

Memo



Date: August 2, 2011
File: 0220-30
0610-53
To: City Manager
From: Noreen Redman, Airport Finance & Administration Manager
Subject: MULTI-PURPOSE SNOW CHASSIS' AND EQUIPMENT - BUDGET AMENDMENT-
KELOWNA INTERNATIONAL AIRPORT ("YLW")
Report Prepared by: Toni McQueenie, Legal & Admin Services Coordinator

Recommendation:

THAT Council approve a budget increase in the amount of \$838,240 in the form of a budget amendment to the airport's capital budget for the purchase of two snow chassis', 1 blower attachment, 2 front-mounted broom attachments and 2 broom pattern controls, as outlined in the report of the Airport Finance and Administration Manager, dated August 02, 2011.

AND FURTHER THAT the 2011 Financial Plan be amended by combining the funding for two 2011 approved airport capital projects totalling \$1,000,000, and increasing that budget by the additional \$838,240 with funding from the Airport's Airside Reserve for a total of \$1,838,240.

Purpose:

To obtain Council's authorization for the amendment of the 2011 Financial Plan by combining the budget of two approved airport capital projects and increasing that budget by \$838,240 to allow for the purchase of two snow chassis', 1 blower attachment, 2 front-mounted broom attachments and 2 broom pattern controls with funding from the Airport's Airside Reserve.

Background:

The airport's 2011 Financial Plan included \$700,000 for the replacement of Sweeper #3 and \$300,000 for the replacement of Plow Truck #82. In addition, the airport's 2012 Capital Plan included the replacement of Sweeper #1, Plow Truck #83, and the airport's standalone snow blower. These pieces of equipment range from nine to thirty five years of age and are mechanically fatigued however the newest units will serve for redundancy purposes. The total estimated expenditure over two years was \$2.65 million.

Research conducted over the past few months showed that newer multi-purpose snow chassis' and attachments are a more cost effective replacement and offer higher speed and higher-capacity snow removal. This has become essential for winter operations in a single runway environment where the window between flights needs to be fully utilized to keep aircraft operating safely and on time. The optional blower attachment allows the airport to remove the standalone snow blower from its 2012 Capital Plan and the front-mounted broom attachment clears snow effectively without damaging the inset runway lights which have been sustaining significant and costly damage utilizing traditional snow plow equipment.

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The Request for Proposal asked for separate pricing for both 1 unit and two unit orders and the successful proponent was Eagle Airfield. The cost of the units if both are purchased together in 2011 is \$1,838,240 vs \$1,901,780 if purchased independently over a two year period. This is a savings of \$63,540. The total savings over the originally estimated cost of \$2,650,000 for stand alone units would then be \$811,760.

In addition to the cost savings of \$63,540 there are also the following operational and maintenance benefits to ordering two machines concurrently:

- Fleet commonality - two units from the same production line would ensure common parts could be stocked for both units;
- Accessories and attachments will fit both machines;
- Training is reduced and safety is increased with two identical units;
- Both units would arrive at the same time allowing for immediate improved performance.

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

Internal Circulation:

Airport Director
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:



N. Redman, Airport Finance & Administration Manager

Approved for inclusion:



Rob Mayne, Acting General Manager, Corporate Sustainability

cc: Airport Director
Deputy Director, Airport Operations
Airport Operations Manager

/tjm