



# City of San Antonio

## Legislation Details (With Text)

**File #:** 15-2704  
**Type:** Misc - Professional Services Agreements  
**In control:** City Council A Session

**On agenda:** 6/18/2015

**Title:** An Ordinance authorizing a professional services agreement with Ricondo & Associates, Inc. for airport financial management consultant services for the San Antonio Airport System in the amount of \$980,000.00 for three years with the option to renew for two additional one-year terms. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]

**Sponsors:**

**Indexes:** Aviation Contract

**Code sections:**

**Attachments:** 1. CONTRACTS DISCLOSURE FORM, 2. Final Score Summary, 3. Financial Management Consultant Contract - Ricondo, 4. Draft Ordinance, 5. Ordinance 2015-06-18-0564

Date	Ver.	Action By	Action	Result
6/18/2015	1	City Council A Session	adopted	Pass

**DEPARTMENT:** Aviation

**DEPARTMENT HEAD:** Frank Miller

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Airport Financial Management Consultant Services for the San Antonio Airport System

**SUMMARY:**

This Ordinance authorizes a professional services agreement with Ricondo & Associates, Inc. for airport financial management consultant services for the San Antonio Airport System (SAAS). The term of the agreement is for three years with the option to renew for two additional one-year terms with a contract value of \$980,000.00 for the five-year period. The contract will be funded by the Airport Operating and Maintenance Fund.

The financial consultant will provide support for the development of airport financial and business-related reports, models, analyses and forecasts. The firm will also assist in the development of the Airlines' Rates and Charges, including modeling, methodologies and optimization services. The firm will assist in the preparation of documents for the applications, amendments and other reports related to the Passenger Facility Charge

(PFC), Customer Facility Charge (CFC) and the Airport Improvement Program (AIP) grants. The firm also provides general airport financial advisory service assistance, airport bond feasibility services and debt service analyses.

## **BACKGROUND INFORMATION:**

A Request for Proposals was released on February 27, 2015 for airport financial management consultant services. The solicitation was advertised in the San Antonio Express-News and TVSA as well as the websites of the City of San Antonio, American Association of Airport Executives and Airports Council International. The City sought firms with at least five years of demonstrated experience in airport financial management consulting services at medium and large-hub airports. The firm should be able to:

1. Prepare or provide support for the development of airport financial and business related reports, analyses and forecasts.
2. Development of Airlines' Rates and Charges analyses and support (modeling, methodologies and optimization)
3. Provide air traffic reports, analyses and forecasts for aviation and the industry
4. Perform or provide support for airport bond feasibility services and debt service analyses
5. Provide PFC, AIP and CFC support, analyses and forecasting
6. Provide services to plan/negotiate and/or bid and assist with documents between San Antonio International Airport and airline and non-airline tenants.
7. General Airport Financial Advisory Service assistance in the preparation and presentation of materials and report(s) for meetings, strategy sessions and negotiations related to airport management, including financial management, strategic planning
8. Provide analysis of the financial implications of airport development alternatives.
9. Additional airport consulting and financial services, as requested by the Director of Aviation

Three proposals were received on March 27, 2015. An evaluation committee comprised of representatives from the Aviation and Finance Departments. The committee scored the proposals on experience, background and qualifications of respondent; experience, background and qualifications of key personnel; price; and, Small Business Economic Development Advocacy Program. Ricondo & Associates received the most points, 71.45 points, which was 12.95 points more than the second ranked firm.

### *Small Business Economic Development Advocacy Program (SBEDA)*

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee set a Mentorship Incentive of 5 points. Unison Contracting, Inc. has received 5 points for agreeing to enlist as a mentor in the Mentor Protégé Program.

## **ISSUE:**

Approval of these agreements will provide expert financial consulting services so that the SAAS can make informed financial decisions. This action is consistent with existing City policy for consulting services.

**ALTERNATIVES:**

City Council could elect to have the Aviation Department release another solicitation; but it will take additional time for the City to develop a new solicitation. This solicitation was developed and released following City policies and procedures.

**FISCAL IMPACT:**

For Fiscal Year 2015, \$60,000.00 is budgeted and available in the Airport Operating and Maintenance Fund Budget. The remaining \$920,000.00 will be appropriated throughout the remaining fiscal years, subject to City Council approval of the annual budget. Some of the fees paid to Ricondo & Associates will be reimbursed by Customer Facility Charge funds for their work on the Consolidated Rental Car Facility project and by PFC funds for PFC-related projects.

**RECOMMENDATION:**

Staff recommends approval of the authorization of the professional services agreement with Ricondo & Associates for airport financial management consulting services for the San Antonio Airport System.