



## STAFF REPORT

**Title:** Capital Project Update - Cold Lake Regional Airport Taxiways

**Meeting Date:** April 9, 2019

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### Executive Summary:

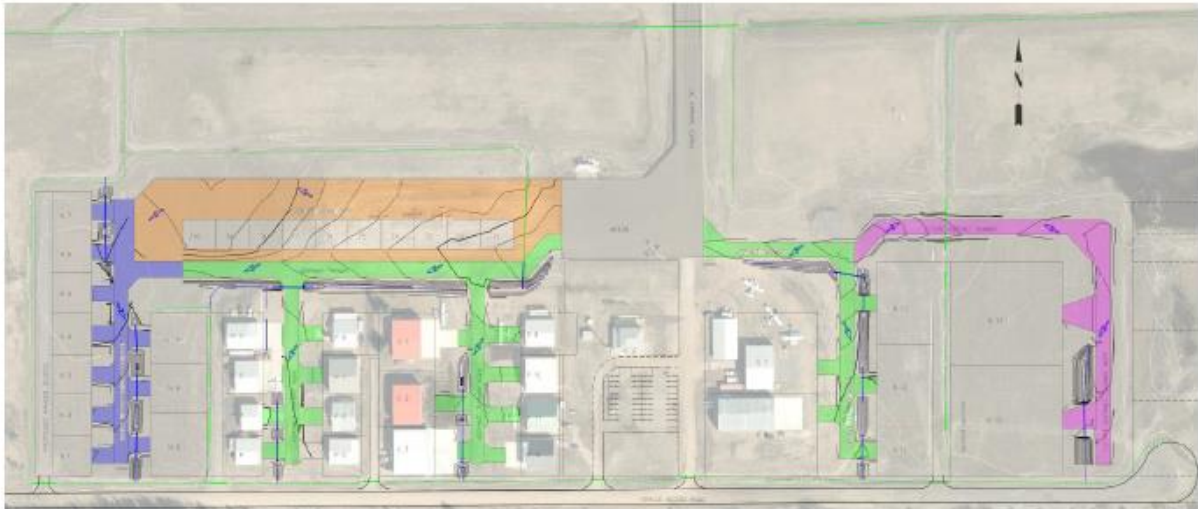
The tender for the Airport Taxiway project closed recently and the lowest bid including Phase 1 as primary, and Phase 2 and 3 as provisional is \$1,298,203. The tender was intended primarily to complete Phase 1 of the project, but prices to complete Phase 2 and 3 were also requested in the bid as provisional. The current budget allocated to complete Phase 1 including engineering, construction, and contingencies is \$1,200,000. As the tender price including all phases came lower than anticipated (consultants estimate), it opened alternative options to be considered.

### Background:

Internal review of the lowest bid and the current available budget suggests that with the current budget of \$1,200,000 it would be possible to complete Phases 1 & 2 but additional funds in the amount of \$410,000 would be required to complete Phase 3. The table below details the cost for different phases, and the attached plan shows different phases of the project.

Project Activity	Phase 1 Cost	Phase 1 & 2 Cost	Phase 1, 2 & 3 Cost
Engineering and QA/QC	\$129,556	\$150,788	\$178,065
Construction (lowest bid)	\$792,728	\$1,014,368	\$1,298,203
Contingency (10%)	\$79,273	\$101,437	\$129,820
<b>Total Cost (with contingency)</b>	<b>\$1,001,557</b>	<b>\$1,266,593</b>	<b>\$1,606,088</b>
Approved Budget	\$1,200,000	\$1,200,000	\$1,200,000
Surplus/Deficit	\$198,443	-\$66,5923	-\$406,088

As Council is aware, the MD of Bonnyville has indicated that they would contribute \$500,000 to fund the taxiway project at the Cold Lake Regional Airport. The MD's contribution can be put towards supplementing a portion of the City's \$1,200,000 project budget, or could be used in addition to the \$1,200,000 budget to allow completion of Phase 3 of the project.



	Phase 1- Existing- Schedule A
	Phase 2- West- Schedule B
	Phase 3- East- Schedule C
	Phase 4- Tie Down- Not Included

Administration is of the opinion to complete phase 1 and 2 of the project as this will not only address the issues faced by the existing lease holders but will also increase the marketability of ten (10) new leases on the west side of the airport. Phase 3 on the east side will only serve two large commercial lots. Both of the new areas (phase 2 and 3) are currently serviced by grass taxiways which were built recently with proper drainage and slopes. Administration is of the opinion that if in future a large commercial investment opportunity arises requesting paved taxiways in phase 3 then that can be easily done at that time.

The \$500,000 that will be available from this project after MD's contribution can be allocated to other capital projects that did not make the list for 2019.

### **Alternatives:**

Council may consider the following options:

1. Council may authorize a reduction the project budget from \$1,200,000 to \$1,000,000 thereby freeing up \$700,000 in funding by allocating the \$500,000 commitment from the Municipal District of Bonnyville and complete Phase 1.
2. Council maintain the \$1,200,000 budget as allocated and to complete Phases 1 & 2. (This option would free up \$500,000 in funding for other projects and/or initiatives)



3. Council may authorize an increase in the capital budget for the Cold Lake Regional Airport Taxiway Project from \$1,200,000 to \$1,700,000 by allocating the \$500,000 commitment from the Municipal District of Bonnyville to complete Phase 1, 2 and 3.

**Recommended Action:**

Administration recommends that Council pass a motion to confirm the \$1,200,000 budget stated in the 2019 Capital Budget thereby authorizing the implementation of Phases 1 and 2 of the Cold Lake Regional Airport Taxiway Project and recognizing a \$500,000 commitment to the project from the Municipal District of Bonnyville in the 2019 Capital Budget.

**Budget Implications (Yes or No):**

Yes

**Submitted by:**

Kevin Nagoya, Chief Administrative Officer