

TO:	CHAIR AND MEMBERS Finance and Administrative Services Committee MEETING February 6th, 2012
FROM:	PETER CHRISTIAANS, DIRECTOR, DEVELOPMENT FINANCE
SUBJECT:	DC RATE MONITORING – 2011 YEAR END REPORT

RECOMMENDATION

That on the recommendation of the Director of Finance,

1. That for the 2014 DC study, in an effort to continually improve the accuracy of DC rate setting, that staff and consultants **BE DIRECTED** to have due regard to :
 - a. the City experience related to large favourable and unfavourable variances between 2009 DC study estimates and actual experience;
 - b. accurately defining project scope when estimating DC study rates.
2. That staff **BE DIRECTED** to incorporate a financial feasibility component into future GMIS reviews prior to providing recommendations to Council; such review to have regard for growth related debt levels;

it being noted that :

- a. Administration is nearing completion in establishing individual budgets and individual record of actual expenditures for SWM ponds, all recorded through the corporate accounting system;
- b. Transportation division is in the process of completing a review of recent trends in Arterial Road construction costs to explain recent history in prices, and near term expectations, and relate the findings to budget and development charge amounts, consistent with a resolution arising from the July, 2011 DC Monitoring report;

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Board of Control, May 13, 2009 - 2009 Development Charges(DC) Adoption of DC Policy, Background Study & Rate By-Law;
 Committee of the Whole – March 1, 2007 - Blue Ribbon Panel Implementation Strategy
 Built and Natural Environment Committee – December 13, 2010 – DC Monitoring Report – Initial Report
 Built and Natural Environment committee – July 18, 2011 – DC Monitoring Report – mid 2011

BACKGROUND

In conjunction with the passing of the DC by-law in latter part of June, 2009, Council directed as follows :

- “ (d) Civic Administration **BE DIRECTED** to undertake the following in the months to come:
- (i) consistent with the recommendations of the Blue Ribbon Panel (2006), and under the direction of the Director of Development Finance, a program of monitoring development charge revenues and growth costs (including claimable works) **BE ESTABLISHED** with the intention of reporting to Council, significant variances that might impact DC rate levels;”

Purpose

This report responds to Council's direction in 2009 to monitor DC rates. It provides a project by project status analysis on growth related capital works in progress. Based on the analysis, the report provides some broad conclusions about the accuracy of the current DC rates in recovering growth related capital costs.

Previous versions of this report were addressed to the Built and Natural Environment Committee. Due to the financial nature of the report and the realignment of committee responsibilities, it is now the mandate of the Finance and Administration Committee.

DISCUSSION

'DC fund reporting' provides historical financial information about DC fund revenues and expenditures. This report is currently produced annually (mid year) by the City Treasurer.

'DC rate monitoring' on the other hand, involves analysis of projected costs and growth assumptions as compared to estimates used in setting DC rate setting. DC rate monitoring provides evidence about how suitable the current DC rates are in recovering the actual costs of growth being experienced.

This report addresses DC rate monitoring. Based on project tenders, the report provides a limited review and analysis of expected final costs of City Services Reserve Fund (CSRF) project costs in relation to DC study estimates.

The projects used in this review were CSRF funded growth works that were tendered between June, 2011 (date of last review) and December, 2011.

ANALYSIS

1. ASPECTS OF DC RATE MONITORING

a. What is the scope of the costs under review through DC rate monitoring?

The 2009 DC study originally projected costs of \$1.7 billion to serve anticipated growth over the next 20 years. As a result of an OMB hearing, the Transportation program was reduced from \$655M(20 year program) to \$195M(10 year program). After OMB, the total hard services (roads, water, sanitary & storm) funded by CSRF amounts to nearly \$700M.

b. How can we assess the accuracy of the calculated DC rates?

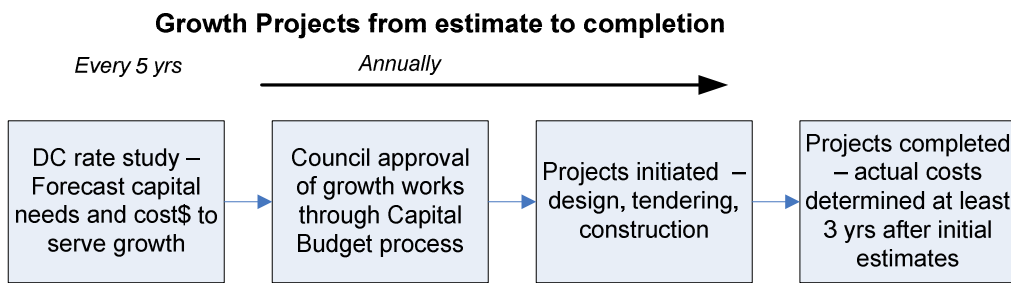
The DC rate study involves estimates that are made with limited knowledge of specific project-by-project design requirements.

The accuracy of DC rates depends on :

- the accuracy of the 20 year cost estimates used in the rate calculations,
- the adequacy of contingencies, where specific project costs cannot be developed,
- the executed timing of the works in relation to the anticipated timing in the rate study, and
- the rate of building activity,
- the density of building activity in relation to targeted densities (that is, is the City meeting the density projections used in the initial growth forecast employed in the DC rate study?) .

This report focuses on accuracy of costs estimates and rate of building activity.

The graphic below depicts the general process from expenditure forecast to project completion.



DC Rate monitoring on project costs entails forecasting the final project costs to determine whether the initial costs used to establish DC rates are reasonably accurate. The results of these reviews on costs are discussed below.

2. OBSERVATIONS RELATED TO TENDERED PROJECTS & FORECASTED FINAL COST

This section reports the observed differences in costs used in the DC rate study as compared with projected final DC project costs. Observations are based on a review of projects tendered between June, 2011 and December, 2011.

To produce the analysis which follows, each project manager was asked to forecast the anticipated final cost of their project (based on the information gleaned from recent tendering). In some cases, the project is still in the initiation phase and an accurate projected cost is not yet available.

Details of the observed results are in Appendix A of this document. The results are analyzed on a service by service basis below.

i. Differences in CSRF funded Arterial Roads

The total 10 year cost estimates of growth related Arterial Roads incorporated into the amended 2009 DC rate calculation is approximately \$195M.

The following observations were made on the projects tendered between June 2011 and December 2011. (see details on Appendix A) :

Review of Growth Projects	Arterial Roads
Total projects reviewed	12
Total Project DC study cost estimates for projects reviewed	\$72.2M
Total projected Final cost estimate - June, 2011(per Project Mgrs)	\$83.5M
Net variance - favourable/(unfavourable)	(\$11.3M)
For projects reviewed, value of work committed, project to date	\$34.6M
For projects reviewed, value of work committed - as a % of Total Projected cost	41%

- The data shows overall, that projected final costs exceed estimates used in the DC rate calculations. For three(3) of the projects reviewed, the unfavourable variance between DC estimate and projected final cost is greater than 25% of the original DC estimate. In other words, though we may not be exceeding our budgets for these projects, the budgets exceed the estimates used to establish DC rates. This is consistent with observations in the previous two 2010 DC Monitoring reports for this service.
- Much of the reason for the variance is a result of price escalation between the time the 2009 DC study estimates were completed, and the figures submitted for the 2010

budget. Transportation project costs significantly exceed the costs used to calculate DC rates on a wide spectrum of projects.

- There have been examples where the scope of the project is greater than what was incorporated into the DC rate study estimates.
- There have been items introduced in budget that were not incorporated into DC rate calculations for this service component. For example, one project (Sarnia from Wonderland to Sleighholme) was deferred beyond the ten year horizon to accommodate the rate shift, but was reintroduced into the budget;
- A significant portion of the program has been shifted beyond the 10-year horizon to accommodate rate increases in the UWRF.

As a result, the current DC rate for Transportation appears insufficient to support Transportation projects. It is recommended that for the 2014 DC study, greater attention to Road cost estimates would improve the DC rate accuracy.

Progress on the Transportation projects reviewed is 41% of the projected total cost. Future economic conditions may yet have an impact on the final variance from estimated.

ii. Differences in CSRF funded Waste Water capital projects

The total 20 year cost estimate of growth related sanitary sewer works incorporated into the 2009 DC rate calculations is approximately \$222M.

The following observations were made on the projects tendered between June 2011 and December 2011. (see details on Appendix A) :

Review of Growth Projects	Sanitary
Total projects reviewed	4
Total Project DC study cost estimates for projects reviewed	\$69.4M
Total projected Final cost estimate - June, 2011(per Project Mgrs)	\$41.8M
Net variance - favourable/(unfavourable)	\$27.6M
For projects reviewed, value of work committed, project to date	\$34.6M
For projects reviewed, value of work committed - as a % of Total Projected cost	82%

The capital program in the 2010 and 2011 budgets for growth related Waste Water capital projects varies significantly from the program upon which DC rates were set. The observations on projects advanced in the last half of 2011 reflect a significant favourable variance between expected final project costs and cost estimates used to set DC rates. This favourable variance is the result of significant changes in future works planned for Greenway plant. Table 1 below summarizes the total extent of the variance expected:

Table 1 – Summary of significant changes between DC Study projects and current capital plans

Project	2009 DC Study		Capital Plan today	
	DC Timing	DC Cost Estimate	New 20 Year Plan Timing	New 20 Year Plan Cost Estimate
Greenway Incinerator Refurbishment	2012-2016	\$13.44M	2011-2018	\$11.051M
Greenway Dewatering	2018	\$12.6M		\$0
Greenway New Incinerator	2024	\$24.15M		\$0
Greenway Incinerator Rebuild			2021-2023	\$5.2M
Biosolids Disposal & Optimization Plan			2011	\$8.982M
TOTAL		\$50.19		\$25.233

The 2014 DC rate study will incorporate the revised projects and estimates.

The significant favourable variance in Wastewater can be viewed as offsetting the significant unfavourable variance in the Transportation component.

iii. Differences in CSRF funded Storm Water Management (SWM) capital projects

The total 20 year cost estimates of growth related SWM Facilities incorporated into the 2009 DC rate calculations is approximately \$170M.

The following observations were made on the projects tendered between June 2011 and December 2011. (see details on Appendix A) :

Review of Growth Projects	SWM
Total projects reviewed	11
Total Project DC study cost estimates for projects reviewed	\$45.5M
Total projected Final cost estimate - June, 2011(per Project Mgrs)	\$48.8M
Net variance - favourable/(unfavourable)	(\$2.5M)
For projects reviewed, value of work committed, project to date	\$14.8M
For projects reviewed, value of work committed - as a % of Total Projected cost	30%

For projects reviewed, final projected cost of SWM projects now underway are generally expected to be in line with cost estimates set out in the DC study, with one exception. The pond, located in the Riverbend area (“Trib C pond”) is expected to result in an unfavourable variance from 2009 DC study estimates. The pond design has been complicated by the existence of a cold water fishery. Discussions regarding the pond design and requirements for approvals, are ongoing. Despite this incomplete status, the deficit for this pond has been

roughly estimated for the purposes of this report, in the neighbourhood of \$2.5M. Subsequent discussions and approval decisions will determine the final deficit compared to DC study estimate.

Staff previously reported an inability to monitor SWM ponds due to a lack of corporate accounting information aggregated on a pond-by-pond basis. Efforts to create an accounting and budgeting approach for SWM ponds that facilitates monitoring of progress on each pond are nearing completion. The new approach, which is similar for all significant growth projects, will improve the accountability and transparency of SWM pond projects funded by DC's.

With respect to CSRF funded Storm Sewer pipes, there is a single large provision in the CSRF rates (\$3.5M for 20 yrs). Since the last report, a project requiring an enlarged storm outlet has been approved by Council. The storm sewer needed to serve this intensification project was not specifically identified in the 2009 DC study, but a contingency incorporated into the rate calculation provided the necessary provision to use DC rates. It is important that contingencies continue to be incorporated into rate calculations where specific projects cannot be identified.

iv. Differences in CSRF funded Water capital projects

The total 20 year cost estimates of growth related Water Distribution works incorporated into the DC rate calculations is approximately \$117M.

The following observations were made on the projects tendered between June 2011 and December 2011. (see details on Appendix A) :

Review of Growth Projects	Water
Total projects reviewed	1
Total Project DC study cost estimates for projects reviewed	\$6.3M
Total projected Final cost estimate - June, 2011(per Project Mgrs)	\$6.3M
Net variance - favourable/(unfavourable)	\$0
For projects reviewed, value of work committed, project to date	\$5.1
For projects reviewed, value of work committed - as a % of Total Projected cost	81%

Review of projected final costs in relation to estimated costs reveals no concerns with respect to final projected costs in comparison to cost used in DC study.

This completes the review of cost estimates incorporated into DC rates relative to amounts incorporated into the capital budgets (ie. CSRF funded infrastructure).

v. Matching investments with the pace of growth

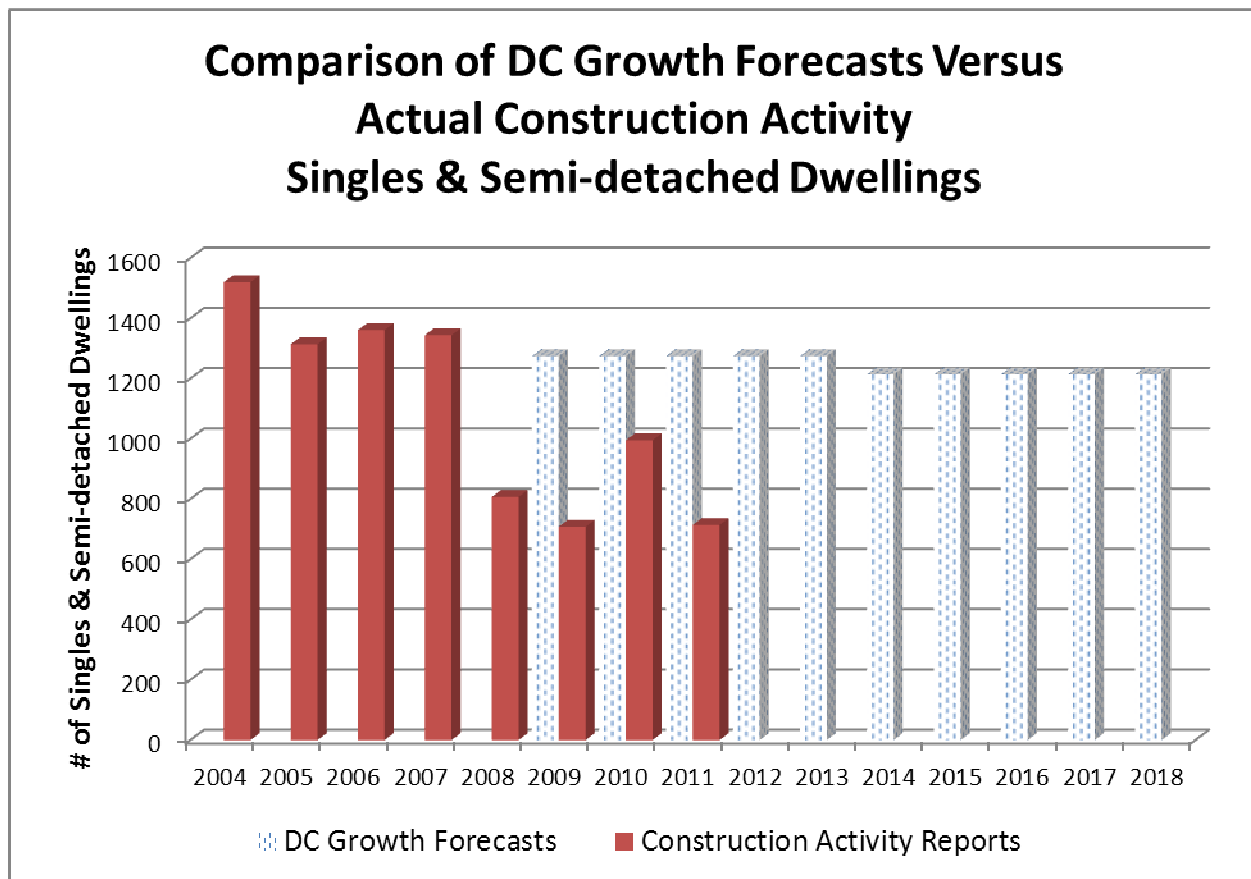
The preceding summaries reflect capital projects with approved budgets-to-date of approximately \$153M (with approximately 40% of the money yet to be committed). These investments are funded by growth, and pave the way for growth.

An important aspect of Growth Management is in matching the pace of investments in infrastructure with the pace of development. This is especially true given the shift from UWRF funding to CSRF funding for many larger projects in the 2009 DC study.

So far, the dollars approved for investment in infrastructure to facilitate growth have largely matched the timing provided in the initial GMIS and 2009 DC study. However, building activity levels have not matched the levels anticipated in the 2009 DC study.

On building activity levels, London experienced a record year in terms of total dollar value of building activity in 2011 (largely due to activity in the area of institutional development). However, there is evidence that the current pace of investment to provide for residential growth has surpassed the current pace of absorption of those lands. Consider the following :

1. Multi-unit construction is just below levels forecast in the 2009 DC study,
2. Low density construction, in the 2½ years since the DC study was completed is 63% of the average growth expectation projected in the DC study. The graphic below illustrates the observation :



If the current building trend continues, the reduced DC revenue stream will also continue. Suppressed building activity in single family units in 2011 resulted in DC revenues nearly \$10M below the average projected in the DC study.

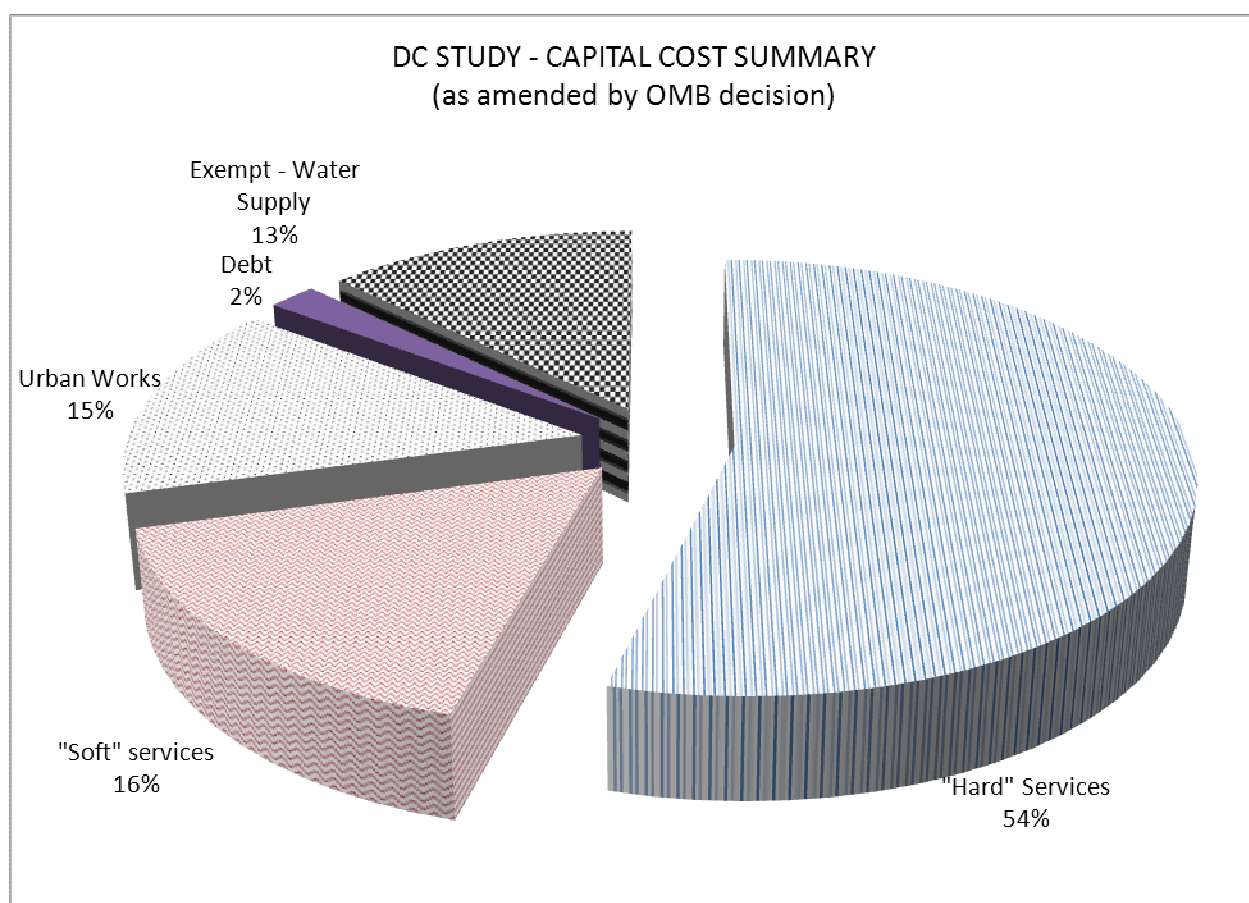
Total budgeted expenditures on growth infrastructure in 2011 amounted to approximately \$55M. Average DC revenues would have produced approximately \$34M, however actual DC revenue collected was approximately \$24M. This set of circumstances puts upward pressure on DC rates to recover the cost of debt financing idle capital investment.

With the pace of growth lagging, Council should consider the pace of investment in infrastructure to serve residential growth. This should be done in the context of other Council priorities and growth related debt levels. The annual GMIS review should incorporate an element that reviews the financial feasibility of further debt financing of growth related infrastructure to serve residential growth. This review should be conducted in consultation with the City Treasurer’s office.

vi. Limitations in this report

This report has two general limitations that the reader should be aware of :

1. First, it has addressed the “Hard Services”, CSRF funded costs in the DC study as amended by the OMB appeal (approximately \$700M in costs). The chart below depicts other elements of cost that are incorporated into the DC rate structure, that have not been addressed in this monitoring report. Significant variances in other elements - such as “Soft” Services or Urban Works - would also affect the dependability of DC rates, but not to the same extent as the “hard services” group of projects.



2. Secondly, the report deals only with projects for which work was tendered. Many more projects may have undiscovered variances that would impact conclusions on the overall health of the DC rates.

vii. Summary comment on nature of DC estimates

Despite everyone’s best efforts, there will always be items included in the DC rate calculation that are based on preliminary cost estimates which are prone to variations as further study or market conditions dictate. However, it is important that staff and consultants exercise diligence in developing cost estimates and provide for ample contingencies in the DC rate calculations.

viii. Summary Observations

The DC Transportation estimates are proving to be out of line with expected actual expenditures, comparing unfavourably with estimates used in the DC rate calculations. On the other hand, sanitary projects have also changed considerably since the time of the study, in this case resulting in favourable variances from DC study estimates. With the discussion on ‘Limitations in this Report’ above in mind, it is our opinion that DC rates for CSRF funded projects are on balance, despite numerous and significant differences between estimates and projected actuals, reasonably accurate in total.

CONCLUSION

DC rates were approved in June 2009 for implementation in August, 2011. The rates were then adjusted on appeal, but not increased, as a result of a 2011 decision of the OMB. The deferral of a large portion of the Arterial Road program was necessary in order to address concerns related to reduction of the UWRF rate and, at the same time, maintain rates at 2009 calculated levels.

In 2014, Arterial road rates are anticipated to revert to their pre-OMB ruling levels. The concurrent decline in the UWRF rate will need to be addressed if the objective of paying the existing UWRF claims in a specific period remains paramount in setting UWRF rates. The increase in the Arterial Road rate should assist in reinstating the road capacity improvement program in 2014 and forward.

The preceding review compares projected final costs of CSRF funded works against estimates in the 2009 DC study, based on information gleaned from tenders and projections of total project costs. A synopsis of the results is presented below :

<i>Service Component</i>	<i>Based on observed results, is the DC rate for this component Overstated, Understated, or About right</i>
Transportation	Understated
Sanitary	Overstated
Storm Water Management	Slightly Understated
Water	About Right

The review suggests that all things considered, DC rates for CSRF funded “hard services” appear reasonable in total.

A new DC study is in the planning stages now, and staff intend to report on the study initiation in the next few months.

ACKNOWLEDGEMENTS

This report was compiled with the assistance of various capital project managers and staff in the Development Approvals Business Unit.

PREPARED and RECOMMENDED BY :	REVIEWED & CONCURRED IN:
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REVIEWED & CONCURRED IN:	
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January 31, 2012

c.c. Martin Hayward, City Treasurer
R. Standish, Director, Wastewater Treatment
J. Lucas, Transportation Engineering

attchmts: Appendix A

Appendix A

DC Study Information		Project Tendering, Commitments and Estimated Cost to complete										Variance Analysis		
Project #	Project Description	Pg. #	Project Manager	Comment re. Tender	Total 2009 DC Study cost estimate for project	Project Budget - Life-to-date	Ttl Committed against Appr'd Budget (PO Related + Other) ⁽³⁾	Estimated Cost to Complete ⁽²⁾	Projected Final Cost	Projected Project surplus / <deficit> in DC Study cost estimate \$	Projected Project surplus / <deficit> in DC Study cost estimate % of DC cost	Explanation of difference between DC Study Cost estimate and Projected Final Cost		
Line Item														
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
2	TS1650-11	Minor Roadworks on Arterials	150-154	J Lucas	SoF #11094 - tender for traffic signals	1,800,000	1,800,000	265,377	1,534,623	1,800,000	0	=col. 10+ col.11	0	
3	TS1486	Southdale Rd widening - Wonderland to Wharmcliffe	147	J Lucas	SoF #11083, 11089, 11124-11127, 11144, 11170 - land acquisitions	9,798,750	10,969,000	776,056	10,192,944	10,969,000	-1,170,250		-12%	The DC Study Estimate was based on a length of 1150 m. The correct project length to complete the four-laning between Wharmcliffe Rd and Wonderland Rd is approx 1600 m. Hence the increased cost estimate.
4	TS1345	Byron Baseline Rd upgrades	150	J Lucas	SoF #10096 - appoint consulting Engineers	1,142,800	260,000	92,080	1,142,920	1,235,000	-92,200		-8%	
5	TS1360	Wonderland Rd N. Improvements	-	J Lucas	SoF #10096 - appoint consulting Engineers	0	2,690,000	251,902	2,438,098	2,690,000	-2,690,000		100%	See March 28, 2011 BNEC Report Item 33. The report recommended the deferral of a lower priority phase of the Sarnia Road Improvements project.
6	TS1470	Commissioners Rd Widening from Wonderland Road to Viscourt Road	147	J Lucas	SoF #11100, 11135 - land acquisitions	13,697,000	2,847,000	712,486	12,984,514	13,697,000	0		0%	
7	ES2095	Biosolids Disposal and Optimization Plan	169	R. Standish	SoF #11104, 11110, 11131 - Sludge DeWatering Centrifuges - engineering & construction; decommissioning Incinerator #1	36,750,000	8,982,000	3,547,757	5,434,243	8,982,000	27,768,000		76%	This project replaces two projects (new incinerator and new dewatering facilities) that were identified in the Development Charges Study that was outlined in the 2009 DC Background Study at a total cost of \$36.8 million.
8	ES2477	Stoney Creek Erosion Control Wetland SWMM Facility	191	B. Krichker	SoF #11133 - Engineering and construction	5,730,000	5,730,000	4,216,237	1,513,763	5,730,000	0		0%	
9	ES3020-FH3	Fox Hollow SWMF No. 3	191	B. Krichker	SoF #11107 - land purchase	5,777,700	5,777,700	1,010,168	4,767,532	5,777,700	0		0%	
10	TS1496-2	Summingdale Rd Widng Ph.2 - Intersection upgrades (Includes "3.6(f) Stage 1 - Phase 1 - Richmond/Sunningdale Intersection" and "3.6(f) Stage 1 - Phase 3 - Wonderland/Sunningdale Intersection"	148	J Lucas	SoF #11116 - Intersection upgrades	3,493,200	750,000	24,142	4,725,858	4,750,000	-1,256,800		-36%	The EA indicates an increased scope for the intersection improvements, particularly at Richmond Street, because of a required horizontal realignment of the road and large utility relocation costs. Also, these intersection improvements will require property acquisition which was not included in the DC Study estimate. The EA will be concluded soon and will better define the costs and timing. We will consider DC cost impacts when re-establishing the timing of these localized improvements.
11	TS1347	Richmond Street Widening between North Centre Road and Western Road Phase 1 - Western Road to Fanshawe	148	J Lucas	SoF #12001 - Storm Sewer to Accommodate Intensification on Richmond Street	2,572,500	0	900,000	1,672,500	2,572,500	0		0%	See December 12, 2011 PEC Report Item 23 Titled "Storm Sewer to Accommodate Intensification on Richmond Street".

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12	ES3020 Stormwater Management - Storm Sewers	190	B. Krichker	Soft #12001 - Storm Sewer to Accommodate Intensification on Richmond Street	525,000	0	(7)	600,000	0	600,000	-75,000	-14%	See December 12, 2011 PEC Report Item 23 Titled "Storm Sewer to Accommodate Intensification on Richmond Street".
13	ES4402 Stoney Creek Trunk Sanitary Sewer - Ph 1 - Trossacks to Stackhouse Dr.	170	S Milanovic	Soft #11112 - land acquisition	4,949,800	4,138,058		3,297,847	840,211	4,138,058	811,742	16%	
14	ES5236 Foxhollow Trunk Sanitary Sewer	170	K Chambers	Soft #11066, 11156 - Addendum to Municipal Class EA, Engineering & Construction	1,704,300	2,004,300		1,603,724	0	1,603,724	100,576	6%	
15	TS1480 Springbank Dr. Road Widening	197/2004 DC Study)	J Lucas	Soft #11121 - expropriation agreement	15,996,000	16,391,183	(6)	16,444,718	-53,535	16,391,183	-395,183	-2%	
16	TS1156 Wonderland Road Widening - Fanshawe to Gainsborough (2010 - Construction)	147	J Lucas	Soft #11101 - land acquisition	10,329,600	13,007,195		11,546,794	1,460,401	13,007,195	-2,677,595	-26%	DC estimate based on incorrect length of project (1070m used in estimate, actual length is 1300m)
17	ES3020-UPNB2 Uplands North SWMF #2	191	B Kricker	Soft #11113 - land purchase and Soft #11151 - Engineering and Construction	2,516,700	2,516,700	(5)	928,029	1,588,671	2,516,700	0	0%	
18	ES3020-WKR Wickerson SWM Pond Lands	191	B Kricker	Soft #11115 - land acquisition	2,236,700	2,236,700	(5)	2,957	2,233,743	2,236,700	0	0%	
19	ES3020-SDL4 Sunningdale SWM Facility #4	191	B Kricker	Soft #11116, 11117 - Engineering, Construction & land acquisition	4,737,700	4,737,700	(5)	3,037,485	1,700,215	4,737,700	0	0%	
20	ES3020-HD Foxhollow - Heard Drain	191	B Kricker	Soft #11156 - Engineering & Construction	4,580,000	4,580,000	(5)	1,871,306	2,708,694	4,580,000	0	0%	
21	ES3020-FH1 Foxhollow SWM #1	191	B Kricker	Soft #11145 - land acquisition	4,166,700	4,166,700	(5)	1,626,670	2,540,030	4,166,700	0	0%	
22	ES3020-OV2 Old Vic SWM facility	191	B Kricker	Soft #11143 - reimbursement of Landowners who financed EA study	2,416,700	2,416,700	(5)	202,072	2,214,628	2,416,700	0	0%	
23	ES3020-RVBT0 Trib C - additional engineering fees and First Nations Consultation Fees	191	B Kricker	Soft #11167 - Status Report For EA and Soft #11178 - Munsee-Delaware First Nations's Consulting Team	3,487,000	5,949,685	(5)	333,611	5,616,074	5,949,685	-2,462,685	-71%	Increased complexity and scope of design and construction work due Tributary C being identified as a cold water fishery .
24	EW3606 Southeast Pressure Zone Feeder Wtrmn - Includes: "Innovation Dr (A16) fr Concept to Bradley", "Bradley (A18) - Jackson to Innovation Pk Rd", and "Innovation East (A23) - Ph. 1 - Bradley to Innovation Pk Ph. 4"	182	R. Welker	Soft #11114 - surface works and commuter parking lot - Engineering & Construction	6,366,000	6,366,000		5,131,579	1,234,421	6,366,000	0	0%	
25	TS1366 Bradley-Jackson Old Victoria Arterial Rd Rehab (Old Victoria Rd Realignment)	150	J Lucas	Soft #11114 - surface works and commuter parking lot - Engineering & Construction	1,800,000	1,800,000		1,360,091	439,909	1,800,000	0	0%	

Appendix A

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Project #	Project Description	Pg. #	Project Manager	Comment re: Tender	Total 2009 DC Study cost estimate for project	Project Budget - Life-to-date	Footnote reference	TH Committed against Appr'd Budget (PO Related + Other) ^(a)	Estimated Cost to Complete ⁽²⁾	Projected Final Cost	Projected Project surplus / <deficit> in DC Study cost estimate \$	Projected Project surplus / <deficit> % of DC cost estimate	Explanation of difference between DC Study Cost estimate and Projected Final Cost
26	TS2170 Bradley from Old Victoria to City Limits includes: "Bradley from Old Victoria to East of Phase 2" and "Bradley from East of Phase 2 to Phase 4 Entrance"	150	J Lucas	SoF #11114 - surface works and commuter parking lot - Engineering & Construction	2,234,000	2,350,000		905,774	1,444,226	2,350,000	-116,000	-5%	
27	TS2171 Old Victoria from Hamilton to Hwy401 includes: "Bradley from Old Victoria to East of Phase 2", "Bradley from East of Phase 2 to Phase 4 Entrance", and "Bradley from Phase 4 to City Limit"	150	J Lucas	SoF #11114 - surface works and commuter parking lot - Engineering & Construction	9,368,788	12,238,000		1,298,017	10,939,983	12,238,000	-2,869,213	-31%	The costs of the industrial DC projects TS2171 and TS2170 will be reduced in the next budget as a result of: - Savings of \$1.1M have been realized in the realignment project. - Costs in TS2170 (Bradley Ave) will be reduced because the realignment project reduced the scope of TS2170. - The 2013 intersection improvements will be deferred to approximately 2016 due to traffic growth lower than predicted. The 2016 2-lane improvements may also get deferred.
28	ES2685 Greenway PCC Expansion Study	169	R. Standish	SoF #11179 -Preliminary Work on the Expansion of Greenway Wastewater	26,000,000	19,915,000		533,527	26,146,473	26,680,000	-680,000	-3%	
29	ES2682 Dingman Erosion Control Wetland Remediation Works	191	B Krichker	SoF #11171 -Functional and Detailed Design of the Dingman Creek Stormwater Management Erosion Control Facility	9,370,000	9,370,000		969,505	8,400,495	9,370,000	0	0%	
30	check totals			28	193,546,938	153,989,621		63,489,912	115,861,633	179,351,545	14,195,393	7%	
31	Total Analysed- Transportation Projects			12	72,232,638	65,102,378		34,577,436	48,922,442	83,499,878	-11,267,241	-16%	
32	Total Analysed- Sanitary Sewer Projects			4	69,404,100	35,039,358		8,982,855	32,420,927	41,403,782	28,000,318	40%	
33	Total Analysed- Water Distr'n Projects			1	6,366,000	6,366,000		5,131,579	1,234,421	6,366,000	0	0%	
34	Total Analysed- SWM Projects			11	45,544,200	47,481,885		14,798,042	33,283,843	48,081,885	-2,537,685	-6%	
35	Grand Total - Review of Tenders			28	193,546,938	153,989,621		63,489,912	115,861,633	179,351,545	14,195,393	7%	

Notes :

- (1) The 2009 DC study contained 2 projects - one for DeWATERING and one for a New Incinerator. Total cost estimate for the two projects was \$36.8M. The new project - Biosolids Disposal and Optimization - replaces the two projects at significantly less cost (\$9.0M). This results in an exceptional surplus in relation to amounts used for the DC study.
- (2) This column is a rough approximation of the costs to complete the works (provided by project managers) in the budgets approved to date, over and above the costs identified in the "Total Commitments" column.
- (3) This column represents the committed amounts of the project at the time of the last Source of Financing report.
- (4) Where the DC study estimate is 0, the project was not specifically identified in the DC study, or the Arterial Rd project was deferred beyond 10 yrs. In either case, the rate is deficient to support the expenditure.
- (5) The provided Stormwater Management Facility project costs do not include consulting work completed prior to the 2009 DC background study. Stormwater Project work prior to the 2009 DC study were subsidized by individual developers and then claimed back from the Urban Works Reserve Fund.
- (6) This is a 2004 DC study item.
- (7) The "Total 2009 DC Study cost estimate for project" value for this project represents a portion of the "Additional Storm Sewer Projects" component of the DC study. The total DC funding available for "Additional Storm Sewer Projects" is \$3.5 million over the 20 year study period. \$525k is the prorated amount that was used for the DC Study cost estimate (\$3.5M prorated over 20 years; 3 year portion is \$525k)