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**CANADA-ONTARIO EARLY LEARNING AND
CHILD CARE
CAPITAL FUNDING GUIDELINE**

**Peel Region Non-Profit Community-Based
Licensed Child Care Providers
& Government Agencies**

2020

Released: February 11, 2020

Table of Contents

Introduction	3
Objective	3
Outcomes.....	3
Key Dates	4
Eligibility Criteria	4
Consultation with your Ministry of Education (MEDU) Program Advisor	4
Building to Maximum Group Size	5
Procurement of Services.....	5
Barrier-Free Design	5
Site Safety Plan.....	5
Cost Tracking.....	5
Hiring Certified Consultants.....	6
Eligible Expenses	6
Non-Eligible Expenses	7
Funding Prioritization.....	7
Application Process.....	8
Disbursements, Reporting and Reconciliation Process	9
Contact Us.....	10
Schedule A: Timeline Overview of the ELCC Capital Process.....	11
Schedule B: Items Required for Early Years and Child Care Capital	12
Schedule C: Maximum Allowable Amounts for One-Time Start-Up Expenses	16

Introduction

The Province of Ontario and Government of Canada have announced a shared commitment to provide investments in early learning and child care to increase quality, accessibility, affordability, flexibility and inclusivity, with prioritization of children aged 0-6 years old.

Funding is available under the Early Learning and Child Care (ELCC) Agreement to support **non-profit** licensed child care providers and government agencies with new community-based capital projects (not located in schools).

ELCC Capital cannot be used to create spaces for child care programs that run during school hours for kindergarten and school-age children. Capital funds may be used for retrofits, renovations or expansion projects, but cannot be used to purchase land or buildings. Approved projects *may* qualify for reimbursement on eligible project expenses retroactive to January 1st, 2020.

Objective

This funding is intended to support parents, families and communities across Peel Region in their efforts to ensure the best possible future for their children by increasing the supply of new community-based non-profit licensed child care spaces for children 0-6 years old.

Outcomes

The following outcomes are identified for ELCC Capital Funding:

1. **Increase Parental Choice and Access to Licensed Child Care:** Increase the supply of licensed child care spaces to provide families with a range of safe, high-quality licensed child care options that work best for their families.
2. **Address Child Care Demand:** ELCC capital projects will reduce the gap between the demand for licensed child care spaces and the current supply of spaces available. The Region is prioritizing capital projects that create new spaces for the younger age groups to better address the need for spaces in Peel.
3. **Increase Supply of Non-Profit Spaces:** ELCC funding is available to non-profit providers to increase the number of non-profit licensed child care spaces for children aged 0-4 years in Peel's Early Years and Child Care system.
4. **Support Overall Health and Well-being of Children:** Increased access to licensed child care will give more children a safe environment in which to learn and grow and will support them in achieving their mental and physical potential.

Key Dates

- The Region of Peel will accept applications for ELCC Capital Funding from **February 11, 2020 to March 9, 2020**.
- Project approval will be communicated **within 3-4 weeks** of the application deadline.
- Approved projects must be completed and operational by **December 31, 2020**.

Please refer to *Schedule A* for a timeline overview of the Capital Funding process.

Eligibility Criteria

To be eligible to apply for ELCC Capital Funding, child care providers are required to satisfy the following:

- Be a licensed non-profit child care provider;
- Have a current Fee Subsidy and Funding Agreement with the Region of Peel;
- Meet the following requirements under the Early Years and Child Care Fee Subsidy and Funding Agreement with the Region of Peel
 - Engagement in continuous quality enhancement practices;
 - Inclusion of children with special needs by participating in Peel Inclusion Resource Services (PIRS); and
 - Inclusion of children in receipt of fee subsidy.
- Have sound business management practices and be in good standing with respect to financial/contract reporting requirements for all funds provided by the Region of Peel.

Government agencies in Peel Region are also eligible to apply for this funding. The Region will work with our municipal partners that are interested in renovating or retrofitting existing space, or expansion to create/expand licensed child care programs.

Consultation with your Ministry of Education (MEDU) Program Advisor

Capital work impacting licensing capacity or rooms and/or outdoor space (i.e. play structures) would require a communication with your MEDU Program Advisor. Please notify your MEDU Program Advisor if there will be any disruption of service or if the work will take place during regular hours where children would need to be displaced or moved.

If providers are unsure if the capital work aligns with the licensing requirements under the *Child Care and Early Years Act, 2014* (CCEYA) we encourage you to contact the MEDU Program Advisor. This will ensure that capital projects funded through the ELCC Capital Funding align with licensing requirements under the CCEYA.

The Region of Peel and the Ministry of Education are not responsible for assessing compliance with the *Ontario Building Code*. It is the provider's responsibility to consult their local Municipality (when building permits are required) and have an architect or engineer confirm that the space will meet the requirements in the *Ontario Building Code* for child care facilities.

Building to Maximum Group Size

Projects must be created to accommodate a maximum group size for each age grouping for children aged 0 to 6 years. Please refer to the CCEYA to confirm requirements.

Procurement of Services

To ensure that costs are aligned with fair market commercial rates, all services must be **procured** via a fair and transparent process. This includes but is not limited to services for a project manager, architect, contractors, etc. Preferred vendors may be selected providing they are **procured**, and their rates align with industry standards. Agreements with the chosen contractor are required to be defined through an applicable Canadian Construction Documents Committee (CCDC) agreement.

Any work procured and/or conducted at a non- arms length transaction will not be eligible for funding. A non-arms length transaction is a transaction between persons who were not dealing with each other at arm's length at the time of the transaction. This includes transactions between people who are related, such as members of a family, or anyone connected by blood relationship, marriage, or adoption legal or in fact.

Barrier-Free Design

When designing the floor/site plan, providers are encouraged to consider incorporating barrier-free design elements in cases where it may not be required under the *Ontario Building Code*. This could include designing the space to include wider doors and washroom spaces to accommodate wheelchairs, accessible door handles and buttons, etc.

Site Safety Plan

For approved projects at existing licenced child care locations, providers will be required to develop and implement site safety considerations. This may include:

- construction noise level during set periods of the day s (i.e., nap time); ensuring the health and safety of children (i.e., make construction materials inaccessible to children) ;
- preventing workers from having access to children etc.

Cost Tracking

Providers with an approved project would be required to track funding for the project separately. It is recommended to open a dedicate interest- bearing account for the project. Any interest earned must be reinvested into the program.

Hiring Certified Consultants

The Region **requires** that providers retain the services of professionals familiar with construction regulations including the *Construction Act*. A certified project manager and certified architect will be required to oversee the scope, extent and schedule of work to be completed and to provide administration of all contractor contracts. Once hired, the architect will be responsible for payment certifying the work and cost of the work at milestones agreed upon by the service provider and the Region of Peel. Please note that the Region will not enter into a funding agreement for an approved project until the provider satisfies these requirements.

Eligible Expenses

ELCC Capital Funding may be used to support retrofits, renovations or expansions to create new licensed infant, toddler, preschool community-based spaces within Peel Region. Funding may also be used to create new community-based kindergarten spaces that operate before-and-after school, and on non-school days such as Professional Development days, and school breaks.

Examples of possible retrofit, renovation, or expansion projects include: an addition to an existing building, making substantive (change of 50% or more of space) renovation to an existing space, and/or retrofitting an existing space to meet licensed child care requirements.

Examples of capital build expenses:

- Consultant fees (including a certified project manager and certified architect)
- Building permits
- Legal costs for funding agreement review
- Construction materials and labour costs
- Skilled trade costs
- Other costs which are reasonable for the purposes of retrofitting, renovating or expanding a building as approved by the Region

One-time start-up funding of up to \$1,300 per new eligible child care space created may be available to support approved providers. Funding can be used to purchase:

- Play-based materials and equipment (i.e., toys, books, etc.)
- Indoor furniture/equipment (i.e., cots, cribs, strollers, tables, chairs etc.,)
- Playground equipment
- Kitchen equipment and supplies
- Marketing (online, signage, print materials)
- IT equipment/upgrades to facilitate internet connectivity for business purposes, e.g. computer, tablet, scanner, printer, photocopier, modem (only available to providers creating a new child care centre).

Some items are subject to a maximum allowable expense. (Refer to Schedule C). Copies of receipts for all start-up funding items purchased must be provided to the Region. Service Providers are required to maintain original receipts for a minimum of 7 years. Please note that any expenses covered by EYCC capital and/or operating funding **cannot** be included in the provider's child care fees.

Non-Eligible Expenses

ELCC Capital Funding cannot be used to:

- Purchase land or buildings;
- Support capital projects for child care programs that run during school hours for kindergarten and school-age children; and
- Support work completed by someone who is related by blood, marriage, common-law partnership or adoption that is **not** conducted as an arm's length transaction.

Funding Prioritization

The amount of ELCC Capital Funding is limited; therefore, the Region of Peel is not able to guarantee that funding will be available for all applications received.

The Region will evaluate applications according to the following criteria including those listed below in no particular order:

- Level of need: the project is in a Service Delivery Area (geographic area) where there is a service gap for licensed child care;
- Age group: priority will be given for projects that create new spaces for younger age groups (infants and toddlers);
- Value for money and cost effectiveness (number of spaces created and cost per space);
- Category of non-profit organization (e.g. charitable registration);
- Provider's governance structure;
- Readiness of the project to proceed to construction;
- Availability of other child care in the area that supports parental choice;
- Completion date;
- Current licensed and operational capacity;
- Program budget and financial history
- Organizational Experience;
- Long-term viability;
- The distribution of approved projects across different review areas with an identified need
- Integration with early years services (i.e. are collocated with an EarlyON Child and Family Centre);
- Accessibility; and,
- Other criteria as determined by the Region.

Application Process

Providers seeking ELCC Capital Funding must submit a completed application form and all required supporting documentation to the Region of Peel Early Years and Child Care Services Division by **March 9th, 2020.**

The ELCC Capital Funding application information will also be available to providers on the Region's website. A separate application must be completed for each site for which ELCC Capital Funding is being requested.

STEP 1: Application

Submit the completed application form and all required documentation to the Region by **March 9th 2020** via email to: EarlyYearsSystemDivision@peelregion.ca

For your application to be processed, the following is required:

1. Consultation with an Early Years Specialist prior to submitting a completed application;
2. A completed and signed application form (one application per site)
3. Operational Cash Flow Statement for the site (template provided by the Region)
4. Articles of incorporation/letters patent
5. Copy of lease agreement between landlord and service provider, or proof/details of building ownership (minimum 5-year commitment to the space for early years and child care operations)
6. Original As-Built drawings for the site
7. Class C or Class D (dependant on information available at the time) cost estimate completed by a Professional Quantity Surveyor. Please note, the service provider is to use the cost estimate for their budget purposes and to help inform the Region of the cost of the capital expenses. The service provider is not to share the cost with their architect or contractor; doing so will result in the disqualification of the project for any capital funding.
8. Capital Budget - Inclusive of all capital costs (template provided)
9. Parcel Register from Service Ontario (to demonstrate lien status of the property)
10. Most recent available financial statement (if not already provided to the Region of Peel)
11. A copy of your communication to the Ministry of Education informing them about your project with an intent to follow up requesting a Floor Plan Approval Letter (e.g. email, screen shot of CCLS upload of your floor plan). Please note that the Floor/Site Plan Approval letter from the Ministry of Education will be required for approved projects before any payments are issued.

Incomplete applications will not be reviewed and may result in non-approval of the proposed project. *See Schedule B for a list of all documentation required by the Region for capital project applications and approved projects.*

STEP 2: Project Approval

All application packages received by the Region will have the following apply:

- Each application package will be reviewed to verify that applications forms are complete, and all supporting documentation is included.
- If an application form is incomplete, an email will be sent detailing the outstanding documentation
- A Region of Peel project monitor may conduct a visit to the site of the approved project to gather additional information needed to inform decision making.
- All applicants will be notified electronically regarding the status of their application within 3-4 weeks of the application deadline.
- Approved projects will receive a letter of conditional approval outlining an “up to maximum” amount of funding available. The actual amount of funding paid will be dependant on work contracted and verification of documentation received.

See Schedule B for a list of all documentation required by the Region for approved projects.

STEP 3: Signed Agreement

Following the receipt and review of the application including all applicable documents, an ELCC Capital Agreement will be forwarded to the provider for the approved project. The Region will schedule a mandatory in-person meeting to review the Terms of the Agreement and roles and responsibilities.

Disbursements, Reporting and Reconciliation Process

Step 4: Disbursement of Funding

- An initial payment representing up to a maximum of 20% of the approved capital funding may be provided upon the receipt of all applicable documentation (refer to Schedule B)
- The remaining capital funding will be issued to providers according to project milestones. Providers must ensure that the project is completed by December 31st, 2020.

Please ensure that receipts:

- Are marked "Paid"; and
- Clearly define and list the item(s) purchased or project completed. Receipts containing only receipt codes or item numbers will be returned to you for clarification.

Please note:

- HST amounts will not be paid on invoices that do not provide a GST/HST number from the vendor.
- Funding can only be used for the approved purpose.
- Final payment is subject to the Region of Peel approval.

Monitoring and Reporting of Project Delivery Recipients of Canada-Ontario Early Learning and Child Care Capital Funding will be required to comply with all applicable construction legislation including the *Construction Act*. The Region of Peel will have a designated project monitor who will conduct site visits, provide feedback on project progression, assist in payment reconciliations and provide project oversight to the Early Years and Child Care Division.

Required reporting will include, but is not limited to:

- Visits to the site by the Region’s project monitor or regional staff at various project milestones to confirm the status of the project and that funding was used for the approved purpose(s).
- Reports to the Region pre-construction, during construction and at project completion.
- Keeping all original receipts for a minimum of 7 years.
- Payment certifications from the architect at various project milestones certifying the work completed and associated costs.

Service providers may be contacted to complete a review of the ELCC Capital Funding through the Region of Peel’s audit selection process, or through mandatory audited procedures from the Provincial or Federal government.

Funding Cancellation and Recovery

The Region reserves the right to cancel approved capital funding, and, if applicable, recoup any payments that have already been provided in cases where:

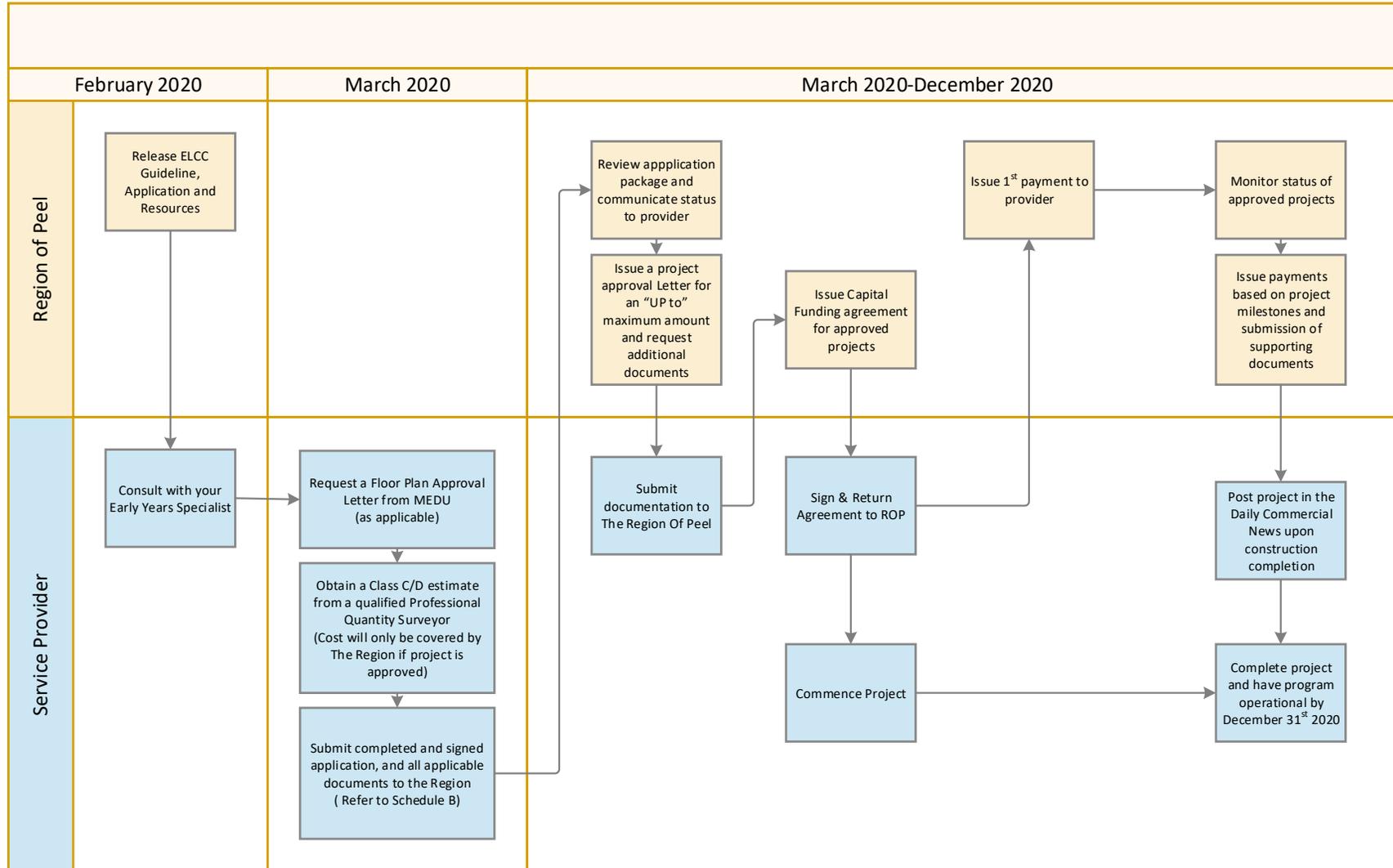
- A project is delayed for an unreasonable length of time;
- Substantive changes to the scope are made after funding has been approved;
- The approved project is not completed;
- The approved project ceases operation, dissolves, is sold or otherwise disposed of. Projects with documented serious viability concerns could be exempted from this provision at the Region’s discretion.

Contact Us

If you have any questions about the ELCC Capital Funding, please contact us at:

EarlyYearsSystemDivision@peelregion.ca.

Schedule A: Timeline Overview of the ELCC Capital Process



Schedule B: Items Required for Early Years and Child Care Capital

Items required for Early Years & Child Care Capital Project Site: <i>This checklist is to serve as a guide for the documents that are required during capital project progression, are not meant to be an inclusive list and is subject to change. Please refer to your funding agreement to ensure all requirements are being met.</i>	Y/N	Comments
<u>REQUIRED WITH YOUR APPLICATION</u>		
Consultation with Early Years Specialist		
Signed application form		
Projected operational cash flow statement (template provided)		
Copy of the communication that was sent to the Ministry of Education outlining the intent to proceed with the capital project and request a floor/site plan approval letter		
Articles of incorporation and/or letters patent		
Copy of lease agreement between the landlord and service provider, or proof/details of building ownership (minimum 5-year commitment to the space for early years and child care operations)		
As-Builts drawings		
PQS Class “C” or “D” cost estimate for the project (not to be shared with any consultants including architect and contractors)		
Capital Budget- Inclusive of all project costs (template provided)		
Parcel register from Service Ontario for property showing no construction lien or registered claim against the project or property		
Most recent copy of financial statement		
<u>REQUIRED PRIOR TO SIGNING A FUNDING AGREEMENT</u>		
Project Kick off Meeting Date		Click or tap to enter a date.
Approved floor plan/site plan ministry approval letter from the ministry of education		
Proposed floor/site plan design drawings		
Service Provider Procurement- Policy / Procedure		
Occupancy letter from landlord stating agreement to complete the capital work and indicating the service provider has use of the space for minimum of 5 years following completion of the renovation		

CCDC contract with the contractor		
Bid summary and other contractor bids		
Contract/agreement with the project manager		
Contract/agreement with the architect and or other consultants		
Any documentation relating to existing environment non-compliances		
A certified copy of the directors' resolution authorizing the execution by the Service Provider of this Agreement		
Arms length attestation		
<u>REQUIRED PRIOR TO START OF CONSTRUCTION</u>		
Anticipated start of construction		Click or tap to enter a date.
Professional liability insurance from the architect – minimum value of the project		
Proof of property insurance on a replacement cost basis (Builders Risk insurance)		
Performance bonds from the main contractor (minimum value of the project)		
General liability insurance for the service provider (5 million required) for current year		
Signed agreement by the Service Provider returned to the Region of Peel		
Project Milestones for the duration of the project and/or construction schedule provided by the contractor		
WSIB clearance certificate for all subtrades & contractors		
Bank statement report showing all deposits/withdrawals related to capital project (upon request)		
Photographs of the site- pre-construction		
<u>REQUIRED PRIOR TO RELEASE OF 1ST PAYMNET</u>		
Initial Project Status Report –includes information about the project UP TO PRE-CONSTRUCTION		
Full set of permit/tender drawings		
<u>REQUIRED PRIOR TO SUBSEQUENT RELEASE OF PAYMENTS</u>		
Project Milestone date #1		Click or tap to enter a date.
Status Report #1- includes information about the project FROM THE START OF CONSTRUCTION UP TO PROJECT MILESTONE #1		

Meeting Date- Review of Documentation for Subsequent Releases		Click or tap to enter a date.
Progress Billing for the period with any applicable sub- contractor invoices		
Statutory declarations		
Payment Certification Signed off from the Architect		
Bank Statement or General Ledger Report showing capital deposits and draws		
Photographs of the work during the construction phase		
Project Milestone date #2		Click or tap to enter a date.
Status Report #2- includes information about the project FROM PROJECT MILESTONE #1- TO PROJECT MILESTONE #2		
Progress Billing for the period with any applicable sub- contractor invoices		
Statutory declarations		
Payment Certification Signed off from the Architect		
Bank Statement or General Ledger Report showing capital deposits and draws		
Photographs of the work during the construction phase		
Status Report #3- includes information about the project FROM PROJECT MILESTONE #2-TO PROJECT MILESTONE #3		
Progress Billing for the period with any applicable sub- contractor invoices		
Statutory declarations		
Payment Certification Signed off from the Architect		
Bank Statement or General Ledger Report showing capital deposits and draws		
Photographs of the work during the construction phase		
<u>REQUIRED PRIOR TO FINAL RELEASE</u>		
Project Completion Report-includes information about the project FROM THE LAST PROJECT MILESTONE- TO PROJECT COMPLETION		
Progress Billing for the period with any applicable sub- contractor invoices		
Invoice for release of final hold back		
Statutory declaration		
Payment Certification Signed off from the architect		
Bank Statement/General Ledger report showing Capital deposits and draws		
Photographs of the completed work		

All Invoices to support start-up funding purchases		
Posting from the Daily Commercial News		
Ministry of Education - Revised License showing the increase in spaces		
Proof of building permit closure		
Actual Project Opening Date		
Project Close Out Letter sent by Region of Peel		Click or tap to enter a date.

Schedule C: Maximum Allowable Amounts for One-Time Start-Up Expenses

Item	Maximum Approval (per item)
Commercial Dishwasher including installation	\$ 7,000
Stove: Gas including installation	\$ 6,200
Stove: Electric	\$ 5,000
Range Hood including installation	\$ 2,300
Fridge: 2 door	\$ 6,000
Fridge: 1 door	\$ 4,000
Freezer: 2 door	\$ 5,000
Freezer: 1 door	\$ 3,000
Washer	\$ 2,000
Dryer	\$ 1,500
Secure Entrances	\$ 3,000
Cot	\$ 100
Triple Stroller	\$ 1,000
Quad or more Stroller	\$ 1,500
Safety Gate	\$ 150
Highchair	\$ 300
Cradle, Crib or Playpen	\$ 400