




Request for Decision

Title	Sturgeon County Gravel Pit Production Tender
Proposed Motion	That Council award the Clearing, Stripping and Gravel Crushing contract from Sturgeon County's land (NE10-54-27-W4) to R Bee Crushing (Division of Petrowest).
Administrative Recommendation	That Council award the contract to R Bee Crushing (Division of Petrowest) based on tender price.
Previous Council Direction	<p>July 12, 2016 – Motion 260/16: That Council approves funding for the Sturgeon County Gravel Pit - Phase II in the amount of \$1,400,000 to be funded by the General Operating Reserve (8.1), with the General Operating Reserve (8.1) to be repaid out of the Transportation Budget, over three years, starting in 2017.</p> <p>July 12, 2016 – Motion 261/16: That Council approves the tendering work required for the next stage of the Sturgeon County Gravel Pit.</p> <p>October 14, 2014 – Motion 315/14: That County Council authorizes withdrawing \$1,424,000 from the Transportation Capital Reserve for the purpose of initiating production at the Sturgeon County Gravel Pit.</p> <p>October 14, 2014 – Motion 316/14: That County Council award the contract for production of 122,000 tonnes of gravel from Sturgeon County's land (NE10-54-27-W4) to Hoban Equipment Ltd. for the tendered amount of \$1,161,000.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> Sturgeon County is able to extract, crush and stock pile gravel at a much lower cost (approximately \$12.00 per tonne) including reclamation reserve allocation, rather than purchasing stockpiled gravel from a third-party vendor (approximately \$24.00 per tonne). In the interest of being fiscally responsible, it is recommended that we front-end the second stage of the Sturgeon County Gravel Pit, (140,000 tonnes) with a three (3) year repayment back to the Reserve so that we do not deplete our reserves over the long term. Stage 1 was successfully completed in this manner in 2014.

	<ul style="list-style-type: none"> • The desired schedule for Stage II is as follows: <ul style="list-style-type: none"> ○ September 2016 Award contract ○ Final survey of processed gravel stockpile March 2017 • The preferred schedule allows 7 months for the works to be completed. This will allow potential contractors a great deal of flexibility in completing the work around other commitments, which should translate into attractive and competitive pricing. • As a natural resource, gravel is continuing to become more and more scarce; as a result, this essential material will continue to rise in cost and have a greater financial impact. • Many municipalities are investing in securing their own gravel reserves to ensure a long-term supply and cost certainty. Council has approved a Corporate Initiative for the longer-term supply of gravel that is underway. • The Purpose of General Operating Reserve (8.1): To provide funds to stabilize tax rates for non-recurring, emergency, one-time expenditures, losses of revenue or cash flow timing issues that will not be built into the base operating budget in future years. <p><u>Relevant Policy/Legislation/Practices:</u></p> <p>Reserve Policy [PLY_Reserve_Policy_2016]</p>
Implication of Administrative Recommendation	<p><u>Strategic Alignment:</u></p> <p>Strong Local Governance and Regional Leadership</p> <p>– The Strategic Plan is the highest order direction that Council provides to County Administration. Ensuring that we [Sturgeon County] are being fiscally responsible (Goal 1.2), while maintaining and enhancing strong communities (Goal 3) are all part of us achieving the direction set out by the Strategic Plan.</p> <p><u>Organizational:</u></p> <p>By making an investment into the second stage of the Sturgeon County-owned Gravel Pit we are ensuring that we have adequate resources to move forward with both operation and capital needs. We are also ensuring that we are able to meet our resource requirements in conjunction with maintaining our fiscal responsibility to the County and its residents.</p> <p><u>Financial:</u></p> <p>In 2017, 2018 and 2019 there would be a repayment of equal amounts from the Transportation budget to the General Operating Reserve. This would ensure that we are not depleting the reserve in the long term and maintaining fiscal responsibility.</p>
Alternatives Considered	<p>That Sturgeon County purchases its entire gravel stockpile from third-party vendors to meet the gravel needs of the County.</p>

Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> This option has been a standard practice with Sturgeon County for many years. With the continued depletion of resources and the market fluctuations of gravel Sturgeon County could put at risk our levels of service and/or the financial means required to ensure that we have adequate resources to meet our service levels. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> Although this option does require less staff time, it does not negate the potential for a fluctuating market or the levels of service that we have set out. <p><u>Financial:</u></p> <ul style="list-style-type: none"> Based on the financial information in the background information outlined above, it would cost about \$24.00 per tonne to purchase our gravel stockpile from outside sources versus Sturgeon County pit location as the source for about \$12.00 per tonne.
Follow up Action	<ol style="list-style-type: none"> Award Contract to R Bee Crushing (Division of Petrowest) Public Notifications Begin Gravel Production
Attachment(s)	<ol style="list-style-type: none"> Tender Results Summary
Report Reviewed by:	<div data-bbox="532 1119 873 1203">  </div> <p data-bbox="532 1251 1182 1285">Stephanie Tamagi, Manager, Transportation Services</p> <div data-bbox="532 1339 873 1413">  </div> <p data-bbox="532 1465 1044 1499">Ian McKay, P. Eng. GM Municipal Services</p> <div data-bbox="557 1581 816 1686">  </div> <p data-bbox="532 1686 1109 1719">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
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"> 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 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"> 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 checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Promotes and/or enhances residents' identification with Sturgeon County 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Enhances service provision through community partnerships 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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"/>