



COUNCIL AGENDA: 5/24/11  
ITEM: 2.7

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

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

**SUBJECT:** See Below

**DATE:** 5/2/11

Approved

Date

5/9/11

COUNCIL DISTRICT: City-Wide

**SUBJECT: FOURTH AMENDMENT TO CONSULTANT AGREEMENT WITH LEIGHFISHER INC., FORMERLY JACOBS CONSULTANCY INC., FOR AIRPORT AIRSPACE AND AIRFIELD ANALYSIS SERVICES**

## RECOMMENDATION

Approve a Fourth Amendment to the Consultant Agreement with LeighFisher Inc., formerly Jacobs Consultancy, Inc., for Airport airspace and airfield analysis services, extending the term of the Agreement from 7/1/11 to 6/30/14, increasing compensation from \$500,000 to \$650,000, and consenting to the assignment to LeighFisher Inc.

## OUTCOME

Approval of the proposed amendment to the Agreement will provide continuity for ongoing and as-needed airspace and airfield analysis expertise for Airport operation and development, including the Airport Obstruction Study.

## BACKGROUND

In June 2008, based on the results of a competitive procurement process, Council approved a resolution authorizing the City Manager to execute a consultant agreement with Jacobs Consultancy Inc. (Consultant) to provide airspace and airfield analysis services for the Mineta San José International Airport for a term of three years and compensation of \$200,000. Jacobs has been leading the consultant team working on the Airport Obstruction Study initiated in January 2006 to assess the compatibility of aircraft operations and high-rise building development in the Airport vicinity, and has also been providing other technical services related to airfield and local airspace issues on an as-needed basis. A minor contract amendment to the Agreement was approved by the City Manager in January 2009 to add specific subconsultants. A second amendment was approved by Council in June 2009 to increase compensation by

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\$300,000 (for a total of \$500,000) to cover the expanded analytical work being conducted for the Airport Obstruction Study. A minor third amendment was approved by the City Manager in August 2009 to allow Consultant to pay its subconsultants either on a lump sum or time-and-materials basis.

Effective July 1, 2010, Consultant re-branded its aviation practice as LeighFisher Inc. All responsibilities of Consultant under the Agreement have been assumed by LeighFisher. The proposed amendment memorializes the City's consent to the assignment to LeighFisher Inc.

Given the remaining work to be completed on the Airport Obstruction Study, and continuing need for other technical airspace and airfield analytical services, staff now recommends that the Agreement be extended three years to June 30, 2014, with compensation increased by \$150,000 to a total of \$650,000 to cover the cost of anticipated services over the extended term.

## ANALYSIS

Continued progress leading to completion of the Airport Obstruction Study is currently on hold pending the availability of funds to conduct economic impact studies under other existing consultant agreements. However, given the very specialized airspace expertise being provided by Consultant's team, it is critical to retain the ability to authorize continued work during and subsequent to completion of the economic studies. In addition, other airspace or airfield analyses related to implementation of the Airport Master Plan and compliance with Federal Aviation Administration (FAA) regulations and initiatives will continue to be needed, such as preparing and updating the Airport Layout Plan technical drawings required by the FAA.

As approximately \$370,000 of the current Agreement's compensation of \$500,000 has been expended to date, an increase in maximum compensation to \$650,000 would support the Agreement's term extension. As under the current Agreement, all work performed by the Consultant will be specifically authorized by staff on an as-needed basis.

San Jose Municipal Code Section 4.12.210 requires that the City engage in a competitive procurement on all professional services contracts with a payment amount exceeding \$10,000. Unless Council determines that it is not practical for the City to engage in a competitive procurement, the Municipal Code requirements apply to consultant agreement amendments such as the proposed Fourth Amendment to extend the term and increase maximum compensation. Council may make a determination that an unusual or unique situation exists that makes the application of the requirements for competitive procurement of the services included in the consultant agreement amendment contrary to the public interest. Staff recommends that Council determine that it is not practical to engage in a new competitive procurement because a continuation of the Consultant's services is critical to accomplishing the expert and often time-critical airspace and airfield analyses referenced above. The Consultant's experience and knowledge regarding the Airport is therefore sufficient basis for a determination that a unique

situation exists that would make the application of the requirements for a new competitive procurement contrary to the public interest.

### **POLICY ALTERNATIVES**

*Alternative: Direct staff to conduct a new competitive procurement for an airspace and airfield services consultant to the Airport.*

**Pros:** Allows competitive process to ensure best available firm is providing the needed services.

**Cons:** Administrative burden to conduct competitive process, and potential diminished value of services due to learning curve if a new consultant is selected.

**Reason for not recommending:** Consultant has developed a high degree of familiarity with the specific airspace and airfield issues impacting the Airport and has performed its duties with superb competence and timeliness.

### **PUBLIC OUTREACH**

- Criteria 1:** Requires Council action on the use of public funds equal to \$1million 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)**

The above criteria do not apply to the proposed Consultant Agreement amendment; however, it will be posted on the City's Council Agenda Website for the May 24, 2011 City Council Meeting.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office and City Manager's Budget Office.

### **FISCAL/POLICY ALIGNMENT**

The consultant services covered under this Agreement support the ongoing operation and development of the Airport, consistent with the goals and policies of the City General Plan, the Airport Master Plan, and the City's Guiding Principles for Budget and Financial Management.

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**COST SUMMARY/IMPLICATIONS**

- 1. AMOUNT OF RECOMMENDATION: \$150,000
- 2. COST ELEMENTS OF AGREEMENT:
  - Original Agreement \$200,000
  - First Amendment (minor contract addendum) --
  - Second Amendment \$300,000
  - Third Amendment (minor contract addendum) --
  - Fourth Amendment (pending) \$150,000
  - TOTAL AGREEMENT AMOUNT: \$650,000
- 3. SOURCE OF FUNDING: 527 – Airport Renewal and Replacement Fund
- 4. FISCAL IMPACT: The amended agreement will have no adverse impact on the General Fund operating budget.

**BUDGET REFERENCE**

Fund #	Appn. #	Appn. Name	Total Appn. 2010-2011	Amt. for Contract	2010-2011 Adopted Budget Page	Last Budget Action (Date, Ord. No.)
527	4007	Advanced Planning	\$1,196,000	\$150,000	V-748	10/19/10 28829

**CEQA**

Not a Project, PP10-066(d), Consultant Services for Design/Study/Research/Inspection.

/s/  
WILLIAM F. SHERRY, A.A.E.  
Director of Aviation  
Airport Department

Please direct questions to William Sherry, Director of Aviation, 392-3610.

WFS:CG