

Memo



Date: July 26, 2010
File: 0220-30, 0610-53
To: City Manager
From: Henry Castorf, Airport Development Manager
Subject: REDUCED VISIBILITY RUNWAY LIGHTING PROJECT - BUDGET AMENDMENT-
KELOWNA INTERNATIONAL AIRPORT ("YLW")

Recommendation:

THAT Council approve a budget increase in the amount of \$275,000 to the Reduced Visibility Runway Lighting project in the form of a budget amendment.

AND FURTHER THAT the 2010 Financial Plan be amended with funding for the budget increase to come from the Airport's Airside Reserve.

Purpose:

To obtain Council's authorization for a budget increase of \$275,000 to the Reduced Visibility Runway Lighting project with funding from the Airport's Airside Reserve.

Background:

In order to comply with Transport Canada's regulations concerning aircraft operations in poor visibility conditions, YLW must upgrade its airfield lighting by interlacing existing runway edge-lighting on a dual circuit as well as adding runway guard-lights at all 4 taxiway access points. The upgrades must be completed by December 31, 2010 in order to comply with Transport Canada's regulations.

In September 2009, in conjunction with EBA Engineering Consultants Ltd., YLW established a budget of \$340,000 for the upgrade which was approved by Council in the 2010 budget process. Subsequently, the scope of the project increased as a result of preliminary electrical work required to prepare the taxiway for next year's planned runway overlay. In addition, the Consultants' initial budget estimate did not include project engineering and construction management costs. Finally, the detailed design process resulted in more extensive cabling and trenching requirements.

The project was tendered through the City's Purchasing Department and closed on June 22, 2010. Analysis of the low bid shows that the Consultants' original budget estimate was low in terms of the mobilization, demobilization, and security escort estimates. The project's expanded scope and longer than expected construction schedule impacted these costs, particularly the security component.

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The additional \$275,000 required to complete the project breaks down as follows:

Additional Scope	\$49,635
Project Engineering	\$56,865
Construction Management	\$49,950
Additional Cabling and Trenching	\$15,055
Mobilization/Demobilization/Security	<u>\$104,755</u>
TOTAL	\$275,000

Financial/Budgetary Considerations: The funding would be from the Airport's Airside Reserve.

Internal Circulation:

Airport Director
Airport Finance & Administration Manager
Purchasing Manager

Considerations not applicable to this report

Legal/Statutory Authority: N/A
Legal/Statutory Procedural Requirements: N/A
Existing Policy: N/A
Personnel Implications: N/A
External Agency/Public Comments: N/A
Community & Media Relations Comments: N/A
Alternate Recommendation: N/A

Submitted by:



H. Castorf, Airport Development Manager

Approved for inclusion:



Paul Macklem, General Manager, Corporate Sustainability

/tjm