OTTAWA COMMERCIAL EPOXY

Contracts, Payment & Holdback

Construction Act prompt payment, holdback and liens, warranties, and why the Consumer Protection Act does not cover a business

4 Expert Answers from Coatings IQ

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Q1

Who pays the coating supplier on a commercial floor job in Ontario?

Who pays the coating supplier depends on who buys the materials under your contract: if the contractor buys them, the contractor pays the supplier and your business pays the contractor.

That straightforward chain gets more complicated once the Construction Act applies. The Act governs construction contracts in Ontario, and a floor coating job is likely construction work under the Occupational Health and Safety Act, which defines construction to include alteration, repair and painting; whether it is an improvement under the Construction Act is a question for a lawyer. Under the Construction Act, each payer in the chain must retain a holdback of 10 per cent of the price of services or materials as supplied (s.22(1)). So the business retains 10 per cent of what it owes the contractor, and the contractor retains 10 per cent of what it owes any subcontractor or supplier. A contractor's lien expires 60 days after the earlier of publication of substantial performance or the contract being completed, abandoned or terminated, unless preserved (s.31(2)).

Payment timing under the Act also matters. The contractor submits a proper invoice, and the business must pay it no later than 28 days after receiving it (s.6.4(1)), unless within 14 days it gives a notice of non-payment in the prescribed form with reasons (s.6.4(2)). If the contractor has subcontractors, the contractor must pay them within 7 days of being paid (s.6.5(1)).

Whether a commercial tenant is an "owner" under the Construction Act depends on the facts and the lease. Get legal advice before signing if you are a tenant and are not sure who holds that role.

One more layer: before the contractor sets foot on site, the business must obtain a WSIB clearance certificate for the contractor and keep it in effect while work is underway (WSIB policy 14-02-19). Without a clearance, the business may be liable for the contractor's WSIB payment obligations up to the value of the labour portion of the contract. The householder exemption does not apply to a business. Keep clearance records for at least three years.

On any dispute or lien question, get legal advice. This site does not monitor or enforce any of this.

Before a contractor visits, it helps to pull together what you know about the floor: its age, what was on it before, what spills or traffic it handles day to day, how long the space can realistically close, and whether there is any old tile or black mastic that should be tested for asbestos before any grinding begins.

Q2

Change orders on a Kanata floor job, how should they work?

How change orders work on a commercial floor job in Kanata is set mostly by your contract, so get every scope change in writing, priced and signed, before the extra work happens. Ontario's Construction Act sets the payment rules around it; get legal advice on how they apply to your contract.

How the Construction Act shapes change orders

Under the Construction Act, a contractor may submit a proper invoice monthly (or as the contract specifies), and the owner must pay it within 28 days of receiving it. If the owner disputes an amount, including a change-order amount, it must issue a notice of non-payment in the prescribed form within 14 days of receiving the invoice, with reasons. Each payer must also retain a 10 per cent holdback of the price of services and materials as supplied (s.22(1)).

If a dispute about a change order cannot be resolved, either party may refer it to adjudication under the Construction Act, provided the referral happens no later than 90 days after the contract is completed, abandoned or terminated, unless both parties agree to a later date. Get legal advice before that clock runs out.

A contractor's lien expires 60 days after the earlier of publication of substantial performance or the contract being completed, abandoned or terminated, unless it is preserved (s.31(2)).

On a floor coating job, scope items the contractor could not see until the floor was opened up can turn into change orders: worse slab damage than expected, a moisture test result that calls for a different primer, old adhesive or tile that needs removal, or a cove base run that was not in the original quote. A written change order for each of those, signed before the extra work starts, keeps the payment timeline and the holdback calculation clean.

A few other points worth confirming before you sign the original contract:

- Ask whether the contract defines how change orders are priced: time and materials, a fixed unit rate, or a new lump sum. The Act does not set that; the contract does.
- If the total project cost (original plus changes) is expected to exceed $50,000 in labour and materials, O. Reg. 213/91 s.6(1) requires the constructor to file a notice of project with the Ministry of Labour. The constructor files it, but the owner should confirm it has been done.
- Before any work begins, obtain a WSIB clearance certificate for the contractor and keep it on file. WSIB policy 14-02-19 says the clearance must remain in effect throughout the work. Without one, the owner may be liable for the contractor's WSIB payment obligations up to the value of the labour portion of the contract.
- Ask for proof of liability insurance as well, and keep a copy.

When you receive quotes for this job, ask each contractor to spell out exactly which line items are excluded from the base price and would come back as a change order, because prep and grinding costs are one place where the final number can move well beyond the original figure.

Q3

How long does a contractor have to preserve a lien in Ontario?

Under the Construction Act, a contractor's lien expires 60 days after the earlier of the date a certificate of substantial performance is published or the date the contract is completed, abandoned or terminated, unless the lien is preserved before that deadline.

How a lien is preserved (s.34) and what further steps follow are procedural questions we did not research in detail: a construction lawyer should handle them, and the 60-day expiry does not wait while parties talk.

The Construction Act also requires each payer in the chain to retain a holdback of 10 per cent of the price of services or materials as supplied. The holdback is governed by its own rules under the Act. If you are the owner, or a tenant who may be one, get legal advice on when and how the holdback may be released.

On the dispute side, adjudication under the Act cannot be started more than 90 days after the contract is completed, abandoned or terminated, unless the parties agree otherwise.

Whether a floor coating contract creates an "improvement" that attracts lien rights, and whether a commercial tenant is an "owner" under the Act, depends on the facts of the contract and the lease. Both questions call for legal advice before a dispute reaches the deadline stage.

If you are a facility manager or property owner dealing with a floor coating invoice that has gone sideways, speak with a construction lawyer promptly: the timelines above do not pause while parties negotiate.

If you are at the hiring stage rather than the dispute stage, the request form on this site sends your project details to local Ottawa floor coating contractors listed in the Ottawa Construction Network directory.

Q4

Does adjudication work for a floor dispute in Ontario?

Ontario's Construction Act lets a party to a contract refer a dispute to adjudication when it concerns a matter the Act prescribes or a matter both parties agree to (s.13.5(1)). Whether a floor coating job is an "improvement" covered by the Act is a question for a construction lawyer.

The Construction Act sets out the payment chain this way: an owner must pay a proper invoice within 28 days of receiving it, unless within 14 days the owner gives a notice of non-payment in the prescribed form with reasons. A contractor must pay subcontractors within 7 days of being paid. Each payer holds back 10 per cent of the price of services or materials as they are supplied. If payment stalls at any of those steps, adjudication is one way to resolve it. The Act also says adjudication cannot be started more than 90 days after the contract is completed, abandoned or terminated, unless the parties agree otherwise, so the clock matters.

Whether a dispute about the quality of the floor, rather than a payment, can go to adjudication is a legal question: get advice before you rely on it.

A few practical points for a floor dispute:

- Keep every document: the contract, the product data sheets and SDSs the contractor provided, photos before and after, and every proper invoice and notice of non-payment exchanged.
- A contractor's lien expires 60 days after the earlier of publication of substantial performance or the contract being completed, abandoned or terminated, unless the lien is preserved. If a contractor has registered a lien against your property, get legal advice promptly.
- The Consumer Protection Act, 2002 does not apply to a business buying a commercial floor; its cooling-off and estimate-cap rules are for consumers acting for personal or household purposes.

For anything involving a notice of non-payment, a lien, an adjudication filing or a deficiency claim, get legal advice from a construction lawyer. This site covers floor coatings, not legal proceedings, and nothing here is legal advice. If you are at the earlier stage of finding contractors for a new or replacement floor, the request form on this site sends your project details to local Ottawa floor coating contractors listed in the Ottawa Construction Network directory.

Disclaimer: This guide is provided for informational purposes only by Ottawa Commercial Epoxy. It does not constitute professional advice. Always consult qualified contractors and your local building authority (the City of Ottawa or your own municipality), and Ottawa Public Health for a food premises, before starting any floor coating project. Read the product's data sheet and safety data sheet before work starts. Information is current as of November 15, 2026 and may change. Visit **ottawacommercialepoxy.ca** for the latest answers.