
CITY OF KELOWNA

MEMORANDUM

Date: August 7, 2008
File No.: 0550-05
6640-20
To: City Manager
From: Assistant General Manager, Airport Operations
Subject: 2008 Roadway and Parking Lot Improvements (T08-059)

RECOMMENDATION:

THAT Council receive the report of the Assistant General Manager, Airport Operations dated August 7, 2008;

AND THAT Council authorize the City to enter into a contract with Peters Bros. Construction Ltd. in the amount of \$2,938,039.86 inclusive of GST for construction of 2008 roadway and parking lot improvements at the Kelowna International Airport;

AND THAT Council approve an amendment to the 2008 Financial Plan to increase the current year's budget for the 2010 Development Plan from \$2,000,000 to \$3,400,000 with funding from the Airport Improvement Fee Reserve;

AND THAT Council approve a further amendment to the 2008 Financial Plan to increase the current year's budget for the Aerospace Drive extension from \$233,510 to \$318,510, with funding from the Airport Groundside Reserve;

AND THAT the Mayor and City Clerk be authorized to execute the contract.

BACKGROUND:

The Purchasing Department advertised an open tender call for 2008 Roadway and Parking Lot Improvements at the Kelowna International Airport on June 26, 2008. The tender included two approved 2008 capital projects, Aerospace Drive Extension and the improved ground access, expanded bus parking and increased paved vehicle parking portions of the 2010 Development Program. This was done in order to obtain economies of scale.

The following bids were received on July 24th:

1. Peters Bros. Construction Ltd.	\$2,938,039.86
2. Hayter Construction Ltd.	\$2,999,673.08
3. Ansell Construction Ltd.	\$3,034,174.50
4. Sierra Landscaping Ltd.	\$3,447,663.45

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



FINANCIAL/BUDGETARY CONSIDERATIONS:

In the Airport's 2008 Budget request it was estimated that expenditures on the 2010 Development Plan would be approximately \$2 million dollars in 2008, \$15 million in 2009 and \$13 million in 2010. Due to cost and the magnitude of work able to be completed it is necessary to increase funding for the 2008 portion of the 2010 Capital Development Program by \$1.4 million. However it is currently estimated that this will result in a corresponding decrease in expenditure in 2009. This program is funded from the Airport Improvement Fee Reserve and MFA borrowing initiated for the program.

The original estimate for the expansion to Aerospace Drive was done in 2006. Prices have risen since then and the tender came in higher than anticipated. It will be necessary to increase the funding from the Groundside Reserve by \$85,000.

INTERNAL CIRCULATION TO:

Purchasing Manager
Director of Financial Services
Financial Planning Manager

Considerations that were not applicable to this report:

EXTERNAL AGENCY/PUBLIC COMMENTS:

LEGAL/STATUTORY AUTHORITY:

LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:

EXISTING POLICY:


PERSONNEL IMPLICATIONS:

TECHNICAL REQUIREMENTS:

COMMUNICATIONS CONSIDERATIONS:

ALTERNATE RECOMMENDATION:

Submitted by:



D. Fuller, Assistant General Manager, Airport Operations

Approved for Inclusion:  [the department director initials here]

:HC/NR

cc: Purchasing Manager
Director of Financial Services
Financial Planning Manager