

Request for Decision

Title	Contract Award: Summerbrook Pumphouse Improvement Project
Proposed Motion	That Council award the contract for the Summerbrook Pumphouse Improvement Project to Nova Mechanical Systems Ltd., at a contract price of \$763,024 (excluding GST) and authorize the Chief Administrative Officer to execute the contract.
Administrative Recommendation	Administration recommends that Council award the contract for Summerbrook Pumphouse Improvements to Nova Mechanical Systems Ltd. as the lowest compliant bidder, at a contract price of \$763,024 (excluding GST) with an anticipated overall construction budget estimated at \$930,000.
Previous Council / Committee Direction	<u>September 24, 2019 Regular Council Meeting</u> Motion 385/19: That Council authorize the deferral and phased approach of the Summerbrook Reservoir Project from the 2019 Utility Capital Plan to the 2021 Plan.
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • In 2013, Sameng Engineering was retained to conduct a “Water and Wastewater Servicing Strategy” for Sturgeon Valley. • The report helped provide a strategic water and wastewater servicing framework for Sturgeon Valley, which formed the infrastructure requirements for the County’s Off-site Levy Bylaw and the Sturgeon Valley Core Area Structure Plan Servicing Strategy. • In 2017, Sameng was requested to revisit the 2013 report for the purpose of updating cost estimates for the County’s off-site levy bylaw and the 10-year Utility Capital Plan. • The updated 2017 Sameng report identified several improvements required to bring the Summerbrook water station up to current General Municipal Servicing Standards (GMSS), which included an opportunity to free up potential capacity from the Morinville Waterline allocation. • Sameng provided the County with an estimated capital budget of \$1.5 million for the upgrade of the Reservoir at the conceptual stage. • In November 2018, the County tendered the design and project management on the Alberta Purchasing Connection and awarded the Summerbrook Reservoir Upgrade Project to Associated Engineering.

- From January to May 2019, the County worked with Associated Engineering on the design requirements, looking specifically at items that would allow the station to be more automated.
- In June 2019, the County learned that pre-tendering design estimates had come to \$2.4 million, approximately \$900,000 over the initial estimate.
- Recognizing the importance of the Summerbrook Pumphouse upgrade in Sturgeon Valley, Administration requested that Council defer the project and consider a phased construction approach to offset the financial demand on the Utility capital reserves.
- On September 24, 2019, Council approved the deferral in the project budget, which saw construction moved to 2021/2022.
- In 2021, Associated Engineering retendered the project, and unfortunately, the proposals were still over the estimated budget.
- In 2022, Associated Engineering and the County revisited the scope of work and reviewed it with the lowest bidder to provide updated pricing.
- The revised scope includes interior building improvements but excludes exterior building envelope improvements, such as structural opportunities.
- The Interior Works include the following:
 - Process control upgrades;
 - Highly efficient HVAC;
 - Updated insulation;
 - Four new pumps;
 - Relocated truck fill hose line;
 - Upgrades to existing truck fill pumping;
 - Design for an upcoming paving project with Transportation Services;
 - Automation upgrades to the electrical room;
 - Structural upgrades to the existing concrete and support for a new 50-millimetre truck fill; and
 - New permanent diesel generator, to prevent water outages during power outages in Summerbrook and Greystone communities.

External Communication

- None.

Relevant Policy/Legislation/Practices

- 2012 Standards and Guidelines for Municipal Waterworks, Wastewater and Storm Drainage Systems
- 2009 General Municipal Servicing Standards (GMSS)
- Sturgeon County Procurement Policy

<p>Implication of Administrative Recommendation</p>	<p><u>Strategic Alignment:</u> Operational Excellence –Awarding the contract supports the Utility’s Asset Management Program while ensuring careful Utility Reserve spending for long term infrastructure planning.</p> <p>Planned Growth – Awarding the contract would provide municipal improvements necessary to support infrastructure growth with reliable and effective infrastructure.</p> <p><u>Organizational:</u> The award of this contract would ensure Summerbrook Pumphouse is modernized to current industry standards found in the County’s General Municipal Servicing Standards.</p> <p><u>Financial:</u></p> <ul style="list-style-type: none"> • Tenders for the project were posted on Alberta Purchasing Connection in 2021. • Updated pricing has been provided by Nova Mechanical Systems Ltd. to reflect supply chain issues and inflationary costs for 2022. • The project (with the revised scope change) puts the project underbudget by \$570,000 in the Utility Capital Plan.
<p>Alternatives Considered</p>	<p>Council could decide not to award the contract at this time.</p>
<p>Implications of Alternatives</p>	<p><u>Strategic Alignment:</u> None.</p> <p><u>Organizational:</u> If the contract is not awarded, Administration would provide some immediate repair alternatives for Council’s consideration.</p> <p><u>Financial:</u> By not awarding the contract, Sturgeon County would be required to pay Associated Engineering for design services rendered, and the Summerbrook Pumphouse would still require alternative means of repair. Costs would be transferred to the Utility Operating Budget.</p>
<p>Follow up Action</p>	<p>1. Execute the contract with Nova Mechanical Systems Ltd. (CAO Office, July 2022).</p>
<p>Attachment(s)</p>	<p>None.</p>
<p>Report Reviewed by:</p>	<p>Jeffrey Yanew, Manager, Utility & Waste Management Services</p> <p>Scott MacDougall, Chief Operating Officer – COO</p> <p>Reegan McCullough, County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: *Offering a rich tapestry of historical, cultural, and natural experiences, Sturgeon County is a municipality that honours its rural roots and cultivates desirable communities. Uniquely situated to provide world-class agricultural, energy, and business investment opportunities, the County prioritizes responsible stewardship and dreaming big.*

Guiding Principles: Collaboration | Accountability | Flexibility | Excellence | Safety | Future Readiness | Affordability | Innovation

Community Outcome	Not consistent	Consistent	N/A
Planned Growth			
<ul style="list-style-type: none"> Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Modern broadband and digital capabilities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Low cost, minimal red-tape regulations 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Thriving Communities			
<ul style="list-style-type: none"> Beautiful, surprising places with high standards; integrated natural spaces & trail systems; healthy and resilient 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Engaging cultural, historical, and civic amenities; strong community identity and pride 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environmental Stewardship			
<ul style="list-style-type: none"> Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Sustainable development; partnerships with industry and others to drive emission reductions 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Collaborative Governance			
<ul style="list-style-type: none"> Predictable and stable external relationships; volunteer partnerships 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Meaningful connections with Indigenous communities 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Respectful and informed debate; clear and supportive governance processes 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Operational Excellence			
<ul style="list-style-type: none"> Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Quality cost-effective service delivery; robust procurement and operational practices and policies; asset management and performance measurement; careful debt and reserve stewardship; long-term financial planning and sustainability 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Future focused thinking to proactively respond to emerging opportunities and challenges 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Alternative revenue generation and service delivery models integrated strategic and business planning 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>