

Request for Decision

Title	Alcomdale Water Pipeline Project – Contract Award
Proposed Motion	That Council award the contract for the Alcomdale Water Pipeline Project (2017) to Weaver Group Ltd., as the lowest compliant bidder at a contract price of \$3,107,875 (including GST).
Administrative Recommendation	Administration recommends that Council award the contract for construction of the Alcomdale Water Pipeline Project to Weaver Group Ltd., as the lowest compliant bidder at a contract price of \$3,107,875 (including GST), with an anticipated overall project budget estimated to be \$4,146,950 (including GST); and proceed with the project.
Previous Council Direction	<p>March 28, 2017</p> <p>Motion 125/17: That Council authorize the Mayor to execute the Memorandum of Agreement between Alberta Transportation and Sturgeon County for the Water for Life Program and Clean Water and Wastewater Fund.</p> <p>Motion 126/17: That Council direct Administration to take action as indicated within the Request for Decision dated March 28, 2017.</p> <p>Motion 127/17: That the Request for Decision dated March 28, 2017 remain confidential per Section 24 of the Freedom of Information and Protection of Privacy Act.</p> <p>Motion 128/17: That Council endorse the Alcomdale Waterline funding plan, which authorizes the transfer of an additional \$479,310 from the Utility Capital Reserve 8.19 for Sturgeon County's share of the project costs, to be repaid through water rates.</p> <p>Motion 129/17: That Council approve the water pipeline Route #1, as recommended by Stantec Engineering, with the final route determined based on land negotiations.</p> <p>Motion 130/17: That Council authorize negotiations with stakeholders as discussed In-Camera.</p> <p>November 10, 2016</p> <p>Motion 344/16: That Council authorize the Mayor to submit a letter on behalf of Sturgeon County Council accepting the cost shared (90%) grant under the Water</p>

for Life program of \$313,380, funded by the Province for the detailed design of a water pipeline to Alcomdale.

Motion 345/16: That Council authorize the transfer of \$34,820 from the Utility Capital Reserve 8.19 for Alcomdale water pipeline engineering.

Motion 346/16: That Council direct Administration to proceed with Engineering of the Alcomdale water pipeline from Riviere Qui Barre.

March 24, 2015 – Motion 105/15: That County Council directs Administration to prepare a local improvement plan for the Alcomdale Waterline, and complete the inter-basin transfer agreement application, after grant funding approval for the water supply line has been received.

December 9, 2014 – Motion #397/14: That County Council approves up to \$100,000 in funding from general operating reserve to complete an inter-basin transfer agreement application subject to public support determined by public consultation prior to January 31, 2015.

October 28, 2014

Motion 334/14: That County Council approves submission of a request for funding under the Water for Life program to install a waterline from Busby to Alcomdale as outlined in the Alcomdale Waterline Feasibility Report.

Motion 333/14: That County Council accepts the recommendations of the Alcomdale Waterline Feasibility Report.

December 10, 2013 - Motion 542/13: That County Council approves submission of the Amended Action Plan to Alberta Environment and Sustainable Resource Development (AESRD) by December 31, 2013.

October 8, 2013 – Motion 440/13: That County Council directs Administration to research and investigate costs associated with an interim solution to provide potable water for use by the residents of Alcomdale.

April 23, 2013 - Motion 165/13: That County Council approves up to \$25,000 in funding from contingency to complete a feasibility study to assess the water supply options for Alcomdale Water Co-operative.

Report Background Information

- On June 21, 2013, Alcomdale was issued a Boil Water Advisory by Alberta Health Services, as a result of a reclassification of their raw water source. The letter indicated that the advisory would stay in effect until a new source of water or treatment could be determined.
- On June 16, 2016, Sturgeon County received a letter from the Minister of Alberta Infrastructure and Transportation that stated Sturgeon County will receive a grant of 90 per cent of the estimated eligible projects, or up to \$313,380 for the detailed design of a water pipeline to Alcomdale.

- On September 1, 2016, the Federal Government approved the Alcomdale Water Pipeline Project as eligible for 50 per cent funding under the Clean Water and Wastewater Fund.
- On October 18, 2016, Sturgeon County received a letter from the Minister of Alberta Infrastructure and Transportation, that stated Sturgeon County will receive a grant of 90% of the estimated eligible projects, or up to \$4,268,520, for the construction of a water pipeline to Alcomdale.
- With the Alcomdale Water Pipeline Project funded under both the Water for Life Grant and the Clean Water and Wastewater Fund Grant, the project is eligible for 90 per cent funding up to \$5,141,300.
- On January 11, 2017, Stantec was awarded the contract for the detailed design, tendering and project management for the Alcomdale Water Pipeline Project.
- In March 28, 2017, Council approved Stantec’s recommended route via Range Road 264 (Option 1B) as the best route to service water for Alcomdale residents. Negotiations for private lands along route 1B failed. However, Administration was able to discuss rerouting that ended up benefiting the Morinville Colony.
- On March 28, 2017, Council approved funding the County’s contribution (10 per cent) up to \$514,130 from the Federal and Provincial Grant programs. Council determined that the best approach would be to fund the \$514,130 through Utility Reserves and repay it back within 15 years by incorporating into the consumption water rate as a supplemental charge.
- Based on the amount of potential rural connections, the Morinville Colony and the amount of historical water consumption in Alcomdale, it is anticipated that a supplemental charge of \$1.00/m3 will recoup the cost of this expenditure in 15 years.
- The Alcomdale Water Pipeline Project was tendered through prequalification on July 17, 2017 and closed on August 8, 2017. We received four bids ranging from \$5,971,664.13 to \$3,087,875.00. The lowest tender was received from Weaver Group Ltd., as indicated in the bid summary shown below.

Table 1 Bid Summary

Contractor	Total Tender Sum (Excluding GST)
Weaver Group Ltd.	\$3,107,875.00
Bluebird Construction Ltd.	\$4,726,853.00
NuEdge Contracting Ltd.	\$5,538,295.00
Thompson Infrastructure Ltd.	\$5,971,664.13

- Based on the results of the tender evaluation, Stantec Consulting recommends Weaver Group Ltd. be awarded the Contract for the Alcomdale Water Pipeline in the amount of \$3,107,875 plus GST.
- Stantec has estimated that the total budget to complete this project is summarized below.

PROJECT BUDGET SUMMARY

Construction Bid Cost (Including Cash Allowances and Construction Contingency)	\$3,107,875
Administration and Engineering	\$512,575
Land Purchase and Crop Damage (Estimated)	\$26,500
Contingency	\$500,000
Total Estimated Project Cost	\$4,146,950

External Communication

- Administration will continue communicating the project plan with Alcomdale residents, rural residents along the route, and the Morinville Colony after awarding of the contract.

Relevant Policy/Legislation/Practices:

- 2012 Standards and Guidelines for Municipal Waterworks, Wastewater and Storm Drainage Systems
- Alcomdale License to Operate

Implication of Administrative Recommendation

Strategic Alignment:

Respect the Natural Environment - Sturgeon County will continue to comply with Provincial and Federal regulations and legislation.

Maintain and Enhance Strong Communities – A water pipeline to Alcomdale promotes and protects the safety of people and property to ensure safe drinking water.

Strong Local Governance and Regional Leadership – Constructing a waterline to Alcomdale considers fiscal stability and sustainability as it is the only option that provides a positive net revenue.







Planned Growth – A water pipeline to Alcomdale will promote and target growth around planned infrastructure.

Organizational:

Additional work will include engaging rural connections along the approved waterline route to determine support for connection and working with the Morinville Colony.

Financial:

- The County’s contribution to the project is 10% of the overall projects costs.
- Funding of the County’s portion up to \$514,130 paid through utility reserves
- Sturgeon County’s contribution to be recouped through utility water rates and connection fees.
- Having a supplemental charge of \$1.00/m3 for customers tying into the Alcomdale Waterline, will pay for itself within a 15-year period.
- Connection fees for Rural Customers along the route, and Morinville Colony to be determined within the first month of the contract.
- Project funds are expected to be fully dispersed by March 31, 2018.

Alternatives Considered	That Council not award the contract and cancel the project.
Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <p>Respect the Natural Environment - Sturgeon County will continue to comply with Provincial and Federal regulations and legislation.</p> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> • None. <p><u>Financial:</u></p> <ul style="list-style-type: none"> • That the County will be 100% responsible for engineering costs to date.
Follow up Action	1. Administration will continue to engage with Alcomdale residents, rural customers and Morinville Colony to provide awareness of the project (Utilities Services and Engineering Services, September 2017).
Attachment(s)	1. Stantec's Contract Recommendation of Award Letter
Report Reviewed by:	 Jeff Yanew, Utility Operations Supervisor  Roger Borchert, Utility Capital Projects Officer  Brian Hartman, Manager, Engineering Services  Tyler Westover, Acting General Manager, Integrated Growth  Ian McKay, P.Eng., General Manager, Municipal Services  Peter Tarnawsky, 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
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Consistent with neighborhood role (see MDP), master plans, policies</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>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Ensure effective environmental risk management</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, (Strategic Plan, pg. 27 MDP)</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 checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> • <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> • <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>