

Municipality Of Chatham-Kent
Infrastructure and Engineering Services
Public Works

To: Mayor and Members of Council
From: Ryan Brown, Director of Public Works
Date: October 9, 2020
Subject: Chatham-Kent Municipal Airport AWOS Software and Technical Operations Maintenance Contract Extension

Recommendations

It is recommended that:

1. The contracts for the AWOS Maintenance Agreement and the AWOS Software License be renewed with NAV CANADA as a sole source for an additional five year term at a total cost of \$226,491.15 (including HST).
2. The annual maintenance and licensing costs be funded from the approved base budget for Airport Runway/Field contracts.
3. The General Manager of Infrastructure and Engineering Services be authorized to enter into the necessary agreement.

Background

The Procurement By-law #03-2016 was adopted by Council on January 11, 2016. The Procurement Section 125 – Sole Source states the following:

- A direct award of contract may be used to purchase deliverables from Municipal funds if there is only one Supplier that provides the product. Sole Source purchases that meet this criteria must have prior approval authorized by Council.

In March 2013, a financial contribution of up to \$2.5 million was provided to the Municipality from South Kent Wind LP (comprised of Pattern Energy and Samsung) for an airport study and implementation of upgrades to the Chatham-Kent Municipal Airport in order to mitigate the impacts of the South Kent Turbine Project. It would also provide significant safety and usability improvements to the existing Airport.

The Airport Study completed by GENIVAR Aviation determined that it was necessary to replace the existing (unserviceable) Limited Weather Observation System (LWOS) with a fully automated Automatic Weather Observation System (AWOS).

NAV CANADA's AWOS was determined to be the best solution for the Chatham-Kent airport because of the customization and processing and storing of AWOS data, which can be forwarded to Environment Canada for dissemination and publishing to NAV CANADA's Aviation Weather Website (AWWS). NavCanada will not disseminate the information from other systems due to the liability. The system was also able to ensure International Civil Aviation Organization (ICAO) compliant weather observations and altimeter settings 24/7, which enhances the safety and operability of the airport. No other supplier can offer this package.

In July 2013, the contract for installation of the AWOS system was awarded to NAV Canada at a cost of \$449,175 (including HST and contingencies). It was agreed that the capital cost of the equipment would be funded by the Airport contribution and that annual software and maintenance costs would be covered by the Municipality.

Comments

The current Software License and Technical Operations Maintenance agreements for the Chatham Kent AWOS are up for renewal and NAV Canada has proposed some amendments for the next five year term:

1. The previous Software License was subject to an annual price adjustment of Consumer Price Index (CPI). The new agreement has removed the CPI adjustment and proposed a 2% annual price adjustment going forward. This allows for easier budget forecasting.
2. NAV CANADA's Technical Operations has reviewed their level of effort related to the Chatham Kent AWOS and have adjusted the annual rates to reflect it. The hours are based on the National average for AWOS, taking into account preventive and corrective maintenance as well as field modifications on an annual basis.

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

Economic Prosperity:

Chatham-Kent is an innovative and thriving community with a diversified economy

A Healthy and Safe Community:

Chatham-Kent is a healthy and safe community with sustainable population growth

People and Culture:

Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community

Environmental Sustainability:

Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

Financial Sustainability:

The Corporation of the Municipality of Chatham-Kent is financially sustainable

Open, Transparent and Effective Governance:

The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership

Has the potential to support all areas of strategic focus & critical success factors

Neutral issues (does not support negatively or positively)

Consultation

The Purchasing Officer and Director of Legal Services were consulted in preparation of this report.

Financial Implications

Annual contract costs in 2019 totaled \$29,688.15. The new financial implications result in a one-time rate increase of 30% with a 2% fixed annual increase going forward.

Funding will come from the airport’s approved base budget of \$50,000 for Airport Runway/Field Contracts.

Description	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
AWOS Maintenance Agreement	\$16,730.00	\$17,230.00	\$17,750.00	\$18,280.00	\$18,830.00
AWOS Software & Data License	\$21,319.81	\$21,746.20	\$22,398.59	\$22,846.56	\$23,303.49
Subtotal	\$38,049.81	\$38,976.20	\$40,148.59	\$41,126.56	\$42,133.49
HST	\$4,946.48	\$5,066.91	\$5,219.32	\$5,346.45	\$5,477.35

Description	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Less: HST Recoverable	-\$4,276.80	-\$4,380.92	-\$4,512.70	-\$4,622.63	-\$4,735.80
Total Costs	\$38,719.49	\$39,662.18	\$40,855.21	\$41,850.39	\$42,875.04

Prepared by:

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Reviewed by:

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Infrastructure and Engineering Services

Consulted and confirmed the content of the consultation section of the report by:

Jennifer Scherle
Purchasing Officer

David Taylor
Director, Legal Services

Attachments: None

c Manager, Chatham-Kent Municipal Airport

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