

## CIRCULAR

**To: Municipalities, Local Service Districts and Prime Consultants**

**Re: Process for Hurricane Igor Municipal Infrastructure Recovery**

**Date: May 30, 2011**

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This circular is directed to the attention of municipalities and local service districts which sustained damage to municipal service infrastructure as a result of Hurricane Igor, and in particular to the consultants which have been engaged to date in restoration of this infrastructure.

In accordance with requirements of the federal Disaster Financial Assistance Arrangement (DFAA), the Province's restoration of municipal infrastructure damaged during Hurricane Igor is being addressed in two distinct phases;

- I. Response** – this is the initial phase aimed primarily at assessment of damage, restoration of basic services, preservation of public safety, and protection of infrastructure from further damage. This phase was undertaken directly by the municipalities and local service districts, with consultants, contractors and municipal work forces engaged as appropriate for the particular circumstances. Costs are being paid by the province directly to the invoicing party. This response phase is now considered complete, with the possible exception of small amounts of work previously authorized but not yet fully completed.
- II. Recovery** – this final phase will extend the Response phase to complete the full restoration of all eligible municipal infrastructure to pre-storm conditions. This remaining work will be undertaken by the province, primarily through contractual arrangements with consultants and construction companies. The Recovery phase is now starting, and will follow the process and procedures outlined herein.

General principles guiding the process for the Recovery phase include the following;

1. The Province, through the Minister of Municipal Affairs, will be the contracting party (client and owner) and will be signatory to all consultant agreements and construction contracts. In general, standard forms of agreement, contract and specification in use at the time will continue to be used, but with appropriate addenda as required to properly identify Municipal Affairs as the contracting party.
2. For project continuity, consultants who have already been engaged by a municipality for the Response phase will be given first opportunity to continue the work in that community through the Recovery phase. In the event of failure to reach agreement on the terms and conditions of engagement of a consultant, then engagement will be made on the basis of a Request for Proposals.
3. All work authorized under Recovery must be kept separate and distinct from previous work under Response. Project numbers will be issued as required, and except for

deviations necessitated and outlined herein, project administration and management will otherwise follow the process and procedures established through past practice for provincial/municipal capital works projects.

4. All work will be contracted through the public tender process. Consultants will be expected to recommend and compile suitable tender packages which reflect prudent consideration of factors that would affect the successful outcome of the tendering process. Such factors would include nature and extent of the work, economies of scale, and capacity of the construction industry in the area.
5. Prior to the start of any design development or tender preparation, a Scope Management Plan will be prepared following the format of the attached template. This Plan will detail the work required in the community to restore municipal infrastructure to pre-storm condition, and the Plan's content must be consistent with preceding assessments and all subsequent reviews and correspondence up to the date of its acceptance. The Department of Municipal Affairs, the municipality and the consultant will all be signatory to the final agreed version of the Scope Management Plan, and once so accepted, the Plan will constitute a definitive and comprehensive guide for all work required within the community.

For projects where a Mitigation or Upgrade component is requested by the municipality, the following additional guidelines will apply;

1. For present purposes, Mitigation will be defined as a component of the work which is not necessary for restoration to pre-storm condition, but which is demonstrably advisable for inclusion as a measure to prevent a recurrence of the same problem. This would typically be something like increasing a pipe size or adding some erosion protection, where the existing works were inadequate for a typical design storm. Note that DFAA guidelines refer to this type of work as Mitigation, Enhancement or Mitigation Enhancement, and a certain amount of incremental cost may be allowed, subject to DFAA pre-approval on a discretionary case-by-case basis.
2. Upgrade is defined as similar nonessential work, but which does not mitigate against recurrence. Such works might be considered for inclusion where logistics or practicalities make it advisable to extend the useful life or service level of infrastructure which is serviceable, but in poor condition. Typical examples would be replacement of rusted culverts or re-grading of roads to improve functionality. DFAA guidelines do not make any allowance for the inclusion of Upgrade works.
3. Mitigation or Upgrade works can be included in Recovery projects only if the town receives approval for cost-shared Municipal Capital Works (MCW) funding for the incremental cost over and above that provided by DFAA.
4. If a community requests the inclusion of a Mitigation or Upgrade component, the Regional Office of Municipal Affairs will make an initial determination of whether or not the inclusion is warranted. If it is not, the work will not be included in the Scope Management Plan. If warranted, the Regional Office will seek DFAA approval for any eligible inclusion, and will accept the required MCW application from the municipality for the incremental cost beyond DFAA eligibility. Application shall be in the form of a letter of request to the Regional Office, accompanied by documentation supporting the municipality's ability to meet the financial commitment. Pending approval of the funding, the incremental work will be included in the Scope Management Plan, but on the

express understanding that if funding approval is not given, then the subject work will be omitted from the final project. Such provisional inclusions shall be noted in the Plan as Mitigation or Upgrade, as may be applicable.

5. Mitigation or Upgrade applications will be assessed according to normal eligibility requirements and criteria applicable to the MCW program. Works which are approved will be funded at the MCW cost-sharing ratio applicable to the municipality based on its population. Projects which include such components shall be tendered and contracted with an addendum to the contract documents which incorporates the municipality as a co-signatory for the purpose of contractually obligating the municipality to make direct payment to the contractor of its agreed cost share plus the full Goods and Services Tax (GST) component of the incremental work.

Throughout the Recovery projects, it is essential that costs be tracked and recorded separately for each distinct location within the municipality. Tender documents shall be structured accordingly. Invoices and payment certificates may be submitted in summary form, but shall be accompanied by a cost distribution sheet which records construction contract quantities and costs specific to each location, and which pro-rates the engineering costs accordingly. Regardless of location, any Mitigation and Upgrade costs shall be similarly tracked as separate items. At the end of each project, the consultant shall submit a final report of the details of the separate costs, together with a short description of the work undertaken at each, and with photographs documenting the pre-and-post contract conditions at each location.

Upon receipt of this Circular, consultants should respond with an expression of interest in being engaged for Recovery projects. For project tracking and audit purposes, a separate response should be sent respecting each community, advising if the consultant does or does not wish to be considered for the professional services required in that community. Response should be in the form of e-mail communication to the relevant Regional Engineer as indicated below. For each affirmative response, a project number will be issued by the Regional Office and the consultant will then submit a draft Scope Management Plan and a draft Prime Consultant Agreement (duly amended for Municipal Affairs as the contracting party).

Any questions or concerns may be addressed to the relevant Regional Office as follows;

Central Regional Office

Bruce McGrath, P. Eng.

256-1055

bmcgrath@gov.nl.ca


Eastern Regional Office

John Dawe, P. Eng.

729-5337

johndawe@gov.nl.ca

or to one of the Project Engineers or Project Managers with whom you may already have been dealing.



**DAN NOSEWORTHY**  
Director of Regional Operations

cc: Regional Engineers  
Fire and Emergency Services



## **Scope Management Plan**

### **Municipal Infrastructure Recovery**

{City/Town/Local Service District} of {Name}

Project Number {Number}

Sponsor Department of Municipal Affairs  
Contact {Name of Project Engineer}  
Phone Number {Number}  
Address {Mailing Address}  
E-mail {Address}

Co-Sponsor {City/Town/Local Service District} of {Name}  
Contact {Name}  
Phone Number {Number}  
Address {Mailing Address}  
E-mail {Address}

Consultant {Company Name}  
Contact {Name}  
Phone Number {Number}  
Address {Mailing Address}  
E-mail {Address}

Revisions					
Rev	Date	Description	Acceptance		
0		Initial Preparation			
A					
B					

**1 Problem Statement**

*{Provide a detailed statement of the problem(s) being addressed}*

**2 Alternative Analysis**

**2.1 Alternatives**

*{List and briefly describe the alternatives available}*

**2.2 Chosen Alternative**

*{Identify chosen alternative and describe why it was chosen}*

**2.3 Rejected Alternatives**

*{Describe why other alternatives were eliminated (address each separately)}*

**3 Statement of Work**

**3.1 Description and Scope**

**3.1.1 Background**

*{Include reference to previous assessments upon which this scope is based}*

**3.1.2 Description of deliverables of the completed project**

*{Include site-by-site description of the works to be undertaken, as well as general-project reporting and documentation. Include separate description of Mitigation or Upgrade measures as sub-sections for the applicable site}*

**3.1.3 Project Exclusions**

**3.1.4 Priorities assigned to each deliverable in the project**

**3.1.5 Milestones and expected completion dates**

**3.1.6 Gantt chart of planned schedule**

**3.2 Approach**

**3.2.1 Standards or methodologies to be observed**

**3.2.2 Impact on existing systems or projects**

**3.2.3 Assumptions critical to the project**

**3.2.4 Procedures for changes of scope**

**3.2.5 Project budget**

**3.3 Risks and Concerns**

**3.3.1 Project constraints**

*{Provide a summary of identified project constraints. Typical constraints may fall into the following categories: Resources, Delivery, Environment, Budgetary, Functionality, Regulatory, as may be applicable}*

**3.3.2 Overall risk assessment**

**3.3.3 Risk mitigation or abatement strategies**

**3.4 Acceptance Criteria**

**3.4.1 Detailed acceptance process and criteria**

**3.4.2 Testing/qualification approach**

**3.4.3 Termination of project**

**4 Other Issues**