

CIRCULAR

To: All Municipalities, Local Service Districts, Consultants, Inuit Community Governments, Municipalities NL, Professional Municipal Administrators of NL

Re: Revised Capital Works Contingency Allowance Policy

Date: August 21, 2023

MI has not funded project over runs since 2017. However, the Capital Works Contingency Allowance Policy establishes guidelines for estimating and incorporating contingency allowances in to project cost estimates. The policy also now includes allowance for the inclusion of escalation. This will help ensure projects have funding to help mitigate increases due to inflation. The policy is available at the link below:

<https://www.gov.nl.ca/ti/files/MI-Policy-Cost-Contingency-Allowance-May-2023.pdf>

MI has also developed an estimating spreadsheet that found at the link below, this will help ensure that applicants are including cost for eligible project elements. The applicant can modify this template to add items as seen necessary.

<https://www.gov.nl.ca/ti/files/MI-Class-D-Project-Estimate-Template.xlsx>

In addition, I would like to note, that when projects are approved and in the design phase, the design should be maintained within the cost estimate minus the contingency and escalation.

If you have any questions related to the policy, feel free to reach out to your local Regional Office.

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Sincerely,



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