

## Request for Decision

<b>Title</b>	<b>Award of Contract for the Purchase of Two Motor Graders</b>
<b>Proposed Motion</b>	That Council award the contract for the purchase of two 872GP motor graders to Brandt Tractor at a contract price of \$1,096,493.48, excluding GST, and authorize the Chief Administrative Officer to execute the contract.
<b>Administrative Recommendation</b>	That Council support the award of contract surrounding two motor graders, aligning with the approved 2022 Capital Budget.
<b>Previous Council / Committee Direction</b>	<u>December 14, 2021 Regular Council Meeting</u> Motion 549/21: That Council approve the proposed 2022 Operating and Capital Budget as amended by motions passed on November 30, 2021.
<b>Report</b>	<u>Background Information</u> <ul style="list-style-type: none"><li>As part of the 2022 Capital Budget passed on December 14, 2021, Council approved the replacement of two motor graders. The replacement of these two graders aligns with a planned capital replacement schedule based on several factors, including:<ul style="list-style-type: none"><li>Replacement cost;</li><li>Operating cost;</li><li>Maintenance cost per hour;</li><li>Fuel cost per hour;</li><li>Resale value;</li><li>Warranty and service;</li><li>Proposal scoring; and</li><li>Transportation user group 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>

	<b>Cat 160 (Finning Canada)</b>	<b>JD872GP (Brandt Tractor)</b>
<b>Grader Tender Comparison</b>		
Price per unit equipped equally before GST.	\$560,570	\$548,247
Cost to maintain per hour	\$1.37	\$2.36
Average fuel cost per hour	\$18.10	\$16.03
Total cost per hour	\$19.47	\$18.39
7500 hours cost	\$146,006	\$137,899
Price	\$560,570	\$548,427
Operating Cost	\$146,006	\$137,899
Minus Guaranteed Trade In @ 7500 hrs	<u>-\$201,000</u>	<u>-\$220,000</u>
Total cost over 7500hrs	<b>\$505,000</b>	<b>\$466,326</b>
<p>Note: Fuel cost is based on current fuel price of 95 cents a litre.</p> <p>Finning Canada and Brandt Tractor were the only two compliant bidders on the medium-sized motor grader tender.</p> <p><u>External Communication</u> The Invitation to Tender for the motor graders was posted on the Alberta Purchasing Connection website. The New West Partnership Trade Agreement (NWPTA) and the Agreement on Internal Trade (AIT) apply to this purchase.</p> <p><u>Relevant Policy/Legislation/Practices:</u> The Procurement Policy indicates that purchases exceeding \$500,000 should be ratified at the following Council Meeting.</p>		
<b>Implication of Administrative Recommendation</b>	<p><u>Strategic Alignment:</u> This recommendation is consistent with Sturgeon County Strategic Plan's Focus Area surrounding Operational Excellence. In alignment with the County's capital replacement plan, these two graders will support quality cost effective service delivery to residents.</p> <p><u>Organizational:</u> 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.</p> <p><u>Financial:</u> The approved budget for the two motor graders was \$1,100,000 less the estimated sale of assets of \$360,000 with a net cost from current tax dollars of \$740,000 from the Vehicle and Equipment Reserve.</p>	

	<p>Sale proceed projections are conservative. The County typically meets or exceeds sale proceeds budgets by monitoring the market and choosing optimum time frames to dispose of assets.</p> <p>If the sale proceeds are greater than expected, the proceeds will be transferred to the Vehicle Equipment Reserve.</p>
<b>Alternatives Considered</b>	Council could choose to not support the award of the motor grader tender.
<b>Implications of Alternatives</b>	<p><u>Strategic Alignment:</u> This alternative would not align with an Operational Excellence focus and could impact service delivery and cost of service.</p> <p><u>Organizational:</u> Administration would anticipate increased downtime which could impact service delivery expectations.</p> <p><u>Financial:</u> Increased maintenance costs would occur if older units continued to be operated.</p>
<b>Follow up Action</b>	Initiate a purchase contract with the vendor for the supply of the motor graders to be signed in accordance with Sturgeon County Procurement Directive (Fleet Services, Procurement Services, Q1, 2022).
<b>Attachment(s)</b>	None.
<b>Report Reviewed by:</b>	<p>Mike Philbrick, Manager, Fleet and Facility 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
<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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input 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"/>