

May 19, 2026

Clarification on Cost Estimate Classification & UBCM Grant Application – Sage Mesa

Key Point

The Sage Mesa cost estimate remains a Class D (conceptual) estimate based on engineering design and project definition from McElhanney in the 2023 Assessment Report.

It was presented as Class C within the UBCM grant application only to align with UBCM's contingency-based classification system. This difference is administrative and does not reflect a change in the level of project detail.

Cost Estimate Classification Frameworks

Two different frameworks are in use:

- **AACE** (Association for the Advancement of Cost Engineering) classifies estimates based on level of design and project definition
- **UBCM** classifies estimates based on contingency ranges for funding purposes

As a result, the same estimate may fall into different classes depending on the framework applied.

Combined Cost Estimate Classification – AACE and UBCM

AACE Class	Level of Project Definition	Typical Accuracy Range (AACE)	UBCM Contingency Range	Typical Use
Class 5 (Class D)	Conceptual (0–2% design)	-30% to +50%	±50%	Feasibility studies, early planning
Class 4 (Class C)	Preliminary (10–40% design)	-20% to +30%	±25% to ±40%	Preliminary approvals, grant applications
Class 3 (Class B)	Pre-design (40–70% design)	-10% to +20%	±15% to ±25%	Budget approvals, detailed planning
Class 1–2 (Class A)	Detailed (90–100% design)	-5% to +10%	±10% to ±15%	Tendering, procurement, construction

Project-Specific Clarification

- The Sage Mesa estimate remains conceptual (Class D), as it is based on limited design information, assumptions, and unresolved servicing details.
- For the UBCM application, the estimate included a 25%–40% contingency, aligning with UBCM's Class C category, even though the underlying estimate has not advanced in design.
- No separate or more detailed estimate exists. The same underlying estimate has been used throughout, and the classification was adjusted only to meet UBCM application requirements.



Cost Estimate Updates and Project Phasing

- The original 2023 assessment identified a total project cost of approximately \$33M across three phases (A, B, and C).
- For the 2025 SPF grant application, the estimate was updated to approximately \$40M to reflect changes in construction costs, without additional design advancement.
- The grant application referenced approximately \$13.2M, which represents only Phase A (the first of three phases) of the overall project.
- This Phase A estimate increased from approximately \$10.2M (2023) to \$13.3M (2025) as part of the update.

Conclusion

The Sage Mesa project remains at a Class D (concept-level) estimate from an engineering perspective. The reference to “Class C” applies only to the UBCM grant framework, which is based on contingency rather than design maturity.

The updated costs reflect inflationary and market changes between 2023 and 2025, and the grant application addresses only the first phase of the overall three-phase project.

Prepared by

Liisa Bloomfield, P.Eng.

Senior Manager of Public Works