

Request for Decision

Title	2019 Road Rehabilitation Program Contract Award
Proposed Motion	<p>1. That Council award the contract for the 2019 Road Rehabilitation Program to Carmacks Enterprises Ltd. at a contract price of \$5,350,729 (excluding GST) and authorize the Chief Administrative Officer to execute the contract.</p> <p>2. That Council allocate an additional \$885,053.76 to the 2019 Road Rehabilitation Program from the 7.17 Road Network Reserve.</p>
Administrative Recommendation	Administration recommends that Council award the contract for the 2019 Road Rehabilitation Program to Carmacks Enterprises Ltd. as the lowest compliant bidder.
Previous Council Direction	<p><u>May 17, 2019 – Motion 179/19:</u> That Council give third reading to Bylaw 1444/19 as amended.</p> <p><u>December 11, 2018 – Motion 386/18:</u> That Council approve the 2019 Operating and Capital Budgets as amended by motions passed at the November 30, 2018 and December 11, 2018 Council Budget Meetings represented by a 0% change to tax rates.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • On May 14, 2019 and May 17, 2019, Council approved additional funding for seven (7) Significant Tax Revenue Growth Projects which were previously unfunded. • As part of the tender package creation process, projects of a similar scope and in proximity to one another were tendered together to realize cost efficiencies. • As a result, the 2019 Road Rehabilitation Program contract consists of the following road segments: <ol style="list-style-type: none"> 1. Range Road 245 from 195 Avenue to Glenview Place (RH-4, Glenview Access Road). 2. Glenview Acres Subdivision (RH-5). 3. Range Road 242 from Township Road 554 to 300 metres south of Schultz Drive (RH-7). 4. Cameron Park Subdivision (RH-8).

External Communication

Tendering

- Tenders for the 2019 Road Rehabilitation Program were posted on Alberta Purchasing Connection (APC) on May 21, 2019 and closed on June 4, 2019.
- Eight (8) bids were received and opened in a public tender meeting, ranging from \$5,350,729 to \$6,775,630 (excluding GST).
- Our engineering consultant, WSP, reviewed the received tenders and recommends that Sturgeon County award the contract for the 2019 Road Rehabilitation Program to Carmacks Enterprises Ltd. as they were the lowest compliant bidder.

Communications

- Following the contract award and prior to construction startup:
 - Notifications will be mailed to all affected residents.
 - A construction information session will be held for affected residents.

Relevant Policy/Legislation/Practices:

Procurement Directive:

- For purchases over \$75,000, tender notices must be posted on the Alberta Purchasing Connection (APC) website.
- The opening of tenders must be done in public tender meetings.
- Tenders exceeding \$500,000 must be ratified at the following Council Meeting.
- The Chief Administrative Officer shall be signing authority for all Construction or Capital contracts over \$500,000.

Implication of Administrative Recommendation

Strategic Alignment:

- **Maintain and Enhance Strong Communities** – The award of this contract is consistent with goal 2.2 of the Strategic Plan: “Sturgeon County Residents have access to safe and reliable infrastructure assets”.
- **Strong Local and Regional Governance** – The award of this contract is consistent with goal 3.2 of the Strategic Plan: “Sturgeon County is financially stable and fiscally sustainable”.

Organizational:

- The award of this contract will significantly reduce the maintenance requirements of these road segments thereby freeing up additional capacity to maintain Sturgeon County’s service commitment to operational excellence.

Financial:

- To date, \$44,846.00 has been spent on engineering.

- As per the below tables, the estimated total remaining cost to complete the 2019 Road Rehabilitation Program is \$5,584,207.76, whereas there is currently only \$4,699,154 in available funds.
- To address this shortfall, it is proposed that Council allocate an additional \$885,053.76 to the 2019 Road Rehabilitation Program from the 7.17 Road Network Reserve.
- The current available balance of the 7.17 Road Network Reserve is \$1,042,870.00, after this proposed allocation the new balance would be \$157,816.24.
- As part of the annual year-end process, the 7.17 Road Network Reserve is replenished using unallocated funds from completed projects.

Estimated Costs

Construction (Including Site Occupancy)	\$5,350,729.00
Site Occupancy (115 days @ \$4,000/day)	-\$460,000.00
Construction (Less Site Occupancy)	\$4,890,729.00
5% Contingency	\$244,536.45
Potential Site Occupancy Bonus	\$48,000.00
Potential End Product Specification (EPS) Bonus	\$29,670.00
Estimated Engineering	\$371,272.31
Total Funding Requirement	\$5,584,207.76

Budget

2019 Approved Budget (RH-4, RH-5, RH-7, RH-8)	\$ 4,676,000.00
Prior Year Remaining Funds (RH-4, RH-5, RH-7, RH-8)	\$23,154.00
Total Available Funds	\$ 4,699,154.00
Additional Funding Required	\$885,053.76

Alternatives Considered

That Sturgeon County does not award the contract at this time.

Implications of Alternatives

Strategic Alignment:

- **Maintain and Enhance Strong Communities** – Not awarding the contract would not be consistent with goal 2.2 of the Strategic Plan: “Sturgeon County Residents have access to safe and reliable infrastructure assets”.
- **Strong Local and Regional Governance** – Not awarding the contract would not be consistent with goal 3.2 of the Strategic Plan: “Sturgeon County is financially stable and fiscally sustainable”.

Sub-goal 3.2.3 states that Sturgeon County is to have “[a] level of infrastructure provided that is affordable, safe and sustainable as set by long-range plans”. Should this contract not be awarded, Sturgeon County’s overall life-cycle cost of maintaining these assets will increase thus decreasing the affordability. There is also a moderately increased safety risk to the travelling public driving as deteriorated roads can increase collision risk.

Organizational:

- By not awarding the contract, Sturgeon County will be required to continue maintenance on some of the most maintenance intensive road assets thereby reducing our overall capacity to maintain Sturgeon County's service commitment to operational excellence.

Financial:

- Not awarding this contract will only temporarily defer the required capital renewal cost for these road assets while our immediate maintenance costs will continue to grow.

Follow up Action 1. The Chief Administrative Officer will execute the contract with Carmacks Enterprises Ltd.

Attachment(s) 1. Tender Bid Results

**Report Reviewed
by:**



Brian Hartman, Manager Engineering Services



Collin Steffes, General Manager, Integrated Growth



Reegan McCullough, County Commissioner – CAO

Strategic Alignment Checklist

Vision: *Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.*

Mission: *Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.*

Focus Areas	Not consistent	N/A	Consistent
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan and MDP pg. 36)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports a strong thriving business environment to strengthen our economic foundation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Plans for responsible growth through the MDP and regional growth plan.</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Manages growth for current and future developments through: <ul style="list-style-type: none"> <i>transparent bylaws, policies and processes to enable responsible land development</i> <i>targeting growth around existing and identified future growth areas</i> </i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe and viable community, where our residents are provided with access to opportunities and quality of life. (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides access to programs and services that have a positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides access to safe and reliable infrastructure assets</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports the safety of people and property</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Strong Local and Regional Governance			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Fosters collaborative intergovernmental partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Support and/or collaborate with voluntary organizations in the region</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Environmental Stewardship			
<i>We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Plans and partnerships that minimize environmental impact on natural areas</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides awareness of environmental issues impacting the County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>