

CITY OF KELOWNA
MEMORANDUM

DATE: July 25, 2005

File: 0550-05
6640-20-ATB

TO: City Manager

FROM: Airport General Manager

SUBJECT: 2005 AIR TERMINAL REHABILITATION - KELOWNA INT'L AIRPORT

RECOMMENDATION

THAT Council approve awarding a construction contract in the amount of \$2,378,900.00 to Tri-City Contracting Ltd. for construction of an expansion to the Air Terminal Building at the Kelowna International Airport;

AND THAT Council approve an amendment to the 2005 Financial Plan to increase the budget from \$1,477,490.00 to \$2,956,000.00 for this project with funding from the Airport Improvement Fee.

BACKGROUND AND COMMENTS

In the 2005 Financial Plan, Council approved a project to upgrade several areas of the terminal to meet increased demand. Since that time passenger volumes have grown significantly and are currently running 19% higher than last year. This has resulted in severe congestion particularly in the arrivals area. In order to satisfactorily accommodate Harmony Airways' Honolulu services this fall it is important that the international arrivals area be expanded by mid December. Council has also approved a Long Term Master Plan study which is at the RFP stage. The 2005 project has been developed in cooperation with the air carriers and will allow the Airport to accommodate the growth in passenger volumes until a future Major Terminal Expansion can be planned and completed.

Three bids were received in response to the City's tender call:

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|------------------------------------|----------------|
| 1. Tri-City Contracting | \$2,378,900.00 |
| 2. Maple Reinders Inc. | \$2,396,000.00 |
| 3. PCL Constructors Westcoast Inc. | \$2,715,700.00 |

The low bid has been reviewed and approved by the City's consultant and the Purchasing department.

The tendered prices exceeded our Consultant's estimate and are a reflection of the current construction climate in Kelowna. Included in the project costs are funds for fees, insurance, consulting, furniture and contingencies.



R. Sellick