

**Investing in Canada Infrastructure Program – COVID-19 Resilience Infrastructure
Stream – Local Government Intake Ontario - Questions and Answers**



**INVESTING IN CANADA INFRASTRUCTURE PROGRAM:
COVID-19 Resilience Infrastructure Stream – Local Government Intake
Questions and Answers – For Applicants**

Updated: December 2020

Investing in Canada Infrastructure Program – COVID-19 Resilience Infrastructure Stream – Local Government Intake Ontario - Questions and Answers

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GENERAL

Q: Do you have any advice for preparing to apply to the program?

A: Yes, please see below for:

- Read the Program Guide to ensure that the project(s) comply with a project category and asset type in the COVID-19 Resilience Infrastructure Project Categories Table found in Appendix B.
- Attach Fill out all relevant fields in the application form and attach all mandatory documents including the KML file and ACEA smart form. Please refer to Appendix C of the program guide on Application Form Completeness Check.
- Ensure that the project timeframe aligns with program timelines (must start construction before September 30, 2021 and must be completed by **December 31, 2021**, and projects in remote communities must be completed by **December 31, 2022**
- Ensure you are not exceeding the funding amount allocated to your municipality, (which was indicated in the letter sent to you November 6, 2020) and the total eligible cost for the project does not exceed \$10 million.
- Submit the completed application form and all the required documents before the deadline. Late submission will not be accepted.

Q: Is a council resolution required prior to the application?

A: Municipal council resolutions are required for joint projects from all municipalities involved in the project and should be included when the application is submitted, if possible. These will be required prior to the Province nominating projects to the federal government by March 2021. Municipal council resolutions are not required for single applicant submissions.

ELIGIBILITY

Q: Who is eligible to apply to the COVID-19 Resilience Infrastructure Stream - Local Government Intake?

A: All 444 municipalities in Ontario are eligible for funding under this intake of the COVID-19 Resilience Infrastructure stream.

Q: Can I partner with another municipality?

A: Yes, a municipality may partner with one or more municipalities to combine their funding allocations on a joint project. However, the total eligible cost for the project must not exceed \$10 million and the partners' total combined allocated funding amount. The Province will require a partnership agreement to be in place between all parties outlining ownership and operating structure.

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Q: Can I partner with other organizations?

A: Municipalities are also able to partner with not-for-profit and broader public sector organizations (e.g. any public sector body) and submit projects on their behalf, using their municipal allocations. This will be subject to the municipality's own project evaluation prior to submission to the province. Not-for-profits and broader public sector organizations are not eligible to apply on their own, and the Province will also require a partnership agreement to be in place between all parties outlining ownership and operating structure.

The municipality will be the Ultimate Recipient and will be responsible for signing the Transfer Payment Agreement with the province, and for all cost claims and reporting.

Q. If my municipality is eligible to apply for more than one project, is this a requirement? Can we apply for just one?

A. Municipalities are not obligated to apply for the maximum number of projects in their allocation. For example, a municipality with an allocation of five projects can submit up to five projects but could choose to channel their funding allocation into a single project.

Q: Are municipalities allowed to submit projects for the ICIP funding that are already partially funded from Federal Gas Tax?

A: Yes, provided the stacking provisions of all federal programs are respected. In cases where a project is receiving funding from two different federal funding programs, the program with the lower stacking limit will prevail.

For example, if a project is receiving funding from two federal programs, one which has a maximum federal stacking limit of 40% (such as ICIP CCR or Green), and one which has a max federal stacking limit of 80% (such as COVID stream), the project must respect the 40% stacking limit.

For the Federal Gas Tax, the federal contribution is 100%, but for COVID the contribution is 80% maximum, so the 80% maximum would still stand.

PROJECT ELIGIBILITY

Q: Can projects be over \$10 million in total costs if the recipient funds the excess?

A: No. Projects cannot exceed \$10 million in total eligible costs.

Q: What type of projects will the COVID-19 stream be supporting?

A: According to federal parameters, eligible infrastructure projects under the stream could include:

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- **Retrofits, Repairs and Upgrades** for municipal, provincial, territorial and indigenous buildings, health infrastructure and educational infrastructure;
- **COVID-19 Response Infrastructure**, infrastructure to support physical distancing, safety retrofits, and expansions;
- **Active Transportation Infrastructure**, including parks, trails, foot bridges, bike lanes and multi-use paths; and
- **Disaster Mitigation and Adaptation**, including natural infrastructure, flood and fire mitigation, tree planting and related infrastructure.

For more information on category, asset type and asset sub-type, please refer to Appendix B in the program guide.

Q: Does my application need to have connections to COVID-19?

A: Category 1 projects do not require a connection to COVID-19 pandemic response. However, applicants are required to provide this connection for projects under Category 2, and for Category 4 they need to explain how the project connects to the goals of that category (i.e. climate change and/or disaster mitigation).

Q: Is there a limit on how many projects a municipality can submit?

A: There will be a project cap based on your municipal allocation:

- 1 project submission for those receiving a maximum of \$100,000;
- 2 project submissions for those receiving \$100,001 to a maximum of \$500,000; and
- 5 project submissions for those receiving \$500,001 and above.

Q: Can I start a portion of a project prior to provincial nomination or federal approval?

A: No. As your project has not yet been approved by the Province or the federal government, no work should begin on this project. Applicants are advised not to start the project or award any tenders for any portion of their project to avoid the potential risk of the federal government deeming their entire project ineligible, should it be approved by the Province and nominated to the federal government.

Q: Can I submit an application for a project that was unsuccessful under a previous infrastructure grant program?

A: Yes, applicants are allowed to submit projects that were previously unsuccessful under a previous infrastructure program as long as it complies with requirements under the COVID-19 Resilience Infrastructure – Local Government Intake.

Q: Are furnishings an allowable expense?

A: No. Furnishings are not an eligible expense. This program focuses on fixed capital assets, so a renovation may be an eligible expense but not the furnishings. Some

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“temporary” assets are eligible under this intake if they have a clear pandemic response under Category Two, for example, outdoor washrooms to support physical distancing.

Q: If a project is deemed ineligible, can a municipality revise its submission?

A: Due to tight timelines, we encourage applicants to ensure that projects meet the requirements before submitting. There will be limited time available for rescoping projects following the deadlines.

Q: Can I begin design work before federal approval?

A: Yes, however the design costs will not be eligible for reimbursement and should not be included with the application.

Q: Can I bundle projects from different categories and asset type?

A: No, the federal government requires that each project application be only for assets under one Category only. If your project cap allows, you could submit two projects for two different categories, for example, a municipality could submit an application under Category 1: Retrofits, Repairs and Upgrades for asset type – “Government Building” as one application and the second application under Category 4: Disaster Mitigation for asset type – “Flood and Fires”.

Applicants are not allowed to bundle multiple asset types. For example, under Category 1: Retrofits, Repairs and Upgrades, applicants are not allowed to bundle asset types “Government Buildings” and “Health Infrastructure” under one application.

Q: What if I have multiple sub asset types?

A: For multiple sub-asset types (e.g. a park and a trail in the same project), applicants are required to select the main sub asset type in the application form and provide detailed explanation of **all** sub asset types in the project description box.

Q: What types of broadband and/or mobile/cellular projects are eligible for funding?

A: Under the Local Government Intake, broadband and mobile/cellular projects are eligible under two categories **for municipal applicants**:

- **Category 1: Retrofits, Repairs and Upgrades** – under “Education Infrastructure” asset type only. Examples from the federal government include computer labs and web infrastructure; and,
- **Category 2: COVID-19 Response Infrastructure** – under “Building or modifying infrastructure to respond to the COVID-19 pandemic. Examples from the federal government include “broadband or mobile/cellular projects”.

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These projects may not be stacked with those submitted under MOI's ICON program. In addition, for-profit organizations are not eligible for funding under the Local Government Intake. If a for-profit organization is a joint partner to the application, it will not be eligible for funding.

For more information on eligibility or partnerships please contact ICIPCOVID@ontario.ca

Q: Can I submit costs of our own employees as eligible costs for reimbursement under a project?

A: Yes, you can include these costs; however, employee costs (e.g. staff salaries of ultimate recipients) will not be considered eligible unless approved by the federal government.

To consider an own-force labour request, the federal government requires the recipient (or ultimate recipient) to submit a business case with the following information:

- The project number, project name, recipient name, total project costs, and total own-force labour costs being requested.
- The employee position, description of work, and total incremental cost to the recipient.
- The recipient must demonstrate that the costs are incremental (i.e., not a regular overhead costs, but rather a specific new cost associated with the project)
- The recipient must demonstrate that it is not economically feasible to tender a contract, by demonstrating at least one of the following conditions:
 - There is a lack of private sector capacity to undertake the work;
 - The work involves proprietary or specialized infrastructure or equipment that requires specific knowledge or skill;
 - A collective agreement requires the recipient to use their own unionized employees for certain project work;
 - Other similarly unique circumstances.

There is no template for a business case. Please submit an additional word document that covers all of the above information if you are not able to fit it within your application form.

Q: Can ultimate recipients use their own employees to work on a project? We are not requesting funding for these employees.

A: Yes. Please provide clarity that the costs related to using internal staff (own force labour) is not part of the eligible costs and will be covered by the municipality. This information can be included in Section H of the application form. The federal government will closely review claims to ensure that project funding is not used for internal staff unless you get prior written approval.

Q: Can software purchases considered eligible?

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A: Software purchases on their own are not eligible for funding as they are not a capital/fixed asset. This includes software upgrades, purchasing software to enable work from home, licensing, etc. There may be instances where software is considered eligible by INFC – for example, where the software is required as part of the capital asset being upgraded like upgrading doors to be automatic to support touchless entry. Please contact ICIPCOVID@ontario.ca at least 3 business days in advance of the deadline and MOI will help determine eligibility as much as possible prior to submission.

Q: We have a pedestrian bridge that needs to be replaced, and is currently closed for safety issues, would this go under the active transportation category?

A: Yes, a pedestrian and/or cycling bridge is an eligible project type under active transportation category. Examples of project types that fall under this category include parks, trails, foot bridges, bike lanes & multi-use paths.

Q: Are parking lot improvements e.g. at city parks an eligible project type?

A: No, parking lots improvement are not an eligible project type under any asset category for COVID-19 Resilience Infrastructure – Local Government Intake.

Q: What do you mean by substantially completed?

A: Substantial completion refers to the period where all significant work has been completed and the project/asset can be used for its intended purpose.

Note: if you are submitting multiple projects in a bundle, **all projects** must be substantially completed by the deadline. Otherwise the entire bundle of projects may be cancelled, and all government funding will be clawed back from the recipient.

TIMELINE

Q: What are the application timelines?

A: The application intake for the Local Government Intake opens November 16, 2020 and closes 4:59p.m. EDT on January 7, 2021. Please refer to the program guide for further details on how to submit an application. For applicants with one project, the deadline to submit application is by **4:59 p.m. EDT on December 21, 2020**, and applicants with more than one project the deadline to submit applications is by **4:59 p.m. EDT on January 7, 2021**.

Q: If my municipality received an allocation above \$100,000 but intends to submit one application, which deadline applies?

A: Municipalities that are eligible to submit more than one project have until **4:59 p.m. EDT on January 7, 2021** to submit, regardless of the number of projects they end up submitting.

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If able, we encourage you to submit earlier, as applications are being reviewed as they come in, on a first-come, first served basis. You are likely to receive approvals faster if you submit sooner.

Q: What is the timeline for project completions?

A: Projects may not begin work until after federal approval. All projects must start construction before **September 30, 2021** and must be completed by **December 31, 2021**, and projects in remote communities must be completed by **December 31, 2022**.

Q: What if I am unable to complete my project within the deadlines?

A: The project completion date is December 31, 2021 for all municipalities except for remote communities, which have until December 31, 2022. Failure to complete before the deadline will constitute project default and funding will be clawed back from the recipient. Furthermore, any costs incurred after the deadline are ineligible for reimbursement.

Q: What is a remote community?

A: For the purposes of the COVID stream, a remote community is one with a population under 5,000 and/or no year-round road access. Your municipality was told whether they meet this definition in their notification letter sent November 6, 2020. A list of remote communities can also be found in Appendix A of the program guide.

Q: When will applicants be notified if their project was successful?

A: Applicants will be notified if their project was successful upon federal approval. Due to the streamlined nature of the program, the federal government has committed to a shorter project approvals window than other streams under the Investing in Canada Infrastructure Program.

Q. What happens if unforeseen circumstances (i.e. labour strikes, interruption to the supply chain, etc.) delay the substantial completion date beyond December 31, 2021?

A.: All projects must be substantially completed within the stipulated timeline (i.e. ready for use). The federal government has indicated that there will be no exceptions to the construction completion timelines, despite Ontario raising some of these concerns ourselves. Municipalities should only submit projects that are not high-risk for delay and ensure to build in buffer time and contingency funding as appropriate. Projects not substantially completed on time will be cancelled by the federal government and municipalities will need to return all funding to the Province.

FUNDING

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Q: Do applicants need to contribute any funds under the COVID-19 stream?

A: No. Recipients will not be required to participate in cost-sharing, to ensure they receive as much fiscal support as possible. The federal government will be responsible for cost-sharing 80% of project costs and the remaining 20% will be cost-shared by the Province.

Q: Is there a project funding cap?

A: Under the COVID stream, projects cannot exceed \$10 million in total eligible costs (i.e. combined federal and provincial shares). Projects submitted under the Local Government sub stream also cannot have total eligible costs that exceed the applicant's allocation amount.

Q: When will funding decisions be announced?

A: Funding decisions are expected to be announced in Spring 2021, pending federal approval timelines.

Q: How did you determine how much a municipality receives?

A: The funding distribution is based on a guaranteed minimum allocation of \$100,000 to all 444 municipalities in the Province.

Additional "top up" funding has been allocated to municipalities based on a variety of factors including the value of infrastructure and median household income in each municipality. This formula is in alignment with the Ontario Community Infrastructure Fund.

Q: Why does my allocation differ from a neighbouring community?

A: Communities may notice they are receiving more or less than their neighbouring communities. This difference can be explained by differences in the value of total infrastructure, the property tax indicators, number of households or median household income. MOI draws this information from the Financial Information Return system.

Q: Can recipients re-allocate funding from different ICIP streams to their COVID-19 stream allocation to increase available funding?

A: No. Funding for the COVID stream cannot be stacked with other ICIP funding to support projects. Additionally, recipients cannot apply for funding under the COVID stream with a project already approved under a different ICIP stream.

Applicants can apply for a project at the same location as a project already receiving funding from another capital program (including ICIP) where the project in question

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would be ineligible for funding, but the applicant must clearly scope out the component that is unique to the COVID-19 Resilience Infrastructure funding stream application.

Q: If project costs exceed the amount allocated to my municipality, would it be eligible for additional funds?

A: No, your municipality would not be eligible for additional funds. Applications must only contain costs within the approved municipal allocation.

Q: If my municipality's project exceeds our allocation, can the municipality cover the balance or do all expenses need to fall within the allocation.

A: A municipality may choose to submit a project that is one component of a larger, more expensive project. For example, if a municipality is allocated \$100,000 and the total project cost is \$500,000, then the municipality's application should only focus on the scope of the sub-project relating to the \$100,000.

APPLICATION FORM

Q: How do I apply?

A: Applicants must register or login online through the Province of Ontario's online grant portal, [Transfer Payment Ontario](#). Step by step support for working with the online grant portal are found [here](#).

Q: What does a complete application submission consists of?

A: A complete application submission includes the following:

- A completed Project Application Form
- KML file with project location details. A map in PDF format is **not** acceptable.
- Signed attestation by Ultimate Recipient (in the Application Form)
- The federally-required Aboriginal Consultation and Environmental Assessment Smart Form, including supporting documentation (e.g. the consultation file and the follow-up table on concerns) if available. The ACEA Smart Form is available through TPON.

For questions about the form please contact Infrastructure Canada at:
INFC.AboriginalConsultEnv-Consultaautochtonesenv.INFC@canada.ca

Note: A municipal council resolution or by-law affirming intent to proceed with the project is required at the time of provincial nomination to the federal government and is encouraged to be included when application is submitted.

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Q: What is the purpose of the KML file in TPON?

A: The KML file titled “Category 1-KML file” in TPON is a file created for projects that fall into Category 1.

The federal government does not require KML files to be created for projects in Category 1; however, there is a federal IT system requirement to submit a KML file with all applications. Because of this, the federal government is asking applicants to submit this placeholder file with their application in TPON, so it will be included in the data transfer.

Q: I don't know how to answer one of the questions on the application form. What should I do?

A: Please contact program staff for guidance at ICIPCOVID@ontario.ca if you do not know how to answer a question.

Q. If my municipality is eligible to submit more than one project, do I need to submit a new application form for each project?

A. Yes, each project (or bundled project) needs a new application form.

SUCCESSFUL PROJECTS

Q: How do I get reimbursed for expenditures?

A: To receive both the federal and provincial governments' contributions for approved projects, claims must be submitted for eligible costs through TPON after federal approval and before the final claim date to be outlined in individual transfer payment agreements. Only costs incurred, paid and consistent with and comparable to those identified in the signed shared cost agreement are eligible for reimbursement.

Q: What should I expect in terms of reporting requirements for an approved project?

A: Ultimate Recipients will be required to submit quarterly progress reports. Further details will be outlined in individual transfer payment agreements.

-END-