Schedule A

Potential Elements of a Legislative/Regulatory Framework For Review by the Project Team Include:

- Persons and activities to be regulated by legislation
- Assignment of administrative responsibilities to the OBOA
- Prohibitions regarding regulated persons who are not OBOA members
- Exemptions
- Criteria for initial and ongoing OBOA members education, training, examinations, payment of fees, conduct
- Authority of OBOA to administer examinations and training
- Authority of OBOA to and set standards of practice
- Authority of OBOA to set fees
- Composition of the Council/Board of Directors,
- Appointment of the Council/Board of Directors
- Meetings of the Council/Board of Directors
- D Powers of the Council/Board of Directors
- Committees of the Council/Board of Directors including Complaints and Discipline Committees
- Role of the Registrar
- Powers and role of the Registrar to issue, suspend, terminate, revoke, reinstate membership
- Grounds for revoking membership
- Investigations and disciplinary proceedings
- Registrar's investigation and investigator's investigation
- Issuance of warrants for the purpose of an investigation
- Fines for obstructing investigator
- Powers of Discipline Committee
- Appeals of decisions
- Publishing of information relating to an order of the Discipline Committee
- Immunity of the OBOA for acts done in good faith
- Process for development of Regulations
- Powers of the Council/Board to pass by-laws and their relationship to the Act and Regulations
- Annual report to the Minister
- Role of Minister to review activities of the Council/Board, advise Board on implementation of Act
- Transition provisions
- Repeal of applicable Building Code qualification requirements

MAH-OBOA Delegated Authority Process MOU

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Schedule B

Proposed Timeline:

Date	Milestone	
August 31, 2007	Completion of joint development of the system elements described in Article 1.1	
October 31, 2007	Completion of joint consultations described in Article 1.3	
October 31, 2007	Finalization by the OBOA of the Preliminary Financial Analysis described in Article 1.6	
December 5, 2007	Finalization of the Report described in Article 1.7 and submission of the Report to the Minister	

Schedule C

Organizations to be Consulted:

Public Sector:

Association of Municipal Clerks and Treasurers of Ontario
Association of Local Public Heath Agencies
Association of Municipalities of Ontario
City of Toronto
Large Municipalities Chief Building Officials
Minister of the Attorney General
Ministry of Government Services
Ministry of Health and Long Term Care
Ministry of Natural Resources
Ontario Plumbing Inspectors Association
Ontario Municipal Administrators Association
Ontario Municipal Fire Prevention Officers Association
Ontario Association of Fire Chiefs
Toronto Area Chief Building Officials

Design sector:

Association of Architectural Technologists of Ontario
Association of Registered Interior Designers of Ontario
Consulting Engineers Ontario
Ontario Association of Architects
Ontario Society of Professional Engineers
Ontario Association Certified Engineering Technicians and Technologists
Professional Engineers Ontario

Building sector:

Building Industry and Land Development Association Council of Ontario Construction Associations Ontario Home Builders' Association Ontario General Contractors Association Residential Construction Council of Central Ontario

MAH-OBOA Delegated Authority Process MOU

APPENDIX B – Internship MOU

MEMORANDUM OF UNDERSTANDING

Between the

ONTARIO BUILDING OFFICIALS ASSOCIATION (hereinafter referred to as "OBOA")

-and-

HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

(hereinafter referred to as "MAH")

- WHEREAS MAH is responsible for administering the Building Code Act, 1992 and the Building Code (Ontario Regulation 403/97, as amended);
- AND WHEREAS Article 2 16.4.2 of the Building Code authorizes the Minister of Municipal Affairs and Housing to approve a building inspector internship program;
- AND WHEREAS MAH recognizes OBOA as a responsible and accountable professional Association with respect to matters within their jurisdiction;
- AND WHEREAS OBOA wishes to establish a building inspector internship program;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. Approval

1.1 The Minister of Municipal Affairs and Housing approves the establishment of an internship program as proposed by OBOA subject to the terms of this Memorandum.

2. Establishment and Administration

- 2.1 OBOA will establish and administer an internship program as described in Schedule A and consistent with the MAH guideline "Application and Approval Criteria for Organizations Seeking to Establish an Inspector Internship Program" dated November 2005 included as Schedule B.
- 2.2 OBOA will be responsible for all costs associated with the development and maintenance of the internship program.
- 2.3 Despite subparagraph 2.1, this Memorandum does not establish OBOA as an exclusive provider of an internship program.

3. Communication

- 3.1 The parties shall cooperate in the development and distribution of information required for effective implementation of this Memorandum. Confidentiality of information will be respected, as described in Schedule C.
- 3.2 OBOA shall submit reports to MAH every six months, beginning no later than six months following execution of this Memorandum outlining:
 - The number of interns entering within, and leaving the internship program;
 - Number of offshore-trained professionals progressing through the program; and
 - · Summary of appeals for refused enrolment or terminated enrolment.
- 3.3 Notwithstanding subparagraph 3.2, OBOA shall, from time to time, at OBOA's expense, give to MAH such documents or information relating to

the registration of interns or to associated activities as MAH may reasonably require

4. Meetings

- 4.1 In the interest of continuing open communication and the effective implementation of this Memorandum, meetings will be held between the parties.
- 4.2 Meetings will be held as jointly determined by the parties
- 4.3 OBOA will, at MAH request, endeavor to participate in internship assessment panels established by MAH.

5. Term

- 5.1 This Memorandum takes effect on the date this Memorandum is executed by the parties and shall remain in effect from the date of execution.
- 5.2 Despite supparagraph 5.1, MAH may terminate this Memorandum at any time without cause.
- 5.3 Despite subparagraph 5.1, OBOA may terminate this Memorandum at any time without cause upon one hundred and eighty (180) days written notice.

6. Review

6.1 This Memorandum will be reviewed by the parties one year after adoption, or at any other time mutually agreed upon by the parties. Amendments to the Memorandum may be made with the agreement of both parties.

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Entirety

All terms and conditions of Schedule A, B and C are incorporated into this Memorandum except where they are inconsistent with this Memorandum in which case the terms of the Memorandum shall take priority.

IN WITNESS WHEREOF to make the best efforts to adhere to the terms resolvened in this Memorandum, the parties have executed this Memorandum.

HER MAJESTY THE QUEEN in right of Ontario as represented by the MINISTER OF MUNICIPAL AFFAIRS AND HOUSING

The Honograble John Gerretsen Minister of Municipal Affairs and

Houşing

Dater the

day of

ONTARIO BUILDING OFFICIALS ASSOCIATION

2005 Learney - , 2005

JT, (Terry) Hewitson President

have the authority to bind the

Association.

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Schedule A

to MMAH / OBOA

Memorandum of Understanding

Intern Building Code Official

2005

Program to Assist the Municipal Building Industry in Meeting Qualification Requirements Related to the New Building Regulatory Process in Ontario Under the Building Code



OBOA Internship Proposal, Schedule A (REVISED) December 13, 2005

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Definitions

IBCO shall mean Intern Building Code Official, which is the level

of OBOA Certification granted to a successful *Internship*Program applicant as determined by the Review Committee
as per Article 2.16.4.2. of the Ontario Building Code

Internship Certificate shall mean a certificate issued by the Review Committee to

a successful applicant to the Internship Program.

Internship Program shall mean an Internship Program as approved by the

Minister of Municipal Affairs and Housing in accordance with

Article 2.16.4.2. of the Ontario Building Code.

Mentor shall mean the qualified person who performs the

supervision required for an *IBCO* and whose name is set out for that purpose on the Internship Application and who accepts those responsibilities as outlined in the OBOA

Internship Agreement (Appendix "D").

Review Committee shall mean the Internship Review Committee of the OBOA

and is chaired by a Board Director.

Supervision shall mean the function of a mentor in terms of guiding,

assisting, advising and reviewing the tasks of an Intern Building Code Official (IBCO) as shall "supervise" and

"supervised".

Task documentation means documentation that may be required such as records

(in a prescribed form) work tasks, special duties, technical training and other experience oriented events and the time in hours spent on such tasks, duties, training and events. Said documentation to be maintained by the "IBCO" and the

"Mentor" in the manner as required by OBOA.

Section 1 - Administration

The proposed Internship Program will be administered by the OBOA based on a memorandum of understanding between the OBOA and the Government of Ontario represented by the Ministry of Municipal Affairs & Housing (MMAH). The administration of this program will provide for a reporting period of every six months on program operation and related information as required by MMAH. Provision will be made for specific operational review and audit process by MMAH.

OBOA will augment the current tracking system used to monitor CBCO certification candidates and maintenance requirements for certified officials to track intern status, mentor reporting, completion of examinations and compliance with conditions of the review committee. The Chief Administrative Officer will oversee this program.

Applicants transferring into the program from another approved internship program will have all equivalent requirements of the other programs carefully reviewed against enrolment criteria and documentation criteria for benefit by the Review Committee. Transfer in from another internship program will not normally extend the total internship program, however, additional requirements of the OBOA Internship program may apply.

Intern Building Code Officials leaving the OBOA program will receive a transcript of qualifications completed and a statement of recognized time spent under qualified supervision.

Section 2 – Background

The OBOA is a self-governing, not-for-profit, professional organization and certified as an Educational Institution. A 10 member Board of Directors and a President that are elected by the membership for 2-year terms governs the OBOA. Committees of the Board are responsible for issues such as succession, oversight, policy, communication and education. The OBOA currently employs a Chief Administrative Officer and full time staff to address association operations, member services, training and education, member certification, industry advocacy and most importantly the Internship Program.

The Association is committed to maintaining a high degree of professionalism in the field of building inspection, code administration and building safety. Through the committee work and the training and education services offered by the Association, it promotes both uniform regulations and code interpretations across the Province. The Association is committed to maintaining a relationship with its current affiliations while actively pursuing other strong partnerships to the benefit of all members.

The OBOA currently maintains a membership in excess of 2000 Building Officials and associated professionals and has administered member certification programs for more than 20 years. The programs are recognized in legislation, Bill Pr40 An Act respecting the Ontario Building Officials Association, and have contained mandatory maintenance components that have been recognized as an Industry Standard and the basis of recruitment practices for employers, particularly Ontario municipalities, since their inception by the OBOA.

The OBOA remains the major delivery agent of MMAH training and continually augments that service to include the most current regulatory changes and Provincial government objectives.

Financial viability has grown with the association and will remain positive provided the OBOA can continue to provide it's membership with the required services, such as access to an approved Internship Program as set out in the Ontario Building Code.

Section 3 - Rationale

Municipal Building Officials are required to discharge significant services in context of the Ontario Building Code (Ontario Regulation 403/97, as amended hereinafter called "the Regulation"). The OBOA has consistently embraced the Regulation and provided support during its development and implementation. This is a proactive approach working in collaboration with MMAH. In this regard, OBOA will commit to participation on panels established by MMAH for the purpose of Internship Program review.

The OBOA will be able to compare actual enrolment statistics to 1st year predicted enrolment. The numbers can be divided into two streams of the program. Firstly, existing Building Officials who must intern in one or more disciplines due to exam difficulties or upgrading of work duties. Secondly, newly hired officials who must attain the minimum qualifications to practice. OBOA anticipates approximately 75-100 existing officials to require internship in at least one discipline. 30-50 new officials could be expected based on the position advertising volume on the OBOA website. The figures are estimates only for the first 12 months of the program.

The OBOA looks to grow this Internship Program to serve a variety of potential partners. The Ontario Plumbing Inspectors Association and the Ontario Municipal Fire Prevention Officers Association have both expressed support for the OBOA Internship Proposal and stated interest in having access to the Program. OBOA has committed to providing these opportunities to its partner associations.

OBOA also plans to bring this Internship Program into an already strong relationship with Ontario's Colleges and Universities. The Education and Internship Committees are already planning this future project.

Section 4 - Internship Program

This program is aimed at equipping Municipalities in achieving full compliance with the Regulation for the current as well as future building department employees. Under this proposed model, current employees will continue to perform their tasks in context of the Regulation under a mentor while new employees will be able to perform certain tasks while completing qualification requirements as set out by the Review Committee.

Internship Options

The internship program will consist of two tiers.

Tier 1 will encompass those qualifications, in part or in whole, which relate to "The House" qualification as set out in Part 2 of the Ontario Building Code. Specifically: "House". "Plumbing - House" "HVAC - House" and "On-site Sewage Systems".

Tier 2 shall comprise all other qualification categories such as Small Buildings", "Large Buildings", "Complex Buildings", "Building Services", "Building Structural", "Plumbing – All Buildings" etc. The legal qualification will either be obtained prior to Intern application or as a component of either Tier 1 or 2.

Internship Period

Tier 1 Interns may be enrolled for not longer than 18 months, except that a further period of 6 months may be added for personal hardship.

Tier 2 Interns may be enrolled for not longer than 12 months, except that a further period of 6 months may be added for personal hardship.

In consideration of diverse municipal conditions, enrolment in both tiers concurrently will be accepted. Interns may only participate once in each Tier.

Extenuating circumstances will be evaluated on a case-by-case basis.

Enrolment Criteria

Prior to enrolment in an Internship Program, an intern must have completed:

- a) One of the Ministry's Legal/Process examinations (General, CBO, RCA or Designer);
- Possess not less than five (5) years verified experience as a building official or building practitioner or
- An equivalent combination of post-secondary education and experience in the area of practice.

The program is for Building Officials who are members of the OBOA, and who currently do not meet all of the requirements for the Provincial Qualification. This includes a chief of the fire department of the Municipality that is appointed as a building inspector by the municipal council, and is assigned specific responsibility for the enforcement of any portion of the Code respecting fire safety matters.

Foreign educated and trained applicants will be required to obtain OBOA membership and demonstrate applicable and equivalent-knowledge of Internship application requirements as set out by the *Review Committee*.

The Internship Program will include a supervised practical internship in addition to the necessary training to achieve Provincial Qualification. A provincially qualified inspector or chief building official as required by Article 2.16.4.2. of the Ontario Building Code will provide the mentorship. The mentor must be an OBOA member and will also need to demonstrate compliance with the procedures of a supervising and reporting program to be established between the OBOA, the Mentor (and /or the municipality) and the Intern for the purposes of monitoring the progress and fulfillment of the Internship.

Endorsement from the Chief Building Official or Municipal clerk is required on Municipal letterhead.

Elements of the Internship Program

The Internship Program will include:

- · A application process and include transfers in and out of the program
- · A application review method and assessment
- An appeal process
- Awarding of an Intern Building Code Official (IBCO) Certificate
- · A designation of Intern Building Code Official
- · Conditions of training
- Required examinations based on tier requirements
- · A mentorship under a qualified mentor
- Enforcement of the Internship program will be in accordance with Bill Pr40 An
 Act respecting the Ontario Building Officials Association.

Application Process:

See Appendix "A" Internship process and Appendix "B" Internship Application

The Review Committee comprised of the Certification Committee will review the application and it will be independent of the current CBCO/BCQ committees. The application will be assessed based on the information provided and in accordance with guidelines.

The Review Committee will provide reasons, in writing:

- For the refusal
- · For the conditions of approval
- For the designation level granted

Internship Certificate:

When an applicant does not meet all of the requirements for the Provincial Qualification as a Building Official, a *Internship Certificate* may be issued by the OBOA if:

The Review Committee believes:

- (1) The person's education, training and experience are adequate to function properly as a Building Official in a specific area, and
- (2) The person is diligently undertaking the process of completing MMAH training courses in order to qualify under the Provincial requirements.

Intern Building Code Official:

An Internship Certificate allows a person who has not achieved the required Provincial Qualification to carry out plans review and/or inspection functions within the context of Article 2.16.4.2. of the Ontario Building Code using a designation Intern Building Code Official (IBCO)

Conditions of IBCO:

Based on the application and the minimum enrolment criteria, the *Review Committee* will determine what additional requirements may be necessary in order for the applicant to obtain the designation of the *IBCO*. These conditions may include additional training and/or mentorship, and compliance with the *task documentation* requirements.

The Internship Certificate will have an expiry date based on the conditions set by the Review Committee and an applicant will be required to satisfy the conditions in a timely manner (not exceeding the internship period for the respective tier). Failure to comply with the condition will cause revocation and or expiration of the certificate.

Where appointed by a Principal Authority as an intern *inspector* under the *Building Code Act*, 1992 the IBCO may carry out plans review and/or inspection functions within the context of Article 2.16.4.2, of the Ontario Building Code and in accordance within the terms and restrictions provided under the Internship approval.

Appeals Process:

An applicant has the right to appeal the decision of the *Review Committee*, if the applicant's applicant has been refused / revoked or if the applicant is not satisfied with the conditions imposed on the Internship approval. An applicant must provide notice of appeal within 30 days of receiving notification from the OBOA. The notice of appeal must be in writing and clearly state the reason for the appeal.

Appeals to the decision by the Review Committee will be conducted by a committee comprised of:

The Immediate Past President - OBOA or his designate (Chair)

And any combination of two provincially qualified, appointed representatives of the:

Ontario Architects Association Professional Engineers of Ontario Association of Architectural Technologists of Ontario Ontario Association of Certified Engineering Technicians and Technologists Other Associations and public at-large

APPENDIX C – Court Judgment Analysis

The Case Law

Given the scope of the assignment and the needs of the client, this memo will merely briefly summarize the case law discovered on the issue of municipal liability due to the negligence of building officials and inspectors responsible for compliance with building code requirements and highlight the damages awarded. The cases follow in chronological descending order with the most recent case being summarized first.

Grey Condominium Corp. No. 27 v. Blue Mountain Resorts Ltd., [2007] O.J. No. 715 (S.C.J.)

In this case, a condominium corporation discovered that there were serious building code deficiencies in an ongoing project with respect to fire safety and thus wanted to recover its remedial costs. The court found that the town was negligent in its review of the building plans and in the inspection of the plaintiff's buildings. The total damage awarded was \$267,500, plus interest, less \$50,000.

Reid Development Inc. v. Toronto (City), [2006] O.J. No. 1304 (Sm. Clms Crt.)

In this case, contractors were hired to demolish a building and to build a new single family home. During construction of the new home, a disagreement arose with respect to whether the plans for the home provided for the requisite air barrier between interior and exterior walls. The inspector ordered bricklaying work to cease which resulted in the contractor having to dismantle scaffolding around the structure due to an expected overnight storm. After the dismantling occurred, the contractors were approved. The contractor sued the city for the cost of removal and reinstallation of the scaffolding. The city was held liable in the circumstances. The building inspector's decision constituted negligence. The damages amounted to nearly \$5,000.

Heinicke v. Cooper Rankin Ltd., [2006] M.J. No. 446 (Q.B.)

In this case, a homeowner sued the city and architects for the costs of replacing untreated pine shakes on the roof of the plaintiff's residence with cedar shakes. The plaintiff claimed that the pine shakes were wholly unsuitable and that the installation of the shakes was the result of the failure of the city to inspect the roof. During the trial, the city admitted that it only conducted spot inspections of the property. The court agreed that the failure to inspect the roof constituted a *prima facie* breach of the city's duty of care, but that in this case there was no causation between the homeowner's claimed loss and the failure to carry out the inspection.

Foley v. Shamess, [2005] O.J. No. 6089 (S.C.J.)

In this case, property owners sued the Town of Parry Sound for nuisance and negligence on account of their loss of a portion of their building. The owners contended that an adjacent building should either have been repaired or demolished years before it was eventually demolished, but that there was delay because the town had failed to enforce their property standards by-law. The first notice of violation to the adjacent owners had been delivered in November 1994, but a final order declaring the building unsafe was not made until November 1997, and demolition did not occur until 2001. The court concluded that the town's failure to enforce its by-law coupled with an ongoing deterioration of the building at issue, contributed to the damages sustained by the property owners. The town was held 40% responsibility for the damages sustained.

Flynn v. Halifax (Regional Municipality), [2005] N.S.J. No. 175 (C.A.)

In this case, homeowners sued a contractor and municipality for negligent inspection of their home. The homeowners had hired the contractor to build an environmentally safe home. However the walls of the house were not built in accordance with the height requirements of the National Building Code, and the roof was not built in accordance with the building plans. The municipality conducted five building inspections and issued an occupancy permit notwithstanding known outstanding deficiencies. At trial, the municipality and building inspector were held jointly and severally liable with the contractor for a defective wall. The contribution between the municipality and the contractor was 50% each. The total damage attributed to the municipality was in excess of \$13,000.

Riverside Developments Bobcaygeon Ltd. v. Bobcaygeon (Village), [2004] O.J. No. 151 (S.C.), varied [2005] O.J. No. 3326 (C.A.)

In this case, Riverside undertook a construction project for which plans that were not approved by an engineer were used. Riverside convinced the Village that the plans complied with the Building Code and thus the plans were approved. However the structure built required major remedial work because of certain flaws. Riverside sued on the grounds that the Village and its building official failed to exercise their responsibility correctly when approving the plans. The Village conceded that its building official was negligent, but disputed damages.

The court ruled in favour of Riverside. It found that the building official had not done his job properly and that it was reasonable for Riverside to conclude that it had good plans. It was also reasonably foreseeable that when the official negligently gave approval for a project to proceed and the project collapsed several years later, the losses would flow back to the approval. Losses included lost income for the project, lost equity in the property, excess cost and mortgage indebtedness. Guarantors under the mortgage were also awarded damages.

This judgment was varied on appeal with respect to the amount of damages awarded at trial and the right of the Village to set-off certain amounts.

<u>Wood v. Hungerford (Township)</u>, [2004] O.J. No. 4472 (S.C.J.), varied [2006] O.J. No. 2012 (C.A.)

In this case, a new homeowner discovered shortly after moving in to the house that there were significant problems with the home. There was a marked slope in the kitchen and bedroom floors on the upstairs level and subsequent renovations revealed that the concrete block basement foundation walls were cracked and were being pushed inward by the soil on the exterior side. Ultimately the front foundation wall failed and the house was declared uninhabitable. The homeowner sued, among other defendants, the Township of Hungerford. Evidence revealed that the township had issued a building permit for the house, but that the building inspector involved had had little experience in house construction. He had had no training in the requirements of the Ontario Building Code. The court concluded that the township was liable in this case because it did not have in place a building inspection program that allowed for the proper oversight of the construction standards required by the Ontario Building Code and that no proper inspection of the house was ever carried out to ensure compliance with the required standards. The footings of the house were not constructed below the frost line and the footings were not supported on soil of adequate bearing. The court held the township jointly and severally liable with a real estate agent, and apportioned liability between them at 50% each. The total damage awarded was, after variation on appeal, slightly less than \$100,000. Included in this award was an amount for mental distress.

Strata Plan NW 3341 v. Canlan Ice Sports Corp. [2001] B.C.J. No. 1723

In this action, a strata corporation brought an action against a developer and contractor, a structural engineer, a building design company and a municipality for the negligent approval of a building permit, negligent inspection of construction, and negligent issue of the occupancy permit. The evidence revealed that building plans approved by the city were not drawn by an architect and that during the construction the municipality conducted inspections. However the city's building department did not undertake any process to ensure compliance with most of Part 5 of the Building Code, which prescribed design objectives related to wind, water and vapour protection for buildings. Within one year of completion, numerous owners complained about water ponding on the balconies of their units and water leakage. In the circumstances, the court concluded that the decision by the city's building department not to inspect in relation to Part 5 of the Building Code and not to require a certificate of compliance from an architect or professional engineer was unreasonable and was a causative factor in the damages to the strata corporation. The city was held jointly and severally for the damages amounting to in excess of \$3 million. The city's contribution was assessed at 20%.

Cumiford v. Powell River (District), [2001] B.C.J. No. 1349 (S.C.)

In this case, a homeowner sued, among other defendants, the city in relation to a house that had significant defects. The facts revealed that the house was originally built with a permit, but that during construction there had been no inspections by the inspector who issued the permit. A second inspector did inspect the house during a period when the original inspector was ill and raised significant concerns about poor workmanship and building code violations. The original inspector said he would deal with the problems, but he never did. A final inspection was carried out and an occupancy permit was issued. The builder of the home subsequently built an illegal rear addition, changed the roofline and added an upstairs suite, all without permits. The homeowner discovered numerous defects after moving in, including wavy floors on the main level caused by the absence of a concrete slab which ordinarily was required by the building code. Furthermore, the hallway floor was spongy and there were signs of moisture in the upstairs loft bedroom. The homeowner contended that the city was liable because it permitted the home to be built. The court ruled in favour of the homeowner and awarded damage in the amount of \$40,000.

Ingles v. Tutaluk Constructions Ltd., [2000] 1 S.C.R. 298

In this case, a homeowner hired a contractor to renovate his basement. The project required the installation of underpinnings under the existing foundation to prevent the walls from cracking and the home from collapsing. A building permit was required for the work, but it commenced without the permit being issued. When the permit was issued and an inspection was held, the underpinning work had already been completed and concealed. The inspector was unable to examine the underpinnings due to rainy conditions on the date of inspection and thus merely relied on the contractor's assurances that the underpinnings were properly constructed. None of the information provided to the inspector, other than information related to the concrete (an examination took place), was independently verified by him.

Shortly after completion of the work, the home experienced flooding. It was discovered that the underpinnings were inadequate and that they failed to meet the standard prescribed by the *Ontario Building Code Act*. In an action brought against the contractor and the city, the Supreme Court of Canada upheld the decision of the trial judge, who found that the contractor and city were jointly and severally liable for \$49,368.80 in damages to the homeowner. But since the city's apportionment of fault was only 14%, it was entitled to indemnification from the contract in an amount slightly more than \$42,000.

Carson v. Gloucester (City), [2000] O.J. No. 3863 (S.C.)

In this case, the homeowner built a home in the rural area of Gloucester. The city approved the plans and inspected the home. The home was elevated to avoid the chance of water runoff flooding the basement and a sump pump was also located in the basement. 10 years later, a thaw and heavy rain created a high level of water in the area. The homeowner called the city and a city operations supervisor visited the home. It was discovered that a ditch was clogged and that it needed to be cleaned. However the ditch was not cleaned out in a proper manner and the supervisor failed to return to inspect the work. The homeowner's basement

flooded and he sued the city. The court held the city 100% liable for the ensuing damages. It was found that city should have arranged for the proper inspection of the work. The agreed damages were \$19,000.

Beeze v. Edmonton (City), [1996] A.J. No. 754 (Q.B.)

In this case, a property owner sued the city for damages that allegedly occurred as a result of negligence in the planning process involving the development of neighbouring land. During the process the property owner had approved certain plans. However these plans were rejected. Revised plans were later approved which were unlike the plans prepared by the first architect. The property owner complained that city employees failed to take care, knowing that a person would be thereby affected. The plans became the basis for the building permit approvals and construction. During the construction the builder was required to trespass on the neighbouring lands. The trespasses caused significant damage to the suing property owner. The court found that negligence against the city was made out. A city employee had failed to follow the direction of the city's Development Appeal Board and set in motion a train of events that denied the property owner his rights.

Dha v. Ozdoba, [1990] B.C.J. No. 768 (S.C.)

In this case, homeowners commenced an action against various defendants, including the municipality, for defects in their home that rendered it almost worthless. The homeowners had hired a designer, who in turn hired an engineer to draw the foundation plans for the home. Drawings were submitted by the engineer for structural review only. The city's building inspector, a professional engineer, issued a building permit, but he did not examine the plans to determine whether they complied with the Building Code. Shortly after moving in, the homeowners noticed cracks in the walls and later in the masonry. The problems were caused from an inadequate foundation design. In the circumstances, the city was held 1/3 liable for the damages caused. It found that although the building inspector was negligent, he had been induced by the engineer's negligence in affixing his seal to the plans. The total amount of damage awarded in the case was over \$230,000.

Rothfield v. Manolakos, [1989] 2 S.C.R. 1259

In this case, the homeowners hired contractors to build a retaining wall in their backyard. An application was made for a building permit and the permit was issued notwithstanding that the plans had not been certified by an engineer. The wall was built and an inspection took place. However a standard inspection could not be performed because of the advanced stage of construction of the wall. A large crack eventually opened in the wall and the city advised that backfilling be halted until the wall could be monitored for movement. 20 days later the contractor completed the backfilling. A few months later the wall collapsed. In the circumstances, the city was held 70% responsible for the damages caused by the wall's collapse. The total damages amounted to slightly more than \$15,000.

Faucher v. Friesen, [1985] B.C.J. No. 640 (S.C.)

In this case, buyers of a house shortly after moving in discovered that there were serious defects in the structural, heating and plumbing systems. Evidence revealed that plans for the house had been approved by the city's building inspector, but that following approval the plans were changed to the knowledge and approval of the inspector. After completion, the inspector found deficiencies in the plumbing system and insulation and slope of the land and ordered that they be corrected. However the builder moved into the home without making the necessary corrections. The building inspector never returned for a final inspection. In the circumstances, the building inspector was found negligent in failing to carry out his duties of inspection and permitting occupation. The total damage awarded was slightly more than \$28,000.

Kamloops (City) v. Nielsen, [1984] 2 S.C.R. 2

In this case, a contractor submitted plans to build a house for his parents. The plans were approved and a building permit was issued, subject to the requirements that the footings were to be taken down to solid bearing. However the contractor did not comply with the condition. The footings were set into loose fill. An inspector noted that the foundations were not in accordance with the plans. Furthermore the inspector was unable to determine if the foundations would provide adequate support to the building because concrete had already been poured around them. A stop work order was issued, but then lifted after new engineering plans were submitted. The work did not proceed in accordance with the new plans. Another stop work order was made. Despite the stop work order the contractor was able to sell the house to his parents, who in turn sold it to a new homeowner. When the foundation subsided, the new homeowner commenced a lawsuit. In the circumstances, the city was held liable for its breach of duty. The damages in the case exceeded \$45,000 for which the city was responsible for 25%.

Northrup, Graham and Graham Realty Ltd. v. Fredericton (City), [1979] N.B.J. No. 233 (O.B.)

In this case, shareholders of the plaintiff sued the city for negligent misrepresentation in relation to the cancellation of a building permit previously granted with respect to the construction of an apartment building. Construction on the apartment building had actually begun prior to the building permit being first issued. Construction continued for a month until it was brought to the attention of the city through complaints by neighbouring property owners that a portion of the lot on which construction was taking place was zoned in a manner that did not permit construction of an apartment building. An application to change the zoning was dismissed and thus the building could not be erected. The court found the city liable and awarded damages slightly in excess of \$27,000.

APPENDIX D - PEO Communication on Objective Based Codes



February 14, 2007

Mr. Ronald M. Kolbe Chief Administrative Officer Ontario Building Officials Association 200 Marycroft Avenue, Unit #8 Woodbridge, Ontario L4L 5X4

Dear Mr. Kolbe:

25 Sheppard Avenue West Suite 1000 Toronto, Ontario M2N 6S9 Tel: 416 224-1100 Fax: 416 224-8168 www.peo.un.ca

Enforcement Hodine: 416 224-9528 Ext. 1444

Re: Objective-Based Building Codes

For the past few years, the Enforcement Committee of the Association of Professional Engineers of Ontario has been examining what effect the new objective-based building codes would have on the practice of the profession within the province. It has been concerned that the interpretation of objective-based codes by building officials could fall within the restricted practice of professional engineering. However, after speaking to officials from the Ministry of Municipal Affairs and Housing, it is anticipated that the review by building officials of most permit applications for code compliance will still be based on the existing prescriptive codes, and it is only in unusual circumstances that building officials will be called upon to review permit submissions that will involve the application of objective-based codes. The purpose of this letter is to provide advice to building officials so that those who are not licensed by PEO can fulfill their responsibilities without contravening the *Professional Engineers Act*.

Despite the fact that objective-based codes are designed to aid in the assessment of non-prescriptive solutions, it is worth noting that even small deviations from prescriptive codes can have consequences that can be out of all proportion to the magnitude of the change. For example, an increase of a beam length by 30% will increase the bending forces on the beam by 69%, and will increase the deflection of the beam by 185%.

PEO understands that building officials currently assess any submission sealed by a professional engineer for compliance with both the letter and the spirit of the *Building Code*. Although such instances are rare, we are aware of situations where professional engineers acting on behalf of permit applicants have made incomplete submissions in an attempt to obtain a permit or have given opinions that were not founded in proper quantitative analysis. We support the right of building departments to refuse to issue a permit when submissions are incomplete or there is reasonable cause to believe the structure as designed does not comply with the *Building Code*. We do not consider such a refusal to constitute the practice of professional engineering.

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Association of Professional Engineers of Ontaria In submissions for permit approval that involve alternative solutions where the application of engineering principles is involved, PEO advises that the suitability of any non-prescriptive solution should still be reviewed and approved by a professional engineer licensed in the province of Ontario, even if the submission appears to meet the objective of the code. Our advice is that this can be done either by an original design engineer hired by the person applying for a permit, an engineer on staff with the municipality, or an independent engineering consultant hired by the municipality. As most municipalities follow this practice at present when dealing with design solutions that do not conform to the prescriptive elements of the *Building Code*, we do not anticipate that an objective-based code will require any further procedural changes for most building departments.

PEO encourages building officials to contact the association with any problems you may have with any individual engineer or with persons holding themselves out as engineers. Instances of incompetent practice or professional misconduct by licensed practitioners should be reported to our Manager of Complaints and Discipline at complaints@peo.on.ca, 416-840-1076 or 1-800-339-3716, Ext. 1076 for appropriate action. Suspicion of unlicensed practice, unauthorized practice, improper use of a seal or use of a forged seal should be reported to our enforcement unit at enforcement@peo.on.ca or 1-800-339-3716, Ext. 1444 or locally at 416-840-1444. Please note that current license and Certificate of Authorization status can also be checked online at our web site www.peo.on.ca.

PEO would appreciate it if you would share this information with your members. If you have any questions with respect to this letter and its contents, I can be reached at 1-800-339-3716, Ext. 1078, 416-840-1078 or rbarker@peo.on.ca.

Yours very truly,

Roger F. Barker, P.Eng. Deputy Registrar Regulatory Compliance

Rope F. Barke, P. Eng

RFB/sdm

APPENDIX E - OAA/PEO Joint Communication on Design





January 3, 2008

Attention: Chief Building Officials, Province of Ontario

As per Section 11 of the Architects Act and Section 12 of the Professional Engineers Act, certain building types are required to be designed by an architect, PEO licensee or both. The Ontario Association of Architects (OAA) and Professional Engineers Ontario (PEO) have issued a Joint Bulletin, entitled Design and General Review Requirements for Buildings in the Province of Ontario, which provides a synopsis of the requirements of these two acts with respect to building design and general review. A copy of the Joint Bulletin is attached for your reference and use.

As you are aware, the recent Ruling of the Superior Court of Ontario resulted in a decision that the information that had been contained in Table 2.3.1.1. of the 1997 Ontario Building Code was improperly placed within the OBC in that this is already delineated and legislated under the Architects Act and Professional Engineers Act. The decision of the three Justices was very clear that it is the responsibility of the OAA and PEO to establish and enforce standards of practice and scopes of practice for architects and professional engineers. In fulfilling our regulatory mandates, the OAA and PEO are issuing this Joint Bulletin, which encapsulates the scopes of practice contained in our respective acts.

Under the authority in Section 8(9.1) of the Ontario Building Code Act, we request that you forward all submitted permit application documents that do not conform to the attached chart to the OAA and/or PEO at the address below. Please note that the qualification regulations of the Architects Act and the Professional Engineers Act continue to be in force. Once the drawings are submitted to us, we will take the necessary steps to enforce the regulations.

The OAA and PEO have established a *Joint Liaison Committee* to deal with the matters that are forwarded to either of us in accordance with Section 8(9.1), as noted above.

In addition, the Joint Practice Board exists by virtue of our respective legislation to maintain a professional relationship between the OAA and PEO and to deal with any matters of conflict regarding the scopes of architectural and engineering practice.

Both OAA and PEO hope you will find the information in the Joint Bulletin useful in your responsibility for enforcing the Building Code as Chief Building Official.

Should you have questions about the information provided, please contact the Ontario Association of Architects at 416-449-6898 or Professional Engineers Ontario at 416-224-1100. Additional printed copies of the Joint Bulletin are available by contacting the OAA or PEO directly, or can be accessed in PDF format on the OAA (www.oaa.on.ca) and PEO (www.peo.on.ca) web sites.

Sincerely,

David Craddock President

Ontario Association of Architects

Walter Bilanski President

Professional Engineers Ontario

Walter & Bilanske

OAA 111 Moatfield Drive, Toronto, Ontario, M3B 3L6 Tel 416-449-6898 Fax 416-449-5756 www.oaa.on.ca
PED 25 Sheppard Ave, W., Suite 1000 Toronto, Ontario, M2N 659 Tel 416-224-1100 Fax 416-224-8168 www.peo.on.ca



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Design and General Review Requirements for Buildings in the Province of Ontario







APPENDIX F – Ontario Regulation 579/05 - REBBA

Re: Authority of the OBOA to Administer Examinations and Training (see Part

Real Estate and Business Brokers Act, 2002

ONTARIO REGULATION 579/05

EDUCATIONAL REQUIREMENTS, INSURANCE, RECORDS AND OTHER MATTERS

EDUCATIONAL REQUIREMENTS FOR REGISTRATION

Initial educational requirements for salespersons

- 1. (1) If an applicant for registration as a salesperson has not previously been registered as a salesperson, the applicant shall, before making the application, successfully complete all the educational courses that are designated by the registrar for applicants of that type. O. Reg. 579/05, s. 1 (1).
- (2) Despite subsection (1), if an applicant for registration referred to in that subsection has complied with that subsection but does not make the application within 12 months after the last educational course was successfully completed, the applicant shall, before making the application, repeat and again successfully complete all the educational courses referred to in that subsection. O. Reg. 579/05, s. 1 (2).
- (3) Subsection (2) applies, with necessary modifications, to an applicant for registration referred to in subsection (1) who, in accordance with subsection (2), repeats and again successfully completes all the educational courses referred to in subsection (1). O. Reg. 579/05, s. 1 (3).

Articling requirements for salespersons

- 2. (1) An applicant for renewal of registration as a salesperson shall, before making the application, successfully complete all the educational courses that are designated by the registrar for applicants of that type. O. Reg. 579/05, s. 2 (1).
- (2) Subsection (1) also applies to an applicant for registration as a salesperson who has previously been registered as a salesperson. O. Reg. 579/05, s. 2 (2).
 - (3) Subsections (1) and (2) do not apply to the following applicants:
 - 1. An applicant who successfully completed all the educational courses referred to in subsection (1) before making a previous application for registration or renewal of registration as a salesperson, if the previous application was approved.

- 2. An applicant for registration as a salesperson who has previously been registered as a salesperson but ceased to be registered before the registration expired and who makes the application before the date the applicant's previous registration as a salesperson would have expired.
- 3. An applicant to whom subsection 6 (1) applies. O. Reg. 579/05, s. 2 (3).
- (4) Despite subsection 10 (1), if, pursuant to paragraph 2 of subsection (3), subsection (2) does not apply to an applicant for registration as a salesperson and the application is approved, the registration expires on the date that the applicant's previous registration would have expired if he or she had not ceased to be registered. O. Reg. 579/05, s. 2 (4).

Initial educational requirements for brokers

<u>3.</u> If an applicant for registration as a broker has not previously been registered as a broker, the applicant shall, before making the application, successfully complete all the educational courses that are designated by the registrar for applicants of that type. O. Reg. 579/05, s. 3.

Continuing education for salespersons

- 4. (1) If section 1 and subsections 2 (1) and (2) do not apply to an applicant for registration or renewal of registration as a salesperson, the applicant shall, before making the application, successfully complete the number of courses that the registrar specifies from among the educational courses that the registrar designates for salespersons. O. Reg. 579/05, s. 4 (1).
- (2) Subsection (1) does not apply to an applicant described in paragraph 2 of subsection 2 (3). O. Reg. 579/05, s. 4 (2).

Continuing education for brokers

5. If an applicant for registration or renewal of registration as a broker has previously been registered as a broker, the applicant shall, before making the application, successfully complete the number of courses that the registrar specifies from among the educational courses that the registrar designates for brokers. O. Reg. 579/05, s. 5.

24-month break in registration

- <u>6. (1)</u> If an applicant for registration as a salesperson has previously been registered as a salesperson but has not been registered as a salesperson at any time in the 24 months immediately preceding the date of the application,
 - (a) section 4 does not apply; and
 - (b) the applicant shall, before making the application, successfully complete the educational courses that the registrar designates for the applicant. O. Reg. 579/05, s. 6 (1).
- (2) If an applicant for registration as a broker has previously been registered as a broker but has not been registered as a broker at any time in the 24 months immediately preceding the date of the application,

- (a) section 5 does not apply; and
- (b) the applicant shall, before making the application, successfully complete the educational courses that the registrar designates for the applicant. O. Reg. 579/05, s. 6 (2).

Applicants from other jurisdictions

- 7. (1) If an applicant for registration as a salesperson was registered in another jurisdiction as a person with equivalent status to a real estate or business broker or salesperson in Ontario or had equivalent status in that jurisdiction to a real estate or business broker or salesperson in Ontario, the registrar may exempt the applicant from section 1 or subsection 2 (1) or (2) and require the applicant, before making the application, to successfully complete the educational courses that the registrar designates for the applicant. O. Reg. 579/05, s. 7 (1).
- (2) If an applicant for registration as a broker was registered in another jurisdiction as a person with equivalent status to a real estate or business broker in Ontario or had equivalent status in that jurisdiction to a real estate or business broker Ontario, the registrar may exempt the applicant from section 3 and require the applicant, before making the application, to successfully complete the educational courses that the registrar designates for the applicant. O. Reg. 579/05, s. 7 (2).

Designation of organization

- **8.** (1) The registrar shall designate one or more organizations that are authorized to provide the educational courses referred to in sections 1 to 7. O. Reg. 579/05, s. 8 (1).
- (2) The registrar may cancel or amend a designation of an organization. O. Reg. 579/05, s. 8 (2).

Requirements to be made available

9. The registrar shall make available to the public a description of the requirements established by sections 1 to 5, including the educational courses referred to in those sections and the organizations that are authorized to provide those courses. O. Reg. 579/05, s. 9.

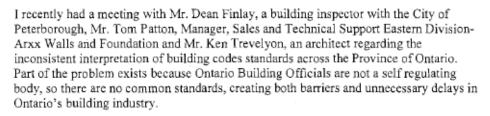
APPENDIX G - Communication from Jeff Leal, MPP Peterborough



25 July 2006

The Honourable John Gerretsen, Minister of Municipal Affairs and Housing 777 Bay St., 17th Floor Queens, Park Toronto, Ontario M5G 2E5

Dear John:



Mr. Patton is employed by a company that developed a wall system for constructing homes. "Arxx High Performance Wallsystem" is a modular, interlocking, concrete form system in which each unit consists of two expanded polystyrene panels with polypropylene connectors molded into the polystyrene panels. These forms are then filled with concrete. The end product is an excellent foundation for a new home.

For individuals or builders wanting to use this product, Arxx has developed a standard, engineered approval manual for reference purposes. I might add that this product has been approved for use by the National Research Council of Canada. This product is available in other Canadian Provinces and in the United States.

It has come to light that some building inspectors in municipalities across the Province are not accepting the standardized version of the manual that must be followed when this product is to be utilized. Some municipal building inspectors are demanding that each section of the manual be engineer approved before it is used. This situation is adding to the costs of building new homes in Ontario. Some building inspection departments, the City of Peterborough being one of them, accept the standardized manual if builders or individuals want to use this product in construction.

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2.

I would suggest that serious consideration be given to Ontario Building Inspectors establishing themselves as a self-regulated body leading to a standardized interpretation of the Ontario Building Code. This would be helpful for everyone involved in Ontario's building industry. By establishing a self-regulatory body, individuals and builders would have a mechanism to review decisions made by building inspectors.

I want to thank you for reviewing this important matter.

Jeff Lea

Mr. Dean Finlay, Building Inspector, City of Peterborough, 500 George St. N., Peterborough, Ontario. K9H 3R9

Mr. Tom Patton, Manager, Sales and Technical Support, Eastern Division Arxx Walls & Foundations, 800 Division St., Cobourg, Ontario. K9A 5V2