

PEOPLE LEADER UPDATE



CITY OF
Lethbridge

Bill 37 - Alberta Prompt Payment and Construction Lien Act

On August 29, 2022, the **Alberta Prompt Payment and Construction Lien Act** will become new legislation in the province of Alberta. This act will serve as the replacement to the current Builders' Lien Act, and it will introduce several measures to provide consistency in the construction industry. By speeding up the payment process and adding alternatives to the Courts to provide dispute resolutions relating to payments under a contract during the project, the Alberta Prompt Payment and Construction Lien Act aligns with the modernized approaches of other Canadian jurisdictions. The key changes that will affect the City of Lethbridge are as followed:

Mandatory Prompt Payment Cycle

- The City is now required to pay an invoice within **twenty-eight (28)** days from the receipt of a proper invoice. This is a change from the current thirty (30) days;
- The City must provide a Notice of Dispute for any work done that does not meet City standards within **fourteen (14) days** from the receipt of a proper invoice;

Lien Extensions

- The period for filing a lien has been extended from forty-five (45) days to **sixty (60)** days.

The City of Lethbridge Procurement Department has taken comprehensive steps to ensure our internal capabilities and practices deliver the desired service level needed to meet the new requirements. The steps taken to date are outlined below:

- Updated the Vendor Address Book in JD Edwards to accommodate for the change from Net30 to Net28.
- Developed training materials to supplement the implementation of this new legislation to ensure internal stakeholders are well prepared to manage this new process and reduce any inherent or compliancy based risk.

Additional documentation will be made available in the future to supplement this memo and procurement representatives will be reaching out to select groups to review these changes and how they may impact your area. If there are any questions, please reach out to tenders@lethbridge.ca and a representative will get back to you.

Regards,

City of Lethbridge Procurement Department