

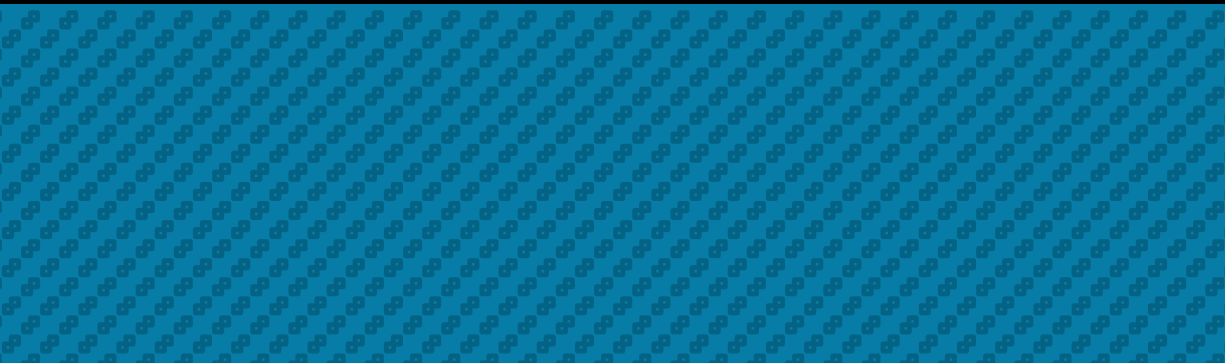


THE GUIDE TO CONSTRUCTION ARBITRATION

FIFTH EDITION

Editors

Stavros Brekoulakis and David Brynmor Thomas KC



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Publisher's Note

Global Arbitration Review (GAR) is delighted to publish *The Guide to Construction Arbitration*.

For those unfamiliar with GAR, we are the online home for international arbitration specialists, telling them all they need to know about everything that matters. Most know us for our daily news and analysis service. But we also provide more in-depth content – books and reviews, conferences and handy workflow tools, to name just a few. Visit us at www.globalarbitrationreview.com to find out more.

Being at the centre of the international arbitration community, we regularly become aware of fertile ground for new books. We are therefore delighted to be publishing the fifth edition of this guide on construction arbitration.

And to have worked with so many leading firms and individuals to produce it. More and more these days, 'construction' seems to be where international arbitration is at.

If you find it useful, you may also like the other books in the GAR Guides series. They cover energy, mining, challenging and enforcing awards and post-M&A disputes in the same practical way. We also have books in the series on advocacy in international arbitration, evidence and damages, and a citation manual (Universal Citation in International Arbitration).

My thanks to the editors, Stavros Brekoulakis and David Brynmor Thomas KC, for their vision and energy in pursuing this project and to my colleagues in production for achieving such a polished work.

David Samuels

Publisher, GAR

September 2023

CHAPTER 23

Construction Arbitration in Canada

Bruce Reynolds, Sharon Vogel and Nicholas Reynolds¹

Introduction

Canada's construction market totalled approximately C\$356 billion in 2022, with a projected average annual growth rate of more than 2 per cent during 2024–2027.² According to the Canadian Construction Association, in 2022, the construction industry accounted for 7.5 per cent of Canada's gross domestic product,³ and Statistics Canada indicates that, for 2022, investment in building construction by itself amounted to around C\$246 billion.⁴

Not surprisingly, construction disputes are frequent in Canada. They are most often resolved through an alternative dispute resolution process as opposed to litigation. Many Canadian construction contracts contain mandatory stepped

1 Bruce Reynolds is a co-managing partner, Sharon Vogel is a partner and Nicholas Reynolds is an associate at Singleton Urquhart Reynolds Vogel LLP.

2 GlobalData, 'Canada Construction Market Size, Trend Analysis by Sector (Commercial, Industrial, Infrastructure, Energy and Utilities, Institutional and Residential) and Forecast, 2023-2027' [28 June 2023] (<https://www.globaldata.com/store/report/canada-construction-market-analysis/#::~:~:text=The%20Canada%20construction%20market%20size%20was%20%24355.9%20billion%20in%202022> [accessed 10 August 2023]).

3 Canadian Construction Association, 'The impact of the construction industry is everywhere' (April 2023) ([https://www.cca-acc.com/about-us/value-of-industry/#::~:~:text=Construction%20employs%20over%201.4%20million,gross%20domestic%20product%20\(GDP\)](https://www.cca-acc.com/about-us/value-of-industry/#::~:~:text=Construction%20employs%20over%201.4%20million,gross%20domestic%20product%20(GDP)) [accessed 10 August 2023]).

4 Statistics Canada, 'Investment in Building Construction' (as at July 2023) (<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3410017501&pickMembers%5B0%5D=1.1&pickMembers%5B1%5D=3.1&pickMembers%5B2%5D=4.1&cubeTimeFrame.startMonth=01&cubeTimeFrame.startYear=2022&cubeTimeFrame.endMonth=12&cubeTimeFrame.endYear=2022&referencePeriods=20220101%2C20221201> [accessed 10 August 2023]).

negotiations followed by mediation, then arbitration. Although arbitration statistics are not formally tracked or published across Canada, arbitration has increasingly become a preferred means of dispute resolution since the 1990s. In addition, dispute resolution boards are increasingly used on larger projects.

Arbitration continues to grow in popularity across Canada, both in its use and its users' sophistication, both within the construction industry and more broadly.

In this chapter, we consider some of the key aspects and idiosyncrasies of construction arbitration in Canada.

Bijural system

Canada is a federation, with a single (i.e., nationwide) federal government as well as 10 provincial and three territorial governments. The province of Quebec is a civil law jurisdiction, where the Civil Code of Quebec applies, whereas the other provinces and territories are common law jurisdictions.

The Constitution Act, 1867 – which allocates jurisdiction by subject matter between the federal government and the provinces – allocates the law of contract to the provinces and territories.

Although Canada's two legal frameworks differ in certain important particulars, many of the practical remedies afforded to parties under both systems are not dissimilar in relation to construction contracts. Similarly, perhaps because of the bijural nature of the Canadian legal system, some areas of common law have been influenced by the civil law – for example, the law of unjust enrichment – resulting in certain divergences from other common law countries.

Given the prevalence of the common law, most Canadian arbitrators will have a common law background and, therefore, will tend more closely towards UK-style or US-style discovery than the narrower civil approach. Nevertheless, Canadian common law arbitrators tend to adopt a moderate approach by limiting or altering

the scope and form of certain components of discovery, such as by (1) allowing for the giving of evidence by way of witness statement rather than direct examination, and (2) conducting documentary discovery by way of Redfern Schedules.⁵

Applicable legislation

Canada is a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention); however, pursuant to Article I of the Convention, Canada declared that the Convention applies only to legal relationships that are considered ‘commercial’ under the laws of Canada, except in the case of the Province of Quebec, where the law does not provide for this limitation.

In addition, in June 1986, Canada adopted the Model Law on International Commercial Arbitration (adopted by the United Nations Commission on International Trade Law in 1985 (the Model Law)) via the United Nations Foreign Arbitral Awards Convention Act. The Model Law provides the basis for all international arbitration legislation in Canada, with the exception of Quebec. Each province’s legislation is somewhat idiosyncratic and varies to differing degrees in terms of reliance on the Model Law.

Furthermore, each province and territory has its own domestic and international arbitration legislation, while federal commercial arbitration is governed by the Commercial Arbitration Act. Parties to an arbitration agreement may agree to vary or exclude certain provisions of the legislation, with the exception of various mandatory requirements (e.g., the parties must be treated equally and fairly). Generally, domestic legislation is more permissive in terms of the provisions that parties are entitled to exclude, whereas international legislation

5 Redfern Schedules are one of the most common methods – if not the most common – for managing documentary discovery in arbitration. In particular, they provide a framework for the production of documents to counterparties, insofar as they include standardised columns that track document requests, the parties’ positions on each request, and ultimately the arbitrator’s rulings to the extent that the parties disagree. The Redfern Schedule process will typically proceed as follows: (1) parties to the arbitration will deliver a Redfern Schedule to their counterparties that contains a set of requests for production of specific documents or categories of documents, along with the rationale or justification for how each request is relevant and material to the issue (or issues) in dispute; (2) the counterparty, to the extent that it disagrees with a given request, will articulate its objection; (3) the original party will then have the opportunity to deliver a reply to the counterparty’s objection; and (4) the arbitrator will rule on whether the request is justified and whether the counterparty is required to produce the requested documents either in whole or in part. Because Redfern Schedules are standardised, there are a number of good examples available via internet search.

is more restrictive. By contrast, the provinces' international arbitration legislation tends to be based on the Model Law, and most often incorporates the bulk of the Model Law.

Parties to a construction arbitration will also need to be mindful of other legislation of general application, such as that which applies to contracts more generally (e.g., legislation relating to consumer protection and sale of goods, bankruptcy and insolvency, and labour and employment, legislation pertaining to guarantees under forms of security, and legislation respecting limitation periods).

Specific rules concerning construction contracts

Another central feature of the law governing construction contracts in Canada is the use of statutory lien legislation as a form of security for payment for those who provide goods and services on construction contracts. This type of legislation is in place in the common law provinces and territories, and in Quebec, there are broadly analogous rights under the legal hypothec regime that applies in that province. Liens provide a person who has supplied services or materials for improvements, and who is unpaid, with the right to unilaterally place a charge on the improved premises. Liens, which do not exist at common law in Canada, are purely statutory in nature and, therefore, vary somewhat between provinces; however, in most provinces and territories, lien legislation applies notwithstanding any agreement to the contrary.

More recently, prompt payment and adjudication have been introduced in a number of Canadian jurisdictions as a way to attempt to ensure that those participating in the construction industry are paid quickly, and if they are not, that they have access to a faster dispute resolution mechanism.

Notably, parties must be mindful of whether their construction contracts contain 'drag-along' provisions that compel participation in an arbitration arising from a related contract. In Canada, these provisions are common and can be relied on to compel additional parties into an arbitration (e.g., an arbitration between an owner and general contractor, in which the general contractor compels the participation of its subcontractors or suppliers). This issue is particularly important given that, in many provinces, lien proceedings are carried out as a form of class action whereby multiple parties and claimants are part of the same proceeding.

As a general matter, if a party to an agreement to arbitrate commences a lawsuit, the action will be stayed on the application of the counterparty pending the outcome of the arbitration. However, in Ontario, at least one court decision found that allowing a construction arbitration to proceed and staying related lien litigation would be prejudicial to those parties not included in the arbitration,

and therefore refused to stay litigation in favour of arbitration in such a scenario.⁶ This does not reflect the dominant approach to arbitration – particularly given the Supreme Court of Canada’s pronouncement that ‘where the application of a . . . statute, properly interpreted, leads to a multiplicity of proceedings, the court must give effect to the will of the legislature, even if the consequence is to potentially create a multiplicity of proceedings’⁷ – it is nevertheless a risk that exists for construction parties in particular.

Standard forms

Standard form construction contracts are widely used in Canada. In particular, the Canadian Construction Documents Committee’s (CCDC) Contract Forms are a suite of standard form contracts that are widely used in both the private and broader public sectors. The CCDC standard form contracts are developed through a consultation process with representation from various sectors in the construction industry. The CCDC Fixed Price Contract (CCDC 2), which is part of this suite of contracts and was last updated in 2020, is one of the most commonly used standard form contracts in the country. The CCDC Service Contract (CCDC 31), which is commonly used as a service contract as between an owner and its consultant, was also updated in 2020.

The Canadian Construction Association also publishes standard form subcontracts, which are also widely used and which are updated intermittently (for example, the Association released an updated standard form stipulated price subcontract in 2021).

In addition, the federal government has its own standard forms, as do the provinces (and, in some cases, specific ministries), municipalities and other public sector entities. Infrastructure projects are built using standard forms developed over an extended period by entities such as Infrastructure Ontario.

By contrast, the FIDIC suite of contracts (written and published by the International Federation of Consulting Engineers), which are the pre-eminent standard forms in the international construction market, are not typically used domestically in Canada.⁸ To the extent that parties do use a FIDIC contract, it must be adapted to align with applicable legislation. For example, in Ontario, the lien legislation provides for the payment of a proper invoice within 28 days of

6 See, for example, *Carillion Construction Inc. v. Imara (Wynford Drive) Limited*, 2015 ONSC 3658, at paras. 63–81.

7 *TELUS Communications Inc. v. Wellman*, 2019 SCC 19, [2019] 2 S.C.R. 144, at para. 90.

8 In addition, the New Engineering Contract (NEC) series of contracts is not typically used for domestic construction contracts in Canada.

receipt of the invoice; by contrast, the FIDIC Red Book (Conditions of Contract for Construction for building and engineering works designed by the employer) provides for a lengthier payment process, whereby payment must flow from the employer to the contractor within 56 days if the contract is silent as to payment terms. Similarly, parties must also be mindful of statutory adjudication, which is a dispute resolution forum available in a number of provinces and which cannot be excluded by contract.

Arbitration institutions in Canada

The Alternative Dispute Resolution Institute of Canada (ADRIC)⁹ is currently the most prominent arbitral institution in Canada and has provincial branches across the country. ADRIC offers procedural rules and institutional administration of arbitrations, as well as accreditation for qualified arbitrators. The Canadian branch of the Chartered Institute of Arbitrators¹⁰ also has a prominent role in promoting arbitration as well as training and educating arbitrators, but does not administer arbitrations.

In addition, there are various regional institutions, which have a less prominent role in Canada but tend to offer similar services in terms of procedural rules and the administration of disputes (e.g., the Vancouver International Arbitration Centre).

That being said, a significant portion of (if not most) construction arbitrations in Canada tend to be *ad hoc* rather than institutional. To the extent that construction arbitrations are institutional, the most common institutions are the International Chamber of Commerce, the International Centre for the Settlement of Investment Disputes, ADR Chambers and ADRIC.

Other ADR mechanisms (mediation and dispute boards)

There are no specialist courts in Canada to hear construction disputes, though in Ontario there are a limited number of associate justices (formerly known as masters) who specialise in construction lien matters (though currently only in the city of Toronto). Perhaps as a result of the lack of dedicated court resources and technical expertise – particularly in light of the backlog of court cases created by court closures during the covid-19 pandemic – most construction disputes proceed to mediation or arbitration. In addition, some provinces have introduced

⁹ See <https://adric.ca> (last accessed 10 August 2023).

¹⁰ See <https://www.ciarb.org/our-network/americas/canada/>.

mandatory statutory adjudication regimes aimed at facilitating efficient dispute resolution that is interim binding. In Ontario, for example, adjudication under the Construction Act was introduced in 2019 and has grown in popularity since then.

In broad terms, however, most construction contracts require a form of stepped dispute resolution that entails some variation of formal negotiations, mediation or arbitration. As it relates to arbitration, it is not uncommon for government agencies to participate in private arbitration.

Similarly, and though not nearly as widely used as mediation or arbitration, contracting parties (particularly on large infrastructure projects) are also increasingly using dispute resolution boards (be they dispute review boards or dispute adjudication boards) to efficiently resolve disputes on a mandatory, interim basis. A dispute resolution board is a panel that is appointed at the outset of the project and is generally comprised of independent technical experts or highly experienced individuals who regularly attend the site and address disputes as they arise.

Finally, certain construction projects also rely on bespoke dispute resolution schemes that provide for different forums to resolve different types of disputes. These schemes could include any or all of negotiation, mediation, arbitration and dispute adjudication boards, as well as referral of technical issues to the contract's independent certifier.

Motions to stay litigation

One topic of recent interest in Canada is motions to stay litigation proceedings in favour of arbitration, and the applicable tests for granting such a stay. Generally, the decision of a court to stay a litigation proceeding will often turn on whether and to what extent any preconditions to arbitration have been met, and whether the arbitration agreement intends to provide the sole forum for dispute resolution in relation to the contract. If arbitration is not the sole forum and the preconditions have not been met, then a court may decline to stay proceedings.

Broadly, Canadian courts apply a two-part test for determining whether a stay is warranted. First, a court must consider first whether the technical prerequisites for a stay are met, with those technical prerequisites generally being the following:

- an arbitration agreement exists;
- court proceedings have been commenced by a party to the arbitration agreement;
- the court proceedings are in respect of a matter that the parties agreed to submit to arbitration; and
- the party applying for a stay does so before taking any step in the court proceedings.

At this first stage, the moving party only needs to establish an arguable case that the prerequisites are met. If there is an arguable case that the prerequisites are satisfied, then the second part of the test shifts the onus onto the party resisting the stay to demonstrate that a statutory exception applies under the applicable arbitration legislation, such that a stay should be refused. Under this second stage, the resisting party must meet a higher standard of proof, being the balance of probabilities.¹¹

Although arbitration legislation across Canada is typically based on the Model Law, such that the statutory exceptions to a stay are generally consistent across the country, parties would be well advised to carefully review the relevant legislation given that certain provinces – particularly in their domestic arbitration legislation – diverge in certain respects on this issue.

Delay claims

There is a dearth of Canadian case law on the issue of delay, notwithstanding its central importance to delay claims in construction arbitrations. That being said, in the arbitration context, delays are generally assessed by arbitrators in a manner consistent with other common law countries, subject to any modifications stipulated by the applicable construction contract. To that end, delay expert witnesses in Canadian construction arbitrations typically base their evidence on the Association for the Advancement of Cost Engineering's Recommended Practice 29R-03 (Forensic Schedule Analysis) or The Society of Construction Law's Delay and Disruption Protocol, with the former being more common than the latter.

Broadly, in the event of delay, the contractual outcomes depend on the nature of the delay and, in particular, whether the delay is caused by the contractor or the owner, or neither of them (i.e., unanticipated circumstances).

For example, if a contractor is responsible for a delay, the owner is generally able to claim against the contractor for losses suffered as a result of the delay, including by levying liquidated damages, if the contract provides for such damages. Similarly, the owner may be entitled to set off these amounts against the contract price. On the other hand, if an owner or its consultant is responsible for causing delay (e.g., if the scope of the work has increased or if there are design errors), then the contractor will typically be able to seek schedule or financial relief (or

¹¹ See, generally, *Peace River Hydro Partners v. Petrowest Corp*, 2022 SCC 41 and *Husky Food Importers & Distributors Ltd v. JH Whittaker & Sons Limited*, 2023 ONCA 260.

both). Delays associated with the contractor encountering unanticipated ground conditions are particularly contentious, and typically engage specific provisions of the contract that apportion the contractual risk for such conditions.

If the contractor is delayed because of unexpected circumstances, such as a flood, earthquake or any other natural occurrences commonly referred to as ‘acts of God’, construction contracts will typically include *force majeure* provisions that allow the contractor to obtain schedule relief and be excused from performing its contractual obligations for the duration of the *force majeure* event, although the contractor will not typically be entitled to additional compensation in these circumstances (to the extent that *force majeure* provisions entitle contractors to any financial relief, it is typically limited to financing costs). As a result of the covid-19 pandemic, the *force majeure* provisions in many construction contracts now explicitly include some variation of ‘disease’, ‘illness’, ‘pandemic’, ‘epidemic’ or ‘public health emergency’.

Regarding the issue of concurrent delay, there is again a paucity of relevant Canadian case law, although there is recent guidance from Ontario that a decision maker (whether a judge or arbitrator) must take a realistic, practical approach in allocating fault and damages arising from concurrent delays involving multiple project participants, and that to be considered concurrent, delays may overlap, but need not be identical in duration.¹²

Good faith

Generally, the law of Quebec is consistent with other civilian jurisdictions in its treatment of good faith.

The common law of Canada has seen significant developments in the law of good faith during the past 10 years that affect all contracts, and have become recurring topics (and causes of action) in construction arbitrations. Perhaps because of Canada’s bijural nature, the law of good faith in common law Canada has become more expansive than other common law jurisdictions, instead more closely resembling aspects of good faith that appear in civil law jurisdictions.

In particular, beginning with the Supreme Court of Canada’s 2014 decision in *Bhasin v. Hrynew*,¹³ Canadian common law has treated certain good faith obligations as imposed terms rather than implied terms, meaning that parties cannot

12 See *Schindler Elevator Corporation v. Walsh Construction Company of Canada*, 2021 ONSC 283, at paras. 292–348.

13 *Bhasin v. Hrynew*, 2014 SCC 71, [2014] 3 S.C.R. 494.

contract out of such terms even if they explicitly intend and attempt to do so. This is manifested in two good faith duties in particular: the duty of honest performance and the duty to exercise a contractual discretion reasonably.

The duty of honest performance requires that contracting parties cannot knowingly mislead their contractual counterparties, which includes half-truths, misleading actions, or failing to correct a misrepresentation that the representing party thought was true at the time of the representation but later learned was false.¹⁴ The duty to exercise a contractual discretion reasonably, on the other hand, requires that parties holding a contractual discretion must exercise that discretion consistent with the purpose, or purposes, for which it was conferred.¹⁵ Because construction contracts are typically long-lasting in nature (i.e., they span a period of months or years, rather than an instantaneous transaction), and because construction contracts often confer some form of discretion on one or more parties (e.g., the discretion to issue change orders or change directives), these two duties have often been relied on in recent years as grounds for seeking relief on construction projects.

Notice provisions

Construction contracts generally include notice provisions that provide formal requirements in relation to the timing, content and manner (i.e., in writing) in which one party may make and deliver a claim for delay (or disruption) against the other. Failure to comply with notice provisions may result in an otherwise valid claim being time-barred (i.e., as a form of contractual bar to recovery).

Canadian courts have generally upheld contractual notice provisions as valid and binding unless the conduct of the parties indicates otherwise. In some cases, a party may be estopped from relying on the notice provision to bar a delay claim, or may be found to have waived that right. This applies with equal force to construction arbitrations in Canada, as parties defending a claim (such as an owner) typically raise notice provisions as a defence to their counterparties' claims.

However, Canadian courts have not been uniform in their treatment of notice provisions – whereas some courts (such as those in Ontario) have interpreted such provisions according to a theory of strict compliance, others (such as those in British Columbia) have occasionally adopted a somewhat more relaxed approach in allowing for constructive notice to satisfy contractual notice requirements.

14 *ibid.*; and *C.M. Callow Inc. v. Zollinger*, 2020 SCC 45.

15 *Wastech Services Ltd. v. Greater Vancouver Sewerage and Drainage District*, 2021 SCC 7.

Under either approach, the specific wording of the notice provision in question, not surprisingly, will largely dictate a court's analysis of whether timely and sufficient notice was provided.

Recent developments

Three topics of recent and current interest in Canada are (1) the applicability of arbitration agreements in standard form consumer contracts, (2) the applicability of arbitration agreements to receivers in instances of bankruptcy or insolvency, and (3) reasonable apprehension of bias in arbitrators retained multiple times by the same counsel.

On the first topic, a minority of the Supreme Court of Canada in *Uber Technologies Inc v. Heller*¹⁶ considered the possibility that an arbitration agreement can be found unenforceable on the basis of public policy if in practice there is no real prospect of the arbitration actually occurring, given that there would be no real prospect of access to justice. Given that this position was expressed by a minority of the court, it is not currently binding law in Canada, but it remains to be seen whether this position is taken up by lower courts in subsequent case law.

On the second topic, in its decision in *Peace River Hydro Partners v. Petrowest Corp.*,¹⁷ the Supreme Court of Canada determined that an arbitration agreement might no longer be enforceable in circumstances of an insolvency, although, in that scenario, it is incumbent on a court (if the matter is brought before it by a receiver) to determine (based on a test weighing several different factors) whether an arbitration is more efficient and expeditious than the related insolvency proceeding (i.e., whether the arbitration would compromise the orderly and efficient resolution of a receivership).

By contrast, the Supreme Court clarified in *Chandos Construction Ltd v. Deloitte Restructuring Inc*¹⁸ that it is not open to the parties to a construction contract to agree that, upon insolvency, the contractor will forfeit any portion of the contract price to the owner. Such an arrangement violates bankruptcy and insolvency common law and legislation.

On the third topic, a court of first instance in Ontario raised the issue of whether an arbitrator being retained by the same counsel or firm on multiple matters (even when those matters are not related to one another) gives rise to a reasonable

16 *Uber Technologies Inc. v. Heller*, 2020 SCC 16.

17 *Peace River Hydro Partners v. Petrowest Corp.*, 2022 SCC 41.

18 *Chandos Construction Ltd v. Deloitte Restructuring Inc.*, 2020 SCC 25.

apprehension of bias. In *Aroma Franchise Company v. Aroma Espresso Bar*,¹⁹ the Ontario Superior Court of Justice determined that an arbitrator's failure to disclose to the parties to one arbitration that he had been appointed by the same counsel to a second, unrelated arbitration – gave rise to a reasonable apprehension of bias. This decision has caused some concern in the construction law bar and more broadly: there is a limited pool of highly qualified arbitrators with subject matter expertise, such that arbitrators tend to be appointed by the same parties or counsel on multiple matters. This case is currently under appeal to the Court of Appeal for Ontario.

As noted briefly above, another notable development in the construction sector in the past few years has been the implementation of statutory adjudication for construction disputes. The federal government has recently changed the way it operates its construction projects by introducing a prompt payment regime at the federal level. This new federal legislation is based on similar amendments made to the Construction Act in Ontario, which introduced both prompt payment and adjudication regimes. Other provinces have now either enacted prompt payment legislation or are undergoing their own review of construction legislation to determine whether similar amendments should be made.

With respect to legislative reform, there has been a growing interest in Ontario in overhauling the province's domestic legislation to ensure greater consistency with international arbitration practice and to incorporate industry norms more common to commercial disputes (e.g., providing for opt-in rights of appeal from arbitral awards rather than the current default of opt-out rights).²⁰ At the time of writing, efforts remain under way by private individuals and certain legal organisations to promote such an overhaul, although the government has not yet formally expressed a position about this.

19 *Aroma Franchise Company Inc. et al. v. Aroma Espresso Bar Canada Inc. et al.*, 2023 ONSC 1827.

20 The Province of British Columbia recently completed such an overhaul, replacing its old domestic legislation (Arbitration Act, R.S.B.C. 1996, c. 55) with a new piece of legislation modelled more closely on the Model Law on International Commercial Arbitration (Arbitration Act, S.B.C. 2020, c. 2).

Conclusion

Overall, Canada and its provinces have adopted an increasingly arbitration-friendly stance during the past generation, as it relates to both construction and commercial matters more broadly. Generally, Canadian courts will aim to give effect to the will of the parties in selecting arbitration as their preferred dispute resolution forum. Given that the construction industry is a key driver of the Canadian economy, and the expansive infrastructure development programmes currently being administered across the country, Canadian construction arbitration accordingly constitutes a critical component of the arbitration and disputes landscape. This should prove especially true as the courts work through the backlog created by the covid-19 pandemic, with arbitration having a critical role in this effort.

However, lawyers and parties would be well advised to familiarise themselves with the applicable law. In particular, in the common law provinces, consideration must be given to the effect of lien legislation that may have the effect of neutralising certain benefits of mandatory arbitration or, at a minimum, will complicate dispute resolution by way of arbitration.