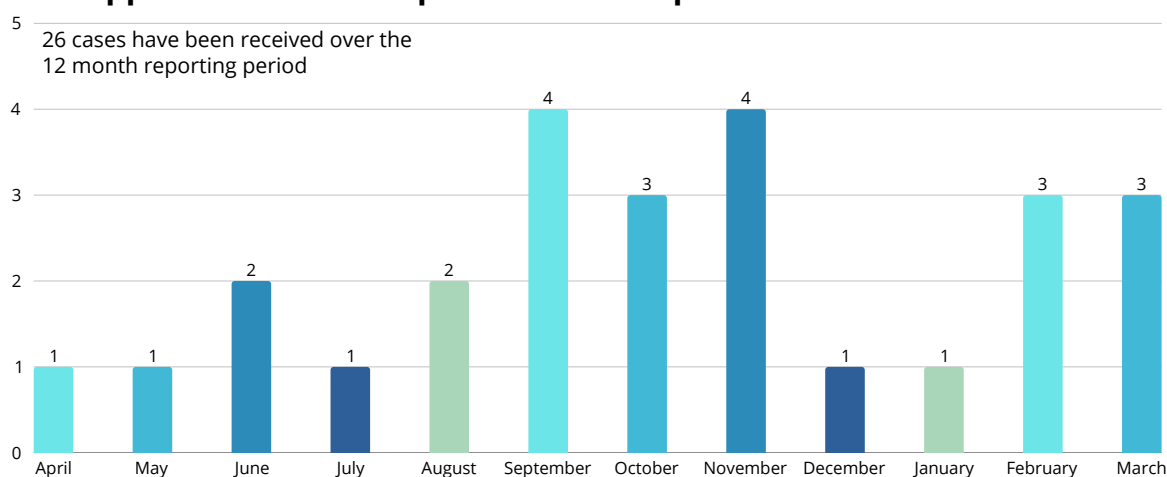


Adjudication Statistics

2. Application Volumes and Trends

Over the reporting period, a total of 26 adjudication notices were received, representing a modest increase from the 23 adjudication notices recorded in the previous year. While the overall number rose slightly, there was a notable shift toward higher-tier, more complex files, indicating a deepening trust in the adjudication process within Alberta's construction sector.

Application volumes per month 1st April 2024 - 31st March 2025



Notices were received consistently throughout the year, with a notable increase in activity from September to March. September and November recorded the highest number of applications, with four files each, suggesting that disputes often arise or escalate during the latter half of the year. In contrast, adjudication notice volumes were lower in the spring and early summer, with only one file each in April, May, and July. However, there was a clear increase in adjudication notice during the summer months compared to the previous year, where no cases had been recorded between June and August.

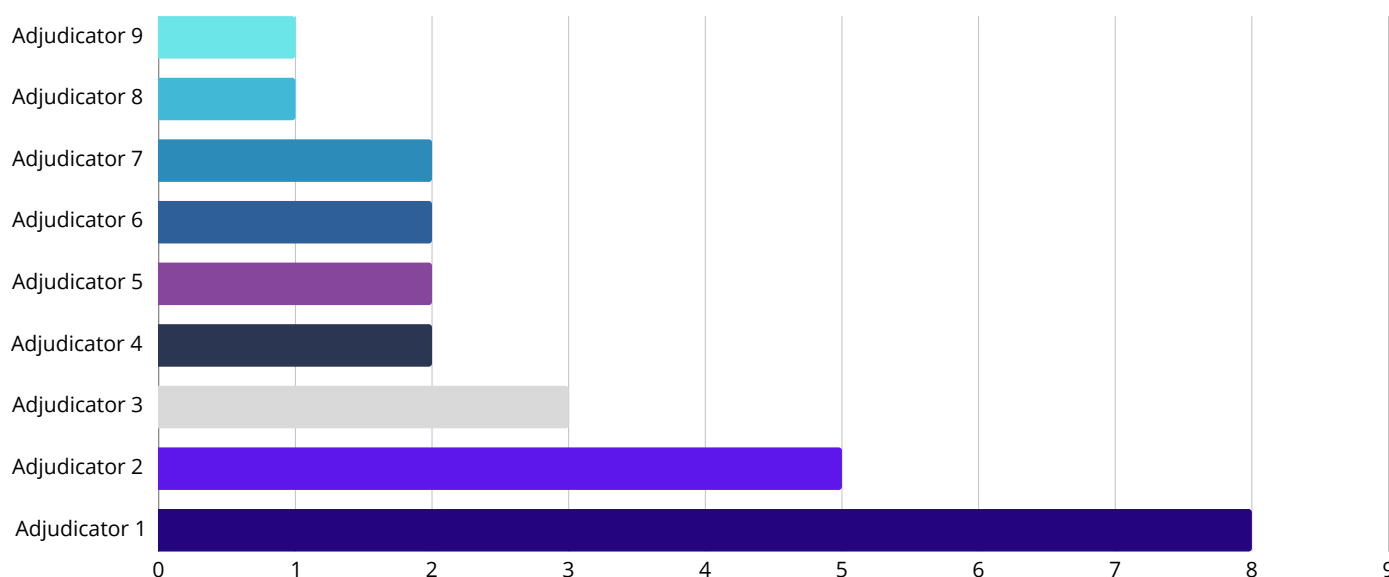
The higher number of adjudication notices in the latter half of the year may reflect project timelines, payment disputes, or the impact of financial pressures accumulating over time. The steady rise in adjudications suggests that stakeholders are increasingly relying on this dispute resolution mechanism to address contractual disagreements.

Adjudication Statistics

3. Allocation of Cases

At the conclusion of the reporting period, there were 14 adjudicators registered on the roster. Five new adjudicators joined the roster over the reporting period, adding skills and experience to the ARCANA line-up.

Allocation of cases to ARCANA (AB) Roster Adjudicators



For higher value files, parties generally agree on an adjudicator. When parties opt to agree on an adjudicator, Adjudicators 1-3 are frequently suggested, as reflected in the allocation chart. It's worth noting that these 3 adjudicators are legally trained.

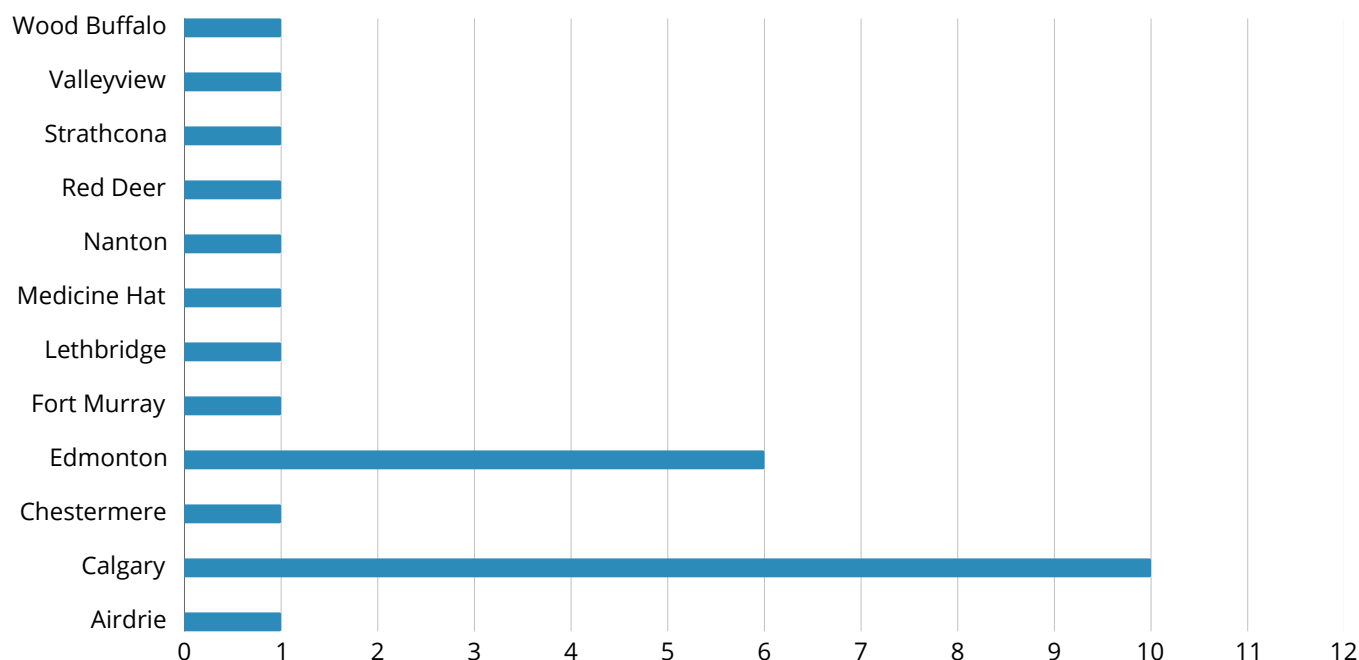
Out of the 26 files, 12 suggested specific name(s) for their adjudication.

Adjudication Statistics

4. Geographic Distribution of Cases

The files were spread across 12 municipalities in Alberta, demonstrating a broader reach beyond the major urban centres. Calgary and Edmonton accounted for the majority of adjudications, with Calgary leading at 10 files and Edmonton following with six. However, there was also notable activity in smaller municipalities, including Airdrie, Chestermere, Fort McMurray, Lethbridge, Medicine Hat, Nanton, Red Deer, Strathcona, Valley view, and Wood Buffalo, each contributing one case.

Location of applications received within Alberta

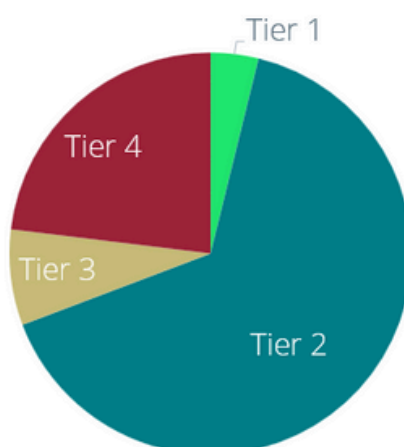


This wider geographic distribution suggests that adjudication is becoming a more accessible and recognized dispute resolution process across the province, rather than being limited to the largest commercial hubs. The presence of cases in multiple smaller municipalities suggests that stakeholders in regional and rural areas are increasingly utilizing adjudication to resolve their disputes.

Adjudication Statistics

5. Financial Value of Cases

Tier level of applications received



The adjudication files varied significantly in financial value, with a mix of lower-value disputes and more substantial claims. Most files fell within the mid-range value categories, particularly between \$15,000 and \$500,000. While smaller disputes under \$15,000 were present, they did not dominate the caseload like the previous year. There were also some high-value files reaching up to \$5 million, though no files exceeded this threshold.

Notably, there were no adjudications for disputes exceeding \$5 million, which could suggest that the highest value construction disputes continue to be resolved through arbitration or litigation rather than adjudication. The data highlights adjudication's effectiveness for mid-range claims, particularly in providing a swift resolution mechanism for contractors and subcontractors dealing with payment disputes.

Adjudication Statistics

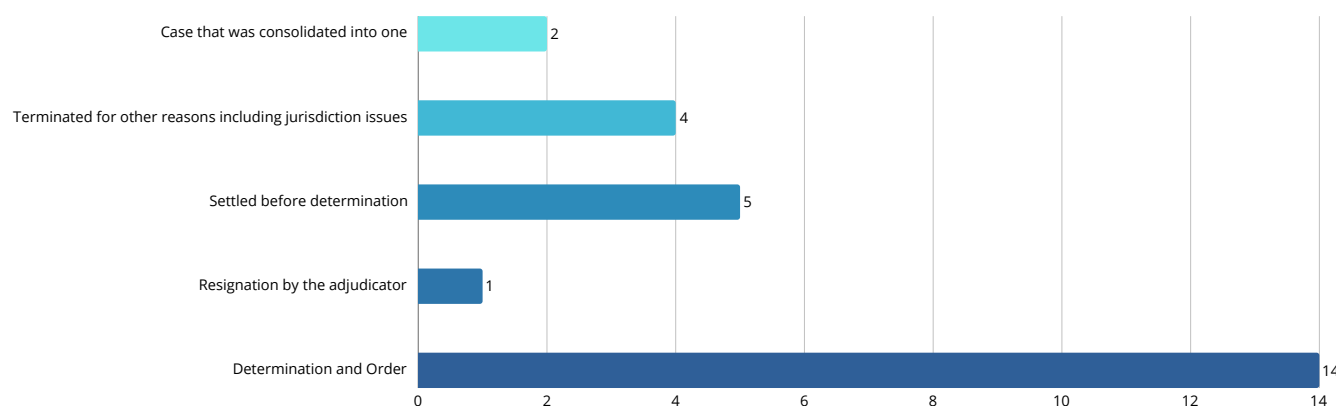
6. Case Outcomes

Of the 26 files processed, 14 resulted in a determination and order issued by the adjudicator, making it the most common outcome. Five files were settled by agreement between the parties before a determination was made, while four others were terminated for reasons other than settlement. Two files were consolidated into one and one adjudicator resigned from the file.

In relation to files that were terminated due to a matter other than settlement the following reasons were observed:

- No jurisdiction
- The matter being close to settlement, and it was cheaper to withdraw than pay the adjudicator
- The respondent was successful on a jurisdictional challenge

File Outcomes



The figures indicate that adjudication is being actively used to achieve enforceable agreements, though pre-determination settlements also play a significant role.

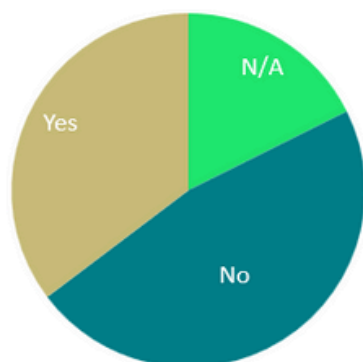
Adjudication Statistics

7. Jurisdictional Challenges and Party Representation

For the 14 files that proceeded to determination, jurisdictional challenges were raised in six of these files, while eight files were concluded without challenge. This suggests that, while jurisdictional disputes arise in a notable portion of adjudications, many cases still proceeded without the parties raising jurisdictional concerns.

Jurisdictional challenges and party representation

■ Was there a jurisdictional challenge?



■ Were the parties represented?



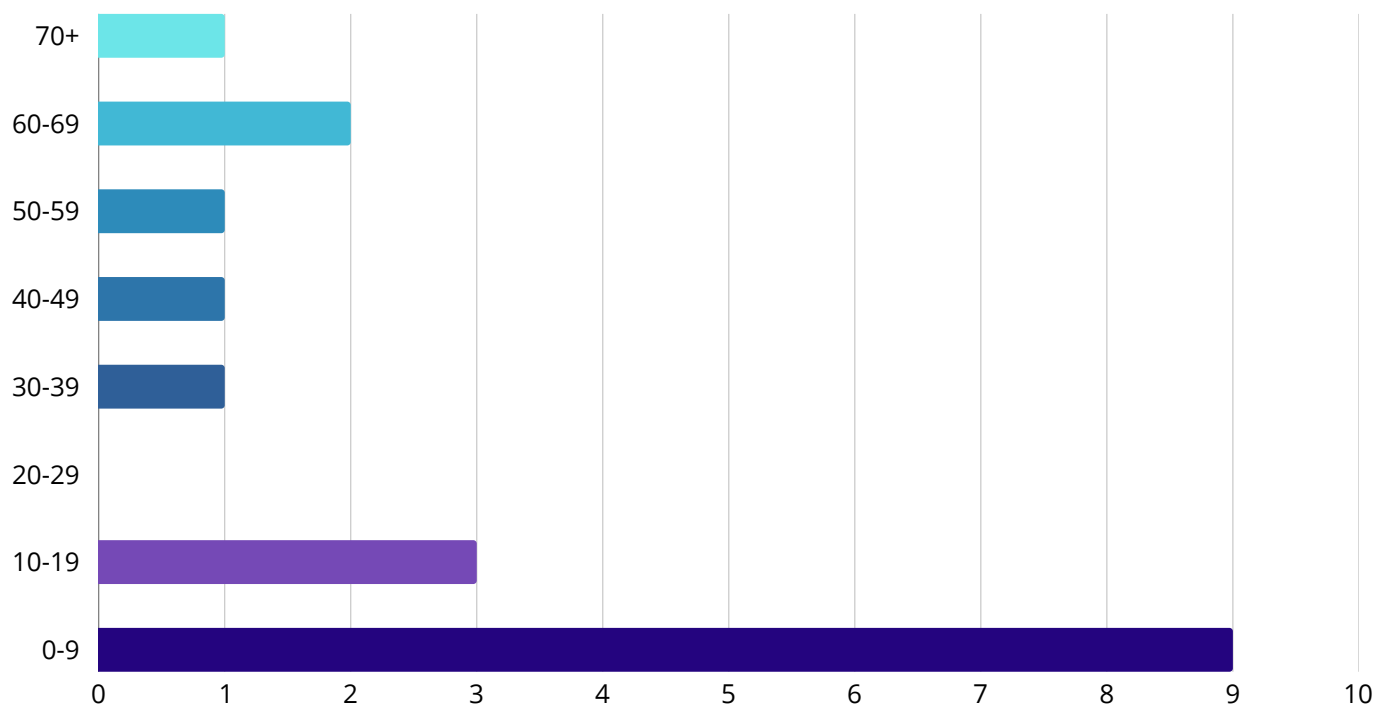
In terms of legal representation, six determinations involved both parties being represented, although many parties proceed without legal counsel. While legal representation is relatively common, it is not universal, with some parties choosing to navigate the adjudication process independently. This could be an area for further exploration to encourage greater access to representation for parties such as 30 minute free helpline to legal counsel with a view to parties instructing counsel and this will in turn provide additional support to adjudicators managing cases with unrepresented parties.

Adjudication Statistics

8. Adjudicator Workload

The hours devoted to adjudications vary significantly depending on the complexity of the dispute. The majority of cases required less than 10 hours of adjudicator time, indicating that many disputes were relatively straightforward. However, a small number of files demanded a higher level of engagement, with some adjudications requiring between 50 and 70 hours to reach a conclusion.

Hours devoted to the case by the adjudicator



This variation highlights the diverse nature of adjudication cases, with some files requiring extensive review, evidence analysis, and deliberation.

Understanding these workload patterns is essential for resource planning and ensuring that adjudicators are allocated files appropriately based on their complexity.

Adjudication Statistics

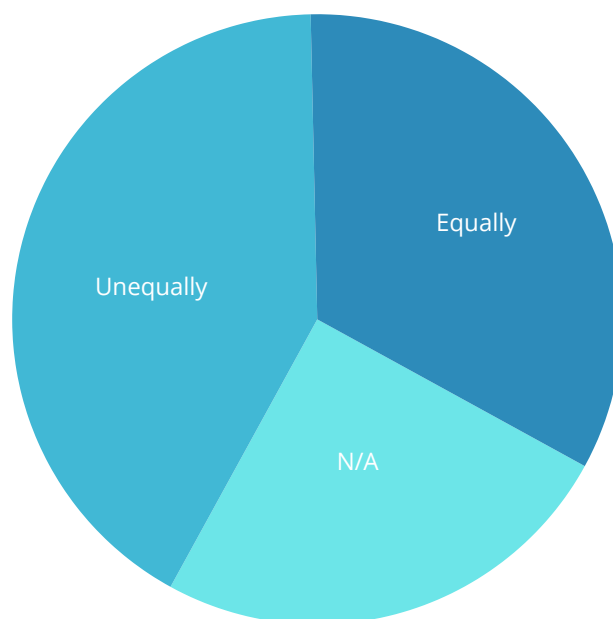
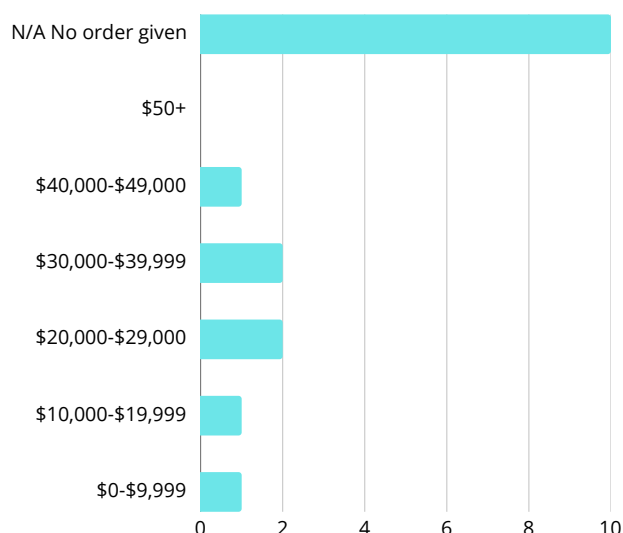
9. Financial Orders Issued

In files where financial orders were issued, the amounts varied significantly. One file resulted in an order below \$10,000, while another fell in the \$10,000-\$19,999 range. The most common financial orders were between \$20,000 and \$49,999, with five files falling within this range. Notably, there were no cases where the financial order exceeded \$50,000. This clearly demonstrates a positive cost-effective approach to adjudication procedures.

A significant portion of files—10 in total—did not result in a financial order, either because they were settled, terminated, or did not require a monetary determination. Suggesting that, while adjudication is often used for resolving payment disputes, its role extends beyond purely financial claims to procedural and contractual matters.

Costs and apportionment

- the total amount required to be paid(if any) under the order issued.
- How the cost was allocation with the parties



Adjudication Statistics

10. Conclusion and Key Takeaways

The past year has seen a modest increase in adjudication activity, reflecting confidence in the process, but room for growth. The broader regional distribution of cases suggests that adjudication is accessible across Alberta, rather than being concentrated in major centres.

Key trends from this report include:

- A **modest increase in notices and applications**, indicating greater awareness and use of adjudication.
- A **broader geographic reach**, demonstrating that adjudication is being utilized beyond Calgary and Edmonton.
- A **diverse range of case values**, with the majority falling within the mid-range financial categories.
- A **variety of case outcomes**, with adjudication determinations being the most common, but settlements and terminations also playing a role.
- A **mixed approach to legal representation**, with some parties opting to represent themselves while others engage legal counsel.
- A **wide range in adjudicator workload**, suggesting that cases vary significantly in complexity and time requirements.

As adjudication continues to gain traction in Alberta, it will be important to monitor these trends and ensure that the process remains efficient, accessible, and responsive to the needs of the construction sector. The continued submission of notices and applications suggests that adjudication is steadily becoming an integral and accepted part of construction dispute resolution in Alberta.

ARCANA Website & Publications

The ARCANA (AB) webpages are embedded in the ADRIA website and frequently attract positive feedback. Numerous drop-down menus provide access to detailed information, videos, charts and guidebook publications. Website improvements are currently being introduced to create new content (e.g. FAQs), optimize the web search criteria, and create an improved stand-alone directory of ARCANA (AB) adjudicators.

Public, Legal, and Industry Education

ARCANA (AB) has exhausted its capacity to reach external audiences within the construction and legal sectors, and needs greater support from Government and/or the Construction Sector. Industry presentations have been scarce and often poorly attended. The construction sector pressed hard for this legislation, and ARCANA (AB) is reliant on their ability to influence the sector and provide outreach opportunities.

Similarly, ARCANA (AB) seeks opportunities in the legal sector to better inform those working in construction law about the advantage of early dispute resolution and their obligations under the Act. Finally, the Government of Alberta is heavily invested in the success of the PPCLA. Government resources would make possible greater outreach and public exposure to the benefits of construction adjudication.

ARCANA (AB) has spoken at a number of events including the following:

- October 15, 2024 - DESA Glass – Calgary
- October 24, 2024 - BuildEx – Calgary
- November 15, 2024 - Podcast – HMC LLP – Calgary
- November 19, 2024 - Consulting Architects of Alberta – Edmonton
- November 26, 2024 - ARCANA – Education Forum – CSAC was invited and asked to promote.
- December 5, 2024 - The Building Show – Toronto
- January 29, 2025 - MNP – Edmonton
- January 30, 2025 - AWMAC – Edmonton
- February 27, 2025 - BuildEx – Vancouver

Other organizations approached without a presentation date yet scheduled.

- The Edmonton Construction Association
- APEGA - Edmonton



Challenges

Jurisdictional challenges were again the biggest obstacle to successful adjudications during the reporting period, notably the issue of “contract completion”. This and other challenges posed by the original PPCLA are well documented in last year’s Annual report and, with the recent introduction of the Bill 30 amendments, need not be repeated here.

The amended Act will resolve a number of the challenges previously encountered, notably the de-facto stay provisions that served to frustrate the intent of the legislation. “Contract completion” considerations have been replaced with new “date of final payment” criteria. Whether the new standard will fully eliminate similar challenges remains to be seen, but it represents a significant improvement.

A continuing and growing challenge is linked to the increased scale of the claims filed, and the increasing inclusion of legal representation. Accessing legal representation is not in itself to be discouraged, but the process of selecting and agreeing upon an adjudicator has increasingly skewed towards adjudicators with legal experience. ARCANA (AB) is obligated by the PPCLA to provide a balanced roster of adjudicators that offers expertise in all aspects of construction, not just construction law. Many adjudications do not require a legally trained adjudicator, but the legislation and ARCANA (AB)’s fee structure encourage the parties (increasingly assisted by their legal counsel) to agree upon an adjudicator. This has resulted in under-usage of ARCANA’s non-lawyer adjudicators, and internal calls for change. Public education, website and outreach efforts will help - ideally assisted by the CSAC and/or Government. An upcoming ARCANA focus group with its adjudicators will also seek solutions to mitigate this challenge.

A second internal challenge faced by ADRIA as an integral partner has been the lack of dedicated paid staff - relying instead on shared staff and a voluntary working group. This has recently changed with the addition of a paid part-time staff member whose efforts are dedicated exclusively to supporting ARCANA (AB).



Testimonials

ADRIA feedback from applicants and clients has been generally positive, including the adoption of several suggestions that served to enhance the program or website. CSAC feedback has also been helpful in highlighting areas for improvement. The newly introduced post-determination survey has also provided encouraging feedback and testimonials. One particular testimonial is particularly insightful, especially given that the adjudication itself was discontinued for jurisdictional reasons, yet set the stage for dialogue and resolution:

"We chose to initiate an adjudication under the Prompt Payment and Construction Lien Act (PPCLA). Although the adjudication ultimately didn't proceed due to a jurisdictional challenge, the process of preparing and exchanging documents gave all parties a clearer understanding of the issues. As a result, both the Owner and the Prime Contractor came back to the negotiating table. Discussions are ongoing, and I'm optimistic that we're close to a resolution.

One key takeaway is this: adjudication isn't just for prompt payment or unpaid invoices. Under the PPCLA, you can adjudicate a wide range of construction-related disputes. That includes the valuation of work or materials—whether it's base scope or part of a written or proposed change order, approved or not. It can also be used for payment issues, holdback disputes (major or minor lien fund), and even delay claims or general contract disputes—so long as they relate to the construction contract. And if both parties agree, you can adjudicate virtually any issue under the contract, whether or not it stems from a formal invoice or lienable work.

Another important point: parties can't contract out of adjudication under the PPCLA. That means many of the delay tactics historically used to drag out payment and dispute resolution are no longer viable.

The PPCLA provides powerful tools for all stakeholders in the construction industry—including Owners, Architects, Engineers, Contract Administrators, Contractors, Subcontractors, and Suppliers—to resolve payment issues and disagreements efficiently and cost-effectively. It promotes transparency, accountability, and timely resolution, which benefits the entire project ecosystem.

This process has real potential to change how disputes are resolved in Alberta's construction industry. All stakeholders—including the Nominating Authority and adjudicators—should be actively looking for opportunities to use the PPCLA and to inform and educate the industry about its benefits. I strongly encourage other contractors and subcontractors to take the time to understand what the PPCLA offers—and to use it."

Conclusion

Annual Reports tend to be retrospective as they reflect on the past year and provide commentary on the successes and areas where fulfillment may be lacking in order to suggest improvements. This Annual Report is demonstrative of this having set out the statistics, educational efforts, challenges and updates to the roster of adjudicators. That said prospectively, ARCANA (AB) is looking forward with great expectations to its third year of operation given the amendments to the legislation, a more fulsome roster, increasing industry acceptance of adjudication as a means of resolving disputes during the course of construction and more opportunities to spread the word.

Contact Information

ARCANA (AB) is responsive to questions and feedback from all sectors, public and private. Responses are assured within 2 business days.

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Appendices

1. Construction Sector Advisory Council (CSAC) - Annual Review
2. ARCANA's response to the CSAC review

Appendix 1: Construction Sector Advisory Council (CSAC) - Annual Review

June 2025

Construction Sector Advisory Council (CSAC) – Annual Review

This marks the second annual report from the Construction Sector Advisory Council (CSAC) to ARCANA. The 2024–2025 CSAC membership reflects a strong cross-section of Alberta’s construction industry—particularly those groups most likely to engage with the province’s adjudication process. The full membership list is included at the end of this report.

Legislative Context and Sector Impact

As ARCANA enters its second year of operations, ongoing legislative uncertainty continued to affect stakeholder confidence and engagement. The passage of Bill 30 in April 2025 marks a positive step forward, addressing several key concerns raised by industry, including the introduction of a no-stay provision, which is expected to enhance trust in the adjudication process.

However, additional legislative refinement will be necessary to build confidence and encourage greater participation in adjudication going forward. CSAC looks forward to continued collaboration with ARCANA and government partners to ensure these improvements reflect industry needs.

Adjudication Uptake and Data Collection

While we’ve observed a modest increase in adjudication activity this past year, overall uptake remains low. This trend is consistent with other jurisdictions, where adjudication typically takes time to gain momentum. The delayed passage of Bill 30 likely contributed to this hesitation.

Early data collection efforts have already yielded valuable insights into both effective practices and areas needing attention. We believe continued tracking—alongside structured participant surveys—will provide a stronger foundation for data-driven improvements in the year ahead.

Website Usability and Public Awareness

CSAC members have consistently heard from contractors and legal professionals that there is a limited understanding of adjudication: its benefits, the barriers to initiating a claim, and the responsibilities following an adjudicator's decision.

Improving website content and usability is a key step forward. A more accessible, user-friendly ARCANA website would go a long way in supporting both industry and legal professionals.

Additionally, current outreach and educational initiatives remain underdeveloped. We recommend ARCANA prioritize the development of a coordinated awareness strategy that includes:

- A public calendar of industry events,
- Scheduled adjudication-focused presentations,
- Educational content for distribution,
- And integration with existing industry forums.

With ARCANA's recent hiring of an administrative assistant, we encourage leveraging this capacity to develop and distribute these materials and to collaborate with trained speakers for event participation.

Industry Feedback and Legal Guidance Challenges

In an informal survey of affiliated trade associations, CSAC noted limited use of adjudication. Among those who had engaged, feedback was largely negative. A recurring theme was that many contractors were advised by legal counsel to bypass adjudication in favor of litigation or lien remedies.

One key concern was the uncertainty around jurisdiction, which can lead to wasted time and costs if not addressed early. Contractors emphasized the need for a way to identify jurisdictional issues upfront.

To address this, CSAC recommends developing and publishing a Pre-adjudication Checklist contractors can use to identify legal and jurisdiction issues; see Appendix A). This practical tool would help:

- Contractors determine whether their claim meets the necessary conditions,
- Responding parties assess and raise jurisdictional concerns promptly,
- And adjudicators provide procedural direction early in the process.

Encouraging adjudicators to resolve jurisdictional issues at the outset can help ensure efficient resolution and avoid unnecessary costs. While we recognize the checklist cannot address every scenario, it will provide a helpful starting point and enhance preparedness.

Clarity through FAQs

Another improvement opportunity is the Frequently Asked Questions (FAQ) section of the ARCANA website, which remains empty. This is a missed opportunity to demystify common procedural issues, such as jurisdictional limitations and timelines.

We strongly recommend populating this section with practical guidance based on feedback, user questions, and real experiences. A well-maintained FAQ will become an essential tool for supporting both new and returning adjudication users.

Participant Feedback and Process Evolution

CSAC supports ARCANA's efforts to follow up with participants and gather input on their adjudication experiences. We encourage this work to continue and grow into a broader feedback loop to support continuous improvement in both process and communication.

Financial Transparency and Fee Structure

No financial information was available in ARCANA's annual report. As affordability is central to industry trust and long-term viability, CSAC continues to monitor the fee structure closely.

We acknowledge that adjudication uptake builds gradually over time. During this critical early phase, maintaining financial stability and transparency is essential to support sustained growth and confidence in the process.

In Closing

CSAC appreciates the progress made to date and acknowledges the efforts of ARCANA in launching and stewarding this important initiative. As we look ahead, we emphasize the importance of:

- Ongoing legislative refinement,
- Improved public education and outreach,
- Greater clarity and transparency in the adjudication process,
- And stronger ties between ARCANA, the construction industry, and the legal community.

We remain committed to supporting ARCANA's mandate and contributing to a system that is clear, accessible, and trusted by all stakeholders.

Respectfully submitted,



Terry Milot
Chair, CSAC

CSAC Stakeholders

- BILD Alberta – Adil Kohil
 - General Contractors – Jason Portas
 - Concrete Alberta – Rob Lali
 - Alberta Road Builders & Heavy Construction Association – Dennis Leonard
 - Alberta Trade Contractors Council (ATCC) – Terry Milot (Electrical) and Tim Padfield (Mechanical)
 - Building Trades of Alberta – Terry Parker
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Appendix A: Pre-Adjudication Jurisdictional & Legal Checklist

To help parties evaluate the appropriateness of adjudication and identify jurisdictional concerns early, the following checklist is provided:

1. Was the work performed in the province of Alberta?
2. Is the nature of the work covered by the Prompt Payment and Construction Lien Act?
3. Does the contract specify Alberta law as governing?
4. Was a proper invoice issued (if required)?
5. Was there a valid, enforceable agreement?
6. Is the claim being brought within allowable timelines?
7. Are the correct legal parties named?
8. Is there a potential or actual conflict with the proposed adjudicator?

Note: This checklist is expected to evolve as adjudication practice matures.

Appendix 2: ARCANA's response to the CSAC Annual Review

ARCANA's response to CSAC annual review dated June 2025

ARCANA(AB) welcomes the continuing advice of CSAC respecting ARCANA(AB)'s operations. ARCANA(AB) believes, however, that a response is necessary to some of the content and recommendations contained in the CSAC second annual report.

"Website Usability and Public Awareness"

While the ARCANA(AB) webpage continues to evolve, ARCANA(AB) must advise that it has received little or no criticism of its content or usability. That said, imminent improvements include populating the "FAQ's" section and adding a new section on relevant adjudication caselaw.

As for a "coordinated awareness strategy", as set out in ARCANA(AB)'s report, ARCANA(AB) representatives have spoken at many industry events over the past years and are continuing to do so. In this regard, however, ARCANA(AB) relies heavily on invitations from the construction sector for adjudication-focused presentations. ARCANA(AB) representatives are usually available to attend and speak at industry events and would be pleased to publish a calendar of such events on its webpage. CSAC, and other industry organizations, are better connected with the construction sector to obtain and schedule such speaking opportunities and to provide content for such a calendar.

"Industry Feedback and Legal Guidance challenges"

The feedback which ARCANA(AB) has received regarding the use of adjudication has, contrary to CSAC's feedback, been largely positive. Some negative feedback, largely from unsuccessful parties, is inevitable. Negative feedback is often generated by a lack of understanding of the adjudication process (hence the need for greater education as correctly pointed out by CSAC) and by the constraints and weaknesses in the legislation (also correctly pointed out by CSAC). We hope that by continuing education, improved webpage content, and, possibly, further amendments to the legislation, negative feedback will diminish over time.

As for a **“Pre-adjudication Checklist”** ARCANA(AB) believes that its existing webpage content, including the forthcoming “FAQ’s” and “Caselaw” sections referred to above, will be a more effective way of educating users regarding jurisdictional and legal issues than a checklist. Indeed, the “FAQ’s” section will specifically outline the jurisdiction of adjudicators and the procedure for addressing jurisdictional disputes. Suffice it to say, for now, that jurisdictional challenges are a function of the Prompt Payment and Construction Lien Act and Prompt Payment and Adjudication Regulation which govern the adjudication process. That legislation (coupled with rules of procedural fairness) not only restricts the types of disputes adjudicators can resolve, but prevents adjudicators from resolving jurisdictional challenges “at the outset” in most instances.

This is due to the fact that the adjudicator cannot resolve such issues before receiving submissions from the parties, including submissions from the parties on the merits of the dispute or even whether they wish the adjudicator to resolve a jurisdiction issue before resolving the dispute on the merits. That said, regarding the recommended “Pre-Adjudication Jurisdictional & Legal Checklist”, considerable revision to that checklist would be necessary before it would be of much assistance to users of adjudication. And, as stated above, a review of the ARCANA(AB) webpage content, including the “FAQ’s” section, would be more valuable to users than a checklist.

Once again, ARCANA(AB) thanks CSAC for its advice regarding adjudication in Alberta and looks forward to CSAC’s assistance in helping adjudication gain traction in the Province, particularly with identifying and scheduling educational opportunities.



“Legislation and adjudication must follow, and conform to, the progress of society” - Abraham Lincoln

