



SUPPLEMENTAL COUNCIL AGENDA: 12-12-06
ITEM: 6.5

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

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

SUBJECT: SEE BELOW

DATE: 12-08-06

Approved

Ray Winer

Date

12/11/06

COUNCIL DISTRICT: Citywide

**SUBJECT: AGREEMENT FOR PROGRAM MANAGEMENT AND
IMPLEMENTATION SUPPORT CONSULTANT SERVICES TO SUPPORT
IMPLEMENTATION OF THE AIRPORT MASTER PLAN**

REASON FOR SUPPLEMENTAL

The purpose of this supplemental memo is to inform Council of the potential total costs associated with the proposed agreement.

ANALYSIS

The nature of the Airport's capital development program necessitates a multi-year agreement for the proposed services. The recommended Council action provides for a four-year term, with two, two-year options. The recommended initial not to exceed amount is set at \$7.5 million, based on past experience with the existing contract, and represents staff's estimate of a "worst case" annual cost for the contract. Staff anticipates that the total cost of the contract will be increased over its four-year term, but should never exceed \$7.5 million for any single year of the contract. Staff estimates that the maximum total cost of the agreement will not exceed \$30 million for the four-year term, and \$15 million for each two-year option. The contract is structured so that any increase in the value of the agreement over the initial \$7.5 million requires Council approval.

Frank Kirkbride

for

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

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