



NORTHLAND SCHOOL DIVISION NO. 61

SPECIAL BOARD MEETING NO. 17 – 10

AGENDA

Date/Time: August 10, 2017 – Time 3:30 p.m.
Location: Divisional Office – Peace River, AB

Page No.

A. CALL TO ORDER

B. GENERAL BUSINESS

1. Waiver 2
2. Tenders for School Bus Routes (T. Rasmuson) 3
3. Appointment of External Auditors (T. Rasmuson) 13

C. ADJOURNMENT

BOARD OF TRUSTEES

**TO: LOIS BYERS
TRUSTEE OF THE BOARD**

DATE: AUGUST 10, 2017

FROM: TRUDY RASMUSON, SECRETARY-TREASURER

SUBJECT: WAIVER

ORIGINATOR: ADMINISTRATION

RECOMMENDATION

That the Board of Trustees waive Section 67 (4) of the School Act.

BOARD OF TRUSTEES

LOIS BYERS
TRUSTEE OF THE BOARD

DATE: AUGUST 10, 2017

PRESENTED BY: SUSANNE JONES – TRANSPORTATION MANAGER

SUBJECT: CONTRACT ROUTE TENDERS

RECOMMENDATION

That the Board of Trustees of Northland School Division accept the following contract route tenders on a three (3) year contract.

ROUTE 401 – JANVIER

RECOMMENDATION: SPARKSMAN TRANSPORTATION FOR THE AMOUNT OF \$128, 880.00 PER YEAR.

OTHER TENDERS RECEIVED: NORTH EAST LIMO – TENDER EMAILED NOT SEALED, NOT ACCEPTED
RATIONALE: ONLY VALID BID AND SPARKSMAN TRANSPORTATION HAS BEEN A LONG TERM, RELIABLE COMPANY THAT MET THE TENDERING CRITERIA.

ROUTE 453 – ANZAC

RECOMMENDATION: SPARKSMAN TRANSPORTATION FOR THE AMOUNT OF \$72,495.00 PER YEAR.

OTHER TENDERS RECEIVED: NORTH EAST LIMO – TENDER EMAILED NOT SEALED, NOT ACCEPTED
RATIONALE: ONLY VALID BID AND SPARKSMAN TRANSPORTATION HAS BEEN A LONG TERM, RELIABLE COMPANY THAT MET THE TENDERING CRITERIA.

ROUTE 461 – ANZAC

RECOMMENDATION: SPARKSMAN TRANSPORTATION FOR THE AMOUNT OF \$72,495.00 PER YEAR.

OTHER TENDERS RECEIVED: NORTH EAST LIMO – TENDER EMAILED NOT SEALED, NOT ACCEPTED
RATIONALE: ONLY VALID BID AND SPARKSMAN TRANSPORTATION HAS BEEN A LONG TERM, RELIABLE COMPANY THAT THAT MET THE TENDERING CRITERIA.

ROUTE 462 – ANZAC

RECOMMENDATION: SPARKSMAN TRANSPORTATION FOR THE AMOUNT OF \$72,495.00 PER YEAR.

OTHER TENDERS RECEIVED: NORTH EAST LIMO – TENDER EMAILED NOT SEALED, NOT ACCEPTED
 RATIONALE: ONLY VALID BID AND SPARKSMAN TRANSPORTATION HAS BEEN A LONG TERM, RELIABLE COMPANY THAT MET THE TENDERING CRITERIA.

ROUTE 398 – FORT MCKAY

RECOMMENDATION: SPARKSMAN TRANSPORTATION FOR THE AMOUNT OF \$96,660.00 PER YEAR

OTHER TENDERS RECEIVED: NORTH EAST LIMO – TENDER EMAILED NOT SEALED, NOT ACCEPTED
 RATIONALE: ONLY VALID BID AND SPARKSMAN TRANSPORTATION HAS BEEN A LONG TERM, RELIABLE COMPANY THAT MET THE TENDERING CRITERIA.

ROUTE 445 – FISHING LAKE

RECOMMENDATION: CHRISTENSEN BUSING FOR THE AMOUNT OF \$45,500.00 PER YEAR

OTHER TENDERS RECEIVED: SOUTHLAND TRANSPORTATION FOR THE AMOUNT OF \$40,060.50
 RATIONALE: CHRISTENSEN BUSING HAS BEEN LONG TERM RELIABLE CONTRACTORS AND THEY MET THE TENDERING CRITERIA.

ROUTE 446 – FISHING LAKE

RECOMMENDATION: CHRISTENSEN BUSING FOR THE AMOUNT OF \$42,250.00 PER YEAR

OTHER TENDERS RECEIVED: SOUTHLAND TRANSPORTATION FOR THE AMOUNT OF \$40,064.46
 RATIONALE: CHRISTENSEN BUSING HAS BEEN LONG TERM RELIABLE CONTRACTORS AND THEY MET THE TENDERING CRITERIA.

ROUTE 472 – FISHING LAKE

RECOMMENDATION: RE-TENDER

OTHER TENDERS RECEIVED: SOUTHLAND TRANSPORTATION FOR THE AMOUNT OF \$40,031.46
 FISHING LAKE METIS SETTLEMENT – RECEIVED LATE, NOT OPENED
 RATIONALE: BID FROM SOUTHLAND IS DOUBLE THE BUDGETED AMOUNT.

ROUTE 449 – ELIZABETH

RECOMMENDATION: DESJARLAIS BUSES INC. FOR THE AMOUNT OF \$60,809.40 PER YEAR

OTHER TENDERS RECEIVED: SOUTHLAND TRANSPORTATION FOR THE AMOUNT OF \$71,618.40 PER YEAR

RATIONALE: LOWEST BID AND DESJARLAIS BUSES INC. HAS BEEN LONG TERM RELIABLE CONTRACTORS AND MET THE TENDERING CRITERIA.

ROUTE 432 – ELIZABETH

RECOMMENDATION: DESJARLAIS BUSES INC. FOR THE AMOUNT OF \$69,091.20 PER YEAR

OTHER TENDERS RECEIVED: SOUTHLAND TRANSPORTATION FOR THE AMOUNT OF \$61,876.80

RATIONALE: DESJARLAIS BUSES INC. HAS BEEN LONG TERM RELIABLE CONTRACTORS AND MET THE TENDERING CRITERIA.

ROUTE 443 – ELIZABETH

RECOMMENDATION: DESJARLAIS BUSES INC. FOR THE AMOUNT OF \$49,996.80 PER YEAR
 OTHER TENDERS RECEIVED: SOUTHLAND TRANSPORTATION FOR THE AMOUNT OF \$66,985.20
 RATIONALE: LOWEST BID AND DESJARLAIS BUSES INC. HAS BEEN LONG TERM RELIABLE CONTRACTORS AND MET THE TENDERING CRITERIA.

ROUTE 454 – PEAVINE

RECOMMENDATION: NOSKEY BUSLINES FOR THE AMOUNT OF \$45,844.00 PER YEAR
 OTHER TENDERS RECEIVED: NONE
 RATIONALE: ONLY BID AND NOSKEY BUSLINES HAS BEEN A LONG TERM, RELIABLE CONTRACTOR AND MET THE TENDERING CRITERIA.

ROUTE 460 – PEAVINE

RECOMMENDATION: NOSKEY BUSLINES FOR THE AMOUNT OF \$46,000.00 PER YEAR
 OTHER TENDERS RECEIVED: NONE
 RATIONALE: ONLY BID AND NOSKEY BUSLINES HAS BEEN A LONG TERM, RELIABLE CONTRACTOR AND MET THE TENDERING CRITERIA.

ROUTE 442 – PEAVINE

RECOMMENDATION: DOROTHY ANDERSON FOR THE AMOUNT OF \$98,000.00 PER YEAR
 OTHER TENDERS RECEIVED: NONE
 RATIONALE: ONLY BID AND DOROTHY ANDERSON HAS BEEN A LONG TERM, RELIABLE CONTRACTOR AND MET THE TENDERING CRITERIA

ROUTE 450 – PEAVINE

RECOMMENDATION: AL ANDERSON FOR THE AMOUNT OF \$87,000 PER YEAR
 OTHER TENDERS RECEIVED: NONE
 RATIONALE: ONLY BID AND AL ANDERSON HAS BEEN A RELIABLE CONTRACTOR AND MET THE TENDERING CRITERIA.

ROUTE 459 – PEERLESS LAKE

ONE EMAIL BID WAS RECEIVED FROM CURRENT CONTRACTOR.

RECOMMENDATION: TRANSPORTATION DEPARTMENT TO WORK WITH CONTRACTOR TO SUBMIT PROPER DOCUMENTATION. SECONDARY EVALUATION TO TAKE PLACE IN SEPTEMBER 2017. IF CONTRACTOR FAILS TO MEET THE CRITERIA OF THE CONTRACT, THE ROUTE WILL BE ABOLISHED AND JOINED WITH THE OTHER 2 CURRENT DIVISIONAL ROUTES OPERATING IN PEERLESS LAKE.

Janvier Contract Route Tender			
Route 401	Budget	Recommended Tender	Diff from Budget
	\$ 31,579.40	\$ 128,880.00	-\$ 97,300.60
Contractor Recommended: Sparksman Transportation			
Other Tender's Rec'd: N/A			
Over Budget			-\$ 97,300.60

Divisional Costs	Driver	\$ 16,538.00	Salary
		\$ 4,961.40	Benefits
		\$ 21,499.40	Total Driver
Bus		40 km's /day	This cost isn't totally accurate. The cost/km is an average for the entire fleet. There is only one bus here and the costs to operate it is probably close to double.
		\$ 1.40 per km	
		\$ 56.00	
		\$ 10,080.00	
		\$ 31,579.40	Total Route Cost

Approx Revenue
 \$ 94,067.00 Almost all Federal
 Only 2 Prov stu
 70 stu total
 46 over 2.4
 24 under 2.4

Anzac Contract Route Tender			
Route 453	Budget	Recommended Tender	Diff from Budget
	\$ 68,201.00	\$ 72,495.00	-\$ 4,294.00

Contractor Recommended: Sparksman Transportation

Other Tender's Rec'd: N/A

Route 461	Budget	Recommended Tender	Diff from Budget
	\$ 60,594.00	\$ 72,495.00	-\$ 11,901.00

Contractor Recommended: Sparksman Transportation

Other Tender's Rec'd: N/A

Route 462	Budget	Recommended Tender	Diff from Budget
	\$ 56,743.00	\$ 72,495.00	-\$ 15,752.00

Contractor Recommended: Sparksman Transportation

Other Tender's Rec'd: N/A

Over Budget	-\$ 31,947.00
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Sparkman Transportation has contracted with Northland School Division for many years.

The rates tendered are in line with standard inflation.

No other tenders accepted.

Fort McKay Contract Route Tender			
Route 398	Budget	Recommended Tender	Diff from Budget
	\$ 25,750.80	\$ 96,660.00	-\$ 70,909.20
Contractor Recommended: Sparksman Transportation			
Other Tender's Rec'd: N/A			
Over Budget			-\$ 70,909.20

Divisional Costs	Driver	\$ 15,156.00	Salary
		\$ 4,546.80	Benefits
		<u>\$ 19,702.80</u>	Total Driver
	Bus	24 km's /day	
		\$ 1.40	per km
		<u>\$ 33.60</u>	
		180 days	
		<u>\$ 6,048.00</u>	Total Bus
		\$ 25,750.80	Total Route Cost

This cost isn't totally accurate. The cost/km is an average for the entire fleet. There is only one bus here and the costs to operate it is probably close to double.

Approx Revenue

\$3,589.00 Only one sped stu would generate prov funding
 All Federal
 All Students under 2.4

Fishing Lake Metis Settlement Contract Route Tender			
Route 445	Budget	Recommended Tender	Diff from Budget
	\$ 43,984.00	\$ 45,500.00	-\$ 1,516.00
Contractor Recommended: Christensen Busing			
Other Tender's Rec'd:	Southland Transportation		\$ 40,060.50
Route 446	Budget	Recommended Tender	Diff from Budget
	\$ 40,863.00	\$ 42,250.00	-\$ 1,387.00
Contractor Recommended: Christensen Busing			
Other Tender's Rec'd:	Southland Transportation		\$ 40,064.46
Route 472	Budget	Recommended Tender	Diff from Budget
	\$ 29,817.00		\$ 29,817.00
Contractor Recommended: Re-tender			
Other Tender's Rec'd:	Southland Transportation		\$ 40,031.46
Under Budget			\$ 26,914.00

Christensen Busing has been contracted with Northland School Division for years. Owner and operators are locals.

Route 472 needs to be re-tendered. Tendered amount is double of budget amt due to Southland travelling from Cold Lake to Fishing Lake to do only a feeder run.

Fishing Lake Metis Settlement held the contract in 2016-2017, but failed to submit on time.

Currently there is a divisional route that meets with the feeder route to transp. stu to Cold Lake.

Divisional route costs already exceed the revenue for the route.

Revenue	\$ 63,000.00		
Divisional Costs	Driver	\$ 36,828.00	Salary
		\$ 11,048.40	Benefits
		<u>\$ 47,876.40</u>	Total Driver
	Bus	404 km's /day	
		\$ 1.40	per km
		<u>\$ 565.60</u>	
		180 days	
		<u>\$ 101,808.00</u>	Total Bus
		\$ 149,684.40	Total Route Cost

Elizabeth Metis Settlement Contract Route Tender

Route 449	Budget	Recommended Tender	Diff from Budget
	\$ 52,477.00	\$ 60,809.40	-\$ 8,332.40

Contractor Recommended: Desjarlais Buses Inc.

Other Tender's Rec'd: Southland Transportation \$ 71,618.40

Route 432	Budget	Recommended Tender	Diff from Budget
	\$ 62,841.00	\$ 69,091.20	-\$ 6,250.20

Contractor Recommended: Desjarlais Buses Inc.

Other Tender's Rec'd: Southland Transportation \$ 61,876.80

Route 443	Budget	Recommended Tender	Diff from Budget
	\$ 71,200.00	\$ 49,996.80	\$ 21,203.20

Contractor Recommended: Desjarlais Buses Inc.

Other Tender's Rec'd: Southland Transportation \$ 66,985.20

Under Budget \$ 6,620.60

Desjarlais Buses has contracted with Northland School Division for 28 years.

The rates tendered are in line with standard inflation.

Owner and operators are local to the area.

Peavine Contract Route Tender			
Route 454	Budget	Recommended Tender	Diff from Budget
	\$ 45,345.00	\$ 45,844.00	-\$ 499.00

Contractor Recommended: **Noskey Buslines**

Other Tender's Rec'd: N/A

Route 460	Budget	Recommended Tender	Diff from Budget
	\$ 45,500.00	\$ 46,000.00	-\$ 500.00

Contractor Recommended: **Noskey Buslines**

Other Tender's Rec'd: N/A

Route 442	Budget	Recommended Tender	Diff from Budget
	\$ 88,362.00	\$ 98,000.00	-\$ 9,638.00

Contractor Recommended: **Dorothy Anderson**

Other Tender's Rec'd: N/A

Route 450	Budget	Recommended Tender	Diff from Budget
	\$ 77,476.00	\$ 87,000.00	-\$ 9,524.00

Contractor Recommended: **Al Anderson**

Other Tender's Rec'd: N/A

Over Budget	-\$ 20,161.00
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Noskey Buslines has been a contractor for many years.

Owner and Operators are locals

Dorothy Anderson has been a contractor for many years.

Owner / Operator is local

Al Anderson has been a contractor for 2 years.

Owner / Operator is local

DUI in 1999 - now clean abstract

No other tenders received.

Peerless Lake Contract Route Tender			
Route 459	Budget	Recommended Tender	Diff from Budget
	\$ 28,212.00		\$ 28,212.00
Contractor Recommended:	NA		
Other Tender's Rec'd:	N/A		
		Under Budget	\$ 28,212.00

No other tenders accepted

Email tender from Charles Orr - Not sealed, not accepted

BOARD OF TRUSTEES

LOIS BYERS
TRUSTEE OF THE BOARD

DATE: AUGUST 10, 2017

PRESENTED BY: TRUDY RASMUSON, SECRETARY TREASURER

SUBJECT: APPOINTMENT OF EXTERNAL AUDITOR

RECOMMENDATION

That the Board of Trustees of Northland School Division appoint the firm of Hawkings, Epp, Dumont as the external auditors for the Division for the next three years, with the provision for terminating the contract, if necessary.
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There are several categories affected by the selection of an external audit firm, and the risk that entails:

- Financial risk – the risk that the federal calculation will be done incorrectly, and the audit firm does not catch the errors, and the First Nations are billed an incorrect amount for their tuition rate, causing either loss of income, or an artificial increase in income. A new auditor may miss items that the current auditor would be used to investigating or the current auditor may miss something due to familiarity that a new auditor would question.
- Operational risk – the change in income could cause the board and administration to make decisions based on wrong information – hiring/laying off staff, cutting back services or increasing services.
- Regulatory/Governance risk – an audit that is not done responsibly will call into question the ability of the board to govern and manage this area of its responsibilities, and may bring the board and administration under scrutiny by Alberta Education.

The probability of the risk is low, based on the following:

- The tender process – audit firm are invited to submit proposals. The proposals are then ranked using an evaluation matrix, which includes:
 - Understanding the proposal
 - Experience with School Division audits
 - Personnel
 - Audit Implementation
 - Additional Services
 - References
 - Audit Fee
- References are checked.
- The least amount of risk would be associated with the current audit team, as they are familiar with the division and the financial systems. However, a fresh set of eyes may also provide some additional comfort.

The tender process will identify most risks associated with the external audit process. As well, the audit process is a vigorous process, with built-in checks and balances that should eliminate most of the risk. This should prevent the risk from occurring.

A second mitigating strategy is the oversight by both management (during the audit process) and the board (during the entrance and exit interviews) that will occur, and will be able to identify issues early and make corrections.

Analysis Results

Three quotes were received:

<u>Company</u>	<u>Quote for 3 years</u>	<u>Score (out of 100)</u>
MNP (current auditor)	\$146,475	75
Collins Barrow	\$93,000	72
Hawkins Epp Dumont	\$79,500	73

All reference checks were satisfactory.

Recommendation

Given the fact that Hawkins Epp Dumont was only two points under the current auditor, and almost \$67,000 less over three years, the recommendation is for the appointment of Hawkins Epp Dumont as the external auditor for three years.