

Municipal District of Bonnyville No. 87

Request for Decision (RFD)

Meeting: Regular Meeting of Council
Meeting Date: April 23, 2024
Originated By: Bryan Bespalko, General Manager of Infrastructure Services
Title: M.D. Airport Terminal Construction – Update

PROPOSAL & BACKGROUND

Infrastructure Services released a Request for Proposal (RFP) for a design build of the M.D. Airport Terminal Building.

All four (4) proposals were significantly over the approved budget for the construction and Administration subsequently cancelled the tender on Alberta Purchasing Connection (APC).

Average price from submitted tenders was \$1,768,150.00.

Handouts provided to Council contain information relating to the RFP and submissions.

DISCUSSION ON BENEFITS, DISADVANTAGES & OPTIONS

As the submissions were all over budget, Administration explored alternative options:

1. Self-performing the construction – After review of the material and contractor costs, this option had no cost saving opportunities.
2. Renovating the existing terminal building with an addition – Considering the age and style of the existing building and that asbestos containing materials were used in the building construction, this was deemed to not be a feasible option.

Administration attempted to solicit outside funding for the construction from industry partners, however, no additional funding was committed.

Administration is offering additional options for Council:

1. Leave terminal building as is and cancel project.
2. Re-submit the design build RFP and increase budget for construction in 2024.

REFERENCE TO STRATEGIC PLAN

GOAL 1: BUILDING A VIABLE AND DIVERSIFIED REGIONAL ECONOMY

Objective: Long-range Airport Expansion Plans

REFERENCE TO PROVINCIAL/FEDERAL LEGISLATION

N/A

COSTS & SOURCE OF FUNDING

Option 1 – No budget impact

Option 2 – Budget increase of \$992,390.00 from Cashflow Reserves.

Average Cost from Submitted Proposals -	\$ 1,768,150.00
10% Contingency on Average Price -	\$ 176,815.00
TOTAL Funds Required -	\$ 1,944,965.00
2024 Capital Budget for Terminal Building -	\$ 952,575.00
Increase In Capital Budget Required	\$ 992,390.00

COMMUNICATIONS STRATEGY

Communication will depend on the direction of Council.

ADMINISTRATION RECOMMENDED ACTION

THAT Council approves an unbudgeted expenditure in the amount of \$992,390.00 for the new Airport Terminal construction project to be funded from Cashflow Reserves and furthermore that Council directs Administration to re-issue a Request for Proposal (RFP) for the design build of the building.

COUNCIL OPTIONS

1. THAT Council approves an unbudgeted expenditure in the amount of \$992,390.00 for the new Airport Terminal construction project to be funded from Cashflow Reserves and furthermore that Council directs Administration to re-issue a Request for Proposal (RFP) for the design build of the building.
2. THAT Council directs Administration to bring back the new Airport Terminal construction project to 2025 budget deliberations for consideration.
3. THAT Council cancels the new Airport Terminal construction project.
4. THAT Council directs Administration to bring back additional information regarding the new Airport Terminal construction project to a future meeting of Council, as discussed.

Report Approval Details

Document Title:	M.D. Airport Terminal Building Construction - Update.docx
Attachments:	
Final Approval Date:	Apr 22, 2024

This report and all of its attachments were approved and signed as outlined below:

Stephanie Severin