



COUNCIL POLICY

POLICY NUMBER:	E-2	DATE OF RESOLUTION:	AUGUST 9, 2004
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SECURITY FOR WORKS FOR SUBDIVISION

- 1.0 The purpose of this Policy is to regulate the type and amount of Security provided to the Municipality as part of a Subdivision Servicing Agreement.
- 2.0 An Owner may request a Subdivision Servicing Agreement in order that final subdivision approval may be granted prior to construction of subdivision servicing works. Under this Agreement, the Owner agrees to construct the servicing works within a one year period. Security is provided in order that, should the servicing works not be constructed, the Municipality may complete the servicing works at the cost of the Owner.
- 3.0 Subdivision Servicing Agreements may be entered into for Subdivisions of three (3) lots or greater, or as otherwise deemed reasonable by the Approving Officer.
- 4.0 The Security Amount shall be as follows:

<u>Estimated Cost of Works</u>	<u>Fee</u>
Less than 500,000	150%
500,000 to 1,000,000	130%
Over 1,000,000	110%

- 5.0 The Estimated Cost of the Works shall be prepared by a Professional Engineer and approved by the General Manager of Engineering & Public Works except for Landscape Works which shall be prepared by a Professional Landscape Architect and approved by the General Manager of Parks & Recreation. The Estimated Cost of the Works prepared by a Professional Engineer shall consist of all Works to be carried out by the Owner including, but not limited to:
 - a) site grading and earth works;
 - b) roads and associated works;
 - c) water supply works;
 - d) sanitary sewer works;
 - e) storm drainage works;

- f) hydro and telephone services;
- g) construction contingency of fifteen (15) percent; and
- h) engineering survey services of ten (10) percent.

The estimated cost of the works prepared by a Professional Landscape Architect shall consist of the following works:

- a) soil supply, preparation and placement for landscape works;
 - b) fine grading of landscaped areas;
 - c) supply and installation of automatic irrigation system;
 - d) supply and installation of plant material;
 - e) guying, staking, mulching, etc.;
 - f) trail and path works (this may include asphalt paving, concrete pavers, etc.); and
 - g) construction contingency of fifteen (15) percent.
- 6.0 The Security shall be in the form of an Irrevocable Letter of Credit, Certified Cheque or Cash to the approval of the General Manager of Corporate Services.
- 7.0 The Security shall be for a minimum of twelve (12) months and shall only terminate during the period May 1 to October 31 of any year so that proper inspection of the works can be completed.
- 8.0 The Owner is required to make a request to the Municipality to extend or draw down the security at least thirty (30) calendar days prior to expiry date. The Security may be drawn down five (5) working days in advance of the expiry date; alternative arrangements to extend the Security are the responsibility of the Owner and an acceptable extension period must be approved by the Municipality not less than ten (10) working days before the expiry date.
- 9.0 The conditions for Release of Security shall be as follows:
- a) Monthly Progress Release

At the end of the first full month of construction, and each month thereafter, the Municipality shall approve a reduction of security of up to eighty (80) percent of the work completed, provided that the security released at this stage shall not exceed the security to be released at Substantial Completion; except for Landscape Works where no reduction of security will be permitted until Substantial Completion. Upon Substantial Completion, the Landscape Architect shall notify the Municipality in writing stating the Landscape Works are Substantially Complete.

b) Substantial Completion

At Substantial Completion, the Municipality shall approve a release of all security except for:

- i) two-hundred (200) percent of outstanding deficiencies;
- ii) one-hundred fifty (150) percent of a second lift of asphalt; and
- iii) ten (10) percent of the estimated cost to be held until the end of the Warranty period.

c) Completion of Deficiencies

From time to time at the Municipality's sole discretion, and at intervals of not less than one (1) month, the Municipality shall release all remaining security.

d) Warranty Period

At the end of the warranty period, and providing all deficiencies have been completed, the Municipality shall release all remaining security.

All reductions in security must be requested in writing by the Owner, certified by a Professional Engineer, and approved by the General Manager of Engineering & Public Works.

- 10.0 The Municipality shall approve Substantial Completion of projects when all works have been completed and, except for minor deficiencies, the Works are functional, have been fully tested and can be used for the purpose intended. As-constructed Drawings shall be submitted and approved prior to Substantial Completion. All requests for Substantial Completion shall be certified by a Professional Engineer.

Certified Correct:

Brenda Sims, Municipal Clerk