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CIRCULAR

To: All Municipalities, Local Service Districts & Engineering / Architectural Consultants

Re: Changes to Capital Works Project Management Policies & Procedures

Date: June 17, 2013

Effective immediately, as new projects are approved under the various municipal infrastructure programs including the Municipal Capital Works (MCW) and Multi-Year Capital Works (MYCW) programs, the Department of Municipal Affairs will be implementing the following changes to Capital Works Project Management Policies & Procedures and Funding Agreements:

1. Use of Request for Proposals for Professional Services

The Department will require a Request for Proposals (RFP) for professional services for municipal infrastructure projects that have a high potential of increasing value of public funds **(e.g. complex water and waste water treatment projects, recreational projects, municipal buildings, large street improvement projects, etc)**. A public RFP will introduce a competitive process whereby the consultant is selected by a municipality based on the best fit from a technical, experience and cost perspective.

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, such requirement will be a condition of project funding approval.**

Department staff is available to assist communities with the development of the RFP and interested communities should contact their respective Regional Office.

2. Timelines Imposed for Completion of Capital Works

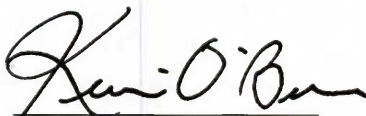
The timely execution of project delivery has been a major concern of the Department for many years. Quite often, the completion of very simplistic municipal infrastructure projects that would normally take one construction season to complete is taking in excess of three years to get to the tendering stage and often up to five years or more to complete. Such lengthy delays in project execution have led to significant project overruns due to inflationary factors and the loss of federal funding in cases where federal timelines were not met. These delays have also impacted both the municipalities and the Department's ability to maintain accurate cash flow projections,

resulting in cash flows being tied up that could have been utilized for other projects in the interim.

To ensure communities and consultants are actively delivering projects in a reasonable timeframe, the Department has established the following deadlines for project delivery:

- **For routine projects that would normally be complete 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 after project award to conclude work on those projects and have final invoices submitted to the Department.**
- **For more complex projects that are typically considered multi-year or phased projects; such as, major municipal/recreational buildings and 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.**

Consistent with federal policy, should the stipulated timelines above not be met, the remaining balance of unspent provincial funding will be cancelled and any further work on the specific project will be required to be solely funded by the community. Extensions to the stipulated timeline will only be considered in exceptional circumstances and only when sound rationale is provided to support an extension.



KEVIN O'BRIEN

Minister

cc: Mr. Cluney Mercer, P. Eng., ADM
cc: Regional Directors
cc: Regional Engineers