Planning and Design Cost Drivers

The table below outlines the typical cost drivers that impact a project budget. While not an inclusive list, as there are contingencies for unknowns, the cost drivers mentioned below are the most common.

Cost Driver	Description
Public Engagement and Communications	Public engagement seeks to invite, inform, consult, and collaborate with the public about projects that may affect them. An important aspect of municipal public projects is the requirement to engage and communicate with the public at numerous stages of planning, design, and delivery. Private projects typically only require stakeholder management. Where public input has the potential to influence project decisions, significant efforts are expended during the planning and design phase to support meaningful public engagement. This effort includes outreach and building community awareness, as well as often, efforts to bridge the gap between the policy objectives and the community's readiness to adopt them. Additionally, Council and the public require high transparency and communication about the project scope, schedule, budget and progress, often through status updates, project websites, communication campaigns, public and council inquiries, and other media.
Council/Committee Approvals	Another unique requirement of public projects is Council approvals during the planning and design phase. These approvals require documentation from subject matter experts and external resources to support decision-making. Examples include Environmental Impact Assessments per the River Valley Bylaw, access and road closures bylaws, procurement (if sole-sourced), and borrowing bylaws for debt-funded projects.
Policies/Bylaws	City policies and bylaws are also important drivers of planning and design costs. Some, such as the Climate Resilience Policy (C627), contribute to the complexity of the design of facilities and transportation infrastructure and require the services of specialty consultants during design. Others may require the development of material and documentation specific to their objectives. For example, material is prepared for each presentation of a project at the Edmonton Design Committee, and the feedback and recommendations from the committee must be addressed in the project's design. Another example is the thorough procurement process for external resources. As a municipality, Edmonton is bound by provincial and federal trade agreements, which results in a comprehensive process to "Ensure the City acquires goods, services, construction and intellectual property in an open, fair and transparent manner and abiding by all applicable Trade Agreements."[1]

[1] *City of Edmonton Standards*. (2024, July 3). City of Edmonton. Retrieved September 19, 2024, from https://www.edmonton.ca/city_government/city_organization/standards

Risk Mitigation	As previously described, during planning and design, numerous on-site tests and investigations (geotechnical, environmental, hazardous material, survey, etc.) are conducted to inform the design and to reduce the number of potential unknowns and risks associated with cost escalation during construction. This represents typical best practices of early investment in projects to inform the design and construction better.
Grant Requirements and Political Influences	City projects are also subject to grant requirements from other levels of government and political influences, which can result in additional costs to fulfill. This may include special reporting, data collection, or changes in project expectations. For example, the Terwillegar Drive Expansion required redesign when the Government of Alberta's expectations changed after an election.
Special Interest Groups	The influence of Special Interest Groups can also impact a project's progress and efficiency of planning and design, primarily when Council supports changes to the project that require rework. For example, the inclusion and then removal of the diving platform at Lewis Farms Recreation Centre required redesign in both instances.
Collaborative Delivery Models	Collaborative delivery models such as Construction Management allow the contractor to be involved early in supporting the design, avoiding issues and reducing risks during construction. These models increase planning and design costs by shifting contractor fees forward from the delivery phase. These models also require efforts to build competency internally and with the industry.
Land Acquisition and Expropriation	Projects requiring land acquisition can require significant efforts from the project team and subject matter experts, mainly when land is acquired through an expropriation process.