

TERMS OF REFERENCE

COST STUDY UPDATE

1. Alberta Municipal Affairs & Housing Introduction/Goal

The Regulated Assessment Policy Unit of the Assessment Services Branch (the Branch), Alberta Municipal Affairs & Housing, is responsible for the development and maintenance of property assessment procedures for regulated industrial property. Regulated industrial property is defined in the Municipal Government Act, Section 284 (1).

The assessment procedures for regulated industrial property are based on construction costs and the principles in the 2005 Alberta Construction Cost Reporting Guide. These procedures are included in the 2006 Minister's Guidelines for all regulated industrial property in Alberta.

The procedures are amended each year to include factors to reflect changes in construction costs for a given regulated industrial property. This factor is called the assessment year modifier (AYM).

A key component in the development of the AYM, for any given year, is the Construction Cost Change Study for a specified regulated industrial property. This study reflects the Construction Cost Change for a period July 1 to June 30 of the specified assessment year.

The goal of this project is to provide the Branch with appropriate information about Alberta construction costs changes to June 30, 2007 from professional firm's expert in the field of regulated industrial property.

2. Project Summary

This project has been initiated to engage industry experts to update the 2006 Construction Cost Change Study to reflect changes for the time period July 1/2006 to June 30/2007, for a specified *Regulated Property Type*.

3. Project Staff

This project will be carried out under contract with the contractor.

Alberta Municipal Affairs & Housing will support the project by having its own staff, and contracted agents, available to the contractor for consultation and by providing any requested written material.

The Contract Manager for the AMA will be Sheila Young, Director - Regulated Assessment Policy.

4. Project Deliverables and Time Lines

1. Using the same methodology and information sources (to the degree possible) as in 2004, 2005 and 2006, develop and document the construction cost change for the regulated industrial property type *Electric Systems* to reflect changes for the period July 1, 2006 to June 30, 2007. This documentation is to be provided to the Branch by July 31, 2007.
2. Provide documentation, as warranted, on current construction practices that are substantially different than those specified in the Branch construction cost models. Documentation to be provided by July 31, 2007.
3. Accommodate up to two (2) days for meetings with Branch staff and/or designates for feedback, review and clarification.

Note:

The following documents and directives are available to provide guidance in the development of the construction cost change studies.

- 2006 Ministers Guidelines
http://municipalaffairs.gov.ab.ca/as_minister_guidelines.htm
- 2006 Municipal Government Act
http://www.qp.gov.ab.ca/documents/Acts/M26.cfm?frm_isbn=0779737822
- 2005 Construction Cost Reporting Guidelines
http://municipalaffairs.gov.ab.ca/as_minister_guidelines.htm
- Costs based on construction within 50 km of the City of Edmonton Boundary

5. Project Costs

Any significant and reasonable project related costs for long-distance travel, communications, reproductions or other items would be addition to the hourly charges.

Payment will be made to the contractor upon submission of an invoice by the Contractor.

6. Project Assumptions

Staff and documents of Alberta Municipal Affairs will be available to the consultant as reasonable and necessary to complete the project on schedule.

Alberta Municipal Affairs will not dictate the place of work or the hours of work, just the delivery date for the final project.