

## **2.0 TERMS OF REFERENCE**

### **2.1 Background**

The Tillsonburg Regional Airport is located in the Township of Southwest Oxford, approximately 7 km north of the Town of Tillsonburg. The Airport is accessed from Highway 19 and is only 15 km south of Highway 401. It is comprised of a lighted paved runway (08-26) 5,500 feet long by 100 feet wide and 2 grass runways (02-20 & 32-14) which are 2,600 feet long by 100 feet wide.

The Royal Canadian Air Force originally built the Airport as an emergency grass airfield to support flying training during the Second World War. Three grass runways each 2,600 feet in length were defined in the typical military triangular configuration of the time. The Town of Tillsonburg leased the Airport from the Federal Government in the late 1950's. As part of the conditions of lease prior to ownership, the Town contributed funding towards Airport improvements. In the 1970's the Town reconstructed and paved the primary runway (08-26) and constructed an exit taxiway, an apron on the south side of the runway, added fuelling facilities and aircraft hangers and constructed a terminal building. The Town took over ownership and administration of the Airport in 1981. In 2009 through Federal grant funding the Town rehabilitated the existing 4,000 foot main asphalt runway and lengthened the main runway to 5,500 feet as well as constructing a new Airport Terminal Building.

The Airport is also home to a flight school, a 10 bay privately owned general aviation "T" hangar and 18 other privately owned hangars as well as the Canadian Harvard Aircraft Association (CHAA) headquarters who maintain a fleet of Harvard aircraft at the Airport.

### **2.2 Introduction**

The Town of Tillsonburg is now seeking a qualified consultant (hereinafter referred to as "Consultant") with expertise in aviation, airport management and operations, and negotiation tactics to provide the necessary professional services to develop, evaluate and report on the following scope of work.

### **2.3 Scope of Work**

The following section identify, in general terms, the services to be provided by the successful Proponent and outline the minimum requirements of the Town of Tillsonburg. Proponents are encouraged to describe the benefits of their recommended approach and include any item which has not been specifically referred to in this document. The main objectives of this project are as follows:

- Governance models
- Revenue strategies
- Divesture options
- Risk assessment of public access

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The following sub-sections describe in more detail the anticipated requirements for the project. It is presented with the intention that it can be used as a guide and the actual scope of work to be provided by the Proponent must be outlined and expanded in the Proposal. Proponents are encouraged to include any subject, procedure, approach or recommendations that may have been overlooked or identify any item that appears excessive or irrelevant to the project.

### **2.3.1 Governance Models**

The successful Proponent is expected to review the current Airport ownership and management model identifying strengths, weaknesses and opportunities for improvement as well as investigating and providing a comparative analysis of alternative Airport management models, including but not limited to:

- Flight School management
- Board or Commission management
- Third Party management
- Joint Ownership/management
- Others

In addition the comparative analysis for each scenario should also include, but is not limited to, the roles and responsibilities of each organization, team qualifications, revenue sharing models, cost estimates and financial projections including a return on investment for the Town, and an evaluation matrix of alternative management options.

The successful Proponent shall also provide benchmarking comparison of ownership and management models of at least three (3) other similar sized Airport's within Ontario where the airport is located in a different municipality.

### **2.3.2 Revenue Strategies**

The successful Proponent in consultation with Town staff shall investigate and develop realistic revenue generating strategies appropriate for the scale of the Tillsonburg Regional Airport to increase financial sustainability, including but not limited to:

- developing a minimum of three (3) negotiation strategies and tax revenue sharing models to initiate discussions with the Township of South-West Oxford
- developing a minimum of three (3) negotiation strategies to initiate sustainable funding from the upper tier municipality of Oxford County
- develop other new and alternative sources of revenue generation

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### **2.3.3 Divesture Options**

The successful Proponent, in consultation with Town staff, shall investigate the advantages and disadvantages, financial implications, appraisal value and methodology, local economic impact, among other considerations regarding various divesture options, including but not limited to:

- Sale to a third party
- Joint partnership/ownership with private sector or other municipalities
- Lease
- Sale or transfer to private sector or other municipalities
- Other

### **2.3.4 Risk Assessment of Public Accessing Airport**

The successful Proponent shall conduct a site visit, review relevant background information, aviation regulations and current practices regarding the general public accessing the airside of the Airport and provide a risk assessment summary outlining potential liability to the Town and respective Tenants, identify opportunities for improvement, and recommendations.

## **2.4 Deliverables**

### **2.4.1 Draft Report**

The successful Proponent is responsible to submit three (3) hardcopies of the Draft Report to the Town for their review. The Draft Report shall contain a minimum of the following:

- Executive Summary
- Governance models
- Revenue strategies
- Divesture options
- Risk assessment of public access
- Conclusion and Recommendations

Town staff will review the Draft Report and provide one set of consolidated comments per draft to the Proponent. The comments received from Town staff on the Draft Report must be addressed and incorporated into the Final Report by the successful Proponent.

All draft reports must meet the project-specific format and content expectations for the project and be acceptable to the Town. The Town, at its sole discretion may reject any “draft” report it deems as unsuitable, prior to the Town doing a review of the draft. All costs associated with the rejection and resubmission of drafts will be the Proponents responsibility. No additional payments will be made. All reports are to be free of spelling and grammatical errors, and shall incorporate alterations for the review of the draft report, and shall be packaged in an aesthetic and professional manner.

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### 2.4.2 Final Report

The successful Proponent shall submit three (3) hardcopies and two (2) electronic copies, one in Microsoft Office and one in Adobe Acrobat PDF format, of the Final Report within 14 days after receiving Draft Report comments from the Town.

### 2.5 Upset Limit

The estimate submitted by the Proponent shall be the upset limit and the Proponent shall not be paid in excess of the upset limit without the prior written approval of the Town.

Any work that is felt to be outside the scope of the Terms of Reference must be identified and discussed with the Town's Project Manager for authorization and resolution. If additional costs are to be incurred over the upset limit, written authorization to proceed must be obtained prior to the commencement of the additional work.

Further, no invoice will be honoured for any work whatsoever that was not authorized by the Town's Project Manager in writing. Verbal authority, regardless of the source, will **not** be honoured in considering invoices.

The Proponent shall summarize an Upset Limit that presents the core services and provisional items quantified separately for the purpose of evaluating the effectiveness of awarding the provisional items with the core services. The Total Upset Limit being considered as part of the cost evaluation will include the cost of core services and provisional items.

### 2.6 Project Schedule

The following should be included as milestone dates in the submitted project schedule. Milestone dates are further summarized in **Table 1** below.

- **Project Start up Meeting** – within 1 week of award to outline the Proponents schedule and proposed plan for project completion, approximately two (2) hours in length located at the Corporate Office.
- **Project Progress Meetings** – will be held every 4-6 weeks to update the progress and report on any problematic issues arising during the project, approximately one (1) hour in length located at the Corporate Office.
  - For each meeting, the Consultant shall be responsible for providing a meeting agenda no later than two (2) business days before the meeting and provide meeting minutes within five (5) business days of the meeting date.
  - Additional meetings may be warranted depending on the Proponents proposed plan for completion. The Proponent shall identify an hourly rate for meetings.

**Table 1 – Milestone Schedule**

Milestone	Date
Start-up Meeting	Within one (1) week of Award
Draft Report	Within three (3) months of Award
Final Report	Within two (2) weeks of receiving comment