Central Neighbourhoods Intensification Funding Guidelines for Sewer Extensions

In order for a developer to receive funding for a new local (not trunk) sanitary sewer, storm sewer, or watermain or for capacity upgrades of existing pipes with new larger pipes within the central neighbourhood boundary (Schedule C1 attached), the following items must be completed:

1. Notify Engineering staff member of the owner’s intent to apply for intensification funding. Staff will confirm funding availability and advise accordingly. In some cases, funding may not be available until the following year.

2. Obtain engineering approval of drawings and SWM report (if applicable).

3. Complete all required documents in support of off-site works by private contractor. The consultants cost estimate for the sewer extension must be provided with a detailed breakdown.

4. Ministry of Environment, Conservation and Parks (MECP) Environmental Compliance Approval (ECA) must be received prior to construction.

5. Provide a draft of the itemized form of tender for the servicing and surface works specific to the items being requested for Intensification Funding. This will be reviewed by Engineering staff and will help avoid issues with obtaining payment once contract is awarded.

6. Consultant to tender the project following the guidelines in Schedule ‘A’ (attached).

7. If the contractor’s price is no more than 25% above the consultants estimate, the work can proceed (see Schedule ‘A’).

8. If the contractor’s price is more than 25% above the consultants estimate, two additional quotes are required. Engineering staff will review and generally choose the lowest quote (see Schedule ‘A’).

9. Any changes over 10% of the approved contractor quote (for sewer extension specifically) must be approved by City or they will not be reimbursed (see Schedule ‘A’).

10. Developer pays the contractor directly for work completed.

11. Once the work is complete, request for payment can be made to Engineering. The following items must be included with request:
   a. Payment certificates or proof of payment to contractor including holdback. A letter from the contractor stating they have received payment with original signatures will also be required.
   b. Initial maintenance checklist and package. The works must be accepted onto initial maintenance prior to funds being reimbursed from City to Developer.
12. For capacity upgrades the funding will be determined as follows:
   a. If the age of the existing pipe(s) is 25 years or less, the Intensification Allowance (IA) will fully fund the pipe(s) replacement project.
   b. If the age of the existing pipe(s) is between 26-54 years, the pipe(s) replacement project will be funded on a 50-50 basis between the IA account and the respective Utility (Sanitary, Water, Stormwater).
   c. If the age of the existing pipe(s) is greater than 55 years, the respective Utility (Sanitary, Water, Stormwater) will fully fund the pipe(s) replacement project.
1. As part of this purchase order, the Developer acknowledges that it is already bound by an Off-Site Works Construction and Inspection Agreement, which said agreement is incorporated by reference into this purchase order, and without limiting the foregoing, all works performed pursuant to the purchase order shall be constructed in compliance with the said Off-Site Works Construction and Inspection agreement.

2. Payment is subject to the Construction Lien Act or the Construction Act, as the case may be.

3. To determine the payment value of this purchase order, the following process shall be followed by the City:
   a. Using the Developer’s consultant’s estimate for the off-site works as a benchmark, the City will request a copy of the Developer’s contractor’s quotation for the off-site works prior to construction of the off-site works,
   b. If the Developer’s contractor’s quotation is no more than 25% above the Developer’s consultant estimate for off-site works, then the City can approve the off-site work to proceed,
   c. If the Developer’s contractor’s quotation is higher than 25% of the Developer’s consultant’s estimate, then the Developer will be required to obtain two quotes prior to off-site works commencing. The lowest quote will be used for the off-site works and will be approved by the City, and
   d. Once approval of the costs of the off-site work is given by the City to the Developer, the City will also inform the Developer that any changes greater than 10% of the approved quotation must be approved by the City otherwise the excess costs will not be reimbursed by the City.

Once the above process has been followed, the Director of Supply Services has the authority to approve payment from the Development Charge Intensification fund and make payment to the Developer.