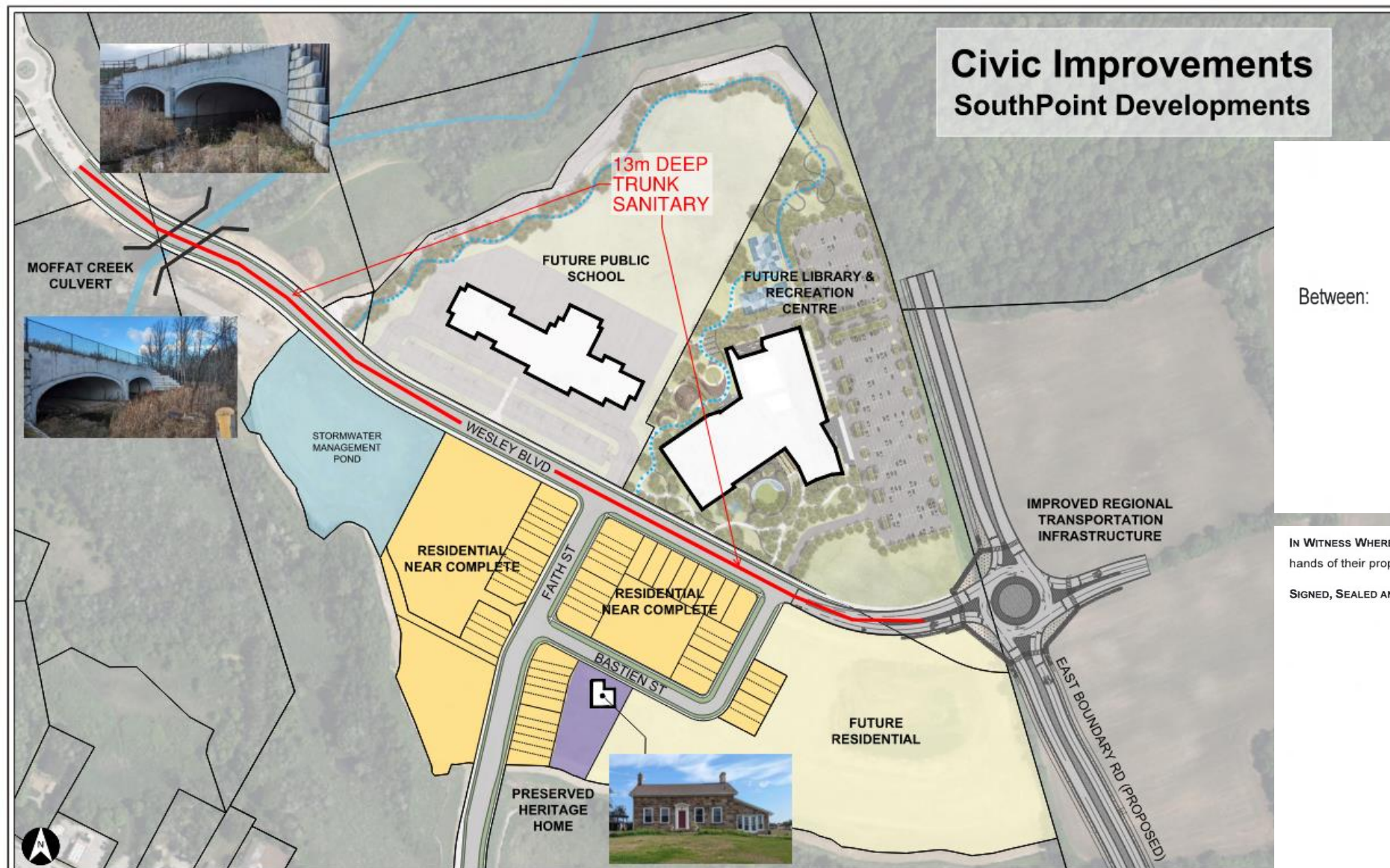


SouthPoint Subdivision



Civic Improvements SouthPoint Developments

COST SHARING AGREEMENT

THIS AGREEMENT made this 8th day of January 2020

Between:

THE CORPORATION OF THE CITY OF CAMBRIDGE
("Cambridge")

-and-

2599745 ONTARIO INC.
(the "Developer")

IN WITNESS WHEREOF Cambridge and the Developer hereunder affix their Corporate Seals under the hands of their proper officers duly authorized in that behalf.

SIGNED, SEALED AND DELIVERED this 17th day of December, 2019.

2599745 ONTARIO INC.

per:
Jason Pabbian, President

I have authority to bind the corporation.

THE CORPORATION OF THE CITY OF CAMBRIDGE

per:
Mayor E. McLaughlin

per:
Clerk D. Norton
We have authority to bind the corporation.

FOR ILLUSTRATIVE PURPOSES ONLY

Polocorp Inc. | November 27, 2023

November 28, 2023

Slide 1

Project challenges:

- Poor soils
- High groundwater
- Deep sanitary trunk sewer
- Moffat Creek crossing
- Covid 19
- Supply chain issues
- Significant Inflation over the 3 years of construction.



Page 164: Project Management:

- Multiple tenders needed:
 - ✓ Grading (1 tender)
 - ✓ Servicing and base roads (2 tenders)
 - ✓ Hydro and Utilities (1 tender)
 - ✓ Landscaping (1 tender ?)
 - ✓ Surface works (1 tender ?)

Thus, minimum of 6 tenders needed, not 3.

- If 3 Contracts were used, costs would have increased.

Page 164: Tendering Requirements:

- There were some deviations from the City's procurement policy but **NOT** for Phase 1A.
- Phase 1A is where the vast majority of the cost increases were incurred.
- The DC Budget increase in discussion tonight relates solely to Phase 1A.

Page 165: Budget Increases:

- Staff's report states that the Developer proceeded at their risk given Council budget approval was not in place.

- The Developer had no option but to proceed and did so in good faith to the Cost Sharing Agreement:
 - ✓ Halting construction would have caused significant project delays.
 - ✓ Halting construction would have increased cost for all parties.
 - ✓ Agreement Clause 5 required the Developer to pay promptly.

Page 165: Recommendation:

- Appreciative of Staff's support for \$400,000 increase.

- Concern that \$160K is proposed not to be reimbursed:
 - ✓ Report's rationale: The cost covers "Project management and management of creek flows during construction, and mud and site cleanup which are not directly tied to the construction . . .".

 - ✓ Our concern:
 1. Construction of the City infrastructure could not have been completed without creek flow management and thus is a DC cost.
 2. Management of Creek flows is only part of the \$160K in dispute.

Conclusion:

- The Cost Sharing Agreement requires all to share ACTUAL COSTS (refer to Clause #3).
- Appreciative of Staff's support for \$400,000 increase.
- Concern that \$160,000 will not be reimbursed.
- Our request to Council:
 1. Approve the \$560,000 increase.
 2. Direct Staff to work with the Developer to review disputed costs for a fair resolution (note, agreement allows for mediation if needed).