

Request for Decision

Title	Local Roads Reconstruction Program Design Budget
Proposed Motion	That Council approve the funding required for Local Roads Reconstruction Program Design in the amount of \$53,520 (excluding G.S.T.) to be funded from the MSI operating budget.
Administrative Recommendation	Administration recommends that Council approve the funding required for Local Roads Reconstruction Program Design in the amount of \$53,520 (excluding G.S.T.) to be funded from the MSI operating budget.
Previous Council Direction	<p>November 22, 2016 – Motion 424/16: That Council direct Administration to develop a detailed Local Road Program to improve rural gravel roads utilizing Contract Services.</p> <p>December 13, 2016 – Motion 455/16: That Council approve the 2017 Operating and Capital Budget as presented in the 2017 Budget Document.</p>
Report	<p><u>Background Information</u></p> <p>In 2016, Sturgeon County undertook a review of the Local Road Reconstruction Program to determine whether gravel road construction should be undertaken by Sturgeon County resources or contracted services. The review of results and subsequent approval of Council saw the delivery of this important program shift from Sturgeon County forces to external contracted services, managed by the Engineering Services Department.</p> <p>With such a major change in delivery method, a program design is required to ensure we have a program that is equipped to meet the needs of residents, business and industry using industry best practices, ensuring that management oversight tools and processes are in place, that taxpayers receive value for money, and ultimately that Sturgeon County is well-positioned to deliver a new \$4 million annual road reconstruction program.</p> <p>Sturgeon County Council identified the Local Roads Reconstruction Program as a Corporate Initiative for 2017-2019 in its Corporate Business Plan. The project has been broken into multiple sub-projects to complete the objectives.</p> <p>The Local Roads Reconstruction Program 'Design Request for Proposal' was posted through the Alberta Purchasing Connection website on January 24, 2017. The closing date for proposals was February 16, 2017 at 2:00 PM.</p>

We received six (6) proposals ranging from \$49,600 to \$103,520 (excluding G.S.T.).

To ensure that all six (6) proposals were treated equally and evaluated on the same requirements, the Proposal Evaluation team allowed all six (6) to enter the review even though the initial screening would have removed them all from qualifying.

The responses were taken through a two-stage evaluation process where the top three (3) from Stage 1 moved into a more detailed Stage 2 evaluation. The Stage 2 evaluation considered the extent to which the proposals met required deliverables and objectives of the project, along with proposed Proponent Team experience to meet those objectives. This put Deloitte Consulting LLP as the highest evaluated proponent. While most of the proponents were proficient at construction contract management, one of the main differentiating factors for the Deloitte Consulting LLP proposal was the fact they had significant program design experience and recognized the need for Sturgeon County to focus on processes, people, technology and cultural components of the change in delivering a program of this magnitude. Deloitte also brings world-class experience in designing a contracting philosophy that will ensure Sturgeon County receives value for money, with built in performance guarantees.

Key points for the Consultant to address include (but are not limited to):

- Reviewing current Sturgeon County contract templates and providing improvements for 3-year contracts with 3-year options to renew, along with the ability to cancel based on quality control/assurance issues for Engineering and Construction;
- Design Process to Identify and Evaluate a minimum of 12.8 km of Roads to be constructed each year;
- Utilize the 10-year prioritized listing of Road Project Candidates recommended by Sturgeon County and facilitate a workshop with Sturgeon County staff to prioritize the 10 years of road candidates into a 10-year plan using the vendor designed process;
- Design Quality Control and Quality Assurance measures evaluation tools;
- Design Pre-qualification process;
- Design Criteria for measuring Local Roads Reconstruction Program Success;
- Timing/Staging of Activities 2017-2019;
- Identification of the Local Roads Reconstruction Program's required positions, including all aspects of project management including: planning, executing, managing and controlling;

- Roadmap to implement designed plan;
- Utilize documented Reconstruction Standards (width of roads) designed by Sturgeon County; and
- Evaluate Available Budget against minimum 12.8km of Roads to ensure budget is accurate, and if not propose funding requirements.

External Communication

- None.

Relevant Policy/Legislation/Practices:

- Procurement Policy PRD_PRO_FI_2014 states that the lowest bid meeting the tender or request for proposal requirements and/or specifications will normally be accepted. Justification in writing along with recommendation must be submitted if the lowest bidder is not selected. Normally, the only reasons acceptable for selecting any but the lowest bidder would be;
 - Low bidder does not meet the specifications.
 - Low bidder cannot deliver within the required time.
 - The quality of performance of previous contracts or services may be in question.
 - The acceptance of low bid would result in higher overall end costs (such as operating or life cycle costs).
 - The ability, capacity, experience and efficiency of the bidder.
- Once the tenders or request for proposals has been selected, all necessary contractual agreements, conditions, terms, documents, etc. will be completed and the tender or contract will be awarded.

Implication of Administrative Recommendation

Strategic Alignment:

Strong Local Governance and Regional Leadership – The awarding of this contract would be consistent with Sturgeon County's procurement policy and is consistent with the Local Roads Reconstruction Program commitment.

Community Identity & Spirit – Awarding this contract will promote Sturgeon County with residents due to the nature of the program once in operations.

Maintain and Enhance Strong Communities – The Local Roads Reconstruction Program demonstrates that Sturgeon County is committed to maintaining and updating existing infrastructure within the community.

Operational Excellence – The design of the Local Roads Reconstruction Program will allow Administration to meet the commitments of at least 12.8 km of roads by designing and staffing the program to work as efficiently as possible all the while achieving value for money.

Organizational:

Sturgeon County Engineering Services will be set up to successfully manage the commitment of the Local Roads Reconstruction Program while continuing to deliver other aspects of the departments core work.

Financial:

As part of the 2017 budget, a service enhancement of \$ 50,000 was approved for this project. An additional \$ 53,520 from MSI Operating is required to complete this project. Financial details are contained in the table below.

Local Roads Reconstruction Program Design			
Item	Approved Budget	Original Estimate	After RFP
Professional Services	\$50,000	\$50,000	\$103,520
Sub Total	\$50,000	\$50,000	\$103,520

Funding Summary of Local Roads Reconstruction Program Design	
Service Enhancement	\$50,000
MSI Operating (Source: Savings from NSC Audit and Surplus on completion of Competitiveness study)	\$53,520
Total	\$103,520

Alternatives Considered

County Council not award the contract at this time.

Implications of Alternatives

Strategic Alignment:

- Not awarding a contract would be inconsistent with Sturgeon County practice and procedures and would not align with Council's commitment made on November 22, 2016.

Organizational:

- If the contract was not awarded, Sturgeon County would be unable to deliver a designed Program in 2017 to ensure implementation and detailed design in 2018 and construction in 2019.

Financial:

- If the contract was not awarded, Sturgeon County would need to re-allocate the MSI Funding to other projects.

Follow up Action

1. Execute Contract (Engineering Services – March 15, 2017)
2. Project Kick off Meeting (Engineering Services – March 31, 2017)

Report Reviewed
by:



Brian Hartman, Manager, Engineering Services



Stephane Labonne, General Manager Integrated Growth



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 type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Consistent with neighborhood role (see MDP), master plans, policies 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Considers fiscal stability and sustainability 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Has a positive impact on regional and sub-regional cooperation 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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"> Compliance with Provincial and Federal regulations and/or legislation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Ensure effective environmental risk management 	<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 type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Promotes and/or enhances residents' identification with Sturgeon County 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Enhances service provision through community partnerships 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Supports Sturgeon County's cultural history 	<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"> Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers cumulative costs and long-term funding implications 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Targets growth around current or planned infrastructure 	<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 type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Positive impact on residents' quality of life 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Supports and promotes volunteer efforts 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Provides programs and services that are accessible to all residents 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Staff have the knowledge, skills and capability to perform their jobs 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Streamlines operational processes and policies 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Promotes engagement and professional interaction with stakeholders 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>