



Aviation Rates and Charges Study

Briefing to the Finance, Audit and Accountability Committee

January 22, 2007



Purpose

- The purpose of this briefing is to update the Finance, Audit and Accountability Committee on the vendor selection process for the Aviation Rates and Charges Study

Background

- On January 8, 2007 the Department of Aviation briefed the Council Finance, Audit and Accountability Committee on the Scope of Services and Deliverables for a Rates and Charges Study for the Dallas Airport System

Scope of Study

- Determine the cost of service for the Dallas Airport System, and establish a financial model for covering fiscal obligations in a manner that is equitable across all airport users and is based on its financial position
- Conduct a comprehensive review of all current contractual agreements at Love Field and Dallas Executive (Concessions, Long-Term leases, Month-to-Month leases)
- Conduct a survey of comparable airports and benchmarking to include airports that serve the same customers or which are similar operationally and/or financially

Scope of Study (Continued)

- Review reserve funding policies/strategies at other airports
- Coordinate efforts with the Master Plan Consultant for the Love Field Modernization Program which will prioritize facility enhancements to address the phase-out of the Wright Amendment by 2014

Procurement Plan

- January 26, 2007, Business Development and Procurement (BDPS) Staff advertises the RFP
- February 1, 2007, BDPS Staff issues second advertisement of the RFP
- BDPS will survey other Municipal Airports as part of its outreach efforts to identify vendors with proven experience in Municipal Airport Operations
- Contact the American Association of Airport Executives for potential vendors
- Contact Airport Council International-North America for potential vendors
- Contact Airport Minority Advisory Council for potential vendors

Procurement Plan

- Contact FAA for lists of vendors
- Notify all registered vendors by email
- Make follow up phone calls to potential vendors
- February 22, 2007, RFPs are due to BDPS
- BDPS establishes a Proposal Review and Selection Committee consisting of five members from the City Auditor's Office, Office of Financial Services, Convention Center, Development Services (Property Management) and Aviation departments
- Selection Committee completes review and submits recommendations to BDPS and the Aviation Department

Selection Criteria

- The successful proposer shall be selected by a committee on the basis of demonstrated competence and qualifications under the following criteria:
 - 1). Consultant's expertise in the following specific areas (25%)
 - a). Significant recent experience with airport rates and charges studies and analyses.
 - b). Extensive familiarity with medium hub airport financing methodologies.
 - c). Substantial expertise in airport revenue stream analysis, airport revenue stream composition, and cost allocation.
 - d). Prior work, perception of conflict of interest; consultant shall be free of obligation to any related stakeholders, including air carriers or other airports in the DFW region.
 - 2). Cost to the City (20%)

Selection Criteria (Continued)

- 3). The consultant's capabilities, resources and responsiveness (15%):
 - a). Staffing size, current workload, availability – consultant to provide an outline of resources they anticipate to deploy on the project by job title, billing rate and expected hours of utilization
 - b). Staff's areas of expertise
 - c). Experience with similar projects
 - d). History of meeting deadlines
 - e). History of keeping within budget
 - f). Expertise of project manager and project team
 - g). Past performance on City and other contracts
 - h). Current financial capability and business practices

Selection Criteria (Continued)

- 4). Consultant’s approach to the project (10%):
 - a). Adequately answer questions
 - b). Proper attention given to critical issues
 - c). Appropriateness of resources being committed to the project
 - d). Familiarity with circumstances surrounding the project
- 5). Consultant’s work plan and proposed timeline (10%)
- 6). Consultant’s current contracts (10%):
 - a). Current contracts in effect and impact on capacity to complete City of Dallas project

Selection Criteria (Continued)

- 7). Women and minority participation; consultant's compliance with the City's Good Faith Effort Plan (5%)
- 8). Prior and current litigation, including litigation with the City. Consultants are requested to provide an overview of all litigation their company has been involved with in the last five years and current status of the litigation (5%)

Next Steps

- After the selection committee has selected the most highly qualified proposer, the City will negotiate a contract at a fair and reasonable price.
- After contract terms are finalized, an item recommending award will be put on the April 25, 2007 Council Agenda.