City of San Antonio

Legislation Details (With Text)

File #:	20-2482
Type:	Misc - Professional Services Agreements
In control:	City Council A Session
On agenda:	6/4/2020
Title:	Ordinance approving a professional services agreement with Ricondo & Associates, Inc. for financial consulting services to support San Antonio Airport System projects including but not limited to: Passenger Facility Charges application preparation; assistance with issuance of future bonds; airline rates and charges and associated capital improvement program forecasting model(s) preparation; Airline Lease and Use Agreement Negotiations; Airport Facility Usage Study; and, other miscellaneous financial planning services. The agreement has an initial term of three years with the option to renew for two, one-year periods and a value not to exceed $1,600,000.00. Funding in the amount of $300,000.00 is budgeted and available in the FY 2020 Airport Operating and Maintenance Fund and FY 2020 Passenger Facility Charge Fund. [Carlos Contreras, Assistant City Manager; Jesus Saenz, Director of Airports, Aviation]
Sponsors:	
Indexes:	Aviation Contract
Code sections:	
Attachments:	1. Final Score Summary, 2. Contracts Disclosure Form, 3. Agreement, 4. Ordinance 2020-06-04-0368

Date	Ver.	Action By	Action	Result
6/4/2020	1	City Council A Session		

DEPARTMENT: Aviation

DEPARTMENT HEAD: Jesus H. Saenz, Jr., IAP

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Financial Consulting Services for the San Antonio Airport System

SUMMARY:

An ordinance awarding a professional services agreement with Ricondo & Associates, Inc. (Ricondo) for financial consulting services to support projects including but not limited to: Passenger Facility Charges application preparation; assistance with issuance of future bonds; airline rates and charges and associated capital improvement program forecasting model(s) preparation; Airline Lease and Use Agreement Negotiations; Airport Facility Usage Study; and, other miscellaneous financial planning services.

powered by Legistar™

The initial term is three years with the option to extend for two, one-year terms and a value not to exceed $1,600,000.00. Funding in the amount of $300,000.00 is budgeted and available in the FY 2020 Airport Operating and Maintenance Fund and FY 2020 Passenger Facility Charge Fund. Future funding will be appropriated each fiscal year, subject to City Council approval of the annual budget.

BACKGROUND INFORMATION:

The City requires a financial consultant services firm to provide specialized support for the development of airport financial and business-related reports, models, analyses and forecasts. The current agreement for these services expires on July 6, 2020. The Aviation Department has developed a solicitation for a financial consulting services firm to provide the following types of services:

1. Prepare or provide support for the development of airport financial and business related reports, analyses and forecasts including but not limited to:
    a. Airport financial models to project cash flows, bond sizing and debt service, debt service coverage, rates and charges impacts, and financial planning scenarios, capital project financing strategies ("pro formas")
    b. Profit and loss reports for parking and other Airport System undertakings
    c. Airport industry-related regulatory compliance and/or litigation support
    d. Other airport financial and/or business-related ad hoc reports, presentations, analyses and forecasts as requested
    e. Identifying airport industry trends including data collection to support changing trends
2. Development of airline rates and charges analyses and support (modeling, methodologies and optimization) including, but not limited to:
    a. Analyses of Airlines' Rates and Charges
    b. Industry standards and practices related to Airline Rates and Charges
    c. Preparation and support for the annual Airlines' Rates and Charges (budget, review and true-up)
    d. Production of Airline Rates and Charges documents or presentations for review, meetings and distribution
3. Provide air traffic reports, analyses and forecasts for aviation and the industry including, but not limited to:
    a. Historic air traffic reports
    b. Forecasting air traffic
    c. Analyses of air traffic trends
    d. Other air traffic ad hoc reports, presentations, analyses and forecasts as requested.
4. Perform or provide support for airport bond feasibility services and debt service analyses including, but not limited to:
    a. Report of the Airport Consultant
    b. Debt Service analysis
    c. Sensitivity analysis
    d. Due diligence and continuing disclosure
    e. Working Group participation
    f. Other bond offering documents, ad hoc reports, presentations, and analyses and forecasting as requested.
5. Provide Passenger Facility Charge (PFC), Airport Improvement Program (AIP) and Customer Facility Charge (CFC) support, analyses and forecasting including, but not limited to:
    a. Preparation of documents for PFC, AIP and CFC applications, amendments, and other reporting
    b. Analyses of PFC, AIP and CFC Program(s)

powered by Legistar™

c. Aviation regulatory reporting and documentation
d. Presentation support related to the PFC, AIP, and CFC Program(s) for airports
e. AIP Innovative Financing Project Proposals and Grants

6. Provide services to plan/negotiate and/or bid and assist with documents between the Aviation Department 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 Airports.

Consultant will bill all services through monthly invoices based on hourly rates of work performed and actual travel and other expenses incurred. Allowable travel and other expenses will be invoiced at the actual cost incurred without markup and must follow the Aviation Department Consultant and Contractor Reimbursable Expense Policy to be eligible for reimbursement. The hourly rates are: Officer at $340; Director at $318; Managing Consultant at $264; Senior Consultant at $219; Consultant at $175; Editor/Technical Support at $141; and, Administrative Support at $100.

ISSUE:

This item was presented to the Audit and Accountability Council Committee as a pre-solicitation consent item on October 15, 2019. The committee members approved moving forward with the release of the solicitation.

A Request for Proposals (RFP 19-114) was issued on October 29, 2019 to select a qualified financial consulting services firm to support the Aviation Department's projects. The RFP was advertised in the San Antonio Express News; TVSA channel, San Antonio eProcurement system and an email notification was released to a list of potential Respondents. Responses were due on December 16, 2019 and a total of two (2) firms responded to the RFP and were deemed eligible for review.

The proposals were reviewed by the selection committee on February 4, 2020. The committee included representatives from the Aviation and Finance Departments and Southwest Airlines. Proposals were evaluated and scored based on: Experience, Background and Qualifications; Proposed Plan; Price; Small Business Economic Development Advocacy Program; Local Preference Program; and, Veteran-Owned Small Business Preference Program. Ricondo & Associates was the highest ranked proposal and is recommended for award.

The Goal Setting Committee applied five evaluation points pursuant to the SBE Prime Contract Program and five evaluation points to pursuant to the M/WBE Prime Contract Program. No preference points were awarded to either firm. While Ricondo is a MBE and HABE certified firm, it is not SBEDA eligible.

There were no proposals submitted from local businesses for this contract; therefore, the Local Preference Program was not applied. There were no proposals submitted from veteran-owned small businesses for this contract; therefore, the Veteran-Owned Small Business Preference Program was not applied.

This item was presented to the Audit and Accountability Council Committee as a post-solicitation consent item on March 17, 2020. The committee members approved that the item move forward to the full City Council for consideration.

Ricondo provides specialized, technical financial expertise of the aviation industry to support the development

of funding strategies for current and future Aviation Department projects and programs. Ricondo has provided financial services for both large and medium-size airports, including Chicago O'Hare, Chicago Midway, Dallas Love, Fort Lauderdale, Pittsburg and Los Angeles World Airports.

ALTERNATIVES:

Should this agreement not be approved, City Council could require staff to re-advertise this project; however, re-advertising the project would not guarantee more proposals.

FISCAL IMPACT:

Funding in the amount of $300,000.00 is budgeted and available in the FY 2020 Airport Operating and Maintenance Fund Budget. The remaining $1,300,000.00 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 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.

This contract was procured by means of Request for Proposals. The Contract Disclosure Form is attached.

powered by Legistar™