

## Request for Decision

<b>Title</b>	<b>Award of Contract for the Purchase of Three Motor Graders</b>
<b>Proposed Motion</b>	<ol style="list-style-type: none"> <li>1. That Council award the contract for the purchase of three 872GP motor graders to Brandt Tractor, at a contract price of \$2,058,005.16 excluding GST and authorize the Chief Administrative Officer to execute the contract.</li> <li>2. That Council authorize the budgeted amount of \$1,860,000 to be increased by \$198,005.16, and that the difference be funded by the Vehicle &amp; Equipment Reserve.</li> </ol>
<b>Administrative Recommendation</b>	That Council support the award of the contract for three motor graders aligning with the approved 2023 Capital Budget.
<b>Previous Council / Committee Direction</b>	<p><u>December 13, 2022 Regular Council Meeting</u></p> <p>Motion 481/22: That Council approve the 2023 Operating Budget as amended by motions passed on November 23, and 24, 2022, which represents a 3.9% tax increase.</p> <p>Motion 482/22: That Council approve the 2023-2025 Capital Budgets in the amounts of \$35,701,907 for 2023, \$42,114,975 for 2024, and \$38,639,232 for 2025 as referenced in Attachment 3: Capital Funding and Project List.</p>
<b>Report</b>	<p><u>Background Information</u></p> <ul style="list-style-type: none"> <li>• As part of the 2023 Capital Budget passed on December 13, 2022, Council approved the replacement of three motor graders. The replacement of these graders aligns with a planned capital replacement schedule based on several factors, including: <ul style="list-style-type: none"> <li>○ Delivery timelines;</li> <li>○ Warranty and service;</li> <li>○ Proposal scoring; and</li> <li>○ Transportation feedback.</li> </ul> </li> <li>• The Invitation to Tender was prepared based on consultations with end users, supervisors, relevant managers, and Procurement Services.</li> <li>• The Invitation to Tender process has concluded, and Administration has reviewed and analyzed the bids provided by the interested parties as outlined below.</li> </ul>

Motor Grader RFP Cost Comparison:

- Finning Canada 160 model price per unit equally equipped, including a full warranty for 5 years or 7,500 hours: **\$713,865.00.**
- Brandt Tractor 872GP model price per unit equally equipped, including a full warranty for 5 years or 7,500 hours: **\$686,001.72.**

External Communication

- The Request for Proposals for the purchase of three motor graders was posted on the Alberta Purchasing Connection. The New West Partnership Trade Agreement (NWPTA) and the Agreement on Internal Trade (AIT) apply to this purchase.

Relevant Policy/Legislation/Practices

- The Procurement Policy indicates that purchases exceeding \$500,000 are to be ratified at the next available Council Meeting.

**Implication of  
Administrative  
Recommendation**

Strategic Alignment

- **Operational Excellence** – In alignment with the County's capital replacement plan, these three graders will support quality cost effective service delivery to residents.

Organizational

- Consistent capital reinvestment in the County's front line service equipment is a key component of delivering a defined level of service. Planned replacement timelines enable greater reliability leading to increased machine uptime while maximizing the resale value of the equipment being replaced. Operating and capital replacement models have been developed to ensure maintenance costs are balanced with new purchase timeline considerations.
- Based on delivery timeline guarantees of late 2023, this aligns well with operational annual maintenance costs for equipment.

Financial

- The approved budget for the three motor graders was \$1,860,000. An increase of \$198,005.16 is being requested to be funded from the Vehicle & Equipment Reserve, totaling \$2,058,005.16 for the contract, less the estimated sale of assets of \$540,000 with a net cost from current tax dollars of \$1,518,005.10.
- Estimated sale of assets is conservative with any additional funds secured from sale of assets to be returned to the Vehicle & Equipment Reserve.

Contract cost	\$2,058,005.16
Available current budget	\$1,860,000.00
Requested from reserves	\$198,005.16
Conservative sale proceeds	\$540,000
<b>TOTAL</b>	<b>\$1,518,005.10</b>

<b>Alternatives Considered</b>	<ul style="list-style-type: none"> <li>To align with the approved budget, Council could consider the purchase of motor graders with different specifications. The machines recommended to be acquired are in the 300hp class range and is the normal class of machine for divisional support. Alternatives could include the acquisition of 250hp class machines.</li> <li>If this is the direction of Council, Administration would recommend postponing this matter to the next Council Meeting for fulsome information on organizational and financial implications to be presented.</li> </ul>										
<b>Implications of Alternatives</b>	<p><u>Strategic Alignment</u></p> <ul style="list-style-type: none"> <li>N/A</li> </ul> <p><u>Organizational</u></p> <ul style="list-style-type: none"> <li>Using machines deemed less powerful may affect overall productivity of operators. Currently, only two 250hp class machines are in the fleet, with no negative comments to date.</li> </ul> <p><u>Financial</u></p> <ul style="list-style-type: none"> <li>The approved budget for the three motor graders was \$1,860,000. It is estimated that an increase of \$7,805.16 would be required, to be funded from the Vehicle &amp; Equipment Reserve, totaling \$1,867,805.16 for the contract less the estimated sale of assets of \$540,000 with a net cost from current tax dollars of \$1,327,805.10.</li> <li>Estimated sale of assets is conservative with any additional funds secured from sale of assets to be returned to the Vehicle &amp; Equipment Reserve.</li> </ul> <table border="1"> <tr> <td>Contract cost</td><td>\$1,867,805.16</td></tr> <tr> <td>Available current budget</td><td>\$1,860,000.00</td></tr> <tr> <td>Requested from reserves</td><td>\$7,805.16</td></tr> <tr> <td>Conservative sales proceeds</td><td>\$540,000</td></tr> <tr> <td><b>TOTAL</b></td><td><b>\$1,327,805.10</b></td></tr> </table>	Contract cost	\$1,867,805.16	Available current budget	\$1,860,000.00	Requested from reserves	\$7,805.16	Conservative sales proceeds	\$540,000	<b>TOTAL</b>	<b>\$1,327,805.10</b>
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<b>Follow up Action</b>	<ol style="list-style-type: none"> <li>Draft the contract as outlined within the Request for Proposals (Procurement Services, Fleet &amp; Facility Services, April 2023).</li> <li>Execute the contract with the successful proponent (CAO Office, Q2 2023).</li> </ol>										
<b>Attachment(s)</b>	None.										
<b>Report Reviewed by:</b>	<p>Michael Philbrick, Manager, Fleet &amp; Facility Services</p> <p>Andrew Hayes, General Manager, Financial Services &amp; Chief Financial Officer</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
<b>Planned Growth</b>			
<ul style="list-style-type: none"> <li>Internationally competitive to attract, grow and sustain diverse businesses; tenacious focus on new growth and innovation</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Modern broadband and digital capabilities</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Low cost, minimal red-tape regulations</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Reliable and effective infrastructure planning; comprehensive land use and infrastructure planning</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Thriving Communities</b>			
<ul style="list-style-type: none"> <li>Beautiful, surprising places with high standards; integrated natural spaces &amp; trail systems; healthy and resilient</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Engaging cultural, historical, and civic amenities; strong community identity and pride</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Safe, welcoming, and diverse communities; small community feel and personal connection; commitment to high quality of life</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Environmental Stewardship</b>			
<ul style="list-style-type: none"> <li>Clean air, land, and water; Carbon neutral municipal practices; circular economy opportunities</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Conservation of natural areas and agricultural lands; enhanced greening and biodiversity; safekeeping ecosystems</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Sustainable development; partnerships with industry and others to drive emission reductions</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Collaborative Governance</b>			
<ul style="list-style-type: none"> <li>Predictable and stable external relationships; volunteer partnerships</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Meaningful connections with Indigenous communities</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Ongoing community consultation and engagement; transparent and action-oriented decision making based on sound rationale</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Respectful and informed debate; clear and supportive governance processes</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Operational Excellence</b>			
<ul style="list-style-type: none"> <li>Engaged and effective people – Council, Admin and Volunteers; continuous learning and improvement mindset; nimble and bold, with strong leadership</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>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</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Future focused thinking to proactively respond to emerging opportunities and challenges</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Alternative revenue generation and service delivery models integrated strategic and business planning</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>