

DEPARTMENT OF ENVIRONMENT, CLIMATE CHANGE AND MUNICIPALITIES

MUNICIPAL INFRASTRUCTURE PROJECT GUIDELINES

It is essential for the municipality and also the municipal engineer or prime consultant to comply with the following guidelines in order for the project to be efficiently implemented, and to ensure that satisfactory cost controls are maintained.

STATEMENT OF INTENT

- 1.0 The Department's municipal infrastructure programs are focused on projects in areas of existing development that address problems with existing infrastructure; facilitate scheduled upgrades/replacements; and make efficient use of municipal infrastructure funding. Funding will generally not be available for projects that are directly or indirectly intended to open up land for new developments (residential, commercial, industrial or municipal).

FINANCIAL

- 1.1. Project delivery timelines have been established for each stage of the capital works notification and implementation process (see table below). If a timeline target is expected to exceed this policy, Council must immediately notify the Director of Municipal Infrastructure. Projects will be **cancelled** if timeline targets are exceeded – unless prior approval to extend timelines has been provided by the Director of Municipal Infrastructure. The Director may provide an amended timeline based on the following considerations:

- 1.1.1. Scope and complexity of project
- 1.1.2. Unanticipated environmental considerations
- 1.1.3. Extenuating circumstances that preclude the availability of key resources

To provide strong incentive to municipalities/LSD's to actively deliver projects in the shortest time possible, the Department has established timelines for project delivery associated with its infrastructure programs.

Project Delivery Timelines	
Date of Council notification to Date signed Agreement received at Headquarters	60 days
Date of Council notification to Date when all contracts for project are awarded	24-36 months
Date of Council Notification to project completion	36-48 months
For routine projects that would normally be completed within one construction season following contract award, i.e., water and sewer, pumphouse upgrades and road paving/repair projects, communities will be given a period of 24 months from the date of approval of the project to have all contracts associated with that project awarded. Communities will be given an additional 12 months to conclude work on those projects and have final invoices submitted to the Department. Specific project completion timelines will be identified in funding approval letters and funding Agreements.	

For more complex projects that are typically considered multi-year or phased projects; such as, major municipal/recreational buildings, water and wastewater treatment plants, communities will be given a period of **36 months** to have all contracts associated with that project awarded, with an additional **12 months** to conclude work on those projects and have final invoices submitted to the Department. Specific project completion timelines will be identified in funding approval letters and funding Agreements.

- 1.2. Funding will be provided based on Council's assurance to this Department of its ability to meet its share of the cost. The Municipality must meet its share of the project costs, and this Department will not, under any circumstances contribute by way of special grants or otherwise, any amount in excess of the approved project costs. If Council's financial position has changed so that it cannot meet its share, then Council should immediately notify the Minister and this project will be required to be cancelled.
- 1.3. Eligible project costs include construction costs, associated land acquisition costs, engineering and other professional fees. The Department will not be incurring any interim interest charges during construction.
- 1.4. Ineligible costs include any costs associated with the initial development of previously undeveloped areas (i.e. greenfield sites), including land acquisition, leasing, or resale; real estate or legal fees; surveys, site selection, and preparation; and financing charges and loan interest payments.
- 1.5. In addition to the ineligible costs outlined in 1.4, the Department also reserves the right to withhold approval for any project applications, funding allocation or reallocation requests, or payments related to activities that are not reasonably consistent with the program's Statement of Intent.
- 1.6. The Provincial payment may be advanced based on projected cash flows when project costs are committed through a contract award. Final project payment will be based on the costs indicated in the status report and job control sheet.
- 1.7. Project funding has been reduced by the amount of GST/PST (HST where applicable) rebate due to the municipality if the full project costs are expended. The municipality is required to apply for the appropriate rebates. The GST/PST rebate is to be used by the municipality as part of the project funding. **Interim financing of the GST/PST rebate will be the responsibility of the municipality.**
- 1.8. The municipality may not charge more than a nominal fee sufficient to cover royalties and reasonable equipment rental rates if council equipment is used for loading material supplied from a municipality owned borrow pit for use on the project. This applies regardless of whether the material is supplied directly to the project or to the contractor for incorporation in the project. Approval of the Regional Engineer is required before any costs can be charged relating to this clause.
- 1.9. A separate capital chequing account (using pre-numbered cheque book) must be established by Council at its bank to be used solely for this project.

- 1.10. If requested by the Department, Council must submit an itemized list of all cheques issued including cheque number, date, payee and amount, together with a copy of the cancelled cheques.

ENGINEERING & CONSTRUCTION

- 2.1 Minister's approval is required before Council can engage or change a consulting engineering / architectural firm in relation to this project.
- 2.2 The Department will require a Request for Proposals (RFP) for professional services for municipal infrastructure projects that have a high potential of increasing the value of public funds. The Department will determine at its sole discretion whether or not a professional service RFP will be required. **When the Department has determined that a professional service RFP is required, the project funding approval will be conditional upon the municipality issuing an RFP for professional services.** This requirement will be identified in the funding approval letter and in the funding agreement. A public RFP will introduce a process whereby the consultant is selected by a municipality based on the best fit from a technical and cost perspective. Selection considerations which use cost as an evaluation factor will assist in obtaining the most cost effective service. An RFP will also aid in ensuring that appropriate expertise is employed, past performance is recognized and a competitive process is obtained.
- 2.3 No engineering/architectural work is to be undertaken until the Prime Consultant Agreement has been approved by the Regional Office and signed by the municipality and prime consultant. This agreement must indicate the services to be provided, the rates to be charged and a completion schedule. Rates charged are to be in line with the service rendered not necessarily the seniority of the engineering staff involved.
- 2.4 To obtain approval, the consultant must forward a copy of the proposed Prime Consultant Agreement to the appropriate Regional Engineer. After signing, the consultant must forward copies of the signed Prime Consultant Agreement to the Municipality and the Regional Engineer. Municipalities are not to pay any engineering fees unless a signed Prime Consultant Agreement is in place. In this regard the Department will not advance any funds until they have a copy of this agreement. **Engineering fees in excess of the amount approved in the Prime Consultant Agreement will not be eligible for funding unless agreed to and requested by the municipality and approved by the Regional Engineer.**
- 2.5 The municipal engineer or prime consultant must liaise with the Regional Office on all aspects of the project.
- 2.6 The municipal engineer or prime consultant must complete the special form which the Department of Environment, Climate Change and Municipalities requires when applying for a Permit. The Regional Engineer requires a copy of this form at the time of submission of plans and specifications for approval to tender. The municipal engineer or prime consultant's attention is drawn to the Department of Environment, Climate Change and Municipalities' requirement for pre-registration of certain categories of projects.

- 2.7 Before construction can commence or tenders can be called; plans, specifications and a current detailed cost estimate must be submitted to the appropriate Regional Engineer. In accordance with the *Municipalities Act, 1999* tenders cannot be called or contracts be awarded for any or all of this project without the approval of the Minister. The municipal engineer or prime consultant must also submit, prior to tender calls, a copy of the plans and specifications to the municipality and all Government departments and agencies such as, Fire Commissioner's Office, Department of Transportation & Works, and other agencies that might have jurisdiction for approval.
- 2.8 A copy of the signed contract documents for the construction of the project must be forwarded within one week of signing to the appropriate Regional Engineer. Contracts should be signed at the earliest opportunity. The prime consultant must notify the Regional Office of the time and location of pre-design, design, preconstruction and construction meetings in a timely manner to allow a representative of the Regional Office an opportunity to attend.
- 2.9 It is the responsibility of the Council and its prime consultants to ensure that all easements and rights-of-way are acquired before the contract is awarded. Rights-of-way and easements, as they apply to Councils, are covered under Sections 167 inclusively in the *Municipalities Act, 1999* and amendments.
- 2.10 Authority and process for the issuance of change orders are as follows; All Change orders are required to be pre-approved by the Regional Office. The municipality should specifically note that all costs in excess of the approved amount indicated on the "Approval to Award" letter will be 100% responsibility of the municipality unless written approval of the Regional Engineer is obtained prior to the expenditure of the funds.
- 2.11 The municipal engineer or prime consultant must submit copies of the as-built drawings within two months of substantial completion of the project, the preparation of which is to be included as one of the engineering services in the engineering contract. Copies must be submitted to the municipality and the Regional Engineer. As-built drawings and related Municipal Information System (MIMS) data must be submitted on CD in AutoCad format (Version 2000 or newer) and comply with the current version of the Department's MIMS data standards document. The Municipality shall not delete the requirement for as-built drawings. Funds must be allocated for this vital engineering service. Tenders will not be authorized until the as-builts for the previous phase have been submitted.
- 2.12 Where applicable, the prime consultant must produce a system operation and maintenance manual and submit it to the municipality.
- 2.13 Road reconstruction eligibility is described further in these guidelines.

GENERAL ADMINISTRATION

- 3.1 Any extensions to a construction contract, if necessary, require the written approval of the Minister. Unless exceptional circumstances apply, extensions will not normally be approved. In the event a project is completed below the estimated amount, the savings may not be available to the municipality to be used otherwise. The Department will deal with reallocations on a province-wide basis.

- 3.2 Council will be responsible for all overruns or funding commitments that exceed the approved project funding.
- 3.3 The municipal engineer or prime consultant must submit status reports within 10 days of the end of each month to the Department's Regional Engineer and the municipality/LSD. These reports must span from the date of appointment of the consultant to the date of final completion of the project. The final status report must be marked as such. Copies of all engineering invoices, change orders, substantial performance certificates and contractor's progress payments associated with the project must also be submitted with the monthly status report. The municipality/LSD shall not pay engineering invoices unless the status report has been received and also shall not pay the final engineering invoice until the as-builts are received.
- 3.4 Project signs must be prominently displayed near the works within the municipality. The signs must conform to the approved design for Municipal Infrastructure projects. Signs must be installed before construction commences and must be removed when the project is completed. The prime consultant must certify that the project signs are in place before any progress claim is paid.
- 3.5 Projects will normally be undertaken through a public tender and contract award basis, and not on a "Project Management" basis. "Project Management" is defined as construction with council forces for the purposes of these guidelines. Only in exceptional cases will projects be authorized to proceed on a "Project Management" basis.
- 3.6 Those projects that have been selected to proceed through a Request for Proposal process which incorporates life cycle analysis as criteria for infrastructure selection will be required to follow specific guidelines prepared by the Department relating to the implementation process for the particular type of infrastructure that is to be constructed.
- 3.7 For any new building construction that is within the limits of the project and is started after the contract has been awarded, the installation of the service laterals from the main to the building will be the responsibility of the owner. The exception is where a permit has been given and the foundation of the new building has been installed, before the water and/or sewer mains have been installed in front of the building lot, the service lateral may be installed under the contract.
- 3.8 **Please use the Department's project number on all correspondence, status reports, etc., relating to this project.**

Road Reconstruction Eligibility

Schedule 1 Eligible Costs	Schedule 2 Ineligible Costs
<ol style="list-style-type: none"> 1. Engineering Costs 2. Road widening and horizontal and vertical re-alignment of existing roads 3. Re-capping of existing roads including preparatory patching 4. New pavement on existing roads 5. New road construction including if deemed necessary by the Department 6. Paving or upgrading of municipal owned parking lots 7. Construction of new retaining walls relating to road construction 8. Construction or upgrading of concrete curb and gutter, concrete curb, combined concrete curb and sidewalk and sidewalks of concrete, asphalt, or other approved materials if and when undertaken as part of an overall street or road construction or reconstruction program 9. New storm drainage system relating to road improvements - storm sewers, manholes, catch basins, open ditches. 10. Raising to grade - manholes, valves, catch basins, etc. 11. Relocation of public utilities affected by road construction (poles, water and sewer lines, etc.) 12. Installation of guardrails 	<ol style="list-style-type: none"> 1. Sidewalks on all roads, except as in Item 8, Schedule 1 2. Patching - except where recapping of the whole area is to be done as part of the overall project. Example: <ul style="list-style-type: none"> • patching depressions and potholes • repairs to edges of pavement • repairs to pavement as a result of cuts to permit installation of water and sewer services • repairs to broken or badly placed pavement 3. General Maintenance Work: <ul style="list-style-type: none"> • repairs to roads - washouts, filling potholes, etc. • extensions on existing culverts where no other work on the road is planned • replacement of existing culverts - where existing culvert was originally installed improperly, or was damaged or made inoperable due to improper maintenance • cleaning out ditches • repairs to sidewalks • repairs to curb and gutter • scarifying and reshaping where no granulars or other surfacing is being applied 4. <ol style="list-style-type: none"> (a) Private roads to and within private subdivision (b) Private roads in or leading to subdivision, will not be eligible for cost shared funding after takeover by the municipality, unless, at the time of takeover, the standard of that road is equal to or greater than the highest standard of existing roads under the municipality's jurisdiction

<p>13. Reinstatement of affected property caused by road construction under the Program (lawns, fences, etc.)</p> <p>14. Turn-a-rounds (cul-des-sacs)</p> <p>15. New bridge construction, overpass construction, underpass construction including handrails and walkways</p> <p>16. Driveway culverts, where part of overall road upgrading program</p> <p>17. Replacement of existing culverts in order to increase capacity</p> <p>18. Property acquisition, where approved by the Department</p> <p>19. Traffic lights and traffic markings where approved by the Department</p> <p>20. Pavement management program</p> <p>Note: It is understood that all construction will be to acceptable Engineering Standards and conform to the Municipal Water & Sewer and Roads Master Specifications.</p>	<p>5. Landscaping, except as is provided for in Item 13, Schedule 1</p> <p>6. Snow plowing, including sanding and salting of streets</p>
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