



# BOARD REPORT

**TO:** Chair and Directors

**File No:** 6140 15 01

**SUBJECT:** Sicamous to Armstrong Rail Trail Project Procurement

**DESCRIPTION:** Report from Ryan Nitchie, Team Leader, Community Services, dated August 1, 2019. Procurement of Goods and Services relative to the engineering and design phase of the Sicamous to Armstrong Rail Trail Initiative project managed by the Shuswap Trail Alliance.

**RECOMMENDATION #1:** THAT: the Board waive the provisions of CSR D Purchasing Policy No. F-32, Procurement of Goods and Services as it relates to remuneration paid by the CSR D directly to subcontractors hired by the Shuswap Trail Alliance, for services rendered in relation to the Sicamous to Armstrong Rail Trail engineering and design phase, this 15<sup>th</sup> day of August, 2019.

### SHORT SUMMARY:

The CSR D, with the formal consent of the RDNO and Splantsin, have contracted with the Shuswap Trail Alliance to manage the engineering and design phase of the Sicamous to Armstrong Rail Trail initiative. Under the supervision of the Technical Operational Committee, the Shuswap Trail Alliance is currently engaging with professional consultants to provide technical expertise to inform the regional partners and develop a preliminary trail concept plan. The CSR D is administering grant funding from the BC Rural Dividend program on behalf of the regional partners. Since the CSR D is expected to pay sub-contractors directly for their services, a contractual agreement is implied and compliance with CSR D Purchasing Policy No. F-32, Procurement of Goods and Services is required.

If the provisions of Policy F-32 are waived by the Board for this initiative, the CSR D will be empowered to pay sub-contractors of the Shuswap Trail Alliance directly from the grant funding and to capture all relevant GST paid for services rendered.

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**VOTING:** Unweighted Corporate  LGA Part 14 (Unweighted)  Weighted Corporate  Stakeholder (Weighted)

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### BACKGROUND:

The Sicamous to Armstrong Rail Trail Corridor was jointly acquired by the CSR D and the RDNO in partnership with the Splantsin First Nation in December 2017. The three parties entered into a Memorandum of Understanding to work collaboratively to develop, operate and maintain the rail trail as a non-motorized recreational trail and contiguous multi-model transportation corridor.

The three parties have established a Technical Operational Committee and have agreed to contract with the Shuswap Trail Alliance to provide Project Management services as well as secretariat services to the parties for the engineering and design phase of the project.

The CSR D and District of Sicamous led an application to the BC Rural Dividend Program and were successful in receiving funding to proceed with the initial engineering and design phase of the Sicamous to Armstrong Rail Trail project. The CSR D is acting as lead agency on behalf of the regional partners and is administering the funding.

Under the supervision of the Technical Operational Committee, the Shuswap Trail Alliance is currently engaging with professional consultants for engineering, archaeological, environmental, geotechnical, agricultural, appraisal, legal, survey and other services to develop a preliminary concept plan for the entire 50 km of rail trail corridor.

As a third partner contractor, the Shuswap Trail Alliance is not subject to procure services in compliance with Policy F-32, however, as a non-profit organization, the Shuswap Trail Alliance is only able to recover 50% of the Federal Goods and Services Tax (GST) paid, whereas the CSRD can recover 100% of the tax. If the CSRD pays the sub-contractors directly, the regional partners will see substantial cost savings relative to full recovery of GST paid. However, contractually, if the CSRD pays subcontractors directly, they become an implied party to a contract with the CSRD and are then subject to the terms of Policy F-32.

Best practices for procurement will be conducted by the Shuswap Trail Alliance, however, for subject matter experts, the ability to sole source where necessary is in the best interest of all regional partners.

#### **POLICY:**

The purpose of Policy F-32 Procurement of Goods and Services is to establish a consistent approach for the procurement of goods and services, to empower staff and to ensure the best value is obtained when spending public funds.

Under the supervision of the Technical Operational Committee, best practices for procurement will be conducted by the Shuswap Trail Alliance for procuring services.

#### **FINANCIAL:**

Expenses to sub-contractors arranged by the Shuswap Trail Alliance for this phase of the project will be paid by the CSRD from the BC Rural Dividend grant funding.

CSRD will recover 100% of GST paid for the services as opposed to only 50% recoverable by the Shuswap Trail Alliance.

#### **KEY ISSUES/CONCEPTS:**

In order for the CSRD to recover 100% of the GST paid out to sub-contractors for services rendered for the rail trail engineering and design phase, the CSRD will need to pay subcontractors hired by the Shuswap Trail Alliance directly. As the Shuswap Trail Alliance is hiring the required sub-contractors under the direction of the Technical Operational Committee, a waiver to the conditions of CSRD Purchasing Policy F-32, Procurement of Goods and Services is required.

#### **DESIRED OUTCOMES:**

The Board will endorse the recommendation.

#### **BOARD'S OPTIONS:**

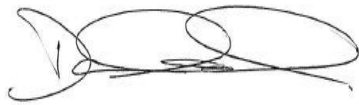
1. *Endorse the Recommendation.*
2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*



**Report Approval Details**

Document Title:	2019-08-15_Board_OM_Rail_Trail_Waiver_of_Policy_F32.docx
Attachments:	
Final Approval Date:	Aug 1, 2019

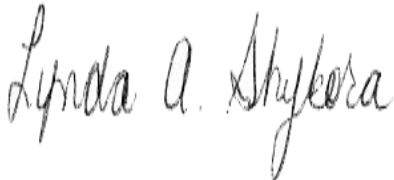
This report and all of its attachments were approved and signed as outlined below:



**Darcy Mooney - Aug 1, 2019 - 11:43 AM**



**Jodi Pierce - Aug 1, 2019 - 12:08 PM**



**Lynda Shykora - Aug 1, 2019 - 1:32 PM**

**No Signature - Task assigned to Charles Hamilton was completed by assistant Lynda Shykora**

**Charles Hamilton - Aug 1, 2019 - 1:33 PM**