



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** William F. Sherry

**SUBJECT:** SEE BELOW

**DATE:** November 21, 2005

Approved

Date

12/1/05

Council District: Citywide

**SUBJECT: FOURTH 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 the fourth amendment to the agreement with AvAirPros for consulting services related to technical, financial, and operational issues during implementation of the Master Plan, increasing compensation by \$240,000, from \$490,000, for a total agreement amount not to exceed \$730,000, and extending the term of the agreement from December 15, 2005 to December 15, 2006.

## BACKGROUND

On March 27, 2002, a City Manager's agreement was approved with AvAirPros that provided consultant services for security review and airline coordination of proposed security related projects. AvAirPros 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 RFQ process. 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 AvAirPros. AvAirPros has performed to the satisfaction of both the airlines and the City, and the agreement with them 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, 2005.

## **ANALYSIS**

As noted, AvAirPros has performed satisfactorily under the current contract. In general, they serve as the single “bridge” between the airlines and the Airport in the implementation of the capital program. Their role is to facilitate communication on technical and financial 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 capital development, limited financial analysis, and limited program monitoring and reporting.

## **OUTCOMES**

Approval of the proposed amendment would provide for a continuation of these services through a one-year extension to the existing contract.

## **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 fourth amendment to increase the compensation and extend the term. Staff recommends that Council determine that it is not practicable to obtain three competitive proposals for the additional consultant services included in the proposed first amendment, because AvAirPros was integrally involved in the development of the revised program, and they are in a good position to be able to represent the airlines on the technical and financial aspects of the program.

## **PUBLIC OUTREACH**

The scope and costs of this proposed amendment have been reviewed and approved by representatives of the Airport Airline Affairs Committee.

**MASTER PLAN CONSISTENCY**

The San Jose Municipal Code requires that capital projects at the Airport be consistent with the adopted Airport Master Plan. The proposed amendment to the AvAirPros consultant agreement would support the ongoing implementation of projects identified in the Master Plan and is therefore consistent with the Master Plan pursuant to Municipal Code Section 25.04.210(B).

**COORDINATION**

This consultant agreement amendment and memo have been coordinated with the City Attorney's Office.

**COST IMPLICATIONS**

1. AMOUNT OF RECOMMENDATION: \$240,000

2. COST OF PROJECT (Through Third Amendment):

Original Agreement	\$50,000
First Amendment	100,000
Second Amendment	100,000
Third Amendment	<u>240,000</u>
TOTAL	\$490,000

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

4. FISCAL IMPACT: The proposed amendment will increase the not-to-exceed cost of the existing agreement by \$240,000, for a total agreement amount of \$730,000. This recommendation is consistent with the Council-approved Mayor's Budget Strategy, General Principles #5, "We must be open to alternative ways to deliver services through appropriate community partnerships, public-private partnerships and by outsourcing or bringing services back in-house to be delivered by city staff." The services provided through this agreement are requested by the airlines serving the Airport. The project has been reviewed, and was determined to have no significant adverse impact on the General Fund operating budget.

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**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	RC #	Total Appn 2005-06	Amt. for Contract	FY2004-05 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
527	4007	Advanced Planning	121273	\$688,000	\$240,000	V-86	10/18/05 Ord. No. 27580

**CEQA**

Resolution Nos. 67380 and 71451, PP 05-211

*for*   
WILLIAM F. SHERRY, A.A.E.  
Director of Aviation  
Airport Department