



City of
Peterborough

To: Members of the Committee of the Whole

From: Malcolm Hunt, Director of Planning and Development Services

Meeting Date: April 18, 2016

Subject: Report PLPD16-036
Contract Amendment P-27-12, Airport Management and Operations Contractor for the Peterborough Airport

Purpose

A report to recommend an amendment to the Airport Management and Operations Contract to reflect additional infrastructure constructed by the City.

Recommendations

That Council, pursuant to Section 17.4.6.a of the City's Purchasing By-law 14-127, approve the recommendations outlined in Report PLPD16-036 dated April 18, 2016 of the Director of Planning and Development Services as follows:

- a) That the approval granted in Report PLPD-12-066 and Report PLPD15-024 to award the Airport Management and Operations of the Peterborough Airport to Loomex Property Management Ltd. at a cost of \$9,085,137, plus HST of \$1,181,067.81, for a total cost of \$10,266,204.81, be increased by \$320,000, plus HST of \$41,600, to a cost of \$9,405,137, plus HST of \$1,222,667.81 for maintenance of additional infrastructure, for a total of \$10,627,804.81.
- b) That future contract amendments for the Management and Operations Contract of the Peterborough Airport, applying to the term awarded by Council, for the maintenance of additional infrastructure that may be constructed by the City during the term of the contract be approved by the Administrative Staff Committee, where the value of the amendment can be approved within the Approved Budget.

Budget and Financial Implications

The increase of \$320,000. will be applied over the remaining 8 years of the contract in the amount of \$40,000. per year and will increase the total cost of the 11 year contract to \$9,405,137. net of HST rebates for the management and operations of the Peterborough Airport. The annualized impact of the contract amendment was accommodated in an adjustment to the base Airport Operating Budget in 2016.

Background

On October 22, 2012 City Council approved the recommendations of Report PLPD12-066 and awarded an 8 year contract with the potential for two 3-year extensions to Loomex Property Management for the Management and Operations of the Peterborough Airport. The initial 8 year term ends on November 30, 2020. In the initial year the cost of the contract was \$725,000 and inflates approximately 2.4% per year over the term of the contract.

On April 20, 2015 City Council approved the recommendations of Report PLPD15-024 and awarded a 3 year extension to Loomex Property Management for the Management and Operations of the Peterborough Airport. The contract extension of 3 years ends on November 30, 2023.

When the Call for Proposals was issued to secure a management and operations contractor for the airport, the arrival of Seneca College was known as well as the commitment to add a crosswind runway, a partial taxiway to the crosswind runway, and exclusive use apron for the Seneca fleet. The contractor's pricing was required to anticipate the arrival of Seneca College and the maintenance of property as shown in Appendix A. During the planning and design phase for the 2013 Seneca airside improvements the City also elected to add a full taxiway to serve the cross wind runway and extend the main airport taxiway for increased safety of aircraft operations. These changes in design were not identified in the RFP P-27-12 and therefore have increased the scope of work for airport operations.

Request for Proposals P-27-12 was written taking into consideration additional infrastructure would change the scope of work and corresponding payment. The following is written in the Request for Proposals P-27-12:

“Should the City request that additional Work be carried out that is beyond the scope of the typical daily operations specified by the Agreement, equipment and other related rates for the extra work shall be paid based on the unit rates to be provided in Appendix B, or as other wise negotiated and agreed to in writing by the parties.”

The following is a list of additional infrastructure Loomex Property Management is required to maintain (see Appendix B):

- Full length Foxtrot taxiway for cross wind runway
- Extended Bravo taxiway
- New Hotel taxiway

Additional work for taxiways includes, daily inspections, snow clearing (plow, sweep and snow blow), ice control and condition reporting, lighting, sign and ditch maintenance.

The contract amendment for additional infrastructure is commencing Year 4, to be applied annually for Years 4 to 11 of the Airport Management and Operations Contract.

Pursuant to Section 17.4.6.a of the Purchasing By-law 14-127, Council approval is required where the proposed amendment to a contract exceeds \$100,000. In this case the annual increase is approximately \$40,000 however the increase will be incurred in each of the remaining 8 years of the contract for a total of \$320,000.

Council has already approved the construction of a new taxiway to support the planned industrial development on the east side of Airport Road. When that taxiway is constructed by the end of 2016, Loomex will be required to maintain that infrastructure also. Recommendation b) will allow routine amendments to the amount of work performed by the Contractor to be approved by the Administrative Staff Committee for the balance of the contract term (to November 30, 2023) provided the increased payments can be made within an Approved Budget.

Submitted by,

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Director of Planning and Development Services

Contact Name:

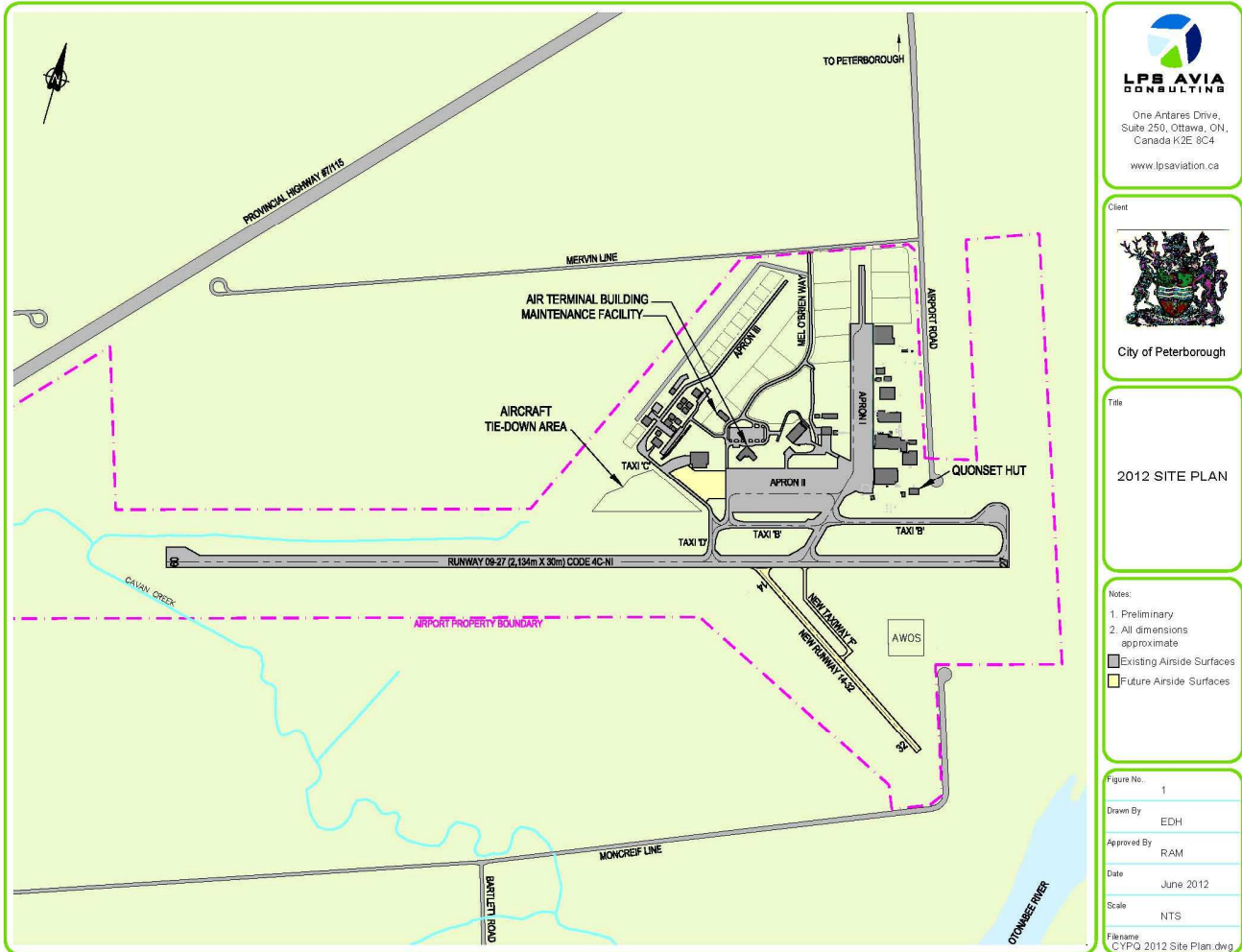
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Attachments:

Appendix A: Site Plan – RFP P-27-12
Appendix B: Site Plan – New Infrastructure

Appendix A
Site Plan – P-27-12

Attachment #9



Appendix B
Site Plan – Additional Infrastructure

