
TO:	Neil MacDonald, York Region	Date:	May 7, 2007
C.C.:	Stuart Deachman		
FROM:	Ted Taylor	Ref.:	331518-McCleary
Subject:	Vaughan CEC Preliminary Cost Estimate		

As per the request of the Region of York, a pre-engineering construction cost estimate was prepared for the proposed Vaughan Community Environmental Centre (CEC) at McCleary Court. Although the estimate was prepared following a "Scoping Study" level of accuracy (+/-25%), the somewhat advanced conceptual plan available at this time is considered to provide a nominally improved level of accuracy (+/-22%).

The cost Summary and Detailed Breakdown are attached to this memorandum. Unit rates are based on quotes from recent jobs in the Ontario region, rates from SNC-Lavalin's database as well as rates published in Mean's Construction Estimating and Richardson's Industrial Construction Estimating. The estimate does not include the Owner's costs (purchase of property, permitting fees, York staff supervision time, etc.) or escalation beyond the 2nd quarter of 2007.

As documented in the attachment, the summary includes:

(i) Direct Costs (\$4,114,223): Includes Construction (\$3,674,223) and Mobile Equipment (\$440,000) supply. The estimate provides individual pricing for each of the key areas for the facility such as the Re-Use Building Area, Covered Container Areas, etc. and has estimated costs by work disciplines, such as: Civil, Concrete, Structural, Architectural, Mechanical, Piping, Electrical, Instrumentation, etc. For example, the structural discipline includes steel support work while the architectural discipline includes siding, doors, etc. Each component was then costed based on typical labour and material requirements.

(ii) Indirect Costs (\$283,000): Based only on the Procurement portion of Engineering, Procurement & Construction Management (EPCM) using 3% of Construction Costs, Contractor's Facilities & Equipment using 4% of Construction Costs and Freight Costs using 0.7% of Construction Costs. Note that Engineering and Construction Management costs are already covered by an existing contract between the Region of York and SNC-Lavalin. It has also been assumed that the Contractor will handle the procurement of all materials. The general site Indirect Costs include, but are not limited to: temporary facilities (i.e. temporary water, temporary power, temporary sanitary, site office, site telephone and desk), laydown areas, garbage collection, and general site maintenance.

(iii) Contingency Allowance (\$1,001,777): This was developed against all direct and indirect costs and provides a 75% confidence level that all required expenditures will have been accounted for. A contingency allowance at the pre-engineering phase is intended to account for items that **are** part of the present scope but have not been included in the cost estimate, generally because the level of engineering is not complete enough to adequately define the required details for those items. It is expected that following the completion of detailed design and engineering, an updated costing can be provided, where the direct/indirect costs will be better defined and the contingency will shrink down to $\pm 10\%$ or better.

(iv) Combined Total: = \$5,400,000