



# REPORT

To: Chair and Directors

Report Number: ADM-BRD-005

From: Tyra Henderson, Corporate Officer

Date: March 30, 2020

**Subject: Rural Roads Project – Phase 5**

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## **RECOMMENDATION #1:**

That the Regional Board issue a Request for Proposals for a qualified professional to complete the Rural Roads Project by December 31, 2020, defined by the following deliverables:

- Completion of project summary videos, short and long versions, illustrating road conditions and challenges, for use as a communication tool with the public and higher levels of government.
- Submission of a final report identifying low, medium and high priority/high traffic roads that require provincial funding for upgrades or increased maintenance. Presentation of final report to the Regional Board.
- Submission of a professional report for use by the PRRD in the requested delegation/meeting with Minister Trevena.

## **RECOMMENDATION #2:**

That the Regional Board name a select committee with a formal terms of reference and mandate to liaise with the successful proponent of the RFP for completion of the Rural Roads Project, prior to the RFP contract award.

## **BACKGROUND/RATIONALE:**

The rural roads initiative has been ongoing for three plus years based on the following concerns in the North Peace:

- Rural roads in the Peace River Regional District are deteriorating due to the lack of sufficient funding.
- Rural roads are used extensively by oil and gas, agriculture, forestry and residents; and when neglected, they become cost prohibitive to repair.
- There are a number of rural roads that have gravel sections between hard surface roads; these graveled sections require constant maintenance, dust control and grading to keep them in reasonable shape. Many are in need of drainage upgrades and maintenance to keep the road from deteriorating further.

### **Initial Contract**

#### **November 2017**

The Peace River Regional District (at that time via the North Peace Economic Development Commission (NPEDC)) contracted JK Solutions Ltd. regarding rural roads. The initial contract with JK Solutions Ltd. was to create a report summarizing a high-level review of the road network to determine the value of re-establishing an organized committee or task force to address current North Peace road concerns, loosely patterned after the committee that was in place in the region in 2007 and funded by the Provincial Government.

*November 23, 2017*

*That the purchasing policy be waived and the North Peace Economic Development Commission be authorized to direct award a contract to JK Solutions Ltd. for consulting work for an amount not to exceed \$25,000 under the Transportation Sector Initiative.*

## **December 2017**

In December 2017, the NPEDC met with JK Solutions Ltd. to go over the findings of the report from Phase 1 of the Rural Roads Revisited Study. At that time, it was discussed that the NPEDC would like to continue working with JK Solutions and move onto Phase 2 of the Rural Roads Strategy. JK Solutions Ltd. indicated that with the data they already had, they could create a report to the Provincial Government with the intention that it would be used to inform a delegation to Victoria to seek provincial funding for upgrades to rural roads in the North Peace.

## **Phase 2**

### **January 2018**

During the January 11, 2018 Regional Board meeting, the Board resolved to enter into a contract with JK Solutions Ltd. for additional work.

*January 11, 2018*

*That the Purchasing Policy be waived and the North Peace Economic Development Commission (NPEDC) be authorized to direct award an extension of contract regarding the Rural Roads Revisited project to JK Solutions Ltd. for additional work to be performed for an amount not to exceed \$15,000 under the Transportation Sector Initiative.*

### **February 22, 2018**

*That the contract in the amount of \$15,000 awarded to JK Solutions Ltd. for additional works performed on the Rural Roads Revisited project, be increased to \$20,177.19 to accommodate additional preparation time and report production; and, further that the additional funds of \$5,177.19 be paid for by Electoral Area 'B'.*

## **Phase 3**

In the early summer of 2018, the Board again chose to extend its relationship with the contractor, seeking a third contract with JK Solutions to continue the project, consisting generally of ongoing work to raise awareness of the state of rural roads in the North Peace, the effect on various road users including industrial users (ie: agriculture and oil & gas sectors) driving the economy, and residential users who share the same roadways, and seeking funding for road improvements from higher levels of government.

### **April 26, 2018**

*That Chair Sperling and Directors Fraser, Goodings, and Johansson, be authorized to meet with JK Solutions Ltd. on April 19, 2018 in Fort St. John, BC to discuss and develop a work plan for Phase 3 of the Rural Roads in the North Peace Strategy for 2018.*

### **May 3, 2018**

*That the Purchasing Policy be waived and that a contract be awarded to JK Solutions Ltd. for work to be performed for Phase 3 of Rural Roads Strategy in the North Peace for an amount not to exceed \$130,000 to be funded through Economic Development, and furthermore, that the Chair*

*and Chief Administrative Officer be authorized to sign the contract.*

The contract end date was March 31, 2019.

#### **Phase 4**

##### **March 14, 2019**

During the March 14, 2019 Board Meeting, the Board resolved to enter into contract a fourth time with JK Solutions. The contract end date was March 31, 2020.

*That the Purchasing Policy be waived and a contract be direct awarded to JK Solutions Ltd. for Phase 4 of Rural Roads Strategy in the North Peace for work to be performed from April 1, 2019 to March 31, 2020 for an amount not to exceed \$130,000; further, that the contract be funded through Economic Development; and further, that the Chair and Chief Administrative Officer be authorized to sign the contract.*

*The Chief Administrative Officer noted that direct awarding of this contract does not comply with the New West Trade Partnership Agreement.*

Objectives in the draft 2019/2020 Work plan included the following:

- Relationship building with key Ministries (ongoing)
- Lobby Provincial Government (ongoing)
- Ministers tour (requested)
- Road Evaluation (ongoing, anecdotal/experiential, as no pavement condition assessment or scientific road structure assessment has been done using recognized engineering standards and principles for road condition assessments)
- Communication/Newsletter (ongoing)
- Research (ongoing – not defined)
- Director Meetings, Rural Roads Task Force/Steering Committee Meetings (ongoing)
- Attend UBCM (completed)

In February 2020, the contractor indicated that she did not intend to seek renewal of the contract as she would be exploring other opportunities.

A conference call was held on Friday, March 27, 2020, with participation by Directors Goodings, Sperling and Heiberg (regrets from Director Fraser). The following is an excerpt from the DRAFT notes from that call relative to the workplan for the coming year (see attached meeting notes):

#### **Budget/Workplan**

- a) The Directors discussed the current budget for 2019/20 with an estimated surplus of \$70,000. Director Goodings. The project is planned for the remainder of the year and the Directors want to align the expenditures with the calendar year. After a discussion of a path forward in these very uncertain times, JK Solutions estimated that a budget of \$45,000 - \$50,000 should be adequate. Director Goodings will consult with staff to:
  - verify what happens to the 2019/20 surplus and how it relates to the remainder of the year funding

- request a new or contract extension for JK Solutions Ltd. to December 31, 2020
- determine what is required to continue the direct award for the contract.

**ALTERNATIVE OPTIONS:**

1. That the Regional Board provide further direction.

**STRATEGIC PLAN RELEVANCE:**

- ☒ Not Applicable to Strategic Plan.

**FINANCIAL CONSIDERATION(S):**

Since 2017, when this initiative began, a total of \$365,177 has been approved for the rural roads project via a series of direct award contracts to the same consultant. \$237,605 has been spent to date, with the final invoice for the 2019/2020 contract for the period of March 1 – 31, 2020 outstanding in the amount of \$5,768.70 currently being processed for payment. An allocation of \$100,00 has been approved in the 2020 financial plan under Function 140 – Economic Development.

In 2017, the funding (\$25,000) was approved via the North Peace Economic Development Commission, funded by the City of Fort St. John, District of Taylor, District of Hudson's Hope, and Electoral Areas B and C.

In 2018, funding (\$15,000) was provided through Function 140 - Economic Development, from the District of Taylor, District of Hudson's Hope, and Area B. The overage of \$5,177 was funded directly by Area B for a total of \$20,177. Additional funding from economic development was accessed in May of 2018 in the amount of \$130,000.

In 2019, funding (\$130,000) was approved through Function 140 - Economic Development, from the District of Taylor, District of Hudson's Hope, Area B, and Area C.

For 2020, funding (\$100,000) has been approved from Function 140 - Economic Development, from the District of Taylor, District of Hudson's Hope, City of Dawson Creek, and Area B.

**COMMUNICATIONS CONSIDERATION(S):**

If the Regional Board approves the continuation of the project, a Request for Proposals will be drafted and advertised on the PRRD web page and via BC Bid. Though the Purchasing Policy states that an invitational competition may be utilized for contracts between \$15,000 and \$50,000, the New West Trade Partnership Agreement, which must also be followed, states that segregation of work units to keep a project under the public procurement threshold is a contravention. Clearly, this project to date has exceeded the amount specified in both the PRRD policy (\$50,000) and the Trade Agreement (75,000) to trigger public procurement.

**OTHER CONSIDERATION(S):**

Should the project continue in 2020, using the funds allocated in the adopted 2020 Financial Plan, the current informal steering committee, consisting of the funding partners, should be formalized into a

select committee with an approved mandate/terms of reference to provide structure and accountability to the project. The committee will be expected to monitor the project and report back to the Board at the conclusion of the contract, regarding the outcomes. Staff support in the form of administration and record keeping will be required. The existing 'task force' that has been populated by the consultant with input from the funding partners/ad hoc committee, will also need to be included in the terms of reference if it is to continue.

Attachments:

1. Contract – April 1 2019 – March 31, 2020
2. Report to Board (March 14, 2019) including summary of project Nov 2017 – March 2019
3. March 27, 2020 DRAFT Rural Roads Meeting notes