

## Request for Decision

<b>Title</b>	<b>Award of Contract for the Purchase of Two (2) Motor Graders</b>
<b>Proposed Motion</b>	That Council authorize Administration to purchase two (2) 872GP Motor Graders from Brandt Tractor for the aggregate price of \$896,000 (not including GST).
<b>Administrative Recommendation</b>	That Sturgeon County adheres to the established equipment replacement plan and process for equipment selection.
<b>Previous Council Direction</b>	<u>December 20, 2017</u> Motion 506/17: That Council approve the 2018 Operating and Capital budget, as amended.

**Report** Background Information

- The tenders were prepared based on consultations with end users, Supervisors and relevant Managers.
- The tenders for the motor graders were opened on Tuesday January 30, 2018, in public in accordance with the tender instructions. Administration has reviewed and analyzed each bid.
- Fleet Maintenance has analyzed the tenders and made the recommendation based on the following criteria:

<b>Grader Tender Comparison</b>	<b>Cat 160M</b>	<b>JD872GP</b>
Tendered Price per unit with snow wing	\$466,000	\$448,000
Cost to maintain per hour	\$2.44	\$2.64
Average Fuel cost per hour	\$19.96	\$16.02
Total cost per hour	\$22.40	\$18.66
7500 hr cost	\$168,000	\$139,950
Price	\$466,000	\$448,000
Plus, Operating Cost	\$168,000	\$139,950
Minus Guaranteed Trade In.	<u>-\$208,000</u>	<u>-\$185,000</u>
Total cost over 7500hrs	<b>\$426,000</b>	<b>\$402,950</b>

Note: Fuel cost is based on current fuel price of 95 cents a litre.

Factors considered:

- Cost of the product as specified.

- Cost to maintain per hour.
- Fuel cost per hour.
- Resale value.
- Quality of service, dealer personnel and facilities.
- Warranty and guaranteed services.
- Proposal item tally.
- Transportation User Group feedback.

Finning Canada and Brandt Tractor were the only two bidders on the medium-sized motor graders.




#### External Communication

The Request for Tenders for the motor graders was posted on the Alberta Purchasing Connections website. The New West Partnership Trade Agreement (NWPTA) and the Agreement on Internal Trade (AIT) apply to this purchase.

#### Relevant Policy/Legislation/Practices:

- Procurement Directive dir\_pro\_fin\_2014 indicates that tenders exceeding \$500,000 should be ratified at the following Council Meeting.

<p><b>Implication of Administrative Recommendation</b></p>	<p><u>Strategic Alignment:</u></p> <p>This recommendation is consistent with Sturgeon County Strategic Plan’s Focus Areas of Strong Local Governance and Regional Leadership, Respect for the Environment, and Operational Excellence.</p> <p><u>Organizational:</u></p> <p>Consistent capital reinvestment in our heavy equipment is a key component of consistently delivering a defined level of service. Our ability to effectively execute is directly related to the quality of tools provided to Sturgeon County staff. Regular rotation enables greater machine uptime while maximizing the resale value of the equipment being replaced and minimizing repair costs.</p> <p><u>Financial:</u></p> <p>The approved budget for the two (2) Motor Graders was \$940,000 less the estimated sale of assets of \$300,000 with a net cost from current tax dollars of \$640,000.</p> <p>Sale proceeds projections are conservative. The County typically meets or exceeds sale proceeds budgets by monitoring the market and choosing optimum time to sell.</p> <p>If sale proceeds are greater than expected, the proceeds will be transferred back to the Equipment Reserve.</p>
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<b>Alternatives Considered</b>	<u>Recommendation:</u> <p>That Council refer tender discussion to Committee of the Whole for reconsideration of tender selection weighting of evaluation criteria.</p>
<b>Implications of Alternatives</b>	<u>Strategic Alignment:</u> <p>This recommendation is consistent with the Sturgeon County Strategic Plan's Focus Areas of Strong Local Governance and Regional Leadership, Respect for the Environment, and Planned Growth and emerging focus area of Operational Effectiveness.</p> <p><u>Organizational:</u></p> <p>It is recommended to award the contract for the two (2) motor graders to allow the machines to be ordered and supplied as soon as possible, thus keeping the County in line with the established Replacement Plan.</p> <p><u>Financial:</u></p> <p>Alternatives to lower initial purchase expense will introduce higher operating costs and a lower salvage value.</p>
<b>Follow up Action</b>	<p>Fleet Maintenance will initiate a purchase contract with the vendor for the supply of the Motor Graders to be signed in accordance with Sturgeon County Procurement Directive.</p>
<b>Attachment(s)</b>	<p>None.</p>
<b>Report Reviewed by:</b>	<div>   Mike Philbrick, Manager Fleet and Building Services </div> <div>   Rick Wojtkiw, GM Corporate Support </div> <div>   Bill Minnes, County Commissioner-CAO </div>

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