

Community Health Service Provider Cost Share Guide

Health Capital Investment Branch

March 2017

Change Log

Version#	Date Changed	Description of Change	Approved by
2.0	2015-12-16	<ul style="list-style-type: none">• Updated to align with Community Health Program Policy• New types of space added• Changes to change order eligibility	Peter Kaftarian, Executive Director, Health Capital Division
3.0	2017-03-31	<ul style="list-style-type: none">• Updated to align with revised Community Health Program Policy	Peter Kaftarian, Assistant Deputy Minister, Health Capital Division

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Abbreviations

Short Form	Long Form
CHCP	Community Health Capital Programs
FEC	Final Estimate of Cost
HCC	Hard Construction Cost
HST	Harmonized Sales Tax
LEED	Leadership in Energy and Environmental Design
PCC	Post Contract Contingency Allowance
TPC	Total Project Cost

1.0 Introduction

The Ministry of Health and Long-Term Care (“the ministry”) administers the capital funding for a range of community Health Service Provider (HSPs) organizations in accordance with the Community Health Capital Programs (CHCP) policy.

The Community Health Service Provider Cost Share Guide (“Community Cost Share Guide”) provides a planning tool to assist and support the development of a proposed capital project for community organizations eligible for ministry funding through the CHCP.

1.1 Purpose of this Guide

The purpose of the Community Cost Share Guide is to outline the ministry’s cost share policy to assist community HSPs in the planning and implementation of their capital projects.

The use of this guide provides the planning organization with a full understanding of the project elements that are eligible for funding by the ministry (i.e. eligible and cost sharable) and those elements that are not eligible for funding by the ministry (i.e. ineligible and not cost sharable).

The tables in this document list common elements associated with a capital project and define whether each element is eligible for funding and any conditions associated with the funding eligibility.

All project elements that are not eligible for ministry funding are considered to be “own funds” or “local share” funding contribution to the project (i.e. the cost of these elements are the responsibility of the community HSP leading the capital project).

Examples of non-eligible capital costs would include the community HSP deciding to add space to the project that exceeds ministry standards (e.g. greater numbers of rooms than the ministry will approve or room sizes that exceed ministry space standards), space for partner organizations ineligible for capital funding, and elements of revenue generating parking.

The Community Cost Share Guide is designed to be used with additional resources as outlined below, including, but not limited to:

- CHCP Policy
- Space Standards for Community Health Care Facilities (“Community Space Standards”)
- Community Health Program Toolkit (“Community Toolkit”)

The **CHCP Policy** document describes the criteria used to define partnership eligibility for ministry funded space in community capital projects, as well as the types of organizations that may be eligible for community capital funding.

The **Community Space Standards** defines the types of space and the maximum amount of space per type that the ministry will provide funding for in an approved community capital project.

The **Community Toolkit** includes an Application Form to gather the basic information necessary for the Endorsing Organization and the ministry to understand the purpose, need, scope and operational funding source(s) of the proposed capital project.

1.2 How to Use the Guide

This Capital Cost Share Guide has been developed to assist in the development of Cost Share Agreements and completing the Final Estimate of Cost (FEC) form based on the results of the bidding/tendering process.

Refer to [Abbreviations](#) for a list of acronyms.

There are three primary sections in the Guide:

1. [Capital Costs During Construction](#) – encompasses all hard construction costs
 - Pure Construction Costs in section 2 of the guide
2. [Other Related Project Costs](#) – encompasses all ancillary costs
 - Ancillary Costs in section 3 of the guide
3. [General Costs](#) – those costs which apply in more than one section
 - General Costs in section 4 of the guide

According to the ministry's capital cost share policy, up to 100% capital cost sharing is provided for all eligible costs as defined in this guide.

For Integrated Models, cost share eligibility will be assessed based on the policy applicable to the eligible lead organization HSP with the highest percentage of facility use.

2.0 Capital Cost During Construction

2.1 Pure Construction Costs

The ministry cost shares in eligible construction costs, including all material, labour and associated costs such as escalation, site development, and HST (less HST rebate).

Hard construction cost includes the following elements for the building component as per the table below:

Table 1: Pure Construction Cost Elements for the Building Component

Building Element	Cost Shareable	Notes
Abatement	Yes	For the purposes of preparing a building for program occupancy
	No	In cases where the abatement of the property is of no future use i.e. asbestos removal where the property is to be sold
Child Waiting Zone	Yes	Must be a part of the general community HSP waiting area
Claims – Delay	No	A request by a contractor for compensation above the tender amount for delays created by the community HSP, labour disruptions, weather, etc. Claims are to be resolved between the community HSP and the contractor with the advice of the Prime Consultant
Commercial Kitchen	Yes	When supported by the ministry-approved business case
Demonstration or Teaching Kitchens	Yes	Including space for diabetes education and/or “community”
Eligible spaces as identified in the Community Space Standards	Yes	
Excessive Design	No	Beyond best practice: over and above what is described in the Community Space Standards Design which may not support direct client care Atria, curtain wall: Up charge or premium related to design features beyond best practice Finishes: Up charge or premium beyond best practice
Fundraising or Foundation Space	No	

Building Element	Cost Shareable	Notes
or Offices		
Gardens and Landscape	Yes	Therapeutic Garden within Business Case scope is eligible
	No	When in excess of ministry-approved Business Case or when in excess of minimum municipal requirements See Site Development (Element) in Table 2 for additional information
Private offices for healthcare providers (physicians, nurse practitioners and registered nurses)	Yes	Note for full time FTE positions only. Part time FTEs to be provided with shared space.
Programs & Services, Support areas and Infrastructure Areas	Yes	Defined as per the approved project scope and ministry-approved Business Case of community HSP programs
Religious and Cultural Spaces	Yes	Aboriginal Health Access Centres (AHACs) and Aboriginal CHCs spaces associated with traditional healing/wellness for shell and fit out.
	No	For all other community HSPs, shell only; fit-out is ineligible
Research Space	No	
Shelled space base building for revenue generating items/retail	Yes	For those retail services eligible as per Community Space Standards.
Shower in accessible washroom – Client	Yes	When supported by the ministry-approved Business Case, for client use only. Infection, prevention and control risks must be identified.
Shower -Staff	Yes	When supported by the ministry-approved Business Case

Building Element	Cost Shareable	Notes
Space that ministry will shell-in that exceeds ministry-approved space requirement	Yes	Ministry will fund the shell-in of up to 1,000 square feet where the space procured or leased exceeds that which the ministry approved for the project
Spaces for partnership organizations	Yes	When supported by the ministry-approved Business Case and eligibility criteria as per CHCP policy
Space Hoteling - Flexible use space for not-for-profit partners, etc.	Yes	Up to 200 square feet
Spaces for non-approved future growth	No	
Student/volunteer Space – Post-Secondary work stations	Yes	To be provided with shared space when there is a formal relationship between the community HSP and a publicly funded post-secondary educational institution Student/volunteer function must be directly related to delivery of community HSP programs
Sustainable and Environmental Certifying agencies i.e. LEED® (Leadership in Energy and Environmental Design, Green Guide for Healthcare, Green Globes)	Yes	Costs to meet a LEED® Basic level or a demonstrated equivalency with another recognized structured sustainability program are supported
	No	Not eligible when constructed beyond a level that would achieve LEED® Basic certification (please note that costs for certification are not eligible)
Volunteer and visiting specialist “hoteling” workstation	Yes	Support for one “hoteling” workstation with program delivery benefit demonstrated in the ministry-approved Business Case
Volunteer Lounge	No	

Building Element	Cost Shareable	Notes
Volunteer Space - personal locker storage	Yes	Up to 10% of staff FTE personal locker storage

2.1a. Design Scope Contingency

The Design Scope Contingency for eligible construction costs is cost shareable. It is an allowance which is carried within the cost estimate and is intended to inform the adequacy of construction costing data through the various stages of the design process, when all items which may impact cost estimates are not identified or known.

The Design Scope Contingency to be carried in the cost estimates is based on the applicable percentage of the defined hard construction cost and the Class of Estimate as follows:

- Class “D” at 20%
- Class “C” at 15%
- Class “B” at 10%
- Class “A” at 5%

For further descriptions of the classes listed above, please refer to [Appendix 1](#).

2.1b. Escalation

The escalation component is cost shareable for eligible hard construction costs from the time of estimate to the anticipated date of construction start. The associated costs are included in the Total Project Cost during the design and planning stages only. This cost may or not be fully realized in the bid.

2.2 Non-Building Hard Construction Costs

Table 2: Summary of Elements Non-Building Hard Construction Costs Elements

Element	Cost Shareable	Notes
Communications - Voice/data, infrastructure, cabling, etc. and the space for computer rooms and closets	Yes	Conduit and cabling terminating at walls and conduit risers Including cabling and antennae for wireless communication, racks, mounting boards, etc. Excludes all devices, computers, servers, hardware, software, training, telephone systems, telephone handsets, etc.
Permit - Building	Yes	
Permit - Demolition	Yes	
Decanting & Phasing - Temporary relocation during construction	Yes	If renovations, and/or off site lease/leasehold improvements support decanting for the approved project
Decommissioning	Yes	Eligible costs include those to moth-ball the building, securing it to prevent unauthorized entry, manage risk of fire, etc.
	No	Costs associated with preparing a property for future sale are not eligible for cost sharing
Demolition	Yes	Costs are eligible only if demolition of a building is required to accommodate approved new construction
Demolition on surplus property or lands	No	Community HSPs are expected to fund demolition from the proceeds of the sale of property. Should there be an exceptional circumstance in which net proceeds from the sale of property are not adequate to cover the demolition costs, a disposal plan can be submitted for ministry consideration
Facility Maintenance Costs	No	Does not form part of the Capital Project cost as this is an operating expense

Element	Cost Shareable	Notes
Parking – Non-revenue generating	Yes	On grade parking (surface) e.g. gravel, asphalt, security, lighting, line painting, municipally required landscaping, etc.
Parking – Revenue generating	No	Work to only the asphalt level (below the asphalt) is eligible for cost sharing
Parking – Permanent relocation surface parking	Yes	Replacement of existing non-revenue generating parking which has to be permanently relocated, to accommodate or support the eligible construction.
Parking – Temporary comparable surface parking during eligible construction	Yes	To support relocation or decanting of non-revenue generating parking for eligible construction
Parking – Structures – including parking structures above or below grade	Yes	In exceptional circumstances e.g. in dense urban settings to meet zoning and/or accessibility requirements.
Parking – Indoors - Strollers, Wheelchairs, Scooters	Yes	
Security system	Yes	
Site Development – Gardens – Therapeutic	Yes	
Site Development – Community Gardens	No	
Site Development – Gardens – Water features, furnishing, public art	No	

Element	Cost Shareable	Notes
Site Development – Landscaping site	Yes	Minimum as required by municipal site plan approval (walkways, ground cover, shade trees around building access, storm water management, etc.).
	No	Landscaping to support own funds elements or non-approved programming or in excess of that required for site plan approval i.e. civic squares
Site Development – Site works	Yes	Includes: roads, water mains, storm and sanitary sewers, storm water
Site Development – Work on land – To be transferred post construction	Yes	When required by contractual obligation
	No	Work on land owned by the community HSP during the project, where land is to be transferred to the city, or municipality after the project work is complete
Site Development – Off site – Bringing services to the community HSP site	Yes	In exceptional circumstances
Site Development – Environmental / Remediation	Yes	Removal of contaminated soil
Site Development – Road transferred post construction	No	Road transferred to other party post construction
Wayfinding/ Signage	Yes	For eligible areas only

2.3 Cash Allowances

Cash allowance(s) are cost shareable. Please note that a list and rationale should be provided for each item. This list includes those items for which a scope of work cannot be defined in the contract documents. This allowance applies for the amount carried in the tender documents for the specifically identified scope (i.e. hardware allowance, asbestos abatement, site conditions, replacing hidden infrastructure exposed during

construction, etc.). Note that this allowance is not to be used in place of Post Contract Contingency Allowance.

2.4 Risk

Table 3: Cost Elements Associated with Risk (Adjustment on Construction Costs)

Component	Element	Cost Shareable	Notes
Risk (Adjustment on Construction Costs) These costs may or may not be fully realized in the bid.	Market	Yes	May be carried to cover construction market risk during a period of high utilization of construction industry capacity, which impacts competitiveness, availability of bidders, and construction pricing
	Location	Yes	May be carried to cover risk of higher construction pricing for large institutional projects in smaller markets at a distance from major population

3.0 Other Related Project Costs

3.1 Ancillary Costs

- The ministry cost shares in all eligible planning and design costs.
- Select ancillary costs are capped at a set percentage of a defined shareable sum for the Design and Implementation stages of the capital project.
- The HSP is provided with a planning grant to fund the range of consultants necessary to complete the Business Case stage of the capital planning process (located in the CHCP Toolkit and provides relevant details regarding the given project). The amount of capital grant required to complete the Business Case is calculated by the ministry based on the type, scope and complexity of the project.

- If existing staff are used to fill any consultant or management position to support the Capital Project during regular working hours, the HSP is required to backfill the individual's previous position for the expenses to be eligible.

3.2 Percent-Driven Costs

- Percent-driven costs are applied to the Design and Implementation (i.e. construction) stages of the community capital process.
- Percent driven costs shareable to a maximum amount are based upon a percentage of the total shareable sum of the following:
 - Hard construction costs including escalation
 - Construction insurance costs
 - Cash allowances
 - Built-in equipment
- The community HSP's cost consultant must provide the percent breakdown of renovated to new space to determine the calculation for the Prime Consultant cap.

Table 4: Cost Shareable Percent-Driven Costs

Component	Element	Cost Shareable	Notes
Construction Monitor		Yes	
Cost Consultant/ Quantity Surveyor		Yes	Up to 0.45% Independent from the Prime Consultant and contracted directly to the Community HSP NOTE: For projects where there is no Planning Grant provided *(i.e. projects with Full Grants) the cap is: Up to 0.5%

Component	Element	Cost Shareable	Notes
Prime Consultant	Includes: Architect (to include interior design, lighting and value engineering in basic service), Structural Engineer, Mechanical Engineer (to include cold storage and refrigeration in basic service), Civil Engineer, Electrical Engineer Consultant and Energy Management Consultant.	Yes	<p>Note: Defined construction cost adjusted by the ministry to remove any embedded sales tax prior to application of the ministry cap for Prime Consultant only</p> <p>Up to:</p> <p>7.2% for new construction (or portion thereof)</p> <p>9 % for renovations (or portion thereof)</p> <p>(Blended portions of the above as determined by the cost consultants allocated costing of new versus renovated spaces.)</p> <p>To plan, design, and prepare contract documents, tender and administer the contract throughout construction</p> <p>NOTE: For projects where there is no Planning Grant provided *(i.e. projects with Full Grants) the cap is up to:</p> <p>8 % for new construction (or portion thereof)</p> <p>10 % for renovations (or portion thereof)</p>
Prime Consultant Disbursement	N/A	Yes	Up to 10% of the shareable Prime Consultant Cost
Project Management	Includes: Construction Monitor, Moving & Occupancy Planner, and Scheduling Consultant	Yes	<p>Where the defined construction cost is: <\$50M = 2.7%</p> <p>For projects where there is no Planning Grant provided where the defined construction cost is: <\$50M = 3%</p>

3.3 Non Percent-Driven Costs

Non-Percent-Driven Costs are applied to the Business Case stage of the community capital process. All consultants engaged in this stage of the project will be funded from within the capital planning grant allocation. These may include but are not limited to:

Table 5: Cost Shareable Non Percent-Driven Costs

Component	Element	Cost Shareable	Notes
Project Related Consultants	Assessment (site)	Yes	Includes costs associated with site search and site investigation & analysis (may include Technical Building Assessment and/or Environmental Assessment i.e. geotechnical, soil, etc. (where not funded by landlord or owner)
	Civil Engineer	Yes	
	Code	Yes	For specialized code requirements only Basic code design and compliance to be included in the Prime Consultant services
	Decanting/Logistics	Yes	
	Electrical Engineer	Yes	Included in Prime Consultant services
	Environmental (interior)	Yes	e.g. air quality, noise, assessments, hazardous materials, vibration, etc.
	Equipment Planning Consultant	Yes	
	Interior Design	Yes	Included in Prime Consultant services
	Land Survey	Yes	

Component	Element	Cost Shareable	Notes
	Landscaping/ Horticultural	Yes	As required for municipal site plan application and to support program-related therapeutic gardens
	Legal	Yes	For preparation of contract documents only
	Master Plan Architect/Planner	Yes	
	Master Program	Yes	
	Mechanical Engineer	Yes	Included in Prime Consultant services
	Occupancy Planner/ Moving Relocation	Yes	See Project Management
	Process Redesign	Yes	
	Site Plan Application	Yes	
	Testing and inspection	Yes	
	Testing – Soil	Yes	To inform design and to current best practices
	Structural Engineer	Yes	Included in Prime Consultant services
	Surveys (pre-design)	Yes	As-built drawings and/or surveys at the outset of design, where adequate drawings or surveys do not exist
	Traffic & Parking	Yes	When required by authorities having jurisdiction
	Urban/Municipal Planner	Yes	

Component	Element	Cost Shareable	Notes
	Value Engineering	Yes	Included in Prime Consultant services, if it is required to bring project costs down if over budget by 10%. Where the Prime Consultant cap is exceeded and there is significant value engineering required beyond the control of the Prime Consultant team, the ministry will consider cost sharing
	Furniture Planning and Coordination	Yes	

3.4 Additional Non-Percent-Driven Costs

Additional non-percent driven costs are used to fund select consultants engaged in the Design and Implementation stages of the capital process, where required. These may include but are not limited to:

Table 6: Summary of Additional Non-Percent-Driven Costs

Component	Element	Cost Shareable	Notes
Project Related Consultants	Abatement/Asbestos	Yes	i.e. indoor environmental consultant
	Arbitration and Adjudication	No	
	Acoustics	Yes	Limited to complex acoustical conditions are required to meet specific program requirements, otherwise included in prime consultant services
	Auditing	Yes	Capital project related audit as required for final FEC at settlement

Component	Element	Cost Shareable	Notes
	Building Information Management System	Yes	
	Campaign/Fundraising	No	
	Civil Engineer	Yes	Included in Prime Consultant services
	Code	Yes	For specialized code requirements only Basic code design and compliance to be included in the Prime Consultant services
	Colour	Yes	For specialized programs to support or enhance care i.e. pediatrics, palliative care, psycho geriatrics, mental health, etc. Otherwise, included in Prime Consultant services
	Decanting/Logistics	Yes	
	Electrical Engineer	Yes	Included in Prime Consultant services
	Elevator	Yes	
	Energy Management	Yes	Included in Prime Consultant services
	Environmental	Yes	i.e. air quality, assessments, geotechnical, hazardous materials, soil, noise, etc.
	Equipment Planning Consultant	Yes	
	Food Services	Yes	For commercial kitchens only
	Hardware	Yes	Only when, specified hardware and schedules are included in the base bid and not carried as a cash allowance
	Health and Safety	Yes	If an in-house resource is not available

Component	Element	Cost Shareable	Notes
	Infection Prevention and Control	Yes	If an in-house resource is not available
	Information Technology and Communication Systems	Yes	
	Interior Design	Yes	Included in Prime Consultant services
	Landscaping/Horticultural	Yes	As required for municipal site plan application and to support program related therapeutic gardens
	Legal	Yes	For preparation of construction documents only
	Lighting Design	Yes	For specialized programs to support or enhance care
	Maintenance Planning	Yes	See section 4.1
	Materials Management	Yes	
	Mechanical Engineer	Yes	Included in Prime Consultant services
	Medical Gas	Yes	
	Occupancy Planner/ Moving Relocation	Yes	See Project Management
	Operational Commissioning	Yes	
	Peer Review	Yes	When ministry directed
	Post-occupancy Evaluation	Yes	When ministry directed
	Room Mock-up	Yes	
	Security Consulting	Yes	
	Additional Security Consulting Services during construction	No	
	Testing and Inspection	Yes	
	Testing – Soil	Yes	To inform design and to current best practices

Component	Element	Cost Shareable	Notes
	Site Search Consultant	Yes	
	Structural Engineer	Yes	Included in Prime Consultant services
	Traffic & Parking	Yes	When required by authorities having jurisdiction
	Urban/Municipal Planner	Yes	
	Value Engineering	Yes	Included in Prime Consultant services, if it is required to bring project costs down if over budget by 10%. Where the Prime Consultant cap is exceeded and there is significant value engineering required beyond the control of the Prime Consultant team the ministry will consider cost sharing
	Waste Management/ Handling	Yes	In exceptional circumstances
	Wayfinding/Signage	Yes	
	Furnishings and Equipment Procurement	Yes	
	Furnishings and Equipment Coordinator	Yes	
	Furniture Planning and Coordination	Yes	

3.5 Post Contract Change Orders

Cost shareable elements involving Post Contract Change Orders are summarized in Table 7 below:

Table 7: Post Contract Change Order Cost Elements and Allowances

Component	Element	Cost Shareable	Notes
Post Contract Change Order Allowances	Change orders that meet the ministry unforeseeable criteria	Yes	<p>Unforeseeable change orders (may include directives issued by 3rd party / local authorities, unforeseeable site conditions, etc.)</p> <p>Up to a maximum of 3% of eligible, shareable hard [defined] construction costs for stand-alone “New Build” projects and a maximum of 5% for all other projects.</p> <p>The Community HSP must advise the ministry as soon as a significant “unforeseeable” condition is identified and obtain ministry review, advice and determination of eligibility</p>
	Design Omissions/Coordination Change Orders	Yes (within PCC cap for projects that complete within the ministry up to capital grant)	Where the total ministry eligible costs of the project are within the Capital Grant and where the total eligible unforeseeable change order costs do not exceed the PCC cap, the ministry will share in the cost of change orders resulting from Design Errors, Omission Errors and/or Coordination Errors up to the difference between the total eligible unforeseeable change order costs and the PCC cap. The ministry will not fund any

Component	Element	Cost Shareable	Notes
			costs above the cap in this category. This allowance will be applied in Settlement, only for projects that achieve completion within the ministry-approved Capital Grant.
	Change Orders which otherwise could have been foreseen and included in the tender documentation	Yes (within PCC cap for projects that complete within the ministry up to capital grant)	Where the total ministry eligible costs of the project are within the Capital Grant and where the total eligible unforeseeable change order costs do not exceed the PCC cap the ministry will share in the cost of change orders resulting from Foreseeable Errors up to the difference between the total eligible unforeseeable change order costs and the PCC cap. The ministry will not fund any costs above the cap in this category. This allowance will be applied in Settlement only for projects that achieve completion within the ministry-approved Capital Grant.
	Owner Directed Change Orders	No	

3.6 Furnishings and Equipment

Table 8: Furnishings and Equipment Cost Elements

Element	Cost Shareable	Notes
Equipment (Built into-contract)	Yes	
New and replacement equipment and furnishings (FF&E) – Program-related	Yes	<p>The FF&E cap will be based on the Class A cost estimate of Hard Construction Cost (HCC) at stage 4.1 with the following parameters:</p> <p>The ministry will approve new and replacement furniture and equipment for each approved/funded project up to a maximum of 10% of the estimated HCC</p> <p>The ministry may allow the FFE cap to be extended from 10% to 15% of Hard Construction Cost (HCC estimate) per approved/funded project but this increase will be subjected to a detailed FF&E review and approval by the ministry</p> <p>This approved value will be applied at settlement</p>
Information Technology (IT) Equipment including servers, computers, printers, accessories, etc.	Yes	<p>Included in FF&E allocation (see New and Replacement Equipment and Furnishings)</p> <p>*The ministry encourages leasing of computers, printers etc. to enable ongoing maintenance and upgrades of equipment (leasing costs are not cost sharable).</p>
IT - Software	No	
IT - Cabling for IT & Communication	Yes	<p>When behind walls or in ceilings, etc. to termination points only</p> <p>Must be included in construction contract</p>
Supplies – Office, Medical, etc.	No	

3.7 Other Costs

Table 9: Summary of Other Cost Shareable Elements

Component	Element	Cost Shareable	Notes
Other	Advertising	Yes	For Pre-Qualification or Tendering of project in Daily Commercial News and one local newspaper
	Land Acquisition	Yes	
	Building Acquisition	Yes	
	Abandoned Planning Costs / Sunk Costs	Yes	For design/planning/project management or other work previously approved and undertaken in accordance with specific ministry written approvals for a project to progress from capital stage to another
	Development Levies	Yes	Mandatory regional and municipal fees
	Site Plan Application Fees	Yes	Mandatory regional and municipal fees

4.0 General Costs

4.1 Building Commissioning

Table 10: Summary of Building Commissioning Elements

Component	Element	Cost Shareable	Notes
Commissioning	Independent Certifier – 3 rd party commissioning agent	Yes	Where complex systems are required to meet specific program requirement not otherwise met
	Operational Commissioning	No	

4.2 Insurance

Table 11: Insurance Cost Share for General Contractors and Community HSPs

Carrier	Type	Cost Shareable	Notes
General Contractor	Bid Bonds Errors and Omissions Performance Bonds Material and Labour Bonds Liability	Yes – Mandatory	Included in the bid
Community HSP	Liability	Yes – Optional	Conditional based on advice of insurance advisor/internal liability carriers

4.3 Taxes

Please note that HST should not be added to allowance(s) and risk(s) as it is calculated on the construction costs.

Table 12: Cost Elements of HST Taxes

Component	Element	Cost Shareable	Notes
HST Federal	Tax	Yes	Up to 5% (net of rebate)
HST Federal	Rebate	No	To be determined by Community HSP in consultation with Canada Revenue Agency
HST Provincial	Tax	Yes	Up to 8% (net of rebate)
HST Provincial	Rebate	No	To be determined by Community HSP in consultation with the provincial tax authority

Appendix 1: Class of Estimates for Construction Costing of Building Projects

A “Class of Estimate” refers to the expected degree of accuracy in project cost estimates at each stage of the capital planning process. Industry standards use four (4) classes of estimates in the capital planning process (Class “D”; Class “C”; Class “B”; Class “A”) as described below:

Class “D” Estimate

This estimate provides an indication of the total cost of the project, based on the functional requirements to the degree known at the early stages of capital planning. Such an estimate is strictly an indication (rough order of magnitude) of the total project cost (TPC) and completion date.

Expected degree of accuracy: $\pm 20\%$

Class “C” Estimate

This estimate is prepared at the Design Concept stage (including Block Schematics) and is based on updated user requirements, general description of the end built works, preliminary site information and existing conditions, and productions. The estimate includes costs for design, documentation and construction supervision.

Expected degree of accuracy: $\pm 15\%$

Class “B” Estimate

This estimate is prepared at the end of the Preliminary Design stage and is based on data (cost, time, and construction) of the level of precision as is typically available when the design of the major systems and sub-systems of the facility (including sketch plans). This estimate also makes allowance for all costs resulting from the anticipated schedule, expected market conditions, and suitable level of contingencies.

Expected degree of accuracy: $\pm 10\%$

Class “A” Estimate

This estimate is based on the “B” estimate which has been updated concurrently with the development of Construction Documents (working drawings and specifications) and is submitted as a final pre-tender estimate. It requires that project systems be designed and specified to near completion, and is based on a realistic construction schedule as well as accurate labour and material costs. This is the final estimate before tender call or construction start.

Expected degree of accuracy: $\pm 5\%$

