



**Date:** 10/08/2020

**To:** Chair and Directors, Cariboo Regional District Board

**And To:** John MacLean, Chief Administrative Officer

**From:** Darron Campbell, Manager of Community Services

**Date of Meeting:** Cariboo Regional District Board\_Aug21\_2020

**File:** 2240-20-8400

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## **Short Summary:**

South Cariboo Regional Airport – Management and Operations Contract Amendment

## **Voting:**

Corporate Vote - Weighted

## **Memorandum:**

The Regional District has received a request for an amendment from the current contract holder of the management and operation of the South Cariboo Regional Airport at 108 Mile.

The current contract has a five-year term of June 2018 to June 2023 and is held by Nick Christiansen of Nick's Rag and Tube. Mr. Christiansen was the successful proponent when the contract was advertised for Expressions of Interest and Requests for Proposals in 2018. Only two responses were received and Mr. Christiansen was the preferred candidate based on his direct airport experience.

Mr. Christiansen has advised that he plans to retire this year and is requesting to amend a section of the agreement that would allow him to transfer the remaining three years of the contract term to another party.

The current version of the agreement does not allow for its assignment to another party. This was changed following some of the challenges at the airport when the clause was used in 2007 to transfer the agreement to a new contractor that was not capable of handling the responsibilities.

Mr. Christiansen has identified a potential replacement with extensive airport experience, who will be meeting with the South Cariboo Airport Commission on September 1. He has also agreed to provide ongoing support for a smooth transition.

The alternative to the proposed amendment would be to terminate the contract at Mr. Christiansen's request and re-issue an EOI or RFP to solicit other interest.

Attached is the full contract and Section 13 wording – original and proposed new – is below.

### Existing Section 13

This Agreement as a whole is non-transferable and may not be assigned to another party. No sub-contract entered into by the Contractor in relation to the provision of the Services shall relieve the Contractor from any of his obligations or liability to the Region under the terms of this Agreement.

### Proposed New Section 13

This Agreement as a whole may only be transferred to another party with the written approval of the Region. No sub-contract entered into by the Contractor in relation to the provision of the Services shall relieve the Contractor from any of his obligations or liability to the Region under the terms of this Agreement.

The proposed amendment has been reviewed and approved via email by the airport commission.

### **Attachments:**

South Cariboo Regional Airport – Management and Operations Agreement

### **Financial Implications:**

None. It will be a condition of approval that the transfer must be at the same terms and conditions as the existing agreement.

### **Policy Implications:**

Nick Christensen has held the contract since 2008 following an EOI and RFP process. The contract was then renewed for an additional five years in 2013 and then reissued for EOI and RFP in 2018. Nick's Rag and Tube was the preferred proponent in 2018 for a new contract award.

Given the very small market for experienced airport management contractors, it is in the best interests of the airport and the Regional District to facilitate a smooth transition of service and continued successful operation, which would be enabled by the proposed amendment.

### **Alignment with Strategic Plan:**

- Communication:** Facilitate communication strategies throughout the entire Cariboo Regional District that meet the needs of residents, community stakeholders, and other levels of government.
- Planning:** Intentionally plan services and activities of the CRD to prepare for future needs of residents and community stakeholders.
- Economic Sustainability:** Foster an environment to ensure the economic sustainability of CRD communities and the region.

- ☒ **Governance:** Ensure that CRD governance policy and practices are intentional, transparent, and respectful.

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**CAO Comments:**

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**Options:**

1. Endorsement of the recommendation;
2. Receipt and other action at the direction of the Board;
3. Defer.

**Recommendation:**

That the agenda item summary from Darron Campbell, Manager of Community Services, dated August 10, 2020, regarding a request for an amendment to the South Cariboo Regional Airport Management and Operations contract between the Regional District and Nick Christiansen, be received. Further, that Section 13 of the agreement be amended to enable transfer of the agreement to another party subject to written approval of the Regional District.