



AGENDA ITEM

Smith Pit – Contracted Gravel Haul

October 28, 2021

BACKGROUND

Pidherneys was contracted by Lacombe County to crush 35,000 tonne of gravel at the Smith Pit located in Clearwater County. The contractor has since completed the work on time and on budget.

As part of the Smith Pit operations the crushed gravel is then trucked and stockpiled at the McDonald Stock Pile site located south of Eckville. This occurs during the winter months the following year of crushing and is subject to the conditions of the development agreement for the operations of the pit.

To ensure the work is completed during the winter months as conditioned in our pit approval, it is recommended that we prepare and advertise tenders in November and early December of 2021 for the work to be carried out in early 2022.

Contributions to the Gravel Reserve for this haul are typically made annually and it is estimated the reserve balance dedicated for this project as of December 31, 2021 will be \$400,000.

ANALYSIS

The McDonald Stock Pile will have an estimated 9,600 tonne of gravel left after the 2021 graveling season. Moving the 35,000 tonne of gravel from the Smith Pit to the stock pile site will increase the inventory to 44,600 tonne. This will be enough gravel to sustain our gravel program for the southwest region of the county for three years.

This will allow us to manage the gravel usage needs and in accordance with the conditions of the development agreement for the operations of the Smith Pit:

- *Section 5 – Pit Operating Schedule*
 - *Major Pit Operations: (including crushing, screening and asphalt plant) – Once every three years, for six to eight weeks at a time during the fall and winter.*

ALTERNATIVES

1. Authorize the County Manager to tender and award the gravel haul from the Smith Pit to the McDonald Stock Pile site. (Administrative Recommendation)
2. Defer until the Interim Budget is approved.
3. Other action(s) as determined by Council.

BUDGET IMPLICATIONS

Tender prices are estimated to come in at \$10.50 per tonne totaling \$367,500. This is an increase from three years ago due to increased fuel prices being the biggest contributor.

Expenditures for the gravel haul to be included in the 2022 budget and funded from the Gravel Reserve.

LEGISLATIVE RESPONSIBILITIES

Section 248 of the Municipal Government Act (MGA) states a municipality may only make an expenditure that is:

- a) Included in an operating budget, interim operating budget or capital budget or otherwise authorized by the council.
- b) For an emergency, or
- c) Legally required to be paid.

RECOMMENDATION

That Council approve the following resolution:

That Lacombe County Council authorize the County Manager to tender and award the 35,000 tonne gravel haul from the Smith Pit to the McDonald Stockpile Site, and furthermore, that the work be funded from the Gravel Reserve.

PREPARED BY: Bill Cade, Director of Operations



REVIEWED BY: Tim Timmons, County Manager

