



Development Charge Claimable Works Guidelines

Revision Date: January 1, 2022

PURPOSE

This document is intended to assist Owners and their Engineering Consultant through the process of Development Charge (DC) claimable works and should be used in conjunction with the DC By-law. Refer to Appendix A for an overview of the DC Claimable Works Process from Initial Consultation, to Work Plan approval to payment of claim.

INITIAL CONSULTATION

During the Initial Consultation stage, the Owner and their Engineering Consultant should contemplate if any of the required works for the proposed development may be considered DC eligible for subsidy or reimbursement. DC eligible works may include, but are not limited to external Minor Roadworks, LIDs, watermain, sanitary sewer or storm sewer subsidies in accordance with the provisions set out in the DC By-law.

SUBDIVISIONS – INITIAL PROPSAL REPORT (IPR)

As part of the Owner's IPR submission for a new subdivision development, potential claimable works and their cost estimates must be identified. The *IPR Claimable Works & DC Revenue Estimate Worksheet* located under Appendix B, is to be included with the IPR submission. This worksheet includes a list of potential DC eligible works along with their cost estimate/DC Background Study reference as well as a section to calculate the estimated DC revenues based current rates and proposed building units. Development Finance reviews the IPR submission and provides comments on eligibility of the proposed claimable works in accordance with the DC By-law. If the claimable works require a Work Plan, Development Finance will identify this requirement at the IPR stage and it will be included as a condition of Draft Plan Approval.

SITE PLAN – SITE PLAN CONSULTATION

In some cases, Owner-led claimable works are required as part of a site plan development. The scope of work and requirement for a Work Plan will be identified through the Site Plan Consultation process and will be included as a condition within the Record of Consultation.

WHAT IS A WORK PLAN?

In general, a Work Plan outlines the various engineering and construction tasks for Owner-led growth projects that are eligible for claim reimbursement. The Work Plan provides a detailed construction estimate and serves as the upset cost limit for the engineering design assignment. Once the Work Plan is approved by the City, these costs are included in the applicable Subdivision or Development Agreement.

WHEN IS A WORK PLAN REQUIRED?

A Work Plan is required for Owner-led growth projects which have been accounted for in the DC Background Study and accepted by the City as eligible for reimbursement from the City Services Reserve Fund (CSRF) based on the criteria identified in the DC By-law. Examples of Owner-led works which require a Work Plan may include:

Roadworks	Minor Roadworks (includes Channelization, Sidewalks, Streetlights), Internal Road Oversizing, Urban/Rural Intersections, Active Transportation
Stormwater	Open Channel Oversizing
Parks	Pathways, Parkland Infrastructure

When timing may not align with a larger scale City led major project or construction is integral to the overall safety and design of the subdivision, the City may require the Owner to undertake the design and construction of Minor Roadworks. A Work Plan is required for all Owner-led Minor Roadworks. Where temporary Minor Roadworks are required prior to commencing construction of a Major Transportation project, these works are considered an Owner's cost.

Major projects which are specifically identified within the DC Background Study are typically designed and constructed by the City. However, if through the course of approving a development the City determines that there is a benefit to having the Owner design and/or construct a major project, a Work Plan is required. Examples of major projects may include:

Roadworks	Arterials, Strategic Links
Wastewater	Regional Trunk Sewers
Water	Trunk Watermains
Stormwater	Stormwater Management Facilities, Regional Trunk Sewers, Regional Open Channels, Major SWM Facility Inlet/Outlet Sewers

Discussion with Development Finance and the relevant Service Area is required for major projects to define the scope and ensure proper coordination prior to submitting the Work Plan.

WHEN IS A WORK PLAN NOT REQUIRED?

A Work Plan is not required for claimable works which are eligible for a subsidy related to oversizing water/sewer pipes or Low Impact Development (LID). These are defined subsidy amounts that include the cost per metre of all eligible costs related to engineering, materials and construction. Refer to the DC By-law Schedules and Appendices for subsidy amounts. In place of a Work Plan, the *Summary of DC Claims from the City Services Reserve Fund (CSRF)* form must be submitted to support a DC subsidy claim. This form and associated worksheets are used to determine the total subsidy which takes into account the length, diameter and depth of the oversized pipe or LID. This form can be found under Appendix C.

A Work Plan is not required for Stormwater Management Facility Land Payment. The claimable amount is based on land type and determined in accordance with the DC By-law.

TIMING OF WORK PLAN SUBMISSION

At the Subdivision or Development Agreement stage, the Owner's Engineering Consultant is required to submit a Work Plan as part of the first submission of engineering servicing drawings. Development Finance staff may attend the First Submission Drawing Review meeting as necessary and is available for any follow-up discussions related to revisions.

WORK PLAN SUBMISSION REQUIREMENTS

The Owner's Engineering Consultant shall submit a Work Plan proposal for engineering activities and construction estimate that include the following:

1. DESCRIPTION OF WORK

This section should include a brief overview of the claimable works to be constructed by the Owner. In most cases, the Owner will undertake the design and construction of the claimable works in conjunction with activities for local services (Owner cost) related to the site plan or subdivision construction. In these cases, the proposed method of splitting costs for design and construction activities between local servicing and claimable works must be included in the description of work.

2. DETAILED ENGINEERING FEE ESTIMATE

It is important to lay out the expectations and scope of work under which the Owner's Engineering Consultant will be completing the project. The Work Plan must include a detailed breakdown of engineering tasks complete with estimated staff hours and costs for each item. Engineering tasks are to be broken out into design components such as preliminary/detailed design, drawing preparation, construction estimates, preparation of contract documents, tender administration/award, etc. Engineering related to construction of claimable works may include contract administration, site management, inspection, end of warranty, project close out, preparation of As-constructed drawings, disbursements, contingency, etc. Refer to Appendix D – *Work Plan Engineering Fee Estimate* template for an example of the minimum details required as part of the Work Plan proposal.

When there are multiple claimable works projects within a development that include an engineering component, (i.e. Channelization, Parks pathway, etc.) an Engineering Fee Estimate is required for each claimable item.

Typically, up to 15% of the construction estimate is an appropriate engineering fee for the design and construction of claimable works, however, if there are special expenses that are being considered, they should be clearly identified within the estimate.

3. DETAILED CONSTRUCTION ESTIMATE

The detailed construction estimate should follow the actual Form of Tender as closely as possible. The construction estimate must list the Specification number (where applicable), item description, units, estimated quantities and costs defined as unit prices, not as a lump sum. The use of contingency and provisional items may be used for major projects when site conditions may vary (i.e. dewatering for trunk construction, etc.). It is important to include all components of the claimable works within the construction estimate as this value is carried forward through the Source of Financing to allocate funds to the budget. The claimability of all construction items will be compared to the local service costs within the DC By-law to differentiate between eligible costs and Owner costs. In cases when the project includes both claimable and Owner costs, these should be clearly separated in the construction estimate.

4. SCHEDULE OF ACTIVITIES

Provide an overall schedule of activities related to the project including key milestones, estimated timeline for completion and claim submission.

5. LIST OF STAFF ASSIGNED TO PROJECT AND THEIR EXPERIENCE

Provide a list of the Engineering Consultant's staff that will be engaged in the project along with their experience and involvement with similar projects.

6. COMPLETED 'SUMMARY OF DC CLAIMS FROM THE CITY SERVICES RESERVE FUND (CSRF)'

All Work Plan proposals and DC claims for oversizing water/sewer pipes or LIDs require a completed *Summary of DC Claims from the City Services Reserve Fund (CSRF)*. This form provides an overview of all claimable works related to a development. In cases where there is a Work Plan requirement as well as pipe oversizing/LID subsidies, all of the claimable works must be included under one form. Refer to Appendix C for a copy of this form.

7. ENGINEERING DRAWINGS FOR CLAIMABLE WORKS

Provide a copy of the engineering servicing drawings which specifically highlight the claimable works. While an understanding of the initial Work Plan proposal is provided with first submission of engineering drawings, the design may change between the initial submission and final acceptance. If design changes impact the cost of claimable works, it is crucial that the Work Plan be revised to capture any changes in claimable costs prior to approval.

WORK PLAN APPROVAL

Development Finance reviews the Work Plan proposal to ensure claim eligibility in accordance with the DC By-law and Background Study. As necessary, the relevant Service Areas are consulted on Work Plan proposals to provide a technical review perspective. Consolidated review comments are provided to the Owner and their Engineering Consultant through Development Services. The City reserves the right to determine the DC eligibility of any of the activities outlined in the Work Plan.

Work Plan approval is provided by the Deputy City Manager, Environment and Infrastructure (or designate) and the Deputy City Manager, Finance Supports (or designate). Once the Work Plan cover sheet has received approval signatures, a copy is provided to the Owner and their Engineering Consultant.

The claimable cost estimates from the approved Work Plan are included in the budget through a Source of Financing which forms part of the special provision subdivision agreement clauses and is brought forward to Committee / Council for approval.

It is important to note that special provision subdivision agreement reports will not advance to Committee/ Council until the Work Plan is approved by the City.

Regarding claimable works under Site Plan agreements, the claimable cost estimates from the approved Work Plan are included in the Source of Financing and are approved by administration through delegated authority along with the Development Agreement.

WORK PLAN CONTINGENCY

Each Work Plan may carry a contingency allowance to cover unexpected costs associated with the design and construction of claimable works. Contingency allowance for engineering and construction is typically up to 10%, depending on the complexity of the project. If the value of additional work will exhaust the contingency allowance, a Work Plan addendum may be required and the Engineering Consultant will need to confirm the claimability of these additional works with Development Finance prior to proceeding.

The use of contingency allowance, if any, should be detailed in the final claim submission by providing invoices, change orders and details of unexpected costs.

WORK PLAN ADDENDUM

No claim in excess value of the approved Work Plan shall be considered. If unexpected costs are anticipated at any point in the project, it is crucial that the Owner / Engineering Consultant contact Development Finance to review the scope and eligibility of the additional work.

If the additional work is deemed eligible for reimbursement, an addendum to the Work Plan may be requested at the sole discretion of the City. The Work Plan addendum shall be subject to the approval of the relevant Service Area and Development Finance prior to any overage of the project value included in the approved Work Plan. In the event that costs have been incurred in excess of the approved Work Plan and before a Work Plan addendum has been approved, the costs will be deemed ineligible for claim reimbursement.

TENDERING AND AWARD OF CONTRACT

For claimable works it is important to receive competitive pricing to ensure prudent use of DC funds. Claimable works subject to a Work Plan with an estimated amount in excess of \$100,000 shall be undertaken by public tender while works estimated at less than \$100,000 may be undertaken by public tender or by invitation with a minimum of 3 proponents. The Owner's Engineering Consultant shall provide Development Finance with a cost estimate in the form of the draft tender document and ample time for review prior to issuing the tender. Failure to do so may delay the intended project schedule.

Publicly tendered projects must follow the City of London's [Standard Contract Documents for Municipal Construction Projects](#).

Advance notification of the time and location of the tender opening shall be provided to Development Finance and must follow a formal tender opening procedure. Tender results and unit price summaries shall be provided to Development Finance for review upon the closing of tenders and prior to awarding the contract.

For more detailed information regarding the City's purchasing practices, refer to the current City's [Procurement of Goods and Services Policy](#) and the DC By-law section on Tendering.

CLAIM SUBMISSION PROCESS

The ultimate ability to claim for reimbursement of DC eligible work constructed by an Owner is if the works are authorized within a registered Subdivision or Development Agreement.

A claim cannot be submitted for consideration until the works are 100% complete, with certain exceptions allowed for seasonal conditions preventing completion such as surface asphalt or landscaping. The claim must be submitted in both digital and hard copy by the Owner's Engineering Consultant and must conform to the Work Plan, applicable Agreement and the requirements set out in the DC By-law under the *Completeness of Claims* section.

Ideally the claim submission should mirror the approved Work Plan as closely as possible to provide for a more efficient review and payment of the claim.

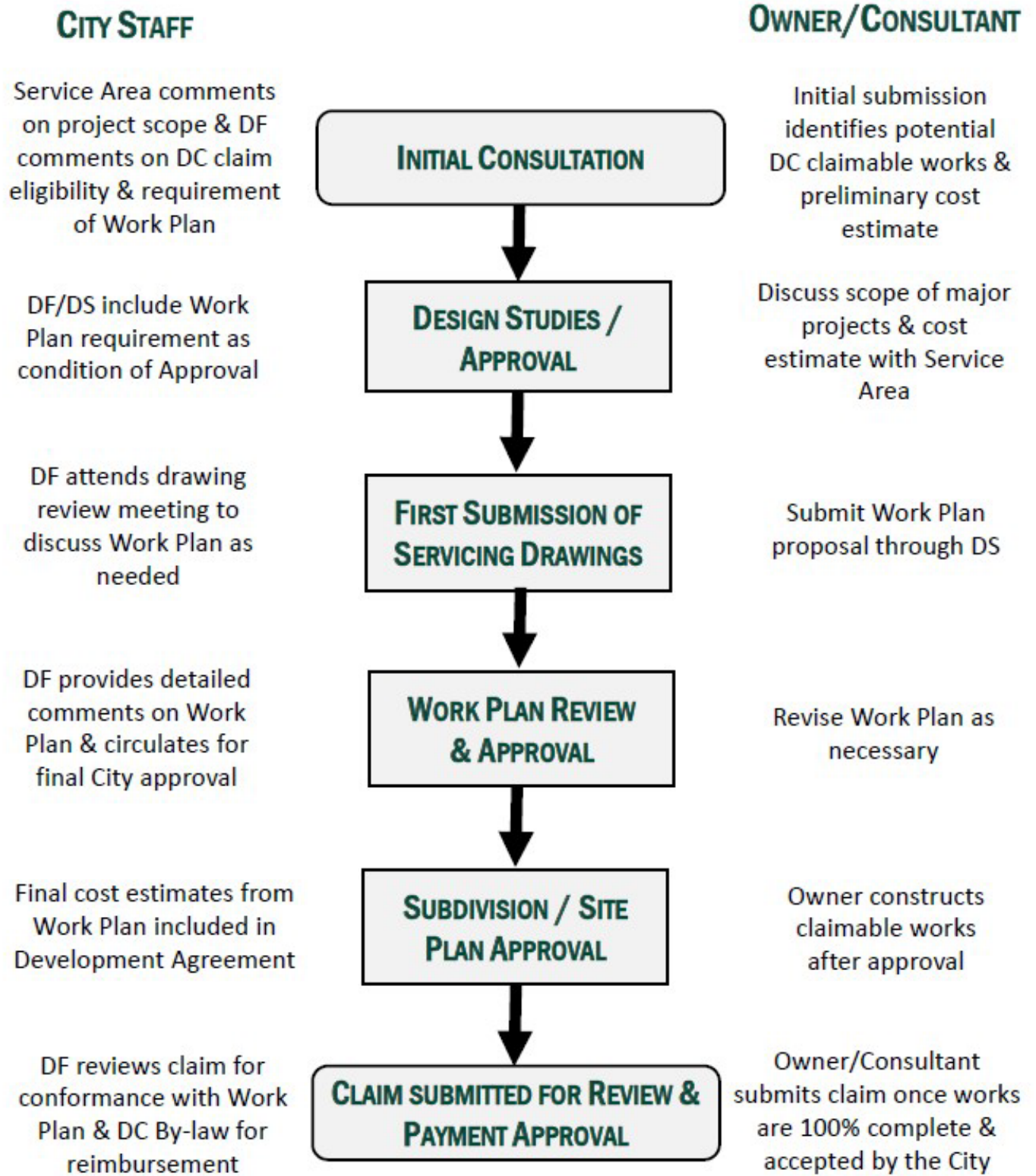
Engineering fee invoices submitted as part of claimable works should clearly separate out the fees related to the claimable tasks outlined in the approved Work Plan from the local servicing costs associated with the Owner's subdivision. The engineering fees will be processed for payment at the actual invoiced costs up to the amount included in the approved Work Plan.

Determination of eligible claim amounts shall be in accordance with the DC By-law and at the discretion of the City. Where eligible claim amounts exceed the budgeted amount, the City will be unable to pay additional claim costs until a commitment approving the additional funding has been obtained.

Refer to the Appendix E for the *Development Charge Claimable Works Checklist* and DC By-law for information on the claim submission and reimbursement process.

For further information regarding Development Charges and downloadable versions of the Appendices, refer to the [Development Finance homepage](#).

Appendix A – DC Claimable Works Process Diagram



Appendix B – Initial Proposal Report (IPR) Claimable Works & DC Revenue Estimate Worksheet



Initial Proposal Report (IPR) Claimable Works & DC Revenue Estimate Worksheet City of London - Development Finance Development Charges By-law C.P.-1551-227


Development:		T8 File #:	
Address:		Prepared By:	
Applicant:		Date Prepared:	

Claimable Works			
Provide a general listing and cost estimate of anticipated development charge claimable works triggered by the proposed development.			
DC Claimable Works	DC Background Study Estimate (\$) (If applicable)	Initial Proposal Report Estimate (\$)	Notes / Description
Minor Roadworks ¹			
Road Oversizing ¹			
Wastewater Oversizing			
Storm Sewer Oversizing			
Watermain Oversizing			
LID Subsidy			
Trunk Sewer ¹			
Major SWM Works ¹			
Land			
Other			
Total \$	- \$	- \$	

DC Revenue Estimate					
Provide summary of proposed units/floor space to calculate estimated revenue. Use typical units/ha densities for blocks and actual lot counts if available.					
Residential	Hectares	Units per Hectare	Proposed Units	CSRF Rate (\$/unit)	CSRF Revenue
Low Density Single & Semi Detached			0.0		\$ -
Medium Density Multiples / Row Housing			0.0		\$ -
High Density	Apartment < 2 bedroom		0.0		\$ -
	Apartment >= 2 bedroom		0.0		\$ -
Non-Residential	Hectares	Sq m. per Hectare	Proposed Floor Space	CSRF Rate (\$/m ²)	CSRF Revenue
Commercial			0.0		\$ -
Institutional			0.0		\$ -
Industrial			0.0		\$ -
Total \$					-

- Notes:**
1. Claimable works subject to submission of a Work Plan by the Owner's consulting engineer for City review and approval at time of first submission of Engineering drawings.
 2. Development Charges By-Law C.P.-1551-227 rates
 3. This Form is for "Inside Urban Growth Areas" only and excludes lands "Outside Urban Growth Areas".

APPENDIX C – Summary of DC Claims from the City Services Reserve Fund (CSRF)

	Summary of DC Claims from the City Services Reserve Fund (CSRF)		
	City of London - Development Finance		
	Development Charges By-law C.P.-1551-227 / January 1, 2021		

File #:		Development Name:	
Owner:		Engineering Consultant:	
Date Prepared:		Prepared By:	

Wastewater Oversizing Schedule 4, Appendix 4-A			
	(see attached worksheet)	HST (13%)	Total
Subtotal	\$ -	\$ -	\$ -

Storm Sewer Oversizing Schedule 4, Appendix 4-B			
	(see attached worksheet)	HST (13%)	Total
Subtotal	\$ -	\$ -	\$ -

Low Impact Development (LID) Subsidy Schedule 4, Appendix 4-B			
	(see attached worksheet)	HST (13%)	Total
Subtotal	\$ -	\$ -	\$ -

Watermain Oversizing Schedule 4, Appendix 4-C			
	(see attached worksheet)	HST (13%)	Total
Subtotal	\$ -	\$ -	\$ -

Engineering Schedule 4 Section 1.9			
Description	Amount (see attached Work Plan)	HST (13%)	Total
<i>Item 1</i>		\$ -	\$ -
<i>Item 2</i>		\$ -	\$ -
<i>Item 3</i>		\$ -	\$ -
<i>Item 4</i>		\$ -	\$ -
<i>Item 5</i>		\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -

Construction Schedule 4			
Description	Amount (see attached Work Plan)	HST (13%)	Total
<i>Item 1</i>		\$ -	\$ -
<i>Item 2</i>		\$ -	\$ -
<i>Item 3</i>		\$ -	\$ -
<i>Item 4</i>		\$ -	\$ -
<i>Item 5</i>		\$ -	\$ -
Subtotal	\$ -	\$ -	\$ -

Total CSRF Claims	\$ -	\$ -	\$ -
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Appendix D – Work Plan Engineering Fee Estimate Template



Work Plan Engineering Fee Estimate

City of London - Development Finance

DC By-law C.P.-1551-227

File #:		Development Name:	
Owner:		Engineering Consultant:	
Date Prepared:		Prepared By:	
Project Description:			

Engineering Task Description	Project Manager (\$/hr)	Design Engineer (\$/hr)	Technologist (\$/hr)	Site Supervisor (\$/hr)	Total Hours	Disbursements (\$)	Total Engineering Fee Estimate
	\$ -	\$ -	\$ -	\$ -			
Design	Hours						
1. Preliminary Design Review					0	\$ -	-
2. Detailed Design Review					0	\$ -	-
3. Prepare Design Drawings					0	\$ -	-
4. Prepare Construction Cost Estimate					0	\$ -	-
5. Prepare Contract Documents					0	\$ -	-
6. Tender Administration & Award					0	\$ -	-
7. Other:					0	\$ -	-
SUBTOTAL - DESIGN	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	\$ -	\$ -
Construction							
1. Contract Administration					0	\$ -	-
2. Site Management and inspection					0	\$ -	-
3. End of Warranty & project close out					0	\$ -	-
4. Prepare As-constructed drawings					0	\$ -	-
5. Other:					0	\$ -	-
SUBTOTAL - CONSTRUCTION	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	\$ -	\$ -
						TOTAL	\$ -
						CONTINGENCY (10%)	\$ -

APPENDIX E – DEVELOPMENT CHARGE CLAIMABLE WORKS CHECKLIST



Development Charge Claimable Works Checklist

Subdivision or site plan name or address	Owner	Plan number
Amount of claim (including HST)	Date of subdivision registration	Agreement clause(s) which authorizes work
Description of Work Claimed (e.g. sidewalk, storm sewer oversized, SWM land, etc.)		

Claim Submission Documentation (Digital and Hard Copies to be Provided)

<input type="radio"/> Yes	<input type="radio"/> No	Are the claimable works cited in a registered development or subdivision agreement
<input type="radio"/> Yes	<input type="radio"/> No	Are the claimable works cited in the most recent Development Charges Background Study
<input type="radio"/> Yes	<input type="radio"/> No	Has the warranty period expired for this development
<input type="radio"/> Yes	<input type="radio"/> No	Have all securities been released under this development
<input type="radio"/> Yes	<input type="radio"/> No	Are the works included in an approved Work Plan
<input type="radio"/> Yes	<input type="radio"/> No	Provide cover letter describing location and nature of work and costs
<input type="radio"/> Yes	<input type="radio"/> No	Provide Engineer's Certificate of Completion of Work
<input type="radio"/> Yes	<input type="radio"/> No	Have the works been inspected and accepted by the City
<input type="radio"/> Yes	<input type="radio"/> No	Provide Claim Summary sheet which details cost sharing, construction, engineering, HST
<input type="radio"/> Yes	<input type="radio"/> No	Provide Engineer's final quantities and cost related to claim
<input type="radio"/> Yes	<input type="radio"/> No	Provide Servicing drawings for claimable works
<input type="radio"/> Yes	<input type="radio"/> No	Provide summary of unit prices/copy of all tenders for entire project
<input type="radio"/> Yes	<input type="radio"/> No	Provide final payment certificates
<input type="radio"/> Yes	<input type="radio"/> No	Provide all paid invoices for claimable engineering fees
<input type="radio"/> Yes	<input type="radio"/> No	Provide Affidavit from both Owner and Engineer that all claimed invoices have been paid
<input type="radio"/> Yes	<input type="radio"/> No	Have property easements required under agreement been provided
<input type="radio"/> Yes	<input type="radio"/> No	Are works 100% complete? If no, provide a summary and cost estimate of remaining works

Contract Administration And Payment Documentation To Be Provided

<input type="radio"/> Yes	<input type="radio"/> No	Advertisement for tender where public tender required (>\$100,000)
<input type="radio"/> Yes	<input type="radio"/> No	Summary comparison of all bids
<input type="radio"/> Yes	<input type="radio"/> No	Change Orders, Invoices, backup information relevant to claim, etc.
<input type="radio"/> Yes	<input type="radio"/> No	Certificate of Substantial Performance
<input type="radio"/> Yes	<input type="radio"/> No	Completed Summary of DC Claims from the CSRF
<input type="radio"/> Yes	<input type="radio"/> No	HST Registration number provided
<input type="radio"/> Yes	<input type="radio"/> No	Mailing address of owner provided

Additional Comments

Engineering Consultant Contact Information

Company name	Name of person completing claim checklist
Telephone number / extension	E-mail address