




ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



**MUNICIPAL  
ENGINEERS  
ASSOCIATION**

## MEA/ACEC-Ontario Standard Form of Agreement

Presenters: Bruce G. Matthews, P. Eng.  
Amanda Froese, P. Eng

Moderator: Dan Cozzi, P.Eng.


May 4, 2021

1


## Who are the MEA & ACEC-Ontario ?

The MEA is a non-profit association representing the interests of 980+ municipal engineers in Ontario who are employed as professional engineers at Ontario Municipalities and other provincial agencies serving in the Engineering/Public Works field.

ACEC-Ontario promotes and advances the business interests of its 130+ Member Firms and the value of the engineering work they do. We enable their success by our leadership in policy advocacy and risk management. We provide them with access to knowledge-sharing networks and relevant support services.



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



**MUNICIPAL  
ENGINEERS  
ASSOCIATION**

2

## What is the MEA/ACEC-Ontario Standard Form of Agreement?

The MEA/ACEC-Ontario Standard Form of Agreement is a contract template that provides sound and equitable terms and conditions for consultants and their municipal clients.

Rooted in fair and reasonable terms and conditions, the Agreement was developed collaboratively between ACEC-Ontario and the MEA, with legal review. It balances the needs of the municipality while allowing consultants to complete their work according to the standards of practice of the profession.



3

## Why use the MEA/ACEC-Ontario Standard Form of Agreement?

### Key Highlights:

- Easy to use fillable PDF format
- Flexible – can be tailored to a broad range of projects sizes and complexities to meet legal and insurance requirements
- Fair, reasonable and reciprocal terms and conditions that seek to appropriately balance risk and responsibility
- Up-to-date and in compliance with the latest regulations under the *Construction Act*
- Reflects due diligence and a standard of care



4

## History of the Agreement

- **1989** - “Client/Consultant Agreement for Municipal Works”
  - ACEC-Ontario (formerly known as CEO) and MEA jointly develop the Agreement
  - In the form of a Memorandum of Agreement
  - Contained detailed General Conditions and information, Fees and Disbursements and Services information
- **2002** - Introduction of a “Consultant Appraisal Form”
  - Overall Success of the Project
  - Quality of Service Performed on the Project
  - Corporate Practices for a Successful Project
  - No longer in wide use – has not been updated/maintained



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



MUNICIPAL  
ENGINEERS  
ASSOCIATION

5

## History of the Agreement

- **2006**
  - Minor changes to the General Conditions and Fees
- **2016** - “Client/Engineer Agreement for Professional Consulting Services”
  - Reformatted into a contract form
  - The term “Engineer” replaced “Consultant”
- **2017 - 2018**
  - Introduction of the fillable field PDF format
  - Copyright disclaimer included
  - Accompanying User Guide developed for ease of use



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



MUNICIPAL  
ENGINEERS  
ASSOCIATION

6

## Recent Agreement Updates

- **2019** - *Construction Act* compliance
  - The Agreement was updated to reflect and comply with the new *Construction Act* provisions which came into effect October 2019
  - Updated Dispute Resolution clause to reflect new provisions
- **2021** - Next iteration...
  - The Agreement is currently under review by ACEC-Ontario and MEA
  - Modernization of General Terms and Conditions to reflect rapidly changing insurance, legal requirements and industry standards



7

## Key Terms & Conditions in the Agreement

- Indemnification
- Dispute Resolution
- Insurance
- Intellectual Property
- Force Majeure



8

## Indemnification

- Indemnification - a duty to make good on a loss, damage, or liability incurred by another under the terms of an agreement
- A means of risk transfer
- Agreement provides municipality with indemnification based on negligence on the part of the engineer
- Reciprocal indemnification provided



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



MUNICIPAL  
ENGINEERS  
ASSOCIATION

9

## Dispute Resolution

- MEA/ACEC-Ontario Agreement provides for escalating methods of dispute resolution:
  - Negotiation
  - Mediation
  - Arbitration
- Intent is to avoid litigation of disputes
  - Costly
  - Time consuming



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



MUNICIPAL  
ENGINEERS  
ASSOCIATION

10

## Insurance

- Includes requirements for
  - General liability
  - Automobile
  - Professional liability
- Coverages can't be changed or cancelled without written notice
- Limitation of liability



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



11

## Intellectual Property

- Generally, intellectual property remains the property of the engineer
- Municipality has permanent, non-exclusive, royalty-free license to use the engineer's intellectual property in connection with the project in question and for no other purpose or project



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



12

## Force Majeure

- Engineer is not responsible for damages arising directly or indirectly from delays caused by things beyond their control, including labour disputes; severe weather or other natural disasters; riots, war or other emergencies, etc.
- Engineer is entitled to reasonable adjustment in schedule and compensation if such delays increase the cost or time to perform the services



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



13

## MEA/ ACEC-Ontario Standard Agreement User Guide

- Comprehensive User Guide to provide clarification and guidance to municipalities and engineers who are entering into a contractual agreement to complete professional consulting services
- Terms and Conditions are explained
- Rationale for including the various elements and articles in the contract



ASSOCIATION OF CONSULTING  
ENGINEERING COMPANIES  
ONTARIO



14

## Where can you find the Agreement?

ACEC-Ontario and MEA jointly host the Standard Agreement on their websites. The Agreement is free to download and can be found below:

- [ACEC-Ontario's NEW website \(acecontario.ca\)](http://acecontario.ca)
  - Home → Resources → MEA/ACEC- Ontario Standard Agreement
- [Municipal Engineers Association Website \(municipalengineers.on.ca\)](http://municipalengineers.on.ca)
  - Home → Resources → Documents and Templates → MEA/ACEC- Ontario Standard Agreement



15

## Q&A

Any questions?



16



Thank You!

MEA: [municipalengineers.on.ca](http://municipalengineers.on.ca)

ACEC-Ontario: [acecontario.ca](http://acecontario.ca)

