COUNCL AGENDA: 10-17-06
ITEM: 2.5

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: William F. Sherry, A.A.E.

SUBJECT: **SEE BELOW**

DATE: 09-27-06

Approved Deanna Santana Date 10/5/06

COUNCIL DISTRICT: Citywide

SUBJECT: FIFTH AMENDMENT TO THE AGREEMENT WITH AIRPORT & AVIATION PROFESSIONALS, INC. DBA AVAIRPROS FOR CONSULTING SERVICES FOR THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT

RECOMMENDATION

Adoption of a resolution authorizing the City Manager to negotiate and execute a Fifth Amendment to the Agreement with Airport & Aviation Professionals, Inc. dba AvAirPros for consulting services related to technical and operational issues during implementation of the Airport Master Plan, increasing compensation by $163,000 from $730,000, for a total agreement amount not to exceed $893,000, and extending the term of the agreement from December 15, 2006 to June 30, 2007.

CEQA: Resolution Nos. 67380 and 71451, PP 06-159

OUTCOME

Approval of this Fifth Amendment will allow Airport & Aviation Professionals, Inc. (Consultant) to continue to provide consultant services for the Norman Y. Mineta San José International Airport (Airport) related to coordination and representation of the Airlines with the Airport for technical issues related to the Airport's capital development program.

BACKGROUND

On March 27, 2002, the City of San José (City) entered into an agreement with AvAirPros that provided for consultant services for security review and airline coordination of proposed security related projects. Consultant was selected based on the results of a formal competitive consultant selection process that took place in February 2002. AvAirPros was the only consultant firm that responded to the Request for Qualifications (RFQ). A selection committee comprised of Airport staff and representatives from Southwest, American and United Airlines evaluated a written proposal and an oral presentation, and recommended approval of Consultant. AvAirPros has performed to the satisfaction of both the Airlines and the City, and the Agreement with Consultant has been amended three previous times to allow for their continued services. The current Agreement provides for technical support and coordination with the Airlines in the implementation of the Airport's capital development program, as well as limited financial analysis support. The current Agreement expires on December 15, 2006.

ANALYSIS

Consultant serves as the single "bridge" between the Airlines and the Airport in the implementation of the capital development program. Their role is to facilitate communication on technical issues between the Airlines and the Airport so that collaboration can take place. Their continued services are needed to support the implementation of the Airport's revised capital development program. The work to be performed under the proposed amendment includes coordination between Airport Staff and the Airlines regarding technical issues associated with the capital development program, as well as limited program monitoring and reporting. The proposed amendment provides for a continuation of these services for an approximate six-month extension to the existing contract.

Based on the magnitude and nature of the Airport's revised capital development program, the Airport will be issuing an RFQ to provide Airline Technical Representative (ATR) services, for the next five years, to support the Airport capital development program. The proposed RFQ has been coordinated with the Airport Airlines Affairs Committee. This amendment will provide continuation of services while the RFQ process is moving forward.

The City's Local Preference Ordinance (Municipal Code Chapter 4.06) requires that the City obtain three competitive proposals, if practicable, on all professional services contracts with a payment amount exceeding $5,000. For professional services contracts where price is not the determinative factor, proposers that qualify as local business enterprises are to be given a credit equal to five percent of the total points used to determine the most advantageous proposal to the City. Local business enterprises that also qualify as small business enterprises are to be given an additional credit equal to five percent of the total points used to determine the most advantageous proposal to the City.

Unless Council determines that it is not practicable for the City to obtain three competitive proposals, the Local Preference Ordinance requirements apply to consultant agreement amendments such as the proposed Fifth Amendment to increase the compensation and amend the Scope of Services. Staff recommends that Council determine that it is not practicable to obtain three competitive proposals for the additional consultant services included in the proposed Fifth Amendment because to do so would leave the Airport and the Airlines without coordination related to the Airport's capital development program. Continuity of AvAirPros' services is key to the ongoing success of current implementation efforts, especially in consideration of the consultant's experience with and understanding of the Airport master plan, the development of the Terminal Area Improvement Program and the relationship between the Airport and airlines serving SJC.

POLICY ALTERNATIVES

Alternative #1: Allow a lapse in service for the Airline Technical Representative.
Pros: None
Cons: Coordination of airline technical issues will not occur, resulting in possible conflicts with airline stakeholders.
Reason for not recommending: This option would leave the Airport and the Airlines without coordination related to the Airport's capital development program.

PUBLIC OUTREACH/INTEREST

- ☐ **Criteria 1**: Requires Council action on the use of public funds equal to $1 million or greater. **(Required: Website Posting)**
- ☐ **Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

While this contract amendment is below the $1 million threshold for Criteria 1, this memo is posted on the City's website for the September 26 Council Agenda.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office. Additionally, this amendment has been coordinated with the City Attorney's Office and the Airport Airlines Affairs Committee.

FISCAL/POLICY ALIGNMENT

This project is consistent with the Guiding Principles for Budget and Financial Management, Mayor's 2006-2007 Revised June Budget Message, in that it supports economic recovery and job creation.

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION: $163,000

Original Agreement	$50,000
First Amendment	$100,000
Second Amendment	$100,000
Third Amendment	$240,000
Fourth Amendment	$240,000
Fifth Amendment	$163,000
TOTAL AGREEMENT AMOUNT	$893,000

2. COST ELEMENTS OF AMENDMENT:

Professional Services	$160,000
Reimbursable Expenses	$3,000
TOTAL	$163,000

Labor Rates	2006	2007
Officer	$178	---
Regional Managing Director	$168	$173
Managing Director	$158	$163
Senior Director	$148	$152
Director	$138	$142
Manager	$112	$115
Admin Support	$50	$52

3. SOURCE OF FUNDING: 527 – Airport Renewal and Replacement Fund

4. FISCAL IMPACT: The project has been reviewed, and was determined to have no impact on the General Fund operating budget.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2006-07 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
527	4007	Advanced Planning	$709,000	$163,000	V-992	06/27/06 Ord. No. 27801

CEQA

CEQA: Resolution Nos. 67380 and 71451, PP 06-159

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WILLIAM F. SHERRY, A.A.E.
Director of Aviation, Airport

For questions please contact William Sherry, Director of Aviation, at (408) 501-7669.