



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

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

SUBJECT: SEE BELOW

DATE: November 1, 2006

Approved

Date

11/6/06

COUNCIL DISTRICT: Citywide

SUBJECT: EXTENSION OF THE CONSULTANT AGREEMENT FOR CENTER FOR AIRPORT MANAGEMENT

RECOMMENDATION

Approval of a Continuation Agreement with the Center for Airport Management (CAM) for consultant services for the development of concession plans for the Norman Y. Mineta San José International Airport. (Airport), continuing and extending the term of the agreement from October 31, 2006 to December 31, 2007 with no increase in compensation.

OUTCOME

Approval of the Third Amendment and Continuation Agreement with the Center for Airport Management will continue and extend the term of the agreement and will enable CAM to continue to aid staff with technical assistance to insure timely completion of the Food & Beverage/Retail request for proposal (RFP) documents for the Airport-wide concession solicitation.

BACKGROUND

The City of San José is in the process of upgrading all concessions at the Norman Y. Mineta San José International Airport. As part of that process, staff conducted a competitive process to select a concession consultant in December 2004. The Center For Airport Management (CAM) was selected to perform the first segment of the concession redevelopment program, and the City Manager approved a consultant agreement with CAM in an amount not to exceed \$95,100 on January 11, 2005.

Council approved a first amendment to the agreement with CAM for consultant services for the development of concession plans for the Airport on June 7, 2005. The first amendment provided for a modification of the scope of services to include completion of the development of the solicitation process for the advertising RFP, the food and beverage concession in the North

Concourse, and the development of the solicitation process for all retail locations at the Airport. This amendment also provided for increasing the compensation by \$165,000, for a total amount not to exceed \$260,000, and extended the term of the Agreement from August 31, 2005 to April 30, 2006.

On May 10, 2006 a Minor Contract Amendment (Second Amendment) to the CAM agreement was executed by the City Manager extending the agreement by an additional six months with no increase in compensation.

ANALYSIS

Council adopted Resolution 73213 on June 13, 2006 approving a Major Amendment to the Airport Master Plan that formally incorporated changes to the Airport Master Plan. These changes delayed the implementation of the Terminal Area Improvement Program (TAIP). There was a need to wait until the design-build firm for the TAIP was selected before coordinating with Airport staff and CAM to plan the locations of concessions in the terminals. Once the concession types and locations are identified they will be integrated into the food and beverage/retail concession RFP

In addition to the coordination of the RFP with the Airport Master Plan, the RFP schedule has been impacted due to the Federal Aviation Administration's (FAA) issuance of new Airport Concession Disadvantaged Business Enterprise (ACDBE) requirements. City Council approved the new plan on September 12, 2006 and has been submitted to the FAA for final approval.

COMPLIANCE WITH LOCAL PREFERENCE ORDINANCE

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 Third Amendment to extend the term of the Agreement. Staff recommends that Council determine that it is not practicable to obtain three competitive proposals for the additional consultant services included in the proposed Third Amendment because the selection of a different consultant would result in a lack of continuity to the Airport concession RFP process and the RFQ for a consultant would delay the RFP process. This could potentially lead to concessions not being ready when the new Airport terminals are complete.

POLICY ALTERNATIVES

Alternate #1: Do not approve continuation of agreement.

Pros: None.

Cons: If not approved staff will be unable to complete the food and beverage/retail RFP on a timely basis.

Reason for not recommending: This could affect the timing of the roll-out of the concessions in the TAIP.

Alternate #2: Perform a new RFP solicitation.

Pros: None.

Cons: An RFP process has been completed for the initial selection of the concession consultant.

Reason for not recommending: A new RFP solicitation might result in a lack of continuity to the Airport concession RFP process and the RFQ for a consultant would delay the RFP process.

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)**

Although this item does not meet any of the above criteria, this item will be posted on-line for the November 21 Council Meeting.

COORDINATION

Preparation of this memorandum has been coordinated with the City Attorney's Office.

COST IMPLICATIONS

Not Applicable

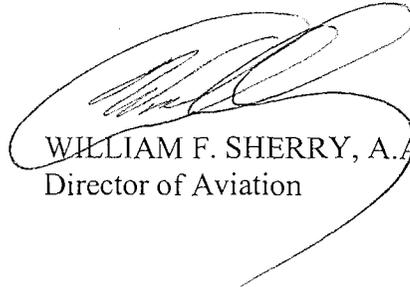
BUDGET REFERENCE

Not Applicable

HONORABLE MAYOR AND CITY COUNCIL
CAM Amendment Extension
November 21, 2006
Page 4 of 4

CEQA

Resolution Nos. 67380 and 71451, PP 06-179



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

Please direct questions to William Sherry, Director of Aviation, at (408) 501-7669.