
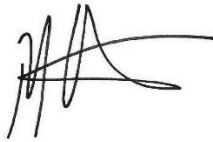



## Request for Decision

<b>Title</b>	<b>Construction Equipment Disposal</b>
<b>Proposed Motion</b>	That Council authorize Administration to proceed with the disposal of eight (8) road construction specific units listed in Appendix A with minimum net proceeds of \$2,906,050.00.
<b>Administrative Recommendation</b>	Administration recommends that Sturgeon County attempt to sell the equipment through private entity bids prior to consignment at auction.
<b>Previous Council Direction</b>	November 22, 2016, Motion 424/16 - That Council direct Administration to develop a detailed Local Road Program plan to improve rural gravel roads utilizing Contracted Services.
<b>Report</b>	<p><u>Background Information</u></p> <ul style="list-style-type: none"> <li>• On November 22, 2016 Council approved the Local Road Reconstruction Strategy.</li> <li>• The sale of construction equipment was identified in the “Financial Implications” in the November 22, 2016 report, however the impact on the 2017 budget were unknown.</li> <li>• Municipal Services met to discuss which equipment no longer served any purpose based on Council’s direction, and therefore a list including eight (8) units was generated and are as follows: <ul style="list-style-type: none"> <li>○ three (3) 627H Scrapers,</li> <li>○ two (2) 815F Packers,</li> <li>○ one (1) D7 Dozer,</li> <li>○ one (1) D3 Dozer, and</li> <li>○ one (1) 336E Excavator.</li> </ul> </li> <li>• Two (2) options will be investigated including auction sale and private sale with the intention of maximizing return to Sturgeon County.</li> <li>• Several auction entities have shown interest in the complete package along with private entities in individual pieces of equipment.</li> <li>• Auction timelines include both spring and fall sales.</li> <li>• Factors that will be considered: <ul style="list-style-type: none"> <li>○ Commission amounts if using auction;</li> <li>○ Level of exposure using auction services compared to selling privately (greater exposure may net greater returns);</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>○ Penalties for early disposal of equipment affected (two (2) units affected);</li> <li>○ Potential savings if dispersal is private;</li> <li>○ Legalities involved in selling privately;</li> <li>○ Transparency;</li> <li>○ Current economy and time of year; and</li> <li>○ Budget implications.</li> </ul> <p><u>External Communication</u></p> <p>A listing indicating our intentions to sell equipment privately will be generated and distributed to contacts within the industry including other municipalities. This will be in accordance with best practices established by other municipalities that sell equipment privately.</p> <p><u>Relevant Policy/Legislation/Practices:</u></p> <p>Procurement Directive (dir_pro_exe_2014)</p>
<b>Implication</b>	<p><u>Strategic Alignment:</u></p> <p>This recommendation is consistent with the Sturgeon County Strategic Plan’s Focus Areas of Strong Local Governance and Regional Leadership and Operational Excellence.</p> <p><u>Organizational:</u></p> <p>Selling the equipment privately will require extra staff time as this is the first-time Sturgeon County has attempted to sell privately. This process may be replicated for future disposals if successful.</p> <p><u>Financial:</u></p> <p>Minimum sale proceeds based on guaranteed auction price.</p> <p>Proceeds from the sale of equipment will be placed in the appropriate Capital Road Reserve.</p>
<b>Alternatives Considered</b>	<p><u>Recommendation:</u></p> <p>That Council refers construction equipment disposal discussion to Committee of the Whole for reconsideration.</p>
<b>Implications of Alternatives</b>	<p><u>Strategic Alignment:</u></p> <p>This recommendation is consistent with the Sturgeon County Strategic Plan’s Focus Areas of Strong Local Governance and Regional Leadership, Planned Growth and emerging focus area of Operational Effectiveness.</p> <p><u>Organizational:</u></p> <p>It is recommended to authorize Administration to proceed with the disposal of the construction equipment to investigate all options as soon as possible while as many options as possible still exist.</p>

	<p><u>Financial:</u></p> <p>Further delay could have a negative effect on generated proceeds due to equipment depreciation and optimal sale periods.</p>
<b>Follow up Action</b>	<ol style="list-style-type: none"><li>1. Fleet Services will generate and distribute information regarding the opportunity to bid privately and will communicate with auction entities if private sales do not materialize.</li></ol>
<b>Attachment(s)</b>	<ol style="list-style-type: none"><li>1. Procurement Directive</li><li>2. Appendix A</li></ol>
<b>Report Reviewed by:</b>	<p> Mike Philbrick, Manager Fleet and Building Services</p> <p> Rick Wojtkiw, GM Corporate Support</p> <p> Peter Tarnawsky, County Commissioner – CAO</p>

## 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
<b>Strong Local Governance and Regional Leadership</b>			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Consistent with neighborhood role (see MDP), master plans, policies</i></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Considers fiscal stability and sustainability</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Has a positive impact on regional and sub-regional cooperation</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Respect the Natural Environment</b>			
<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"> <li><i>Compliance with Provincial and Federal regulations and/or legislation</i></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Ensure effective environmental risk management</i></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Community Identity &amp; Spirit</b>			
<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 checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Promotes and/or enhances residents' identification with Sturgeon County</i></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Enhances service provision through community partnerships</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Supports Sturgeon County's cultural history</i></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Planned Growth and Prosperity</b>			
<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"> <li><i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Considers cumulative costs and long-term funding implications</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Targets growth around current or planned infrastructure</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Maintain and Enhance Strong Communities</b>			
<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"> <li><i>Positive impact on residents' quality of life</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Supports and promotes volunteer efforts</i></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Provides programs and services that are accessible to all residents</i></li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Operational Excellence</b>			
<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 type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Staff have the knowledge, skills and capability to perform their jobs</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Streamlines operational processes and policies</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Promotes engagement and professional interaction with stakeholders</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li><i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i></li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>