



**Meeting Date:** August 15, 2016

**Consent Docket Item:** 3-k

**Report No.:** CC-16-103

**Department:** Airport

**Subject:** Request to increase expenditure authorization limit for the airport terminal modifications project.

**Budget Impact:** The additional funds for the increased expenditure limit will be transferred from surplus funds in other airport projects (budget revision attached).

**Prior Council Action or Part of an Approved Project:** Yes      **Related Items:** [Airport Terminal Modifications Bid Award](#)

**Alternatives:**

1. Increase the expenditure limit on the airport terminal modifications project so that the baggage carousel can be purchased and installed by the building modifications contractor. The recommended expenditure limit (additional approximately 10%) will cover all costs associated with the carousel and leave a remaining contingency for unforeseen additional expenditures that may be needed to complete the project.
2. Direct staff to purchase the baggage carousel directly from the carousel vendor and make other arrangements for the installation.

**Recommendation:** It is recommended that the Council increase the expenditure authorization limit for the airport terminal modifications project from \$680,641 to \$749,715.

**Prepared by:** Dan Blankenship, Deputy City Manager

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**Background Information:** The purchase and installation of a baggage carousel is needed to accommodate commercial air service. The carousel was not included in the terminal modifications project. However, once the carousel specifications were obtained, it was determined that additional modifications to the terminal would be necessary to accommodate the carousel. To eliminate the potential for conflict between the terminal modification contractor and the carousel vendor, it is best to have the terminal modification contractor purchase the carousel, make the additional modifications and install the carousel. Staff is currently negotiating a change order with the terminal modifications contractor for the baggage carousel. The recommended increase in the expenditure limit (\$69,074) combined with the unspent portion of the original contract (\$32,985) will enable staff to administratively approve the change order for the carousel and have a contingency for unforeseen additional expenditures that may be needed to complete the project.