



## CITY COUNCIL STAFF REPORT

DATE: December 7, 2016 CONSENT AGENDA

SUBJECT: AIRPORT FINANCIAL SERVICES CONTRACT AWARD, RICONDO & ASSOCIATES

FROM: David H. Ready, City Manager

BY: DEPARTMENT OF AVIATION

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### SUMMARY

This action considers the award of a multi-year professional services contract to Ricondo & Associates, and would provide the necessary financial planning required for two Palm Springs International Airport Master Plan projects.

### RECOMMENDATION:

1. Award a professional services contract to Ricondo & Associates of Chicago, Illinois, for a three-year term from January 2, 2017, through December 31, 2019, with two additional one-year options, for Airport financial and bond consulting services in a not-to-exceed amount of \$309,425.
2. Authorize City Manager to execute all necessary documents.

### STAFF ANALYSIS:

The Airport Master Plan Update approved by City Council on October 21, 2015, identified capital improvement projects that are essential to address growing Airport capacity constraints in the Terminal ticketing and the Rental Car areas. Consistent with that direction, City Council has already approved a design contract for the Ticketing Renovation Project, which is now in process, and a design contract for the Car Rental Facility is currently under development with WSP Parsons Brinckerhoff and will be forthcoming to City Council for consideration.

ITEM NO. 13

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The professional consulting agreement under consideration here will provide the requisite financial services relevant to the funding of these Airport capacity enhancement projects. Attachment A provides full contract scope of work details – a summary of contract deliverables and cost breakdown is as follows:

- Task 1 - Airport financial feasibility analysis - \$47,503
- Task 2 - Passenger Facility Charge (PFC) application preparation - \$60,736
- Task 3 - Customer Facility Charge (CFC) program preparation - \$110,466
- Task 4 - Assistance with financing preparations, and associated incidental costs - \$90,720

*(See Exhibit D of the attached contract)*

The financial consulting agreement will provide the services needed to comprehensively evaluate the feasibility of leveraging both the Airport's current CFC and PFC revenue streams for project bond funding. Following the bond feasibility component, the consultant will guide bond program implementation in accordance with prevailing California State Law and Federal Aviation Administration Rules.

Due to robust passenger growth at the Airport, the financial consultant will prepare updated PFC projections for bond financing of the Terminal Expansion Project. Additionally, bond feasibility will also be reviewed for the CFC Fund which has been accumulating funds in anticipation of a Car Rental Expansion Project.

The Procurement and Contracting Division, in conjunction with airport staff, prepared specifications and conducted a Statement of Qualifications (SOQ 01-17) process that was posted to the City's website, advertised in the Desert Sun and sent to a wide variety of financial consulting firms, including the four leading national firms with expertise in providing such services. Four proposals were received and carefully evaluated by an Airport Management representative, the Finance Director, and the City's professional financial representative from the firm Harrell & Company Advisors. Two of the four firms were short-listed for onsite interviews that were conducted on October 26, 2016. This evaluation committee unanimously selected Ricondo & Associates, headquartered in Chicago, Illinois, as the highest ranked firm and commenced with contract negotiations. Aside from being nationally recognized with extensive experience in the field of airport projects, this firm has a proven track record and experience with similar projects in Southern California.

FISCAL IMPACT:

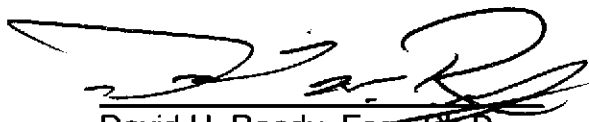
The contract amount for these financial services of \$309,425 will be funded as follows:

- \$201,186 from CFC Fund, Account #6003-50000
- \$108,239 from Airport Fund, Account #415-6002-43200 (to be reimbursed from the new PFC program once completed in 2017)



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Thomas Nolan  
Executive Director, Airport



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David H. Ready, Esq., Ph.D.  
City Manager

Attachment: Airport Financial Services Contract, Ricondo & Associates

**PROFESSIONAL SERVICES AGREEMENT**  
**Financial Services with Ricondo & Associates**

THIS PROFESSIONAL SERVICES AGREEMENT ( "Agreement") is entered into, and effective on January 2, 2017, between the CITY OF PALM SPRINGS, a California charter city and municipal corporation, ("City") and Ricondo & Associates an Illinois corporation. ("Consultant"). City and Consultant are individually referred to as "Party" and are collectively referred to as the "Parties".

**RECITALS**

A. City has determined that there is a need for a professional services contract with Ricondo & Associates for the financial planning associated with the Palm Springs International Airport Master Plan projects.

B. Consultant has submitted to City a proposal to provide aviation financial consulting services to Palm Springs International Airport for the Project under the terms of this Agreement.

C. Consultant is qualified by virtue of its experience, training, education, reputation, and expertise to provide these services and has agreed to provide such services as provided in this Agreement.

D. City desires to retain Consultant to provide such professional services.

In consideration of these promises and mutual obligations, covenants, and conditions, the Parties agree as follows:

**AGREEMENT**

**1. SERVICES OF CONSULTANT**

**1.1 Scope of Services.** In compliance with all terms and conditions of this Agreement, Consultant agrees to perform the professional services set forth in the Scope of Services described in Exhibit "A" (the "Services" or "Work") , which is attached and incorporated by reference. As a material inducement to the City entering into this Agreement, Consultant represents and warrants that Consultant is a provider of first class work and professional services and that Consultant is experienced in performing the Work and Services contemplated and, in light of such status and experience, Consultant covenants that it shall follow the highest professional standards in performing the Work and Services required in this Agreement. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized as high quality among well-qualified and experienced professionals performing similar work under similar circumstances.

**1.2 Contract Documents.** The Agreement between the Parties shall consist of the following: (1) this Agreement; (2) the Scope of Services; (3) the City's Request for Proposals;

and, (4) the Consultant's signed, original proposal submitted to the City ("Consultant's Proposal"), (collectively referred to as the "Contract Documents"). The City's Request for Proposals and the Consultant's Proposal, which are both attached as Exhibits "B" and "C", respectively, are incorporated by reference and are made a part of this Agreement. The Scope of Services shall include the Consultant's Proposal. All provisions of the Scope of Services, the City's Request for Proposals and the Consultant's Proposal shall be binding on the Parties. Should any conflict or inconsistency exist in the Contract Documents, the conflict or inconsistency shall be resolved by applying the provisions in the highest priority document, which shall be determined in the following order of priority: (1<sup>st</sup>) the provisions of the Scope of Services (Exhibit "A"); (2<sup>nd</sup>) the provisions of the City's Request for Proposal (Exhibit "B"); (3<sup>rd</sup>) the terms of this Agreement; and, (4<sup>th</sup>) the provisions of the Consultant's Proposal (Exhibit "C").

**1.3 Compliance with Law.** Consultant warrants that all Services rendered shall be performed in accordance with all applicable federal, state, and local laws, statutes, ordinances lawful orders, rules, and regulations.

**1.4 Licenses, Permits, Fees, and Assessments.** Consultant represents and warrants to City that it has obtained all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services required by this Agreement. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement, any license, permit, qualification, or approval that is legally required for Consultant to perform the Work and Services under this Agreement. Consultant shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Consultant's performance of the Work and Services required by this Agreement. Consultant shall indemnify, defend, and hold harmless City against any such fees, assessments, taxes penalties, or interest levied, assessed, or imposed against City to the fullest extent permitted by law.

**1.5 Familiarity with Work.** By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the Scope of Services to be performed, (b) has carefully considered how the Services should be performed, and (c) fully understands the facilities, difficulties, and restrictions attending performance of the Services under this Agreement. If the Services involve work upon any site, Consultant warrants that Consultant has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of any Services. Should the Consultant discover any latent or unknown conditions that will materially affect the performance of the Services, Consultant shall immediately inform the City of such fact and shall not proceed except at Consultant's risk until written instructions are received from the City.

**1.6 Care of Work.** Consultant shall adopt reasonable methods during the term of the Agreement to furnish continuous protection to the Work and the equipment, materials, papers, documents, plans, studies, and/or other components to prevent losses or damages. Consultant shall be responsible for all such damages, to persons or property, until acceptance of the Work by the City, except such losses or damages as may be caused by City's own negligence.

**1.7 Further Responsibilities of Parties.** Parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Parties agree to act in good faith to execute all instruments, prepare all documents, and take all actions as may be reasonably necessary to carry out the purposes of this Agreement.

**1.8 Additional Services.** City shall have the right at any time during the performance of the Services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to, or deducting from such Work. No such extra work may be undertaken unless a written order is first given by the City Manager to the Consultant, incorporating any adjustment in (i) the Maximum Contract Amount, as defined below, and/or (ii) the time to perform this Agreement. Any adjustments must also be approved in writing by the Consultant. Any increase in compensation of up to twenty-five percent (25%) of the Maximum Contract Amount or \$25,000, whichever is less, or in the time to perform of up to thirty (30) days, may be approved by the City Manager, or his designee, as may be needed to perform any extra work. Any greater increases, occurring either separately or cumulatively, must be approved by the Palm Springs City Council. The Consultant expressly understands and acknowledges that the provisions of this section shall not apply to the services specifically set forth and provided in this Agreement nor shall this section be construed as authorizing or allowing the payment of costs above the amounts identified in this Agreement as the cost for such services.

## **2. COMPENSATION**

**2.1 Maximum Contract Amount.** For the Services rendered under this Agreement, Consultant shall be compensated by City in accordance with the Schedule of Compensation, which is attached as Exhibit "D" and incorporated in this Agreement by reference. Compensation shall not exceed the maximum contract amount of Three Hundred and Nine Thousand, Four Hundred and Twenty Five Dollars, (\$309,425.00) ("Maximum Contract Amount"), except as may be provided under Section 1.8. The method of compensation shall be as set forth in Exhibit "D." Compensation for necessary expenditures for reproduction costs, telephone expenses, and transportation expenses must be approved in advance by the Contract Officer designated under Section 4.2 and will only be approved if such expenses are also specified in the Schedule of Compensation. The Maximum Contract Amount shall include the attendance of Consultant at all Project meetings reasonably deemed necessary by the City. Consultant shall not be entitled to any increase in the Maximum Contract Amount for attending these meetings. Consultant accepts the risk that the services identified in the Scope of Services may be more costly and/or time-consuming than Consultant anticipates, that Consultant shall not be entitled to additional compensation, and that the provisions of Section 1.8 shall not be applicable to the services identified in the Scope of Services. The maximum amount of city's payment obligation under this section is the amount specified in this Agreement. If the City's maximum payment obligation is reached before the Consultant's Services under this Agreement are completed, Consultant shall complete the Work and City shall not be liable for payment beyond the Maximum Contract Amount.

**2.2. Method of Payment.** Unless another method of payment is specified in the Schedule of Compensation (Exhibit "D"), in any month in which Consultant wishes to receive payment, Consultant shall submit to the City an invoice for services rendered prior to the date of the invoice. The invoice shall be in a form approved by the City's Finance Director and must be submitted no later than the tenth (10) working day of such month. Such requests shall be based upon the amount and value of the services performed by Consultant and accompanied by such reporting data including an itemized breakdown of all costs incurred and tasks performed during the period covered by the invoice, as may be required by the City. City shall use reasonable efforts to make payments to Consultant within forty-five (45) days after receipt of the invoice or as soon as is reasonably practical. There shall be a maximum of one payment per month.

**2.3 Changes in Scope.** In the event any change or changes in the Scope of Services is requested by City, Parties shall execute a written amendment to this Agreement, specifying all proposed amendments, including, but not limited to, any additional fees. An amendment may be entered into:

A. To provide for revisions or modifications to documents, work product, or work, when required by the enactment or revision of any subsequent law; or

B. To provide for additional services not included in this Agreement or not customarily furnished in accordance with generally accepted practice in Consultant's profession.

**2.4 Appropriations.** This Agreement is subject to and contingent upon funds being appropriated by the City Council for each fiscal year covered by the Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the City.

### **3. SCHEDULE OF PERFORMANCE**

**3.1 Time of Essence.** Time is of the essence in the performance of this Agreement. The time for completion of the services to be performed by Consultant is an essential condition of this Agreement. Consultant shall prosecute regularly and diligently the Work of this Agreement according to the agreed upon attached Schedule of Performance (Exhibit "E"), incorporated by reference.

**3.2 Schedule of Performance.** Consultant shall commence the Services under this Agreement upon receipt of a written notice to proceed and shall perform all Services within the time period(s) established in the Schedule of Performance. When requested by Consultant, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer, but such extensions shall not exceed one hundred eighty (180) days cumulatively; however, the City shall not be obligated to grant such an extension.

**3.3 Force Majeure.** The time period(s) specified in the Schedule of Performance for performance of the Services rendered under this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant (financial inability excepted) if Consultant, within ten (10) days of the commencement of such delay, notifies the Contract Officer in writing of the causes of the delay.

Unforeseeable causes include, but are not limited to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, and/or acts of any governmental agency, including the City. The City Manager shall ascertain the facts and the extent of delay, and extend the time for performing the Services for the period of the enforced delay when and if in the judgment of the City Manager such delay is justified. The City Manager's determination shall be final and conclusive upon the Parties to this Agreement. In no event shall Consultant be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Consultant's sole remedy being extension of the Agreement under this section.

**3.4 Term.** Unless earlier terminated under this Agreement, this Agreement shall commence upon the effective date of this Agreement and continue in full force and effect until completion of the Services. However, the term shall be three (3) years from the commencement date, with two (2) one (1) year options at the sole discretion of the City. The City shall give the Consultant notice of the desire to extend the agreement at least ninety (90) days before the expiration of the initial term or any other extended term as otherwise provided in the Schedule of Performance described in Section 3.2 above. Any extension must be through written agreement provided by the City.

**3.5 Termination Prior to Expiration of Term.** City may terminate this Agreement for its convenience at any time, without cause, in whole or in part, upon giving Consultant thirty (30) days written notice. Where termination is due to the fault of Consultant and constitutes an immediate danger to health, safety, and general welfare, the period of notice shall be such shorter time as may be determined by the City. Upon such notice, City shall pay Consultant for Services performed through the date of termination. Upon receipt of such notice, Consultant shall immediately cease all work under this Agreement, unless stated otherwise in the notice or by written authorization of the Contract Officer. After such notice, Consultant shall have no further claims against the City under this Agreement. Upon termination of the Agreement under this section, Consultant shall submit to the City an invoice for work and services performed prior to the date of termination. Consultant may terminate this Agreement, with or without cause, upon sixty (60) days written notice to the City, except that where termination is due to material default by the City, the period of notice may be such shorter time as the Consultant may determine.

#### **4. COORDINATION OF WORK**

**4.1 Representative of Consultant.** The following principal of Consultant is designated as being the principal and representative of Consultant authorized to act in its behalf and make all decisions with respect to the Services to be performed under this Agreement: James E. Branda, Vice President, Ricondo & Associates. It is expressly understood that the experience, knowledge, education, capability, expertise, and reputation of the foregoing principal is a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principal shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services performed hereunder. The foregoing principal may not be changed by Consultant without prior written approval of the Contract Officer.



**4.2 Contract Officer.** The Contract Officer shall be the City Manager or his/her designee ("Contract Officer"). Consultant shall be responsible for keeping the Contract Officer fully informed of the progress of the performance of the services. Consultant shall refer any decisions that must be made by City to the Contract Officer. Unless otherwise specified, any approval of City shall mean the approval of the Contract Officer.

**4.3 Prohibition Against Subcontracting or Assignments.** The experience, knowledge, capability, expertise, and reputation of Consultant, its principals and employees, were a substantial inducement for City to enter into this Agreement. Therefore, Consultant shall not assign full or partial performance of this Agreement, nor any monies due, voluntarily or by operation of law, without the prior written consent of City. Consultant shall not contract with any other entity to perform the Services required under this Agreement without the prior written consent of City. If Consultant is permitted to subcontract any part of this Agreement by City, Consultant shall be responsible to City for the acts and omissions of its subcontractor(s) in the same manner as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationships between any subcontractor and City. All persons engaged in the Work will be considered employees of Consultant. City will deal directly with and will make all payments to Consultant. In addition, neither this Agreement nor any interest in this Agreement may be transferred, assigned, conveyed, hypothecated, or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written consent of City. Transfers restricted in this Agreement shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Consultant, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release Consultant or any surety of Consultant from any liability under this Agreement without the express written consent of City.

**4.4 Independent Contractor.** The legal relationship between the Parties is that of an independent contractor, and nothing shall be deemed to make Consultant a City employee.

A. During the performance of this Agreement, Consultant and its officers, employees, and agents shall act in an independent capacity and shall not act or represent themselves as City officers or employees. The personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of its officers, employees, or agents, except as set forth in this Agreement. Consultant, its officers, employees, or agents shall not maintain an office or any other type of fixed business location at City's offices. City shall have no voice in the selection, discharge, supervision, or control of Consultant's employees, servants, representatives, or agents, or in fixing their number, compensation, or hours of service. Consultant shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, including but not limited to social security income tax withholding, unemployment compensation, workers' compensation, and other similar matters. City shall not in any way or for any purpose be deemed to be a partner of Consultant in its business or otherwise a joint venturer or a member of any joint enterprise with Consultant.

B. Consultant shall not have any authority to bind City in any manner. This includes the power to incur any debt, obligation, or liability against City.

C. No City benefits shall be available to Consultant, its officers, employees, or agents in connection with any performance under this Agreement. Except for professional fees paid to Consultant as provided for in this Agreement, City shall not pay salaries, wages, or other compensation to Consultant for the performance of Services under this Agreement. City shall not be liable for compensation or indemnification to Consultant, its officers, employees, or agents, for injury or sickness arising out of performing Services. If for any reason any court or governmental agency determines that the City has financial obligations, other than under Section 2 and Subsection 1.8 in this Agreement, of any nature relating to salary, taxes, or benefits of Consultant's officers, employees, servants, representatives, subcontractors, or agents, Consultant shall indemnify City for all such financial obligations.

## 5. INSURANCE

**5.1 Types of Insurance.** Consultant shall procure and maintain, at its sole cost and expense, the insurance described below. The insurance shall be for the duration of this Agreement and includes any extensions, unless otherwise specified in this Agreement. The insurance shall be procured in a form and content satisfactory to City. The insurance shall apply against claims which may arise from the Consultant's performance of Work under this Agreement, including Consultant's agents, representatives, or employees. In the event the City Manager determines that the Work or Services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Consultant agrees that the minimum limits of the insurance policies may be changed accordingly upon receipt of written notice from the City Manager or his designee. Consultant shall immediately substitute any insurer whose A.M. Best rating drops below the levels specified in this Agreement. Except as otherwise authorized below for professional liability (errors and omissions) insurance, all insurance provided under this Agreement shall be on an occurrence basis. The minimum amount of insurance required shall be as follows:

A. Errors and Omissions Insurance. Consultant shall obtain and maintain in full force and effect throughout the term of this Agreement, standard industry form professional liability (errors and omissions) insurance coverage in an amount of not less than one million dollars (\$1,000,000.00) per occurrence and two-million dollars (\$2,000,000.00) annual aggregate, in accordance with the provisions of this section.

(1) Consultant shall either: (a) certify in writing to the City that Consultant is unaware of any professional liability claims made against Consultant and is unaware of any facts which may lead to such a claim against Consultant; or (b) if Consultant does not provide the certification under (a), Consultant shall procure from the professional liability insurer an endorsement providing that the required limits of the policy shall apply separately to claims arising from errors and omissions in the rendition of services under this Agreement.

(2) If the policy of insurance is written on a "claims made" basis, the

policy shall be continued in full force and effect at all times during the term of this Agreement, and for a period of three (3) years from the date of the completion of the Services provided hereunder. In the event of termination of the policy during this period, Consultant shall obtain continuing insurance coverage for the prior acts or omissions of Consultant during the course of performing Services under the terms of this Agreement. The coverage shall be evidenced by either a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier or other insurance arrangements providing for complete coverage, either of which shall be subject to the written approval by the City Manager.

(3) In the event the policy of insurance is written on an "occurrence" basis, the policy shall be continued in full force and effect during the term of this Agreement, or until completion of the Services provided for in this Agreement, whichever is later. In the event of termination of the policy during this period, new coverage shall immediately be obtained to ensure coverage during the entire course of performing the Services under the terms of this Agreement.

B. Workers' Compensation Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, workers' compensation insurance in at least the minimum statutory amounts, and in compliance with all other statutory requirements, as required by the State of California. Consultant agrees to waive and obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies. If Consultant has no employees, Consultant shall complete the City's Request for Waiver of Workers' Compensation Insurance Requirement form.

C. Commercial General Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of commercial general liability insurance written on a per occurrence basis with a combined single limit of at least one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000.00) general aggregate for bodily injury and property damage including coverages for contractual liability, personal injury, independent contractors, broad form property damage, products and completed operations.

D. Business Automobile Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of business automobile liability insurance written on a per occurrence basis with a single limit liability in the amount of one million dollars (\$1,000,000.00) bodily injury and property damage. The policy shall include coverage for owned, non-owned, leased, and hired cars.

E. Employer Liability Insurance. Consultant shall obtain and maintain, in full force and effect throughout the term of this Agreement, a policy of employer liability insurance written on a per occurrence basis with a policy limit of at least one million dollars (\$1,000,000.00) for bodily injury or disease.

**5.2 Deductibles and Self-Insured Retentions.** Any deductibles or self-insured

retentions must be declared to and approved by the City Manager or his/her designee prior to commencing any work or services under this Agreement. Consultant guarantees payment of all deductibles and self-insured retentions. City reserves the right to reject deductibles or self-insured retentions in excess of \$10,000, and the City Manager or his/her designee may require evidence of pending claims and claims history as well as evidence of Consultant's ability to pay claims for all deductible amounts and self-insured retentions proposed in excess of \$10,000.

**5.3 Other Insurance Requirements.** The following provisions shall apply to the insurance policies required of Consultant under this Agreement:

- 5.3.1 For any claims related to this Agreement, Consultant's coverage shall be primary insurance with respect to the City and its officers, council members, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City and its officers, council members, officials, employees, agents, and volunteers shall be in excess of Consultant's insurance and shall not contribute with it.
- 5.3.2 Any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to City and its officers, council members, officials, employees, agents, and volunteers.
- 5.3.3 All insurance coverage and limits provided by Consultant and available or applicable to this Agreement are intended to apply to each insured, including additional insureds, against whom a claim is made or suit is brought to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the City or its operations shall limit the application of such insurance coverage.
- 5.3.4 No required insurance coverages may include any limiting endorsement which substantially impairs the coverages set forth in this Agreement (e.g., elimination of contractual liability or reduction of discovery period), unless the endorsement has first been submitted to the City Manager and approved in writing.
- 5.3.5 Consultant agrees to require its insurer to modify insurance endorsements to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the endorsements. Certificates of insurance will not be accepted in lieu of required endorsements, and submittal of certificates without required endorsements may delay commencement of the Project. It is Consultant's obligation to ensure timely compliance with all insurance submittal requirements as provided in this Agreement.
- 5.3.6 Consultant agrees to ensure that subcontractors, and any other parties

involved with the Project who are brought onto or involved in the Project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the Project will be submitted to the City for review.

- 5.3.7 Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on the City nor does it waive any rights in this or any other regard.
- 5.3.8 Consultant shall provide proof that policies of insurance required in this Agreement, expiring during the term of this Agreement, have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. Endorsements as required in this Agreement applicable to the renewing or new coverage shall be provided to City no later than ten (10) days prior to expiration of the lapsing coverage.
- 5.3.9 Requirements of specific insurance coverage features or limits contained in this section are not intended as limitations on coverage, limits, or other requirements, or as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.
- 5.3.10 The requirements in this section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impair the provisions of this section.
- 5.3.11 Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the Work performed under this Agreement and for any other claim or loss which may reduce the insurance available to pay claims arising out of this Agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City, or to reduce or dilute insurance available for payment of potential claims.
- 5.3.12 Consultant agrees that the provisions of this section shall not be construed as limiting in any way the extent to which the Consultant may be held responsible for the payment of damages resulting from the Consultant's activities or the activities of any person or person for which the Consultant is otherwise responsible.

**5.4 Sufficiency of Insurers.** Insurance required in this Agreement shall be provided by authorized insurers in good standing with the State of California. Coverage shall be provided by insurers admitted in the State of California with an A.M. Best's Key Rating of B++, Class VII, or better, unless such requirements are waived in writing by the City Manager or his designee due to unique circumstances.

**5.5 Verification of Coverage.** Consultant shall furnish City with both certificates of insurance and endorsements, including additional insured endorsements, affecting all of the coverages required by this Agreement. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All proof of insurance is to be received and approved by the City before work commences. City reserves the right to require Consultant's insurers to provide complete, certified copies of all required insurance policies at any time. Additional insured endorsements are not required for Errors and Omissions and Workers' Compensation policies.

Verification of Insurance coverage may be provided by: (1) an approved General and/or Auto Liability Endorsement Form for the City of Palm Springs or (2) an acceptable Certificate of Liability Insurance Coverage with an approved Additional Insured Endorsement with the following endorsements stated on the certificate:

1. *"The City of Palm Springs, its officials, employees, and agents are named as an additional insured..." ("as respects City of Palm Springs Contract No. \_\_\_" or "for any and all work performed with the City" may be included in this statement).*

2. *"This insurance is primary and non-contributory over any insurance or self-insurance the City may have..." ("as respects City of Palm Springs Contract No. \_\_\_" or "for any and all work performed with the City" may be included in this statement).*

3. *"Should any of the above described policies be canceled before the expiration date thereof, the issuing company will mail 30 days written notice to the Certificate Holder named." Language such as, "endeavor to" mail and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representative" is not acceptable and must be crossed out.*

4. Both the Workers' Compensation and Employers' Liability policies shall contain the insurer's waiver of subrogation in favor of City, its elected officials, officers, employees, agents, and volunteers.

In addition to the endorsements listed above, the City of Palm Springs shall be named the certificate holder on the policies. All certificates of insurance and endorsements are to be received and approved by the City before work commences. All certificates of insurance must be authorized by a person with authority to bind coverage, whether that is the authorized agent/broker or insurance underwriter. Failure to obtain the required documents prior to the commencement of work shall not waive the Consultant's obligation to provide them.

## 6. INDEMNIFICATION

**6.1 Indemnification and Reimbursement.** To the fullest extent permitted by law, Consultant shall defend (at Consultant's sole cost and expense), indemnify, protect, and hold harmless City, its elected officials, officers, employees, agents, and volunteers (collectively the "Indemnified Parties"), from and against any and all liabilities, actions, suits, claims, demands, losses, costs, judgments, arbitration awards, settlements, damages, demands, orders, penalties, and expenses including legal costs and attorney fees (collectively "Claims"), including but not limited to Claims arising from injuries to or death of persons (Consultant's employees included), for damage to property, including property owned by City, from any violation of any federal, state, or local law or ordinance, and from errors and omissions committed by Consultant, its officers, employees, representatives, and agents, that arise out of or relate to Consultant's performance under this Agreement. This indemnification clause excludes Claims arising from the sole negligence or willful misconduct of the City, its elected officials, officers, employees, agents, and volunteers. Under no circumstances shall the insurance requirements and limits set forth in this Agreement be construed to limit Consultant's indemnification obligation or other liability under this Agreement. Consultant's indemnification obligation shall survive the expiration or earlier termination of this Agreement until all actions against the Indemnified Parties for such matters indemnified are fully and finally barred by the applicable statute of limitations or, if an action is timely filed, until such action is final. This provision is intended for the benefit of third party Indemnified Parties not otherwise a party to this Agreement.

**6.2 Design Professional Services Indemnification and Reimbursement.** If the Agreement is determined to be a "design professional services agreement" and Consultant is a "design professional" under California Civil Code Section 2782.8, then:

A. To the fullest extent permitted by law, Consultant shall indemnify, defend (at Consultant's sole cost and expense), protect and hold harmless City and its elected officials, officers, employees, agents and volunteers and all other public agencies whose approval of the project is required, (individually "Indemnified Party"; collectively "Indemnified Parties") against any and all liabilities, claims, judgments, arbitration awards, settlements, costs, demands, orders and penalties (collectively "Claims"), including but not limited to Claims arising from injuries or death of persons (Consultant's employees included) and damage to property, which Claims arise out of, pertain to, or are related to the negligence, recklessness or willful misconduct of Consultant, its agents, employees, or subcontractors, or arise from Consultant's negligent, reckless or willful performance of or failure to perform any term, provision, covenant or condition of this Agreement ("Indemnified Claims"), but Consultant's liability for Indemnified Claims shall be reduced to the extent such Claims arise from the negligence, recklessness or willful misconduct of the City and its elected officials, officers, employees, agents and volunteers.

B. The Consultant shall require all non-design-professional sub-contractors, used or sub-contracted by Consultant to perform the Services or Work required under this Agreement, to execute an Indemnification Agreement adopting the indemnity provisions in sub-section 6.1 in favor of the Indemnified Parties. In addition, Consultant shall require all non-design-professional sub-contractors, used or sub-contracted by Consultant to perform the Services or Work required under this Agreement, to obtain insurance that is consistent with the

Insurance provisions as set forth in this Agreement, as well as any other insurance that may be required by Contract Officer.

## 7. **REPORTS AND RECORDS**

7.1 **Accounting Records.** Consultant shall keep complete, accurate, and detailed accounts of all time, costs, expenses, and expenditures pertaining in any way to this Agreement. Consultant shall keep such books and records as shall be necessary to properly perform the Services required by this Agreement and to enable the Contract Officer to evaluate the performance of such Services. The Contract Officer shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

7.2 **Reports.** Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the Services required by this Agreement, or as the Contract Officer shall require. Consultant acknowledges that the City is greatly concerned about the cost of the Work and Services to be performed under this Agreement. For this reason, Consultant agrees that Consultant shall promptly notify the Contract Officer the estimated increased or decreased cost if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the contemplated Work or Services. If Consultant is providing design services, Consultant shall promptly notify the Contract Officer the estimated increased or decreased cost for the project being designed if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the design services.

7.3 **Ownership of Documents.** All drawings, specifications, reports, records, documents, memoranda, correspondence, computations, and other materials prepared by Consultant, its employees, subcontractors, and agents in the performance of this Agreement shall be the property of City and shall be promptly delivered to City upon request of the Contract Officer or upon the termination of this Agreement. Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials. Any use of such completed documents for other projects and/or use of incomplete documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant, and the City shall indemnify the Consultant for all resulting damages. Consultant may retain copies of such documents for their own use. Consultant shall have an unrestricted right to use the concepts embodied in this Agreement. Consultant shall ensure that all its subcontractors shall provide for assignment to City of any documents or materials prepared by them. In the event Consultant fails to secure such assignment, Consultant shall indemnify City for all resulting damages.

7.4 **Release of Documents.** All drawings, specifications, reports, records, documents, and other materials prepared by Consultant in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer. All information gained by Consultant in the performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization.



**7.5 Audit and Inspection of Records.** After receipt of reasonable notice and during the regular business hours of City, Consultant shall provide City, or other agents of City, such access to Consultant's books, records, payroll documents, and facilities as City deems necessary to examine, copy, audit, and inspect all accounting books, records, work data, documents, and activities directly related to Consultant's performance under this Agreement. Consultant shall maintain such books, records, data, and documents in accordance with generally accepted accounting principles and shall clearly identify and make such items readily accessible to such parties during the term of this Agreement and for a period of three (3) years from the date of final payment by City hereunder.

## **8. ENFORCEMENT OF AGREEMENT**

**8.1 California Law and Venue.** This Agreement shall be construed and interpreted both as to validity and as to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such County, and Consultant covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

**8.2 Interpretation.** This Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the Parties. The terms of this Agreement are contractual and the result of negotiation between the Parties. Accordingly, any rule of construction of contracts (including, without limitation, California Civil Code Section 1654) that ambiguities are to be construed against the drafting party, shall not be employed in the interpretation of this Agreement. The caption headings of the various sections and paragraphs of this Agreement are for convenience and identification purposes only and shall not be deemed to limit, expand, or define the contents of the respective sections or paragraphs.

**8.3 Default of Consultant.** Consultant's failure to comply with any provision of this Agreement shall constitute a default.

A. If the City Manager, or his designee, determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall notify Consultant in writing of such default. Consultant shall have ten (10) days, or such longer period as City may designate, to cure the default by rendering satisfactory performance. In the event Consultant fails to cure its default within such period of time, City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice of any remedy to which City may be entitled at law, in equity, or under this Agreement. Consultant shall be liable for all reasonable costs incurred by City as a result of such default. Compliance with the provisions of this section shall not constitute a waiver of any City right to take legal action in the event that the dispute is not cured, provided that nothing shall limit City's right to terminate this Agreement without cause under Section 3.5.

B. If termination is due to the failure of the Consultant to fulfill its

obligations under this Agreement, City may, after compliance with the provisions of Section 8.3A, take over the work and prosecute the same to completion by contract or otherwise. The Consultant shall be liable to the extent that the total cost for completion of the Services required hereunder exceeds the Maximum Contract Amount (provided that the City shall use reasonable efforts to mitigate such damages). The City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated. The withholding or failure to withhold payments to Consultant shall not limit Consultant's liability for completion of the Services as provided in this Agreement.

**8.4 Waiver.** No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the Party against whom enforcement of a waiver is sought. Any waiver by the Parties of any default or breach of any covenant, condition, or term contained in this Agreement, shall not be construed to be a waiver of any subsequent or other default or breach, nor shall failure by the Parties to require exact, full, and complete compliance with any of the covenants, conditions, or terms contained in this Agreement be construed as changing the terms of this Agreement in any manner or preventing the Parties from enforcing the full provisions.

**8.5 Rights and Remedies Cumulative.** Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

**8.6 Legal Action.** In addition to any other rights or remedies, either Party may take legal action, in law or in equity, to cure, correct, remedy or recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

**8.7 Attorney Fees.** In the event any dispute between the Parties with respect to this Agreement results in litigation or any non-judicial proceeding, the prevailing Party shall be entitled, in addition to such other relief as may be granted, to recover from the non-prevailing Party all reasonable costs and expenses. These include but are not limited to reasonable attorney fees, expert consultant fees, court costs and all fees, costs, and expenses incurred in any appeal or in collection of any judgment entered in such proceeding. To the extent authorized by law, in the event of a dismissal by the plaintiff or petitioner of the litigation or non-judicial proceeding within thirty (30) days of the date set for trial or hearing, the other Party shall be deemed to be the prevailing Party in such litigation or proceeding.

## 9. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

**9.1 Non-liability of City Officers and Employees.** No officer or employee of the City shall be personally liable to the Consultant, or any successor-in-interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

**9.2 Conflict of Interest.** Contractor acknowledges that no officer or employee of the City has or shall have any direct or indirect financial interest in this Agreement nor shall Contractor enter into any agreement of any kind with any such officer or employee during the term of this Agreement and for one year thereafter. Contractor warrants that Contractor has not paid or given, and will not pay or give, any third party any money or other consideration in exchange for obtaining this Agreement.

**9.3 Covenant Against Discrimination.** In connection with its performance under this Agreement, Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, marital status, ancestry, national origin, sexual orientation, gender identity, gender expression, physical or mental disability, or medical condition. Consultant shall ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, age, marital status, ancestry, national origin, sexual orientation, gender identity, gender expression, physical or mental disability, or medical condition. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

## 10. MISCELLANEOUS PROVISIONS

**10.1 Patent and Copyright Infringement.** To the fullest extent permissible under law, and in lieu of any other warranty by City or Consultant against patent or copyright infringement, statutory or otherwise:

A. It is agreed that Consultant shall defend at its expense any claim or suit against City on account of any allegation that any item furnished under this Agreement, or the normal use or sale arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright and Consultant shall pay all costs and damages finally awarded in any such suit or claim, provided that Consultant is promptly notified in writing of the suit or claim and given authority, information and assistance at Consultant's expense for the defense of same, and provided such suit or claim arises out of, pertains to, or is related to the negligence, recklessness or willful misconduct of Consultant. However, Consultant will not indemnify City if the suit or claim results from: (1) City's alteration of a deliverable, such that City's alteration of such deliverable created the infringement upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by Consultant when it is such use in combination which infringes upon an existing U.S. letters patent or copyright.

B. Consultant shall have sole control of the defense of any such claim or suit and all negotiations for settlement in the event City fails to cooperate in the defense of any suit or claim, provided, however, that such defense shall be at Consultant's expense. Consultant shall not be obligated to indemnify City under any settlement that is made without Consultant's consent, which shall not be unreasonably withheld. If the use or sale of such item is enjoined as a result of the suit or claim, Consultant, at no expense to City, shall obtain for City the right to use and sell the item, or shall substitute an equivalent item acceptable to City and extend this patent and copyright indemnity thereto.

**10.2 Notice.** Any notice, demand, request, consent, approval, or communication that either party desires, or is required to give to the other party or any other person shall be in writing. All notices shall be personally delivered, sent by pre-paid First Class U.S. Mail, registered or certified mail, postage prepaid, return receipt requested, or delivered or sent by facsimile with attached evidence of completed transmission. All notices shall be deemed received upon the earlier of (i) the date of delivery to the address of the person to receive such notice if delivered personally or by messenger or overnight courier; (ii) five (5) business days after the date of posting by the United States Post Office if by mail; or (iii) when sent if given by facsimile. Any notice, request, demand, direction, or other communication sent by facsimile must be confirmed within forty-eight (48) hours by letter mailed or delivered. Other forms of electronic transmission such as e-mails, text messages, and instant messages are not acceptable manners of notice required hereunder. Notices or other communications shall be addressed as follows:

To City:

City of Palm Springs  
Attention: City Manager & City Clerk  
3200 E. Tahquitz Canyon Way  
Palm Springs, California 92262  
Telephone: (760) 323-8204  
Facsimile: (760) 323-8332

Palm Springs International Airport  
3400 E. Tahquitz Canyon Way, OFC  
Palm Springs, California 92262  
Telephone: (760) 318-3808  
Facsimile: (760) 318-3815

To Consultant:

James Branda,  
Ricondo & Associates  
20 N. Clark Street, Suite 1500  
Chicago, IL 60602  
Telephone: 312-606-0611  
Facsimile: 312-606-0706

**10.3 Integrated Agreement.** This Agreement constitutes the entire agreement between the Parties and supersedes all prior negotiations, arrangements, agreements, representations, and understandings, if any, made by or among the Parties with respect to the subject matter in this Agreement.

**10.4 Amendment.** No amendments or other modifications of this Agreement shall be binding unless through written agreement by all Parties.

**10.5 Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

**10.5 Successors in Interest.** This Agreement shall be binding upon and inure to the benefit of the Parties' successors and assignees.

**10.6 Third Party Beneficiary.** Except as may be expressly provided for in this Agreement, nothing contained in this Agreement is intended to confer, nor shall this Agreement be construed as conferring, any rights, including, without limitation, any rights as a third-party beneficiary or otherwise, upon any entity or person not a party to this Agreement.

**10.7 Recitals.** The above-referenced Recitals are hereby incorporated into the Agreement as though fully set forth in this Agreement and each Party acknowledges and agrees that such Party is bound, for purposes of this Agreement, by the same.

**10.8. Corporate Authority.** Each of the undersigned represents and warrants that (i) the Party for which he or she is executing this Agreement is duly authorized and existing, (ii) he or she is duly authorized to execute and deliver this Agreement on behalf of the Party for which he or she is signing, (iii) by so executing this Agreement, the Party for which he or she is signing is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the Party for which he or she is signing is bound.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates stated below.

**“CITY”  
City of Palm Springs**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
David H. Ready  
City Manager

**APPROVED AS TO FORM:**

**ATTEST**

By: \_\_\_\_\_  
Douglas C. Holland,  
City Attorney

By: \_\_\_\_\_  
James Thompson,  
City Clerk

**APPROVED BY CITY COUNCIL:**

Date: \_\_\_\_\_ Agreement No. \_\_\_\_\_

Corporations require two notarized signatures. One signature must be from Chairman of Board, President, or any Vice President. The second signature must be from the Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.

**CONSULTANT NAME:**

\_\_\_\_\_

Check one  Individual  Partnership  Corporation

\_\_\_\_\_ Address

\_\_\_\_\_

By \_\_\_\_\_  
Signature (Notarized)

By \_\_\_\_\_  
Signature (Notarized)

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

**CIVIL CODE § 1180**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_ before me, \_\_\_\_\_  
Date Here Insert Name and Title of the Officer

personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_  
Signature of Notary Public

Place Notary Seal Above

**OPTIONAL**

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_ Document Date: \_\_\_\_\_

Number of Pages: \_\_\_\_\_ Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_

Signer's Name: \_\_\_\_\_

Corporate Officer — Title(s): \_\_\_\_\_

Partner —  Limited  General

Individual  Attorney in Fact

Trustee  Guardian or Conservator

Other: \_\_\_\_\_

Signer is Representing: \_\_\_\_\_

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## Airport Financial Consulting Services - Scopes of Work and Budgets

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### 1.1 SCOPES OF WORK

Ricondo and Associates, Inc. (R&A) has prepared the following scopes of work to assist the City of Palm Springs (the City) with the following four efforts: (1) Prepare a feasibility analysis for the Palm Springs International Airport (the Airport); (2) Prepare a Passenger Facility Charge (PFC) Application for the Airport; (3) Assist with Customer Facility Charge (CFC) / rental car planning for the Airport; and (4) Assist with debt financing for the Airport.

#### **TASK 1: PREPARE AN AIRPORT FEASIBILITY ANALYSIS**

R&A will assist the City with the development of an Airport financial analysis that will evaluate the City's capacity to implement its short-term Airport Capital Improvement Plan (CIP), issue debt to construct the expansion of its air carrier terminal ticket-wing project (terminal project), and finance ongoing airport operations. The financial analysis produced by R&A will provide the City with a 10-year cash flow analysis of its annual operating results and will provide a platform to consider the impact of the short-term CIP on annual cash flows and project the potential need for debt financing of anticipated work. It will also identify potential funding sources for the proposed CIP, evaluate revenue enhancement potential for airport operations, and calculate the impacts to airline rates and charges and costs per enplaned passenger metrics. The specific scope for these services includes the following:

- Compiling and reviewing data and documents related to the Airport's financial condition, City policies and administrative regulations, grant status, airline use and lease agreements and other key airport user agreements
- Gaining an understanding of the strengths, weaknesses, opportunities, and threats related to the Airport's financial performance from Airport leadership
- Reviewing the 2015 Airport Master Plan, aviation forecasts, historical airport financial operating results, and the adopted Airport CIP
- Analyzing the capacity of FAA grants, PFC revenues, City funds, state resources, and CFC funds to support the proposed CIP
- Evaluating the revenue generating potential of food and beverage, news and gift, and specialty retail concessions
- Evaluating the revenue generating potential of car rental companies, other ground transportation and public parking fees
- Identifying other revenue enhancement opportunities which may result from the development of Airport facilities



- Assessing the Airport's cost structure and considering avenues for cost-containment and/or service curtailment

The work effort associated with producing this financial analysis includes:

- Gathering documents which detail the financial management of Airport operations and the Airport CIP, including:
  - Detailed year-to-date financial statements for the current year with budget remaining amounts
  - Most recent operating and capital budgets
  - Historical airport operating and maintenance (O&M) financial results – revenues and expenditures (3-5 years)
  - Current capital improvement and major maintenance programs
  - FAA, state, and City grant records
  - PFC quarterly reports
  - Copies of current airline leases, rental car concession agreements, parking operations, FBO leases and other specialty contracts as appropriate
  - Copies of bond enabling legislation and associated documents
  - Interviewing key Airport staff members to gain an understanding of the legal documents and agreements which affect financial management of the Airport
  - Confirming the structure, constraints, requirements and opportunities for financing overall Airport operations as well as the proposed CIP

Upon completion of this inventory, data gathering, and assessment phase, R&A will examine the financial operations of the Airport enterprise for the most recent 5-year period, highlight trends and relationships during this time period, and establish the groundwork for forecasting financial factors. The forecasting element of the R&A financial analysis work is based upon a number of factors, including:

- Airline traffic forecasts (to be provided by the City)
- Historical trends
- Existing and proposed leases with Airport tenants and users
- Inflationary effects
- Development program effects

Collectively, these data will be utilized to develop a financial pro-forma analysis containing a 10-year forecast for the following:

- Non-airline operating revenues
- Operating expenditures
- CIP expenditures

- CIP sources of revenue

R&A's analysis will extend to calculating the potential impacts on airline rates and charges, evaluating the reasonableness of such charges based upon common industry matrices such as airline cost per enplaned passenger, operating expenditures per enplaned passengers, rental car revenue per deplaned passenger, and other revenues derived by passenger activity.

R&A will submit an electronic version to the City and schedule a conference call to review the assumptions and outcomes of the model. Once City feedback is obtained, R&A will prepare a final version of the financial analysis document and submit it electronically to the City.

This project is expected to include one in-person meeting at the Airport for purposes of data collection, Airport staff meetings/interviews, and review of pertinent documents.

## **TASK 2: PREPARE A PFC APPLICATION**

R&A will assist the City with PFC planning services for the development of a PFC Application for projects at the Airport, including submittal to the Federal Aviation Administration (FAA).

In general, this task will include development of a PFC strategy, preparation for and participation in a meeting with the FAA; development of the necessary documentation for the airline consultation meeting and public notice; participation in the airline consultation meeting; preparation of all documentation for the submittal of the PFC Application; preparation of follow up information required by the FAA; and preparation of the final notification to the airlines upon approval by the FAA. The City is to provide R&A all relevant materials and data required to compile the application including copies of all FAA Airspace and Environmental Review documentation to support the application, the Airport's current Capital Improvement Plan, and date of FAA approval of the applicable Airport Layout Plans for project(s) to be included in the new application. The City is to provide a CAD drawing of its FAA-approved Airport Layout Plan in order to allow R&A to produce project sketches and diagrams to accompany the application. In addition, the City is to provide diagrams and space allocation data to assist with determining and presenting the air carrier terminal expansion project. All work produced by R&A will be done in accordance with 14 CFR 158.

R&A would provide the following services:

- **Develop PFC Strategy.** R&A will meet with City staff via teleconference at the start of the assignment to gather data, discuss approach, review and discuss available data and confirm the project schedule. After the meeting, R&A will conduct a PFC capacity analysis to determine the ability of the City's PFC program to fund reimbursement of previously completed eligible projects, existing pay-as-you-go projects, and fund additional debt that may be required for the terminal expansion project. Upon completion of this analysis, R&A is to review its findings with the City, obtain approval of this analysis and finalize, review, and confirm projects to be included in PFC application with the City.

- **Prepare a Draft Application.** R&A will prepare a draft of relevant information to be included in the PFC Application for review by the FAA Los Angeles Airports District Office (ADO) staff prior to submittal of the final PFC Application. This review will allow the FAA to offer preliminary feedback on the eligibility of each project and the completeness of the draft PFC Application. While the FAA's feedback is not binding, it will provide the City with a preliminary indication of what the FAA's Final Agency Decision (FAD) will be after its formal review. R&A will join City staff in a meeting with FAA ADO staff to discuss the results of the FAA's preliminary review.

The draft PFC Application will include a preliminary Attachment B, Attachment G, and other relevant information to allow the FAA to conduct a comprehensive review and to acknowledge that all criteria and procedures are being met or are being planned for. R&A will assist the City in developing the project descriptions as well as the justification, objective, cost detail and any other supporting documentation required based upon data and information provided by the City. R&A will assist with the preparation of any additional documentation necessary for the FAA's consideration resulting from the initial meeting with FAA ADO staff.

- **Airline Consultation and Public Notice.** R&A will prepare the required consultation notice for distribution to the airlines and the public notice required to be posted on the City's website. R&A will attend and direct a PFC airline consultation meeting at the Airport and ensure that the proper procedures are undertaken and documented.
- **Submit PFC Application.** R&A will finalize the PFC Application while awaiting airline comments, incorporating and responding to any airline comments that arise, and will submit the original and required copies of the PFC Application to the FAA. If after the FAA conducts the first 30-day review, the PFC Application is determined to be NOT substantially complete, R&A will prepare any additional information required. Once the PFC Application is approved, R&A will notify the airlines as required.
- **Meetings.** This project is expected to include one in-person meeting at the Airport for the PFC airline consultation meeting and one in-person meeting with Airport staff and FAA staff to discuss PFC Application draft.

### **TASK 3: ASSIST WITH CUSTOMER FACILITY CHARGE (CFC) / RENTAL CAR CONCESSION PLANNING**

R&A will assist the City with CFC planning and implementation in accordance with the California State CFC statute in connection with funding the development by the City of a consolidated rental car facility (ConRAC) at the Airport.

This task would be developed in conjunction with the City's overall strategic business and financial objectives for the planned new ConRAC project. The City has already begun preliminary programming and sizing for the facility, which will lead to development of a rough order of magnitude project cost estimate. The crucial

element of the CFC work plan will be to determine whether the City needs to convert its existing \$10.00 per-transaction CFC to the per-transaction-day CFC, and if so, to establish a new CFC rate sufficient to fund the proposed rental car facility project. R&A would assist the City in making that determination, and in providing the steps and timeline for compliance with the state CFC statute. We would then develop a CFC sources and uses demand analysis that would flow into a debt capacity analysis in order to determine the range of debt service (i.e., project costs) that could be supported by CFC revenues assuming various CFC rates. This work would provide the City with supporting analysis to make a determination of other costs it might agree to make “CFC-eligible” as well as whether, and to what extent, other revenue sources (rental car company capital contribution, facility rent, grants, etc.) might be required to make the project financially “affordable” (i.e., the strategic business, financial and action plan).

The implementation of a Customer Facility Charge (CFC) at California airports is governed by state statute (Civil Code Section 1936). The provisions of Section 1936 govern the criteria for implementation of a CFC, the CFC rate that can be authorized by local airport sponsors, CFC-eligible costs, and post implementation-auditing requirements. It authorizes airports to impose a CFC for development of consolidated rental car facilities and common use transportation systems serving those facilities. Initially the statute authorized airports to implement a CFC rate of \$10.00 per transaction day. The statute was subsequently amended to permit airports to charge a CFC on a per transaction day basis (alternate CFC) at a rate not to exceed \$9.00. However the per transaction day rate methodology sunsets at the end of 2017, at which time airport sponsors initiating a new CFC can only do so at the \$10.00 per transaction rate—a key consideration for generating sufficient CFC revenue for the funding of possible new consolidated rental car facilities at the Airport. The CFC statute sets out the process that must be followed by an airport sponsor intending to implement the alternate CFC.

To support City in this process, R&A will:

- Develop scenarios relating to project affordability and CFC-backed debt capacity. The scenarios will be based upon various assumed CFC rates, implementation dates, and inclusion/exclusion of the various CFC-eligible costs authorized by the CFC statute, as directed by the City.
- Create a CFC sizing model based upon the debt capacity analysis. For this model, R&A will need to obtain historic rental car transaction days and transactions from the City and the current rental car concessionaires. The model will include projections of future rental car transactions and transaction days.
- Recommend required CFC rate based upon the debt capacity analysis and rough-order-of-magnitude project cost estimates.
- Provide expertise and examples on the eligibility and uses of CFC revenues at other California airports under the CFC statute, and advice on best practices and processes at other California airports for the use of CFC revenues for consolidated rental car facility projects.
- Prepare a report detailing and supporting the specific required findings set forth in Section 1946 (m) (2) of the California Civil Code in order to support the implementation of the alternate CFC. The report will include a detailed sources and uses of revenue analysis to calculate the recommended per transaction day rate.
- Support the efforts of the independent auditor selected by City to prepare the audit required by the CFC statute to support the need for an alternate CFC rate.

- Prepare for, attend and participate in the public hearing required to be held by the City prior to the implementation of the alternate CFC in accordance with Section 1946 (m) (2), and other City Council meetings as requested by the City.

*Excluded from this Task:* The CFC statute requires preparation of an independent audit to support an airport sponsor's implementation of the alternate CFC. If the City decides to implement the alternate CFC rate, the City will contract with an independent audit firm to perform this audit. The cost of such audit is not included in the R&A proposed scope and budget.

Once CFC-sizing and project affordability are determined, R&A would support the City with the development and implementation of business and financial terms for the concession and facility lease agreements with the rental car companies. Services to be provided would include:

- Develop suggested terms and conditions to support the City's objectives for its rental car concession program, including best practices at other airports for similar projects. Assist with achieving rental car and City consensus on terms and conditions.
- Interface with rental car facility design team to ensure coordination of operations planning, physical planning, business planning, and financial planning aspects of the rental car concession program and facility development.
- Support development of concession and facility lease agreements or rental car concession bid documents and specifications.
- Support the City throughout negotiations with the rental car industry as the City implements the concession program and facility development; strategize, prepare, anticipate rental car industry questions and reactions in advance of negotiating sessions; debrief with the City after negotiating sessions.

#### **TASK 4: ASSIST WITH DEBT FINANCING FOR THE AIRPORT**

R&A will assist the City with the preparation of a Report of the Airport Consultant (Report) to be included in the Official Statements for additional bonds issued by the City to fund capital projects. The City has identified that funding for the terminal project will be provided through issuance of airport revenue bonds that are solely supported by PFCs (Stand-Alone PFC Bonds). Additionally, future rental car projects including a ConRAC may be funded in part with CFC-supported GARBs, however, since the extent of such an effort is contingent upon future planning efforts, R&A has not developed a specific scope and budget for this potential effort. It is assumed if assistance from R&A is required in the future that R&A and the City will negotiate the scope and budget for that assistance with the debt funding for any CFC-supported projects.

The Report provides an independent analysis of the proposed bond transaction and would demonstrate the City's ability to comply with the City's Trust Agreement. R&A will assist the City in preparation of the Report as follows<sup>1</sup>:

- *Cover letter*: an introductory letter to the Report is to be developed by R&A.
- *Summary of Findings*: This chapter would present an overview of the key assumptions, activity forecasts and financial projections, and findings described in the body of the Report. R&A will prepare the summary with input from the City's financial advisor.
- *The Series Project and the Series Bonds*: This chapter would present the project(s) to be funded with bond proceeds, the plan of finance for the project(s) to be funded with bond proceeds, the sources and uses of bond funds, and certain information regarding the legal structure of the bonds established in the Trust Agreement and relevant to the analysis in the Report, such as the source(s) pledged to repayment of the bonds, the Rate Covenant, the Additional Bonds Test, and the flow of funds. R&A assumes the City's financial advisor will provide documentation for this chapter and R&A will incorporate the information into the chapter.
- *Airport Overview*: This chapter would present an overview of the Airport, including a discussion of its governance structure, physical size and location, and physical descriptions of the airfield, terminal facilities, and other facilities. This chapter would also describe the Air Trade Area served by the Airport (the geographic, or catchment, area from which the Airport generates the majority of its originating passenger traffic) and identify nearby competing airports. R&A will review the Airport Overview chapter included in the 2015 Airport Master Plan and will edit and update for incorporation into the Report.
- *Demographic and Economic Analysis*: Demand for air service within an airport's Air Trade Area is, in large measure, a function of underlying economic and demographic trends. This chapter would present the economic and demographic trends for the Air Trade Area on a historical basis based on data gathered from governmental and private sources. The chapter would also include key demographic and economic variables from nationally or locally recognized sources, which provide the basis for the activity forecasts described in the following chapter. The Demographic and Economic Analysis section of the 2015 Airport Master Plan will also be used by R&A as a source for this chapter. The City will provide R&A with all source documents used in preparation of this section from the 2015 Airport Master Plan in order to update the analysis and chapter text.
- *Passenger Demand and Air Service Analysis*: This chapter would provide an overview of passenger trends and air service offered by the airlines operating at the Airport, tied to the economic and demographic trends identified in the preceding chapter and the projections of passenger and air service activity based on the historical relationships between economic conditions and passenger demand, the projections of economic activity presented in the previous chapter, and known changes in the provision of air service by

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<sup>1</sup> If the City and its Financial Advisor decide to issue general airport revenue bonds that are also backed by PFCs, the scope would be slightly different and would also include a review of the Airport's capital program and funding sources and a comprehensive financial analysis including a pro forma projection of the Airport's financial performance for a period extending between 5 and 10 years into the future to demonstrate the City's ability to maintain compliance with the Trust Agreement.

the airlines serving the Airport. The resulting passenger forecast would be used to develop the projection of PFC revenues necessary to support the debt service. R&A will review and update the Passenger Demand and Air Service Analysis section of the 2015 Airport Master Plan for inclusion in the Report. The City will provide R&A with all source documents used in preparation of this section of the 2015 Airport Master Plan in order to update the analysis and chapter text.

- *Financial Analysis:* This chapter would present the projection of PFC revenues and the ability of the City to meet the coverage requirements identified in the Trust Agreement for the Stand-Alone PFC Bonds. R&A will update the financial analysis completed in Task 1 of this scope of work for purposes of creating this chapter.
- *Documentation:* R&A will develop three drafts of the Feasibility Report including two preliminary drafts and a draft to be provided to the Rating Agencies that will also be included in the Preliminary Official Statement (POS). It is not anticipated that any revisions will be required after the POS is posted and it is assumed that the POS draft will be included in the final Official Statement for the bonds.

#### *Other Financing Services*

In addition to assisting with preparation of the Report as described above, R&A staff would work closely with the City and its financing team to assure the timely completion of the proposed transaction, including the following:

- Participate in a "kickoff" meeting with financing team<sup>2</sup>
- Participate in three document review sessions<sup>2</sup>
- Prepare responses to follow-up questions or requests for sensitivity analyses that may arise after the bond rating agency and investor presentations
- Prepare closing documentation required of Airport Consultant

#### *Optional Services*

R&A is available to participate in presentations made to the bond rating agencies or investors by presenting the findings of the chapters it has prepared for the Report and assisting with providing responses to questions raised during this meeting.<sup>3</sup>

Should the City refund or restructure existing debt at the same time as new Stand-Alone PFC Bonds are issued, R&A would assist with any analysis associated with that effort under a separate Task Order from the City.

## 1.2 BUDGET

The budgets for the four tasks included in this scope of services are depicted in the attached tables. The budgets for each task reflect not-to-exceed budgets using negotiated rates between R&A and the City.

<sup>2</sup> The number and type of meetings were identified by City as one in-person meeting and three conference calls. R&A is willing to participate in additional in-person meetings if directed by the City and if authorized, will pass through additional travel expenses at cost. Assumes three drafts of Report. Additional drafts may be prepared at hourly rates if authorized by City.

<sup>3</sup> Assumes an in person meeting at Airport or at Rating Agency Office.

# Exhibit "B"

CITY OF PALM SPRINGS, CA

## NOTICE INVITING STATEMENTS OF QUALIFICATIONS (SOQ) #01-17 for AVIATION FINANCIAL CONSULTING SERVICES

**NOTICE IS HEREBY GIVEN** that the City of Palm Springs is seeking statements of qualifications from firms to provide professional aviation financial consulting services for the Palm Springs International Airport (PSP) as more fully described herein.

**PROJECT LOCATION:** Palm Springs International Airport (PSP).

**SCOPE OF SERVICES:** The purpose for this solicitation is to acquire the services of a qualified, multi-dimensional consulting firm to provide, on an as-needed basis, a variety of aviation financial analysis services related to Airport capital projects and planning needs.

Aviation consulting services expected to be required over the next five-year period include, financial feasibility analysis, experience with California regulations for customer facility charges, Airport Improvement Grant programs and PFC project applications, including evaluating the available funding level for a rental car facility project to include the associated enabling projects and bonding feasibility from the existing customer facility charge fees, and evaluating the available funding level for public terminal improvements using PFC funding. The project will also include completing the necessary details for a new PFC project application and approval which will comprise all related aviation financial services. The selected firm will be expected to provide the required professional services requested herein.

**OBTAINING SOQ DOCUMENTS AND ADDENDA:** The SOQ document may be downloaded via the internet at [www.palmspringsca.gov](http://www.palmspringsca.gov) (go to Departments, Procurement, Open Bids & Proposals), or by calling the Office of Procurement and Contracting, (760) 322-8368. Upon downloading the SOQ via the internet, contact Craig Gladders, Procurement and Contracting Manager, via email at [craig.gladders@palmspringsca.gov](mailto:craig.gladders@palmspringsca.gov) to register as a firm interested in this specific project, providing your company name, contact person, contact email address, office address, office phone and office fax. Failure to register as above may result in not receiving Addenda to the SOQ. Failing to acknowledge Addenda may result in your submittal being deemed non-responsive, or may negatively impact the evaluation of your qualifications. We **strongly advise** that you follow the registration instructions above if you are interested in submitting a statement of qualifications package. \*Note – registering for this specific project is a separate process and not the same as registering online in our general vendor database.

**EVALUATION OF QUALIFICATIONS AND AWARD OF CONTRACT:** This solicitation has been developed in the Statement of Qualifications (SOQ) format for the acquisition of Professional Services on the basis of demonstrated competence and qualifications for the type of services required consistent with the provisions of CA Government Code 4525/4526 and Municipal Code 7.04.050. Accordingly, firms should take note that multiple factors as identified in the SOQ will be considered by the Evaluation Committee to determine which firm best meets the requirements set forth in the SOQ document. PRICE IS NOT EVALUATED AS PART OF THE EVALUATION CRITERIA, but shall be negotiated with the successful firm, or firms, to be fair and reasonable. The City reserves the right to negotiate the terms and conditions of any resulting contract. Final contract award, if any, will be made by the Palm Springs City Council. The selected firm will be required to comply with all insurance and license requirements of the City.

**DEADLINE:** All qualifications submissions must be received in the Procurement and Contracting Office, 3200 E. Tahquitz Canyon Way, Palm Springs, CA, 92262 by **3:00 P.M.**.



**LOCAL TIME, WEDNESDAY, SEPTEMBER 7, 2016.** The receiving time in the Procurement Office will be the governing time for acceptability of Qualification submissions. Telegraphic and telephonic Qualifications will not be accepted. Reference the SOQ document for additional dates and deadlines. Late qualifications packages will not be accepted and shall be returned unopened.

The firms submitting qualification packages shall guarantee that all contents of their package shall be valid for a period of 120 calendar days from the due date.

Craig L. Gladders, C.P.M. Procurement and Contracting Manager August 3, 2016



**CITY OF PALM SPRINGS, CA  
STATEMENT OF QUALIFICATIONS  
(SOQ) #01-17 AVIATION FINANCIAL CONSULTING SERVICES**

Statement of Qualifications (SOQ #01-17), for professional aviation financial consulting services for the Palm Springs International Airport (PSP), (hereinafter the "SOQ") will be received at the Office of Procurement & Contracting, 3200 East Tahquitz Canyon Way, Palm Springs, California, until **3:00 P.M. LOCAL TIME, WEDNESDAY, SEPTEMBER 7, 2016**. It is the responsibility of the respondent to see that any qualifications packages sent through the mail, or by any other delivery method, shall have sufficient time to be received by this specified date and time. The receiving time in the Procurement Office will be the governing time for acceptability of submissions. Telegraphic, telephonic, faxed or emailed qualifications packages will not be accepted. Late qualifications packages will be returned unopened. Failure to register as a prospective consulting firm responding to this SOQ process per the instructions in the Notice Inviting Statement of Qualifications (under "Obtaining SOQ Documents") may result in not receiving Addenda or other important information pertaining to this process. Failure to acknowledge Addenda may render a qualifications package as being non-responsive or negatively impact the evaluation of qualifications. We **strongly advise** that interested firms officially register per the instructions in the Notice.

**1. PURPOSE AND SCHEDULE:** The purpose for this solicitation is to acquire the services of a qualified, multi-dimensional consulting firm to provide, on an as-needed basis, a variety of aviation financial analysis services related to Airport capital projects and planning needs.

Aviation consulting services expected to be required over the next five-year period include, financial feasibility analysis, experience with California regulations for customer facility charges, Airport Improvement Grant programs and PFC project applications, including evaluating the available funding level for a rental car facility project to include the associated enabling projects and bonding feasibility from the existing customer facility charge fees, and evaluating the available funding level for public terminal improvements using PFC funding. The project will also include completing the necessary details for a new PFC project application and approval which will comprise all related aviation financial services. The selected firm will be expected to provide the required professional services requested herein.

**SCHEDULE:**

Notice requesting Qualifications posted and issued ..... Wednesday, August 3, 2016  
**Deadline for receipt of Questions** ..... **Wednesday, August 24, 2016, 3:00 P.M.**  
**Deadline for receipt of Qualifications**.....**Wednesday, September 7, 2016, 3:00 P.M.** Short List / Interviews/, *\*if desired by City* ..... to be determined Contract awarded by City Council ..... to be determined

**NOTE: There will NOT be a pre-proposal conference for this procurement. \*Dates above are subject to change.**

**“KEY” TO SOQ ATTACHMENTS:**

**ATTACHMENT “A”-Signature Authorization Form, including Addenda acknowledgment. \*Must be completed and included with Work/Technical Qualifications envelope. ATTACHMENT “B” – Non-Collusion Affidavit Form. \*Must be completed and included with Work/Technical Qualifications envelope. ATTACHMENT “C” – Costs, Rates, and Fees Proposal. \*Must be completed and included in a separately sealed envelope – do NOT include this with your Work/Technical Qualifications. ATTACHMENT “D” – Sample boilerplate Contract Services Agreement (for reference only)**

**2. BACKGROUND:** The Palm Springs International Airport, a small hub airport, is owned by the City of Palm Springs and is operated by the City's Department of Aviation (AIRPORT). The Airport is located in eastern Riverside County, approximately 2.5 miles east of the central business district of Palm Springs, California (3400 East Tahquitz Canyon Way). The Airport serves as the major air transportation center for the entire Coachella Valley. In 2015 the Airport served approximately 1.9 million commercial passengers. Passenger enplanements are growing approximately 3% per year, while aircraft operations remain relatively stable. The Airport is a seasonal airport with 10 air carriers serving the Airport during the season (November through May) and approximately 7 air carriers serving the Airport during the off-season (June through October). In addition to commercial service, the Airport experiences a high percentage of corporate and general aviation.

1 The Airport is currently authorized to collect a \$4.50 PFC charge. Annual collections, at current enplanement levels amount to approximately \$3.5 million. As required by the Bond Indenture, the department applies an average PFC Contribution of \$2.4 million to pay annual debt service, with the additional revenues being used toward PFC principal associated with the outstanding PFC debt.

2 The current balance of the outstanding PFC principal is approximately \$17 million.

- Annual PFC collections exceed annual expenditures by about \$1 million;
- PFC use authorization is limited to the payment of current PFC projects.

3. Airport project PFC bonds are set to be fully paid in 2027.

The Airport is collecting the CFC from rental car companies at \$10 per transaction. These funds are to be used for rental car capacity improvement projects. The fund balance in this account is currently \$13 million dollars, with no outstanding expenses. At the current transaction level the Airport generates approximately \$1.9 million dollars per year. The current fund balance will be used for the project design and enabling projects associated with the planned improvements.

**3. SCOPE OF WORK:**

The purpose for this solicitation is to acquire the services of a qualified, multi-dimensional consulting firm to provide, on an as-needed basis, a variety of aviation financial analysis services related to Airport capital projects and planning needs.

Aviation consulting services expected to be required over the next three-year period include, financial feasibility analysis, experience with California regulations for customer facility charges, Airport Improvement Grant programs and PFC project applications, including evaluating the available funding level for a rental car facility project to include the associated enabling projects and bonding feasibility from the existing customer facility charge fees, and evaluating the available funding level for public terminal improvements using PFC funding. The project will also

include completing the necessary details for a new PFC project application and approval which will comprise all related aviation financial services.

The firm selected will be expected to develop a funding plan to optimize the use of all available capital funding sources. The successful consultant may also be called upon to perform other services as required. The term of the contract will be for three years, with two one-year renewal options at the mutual consent of the parties, or for whatever term is determined to be in the best interest of the City.

#### **4. QUALIFICATIONS REQUIREMENTS:**

The firm's qualifications should demonstrate the experience, competency, and methodology to be used to accomplish each of the project tasks. The submittal should include the work plan for the financial analysis, as well as additional key information as more fully set forth below.

Please note: this SOQ cannot identify each specific, individual task required to successfully and completely implement this project. The City of Palm Springs relies on the professionalism and competence of the selected firm to be knowledgeable of the general areas identified in the scope of work and to include in its submittal a demonstrated understanding of all of the required tasks and subtasks, personnel commitments, man-hours, direct and indirect costs, etc. that may be required to perform such services. The City of Palm Springs will not approve addenda to the selected firm's agreement which do not involve a substantial change from the general scope of work identified in this SOQ.

1. **SELECTION PROCESS:** The City of Palm Springs is utilizing a Qualifications Based Selection process to select a firm to provide the services requested by this SOQ. The City shall review the qualifications submitted in reply to this SOQ, and a limited number of firms may be invited to make a formal presentation at a future date. The format, selection criteria and date of the presentation will be established at the time of short listing. Preparation of a submittal in reply to this SOQ, and participation in any future presentation is at the sole expense of the firms responding to this SOQ.
2. **QUALIFICATIONS EVALUATION CRITERIA:** This solicitation has been developed in the "Statement of Qualifications" (SOQ) format. Accordingly, firms should take note that the City will consider multiple criteria in selecting the most qualified firm. Consistent with CA Government Code Section 4525/4526 and Municipal Code 7.04.050 for the acquisition of Professional Services, price is **NOT** an evaluation criteria. Cost proposals submitted in **separate** sealed envelopes are not opened, nor considered during qualifications evaluations. Upon selection of the most qualified firm, the associated cost proposals will be used as a basis for contract negotiations. A contract shall be negotiated on the basis of the submitted costs, rates, and fees, and in consideration of fair and reasonable and mutually agreed upon project costs and time requirements. Should successful negotiations not occur with the highest ranked firm, the City may, at its sole discretion, choose to enter into negotiations with the second highest ranked firm, and so on.

**PRIOR CITY WORK:** If your firm has prior experience working with the City **DO NOT** assume this prior work is known to the evaluation committee. All firms are evaluated solely on the information contained in their qualifications, information obtained from references, and presentations if requested. All submittals must be prepared as if the evaluation committee has no knowledge of the firm, their qualifications or past projects.

An Evaluation Committee, using the following evaluation criteria for this SOQ, will evaluate all responsive submittals to this SOQ. Firms are requested to submit their qualifications so that

they correspond to and are identified with the following specific evaluation criteria, for a total of **100 points** possible:

- 1 Firm's/Team's/Key Personnel Experience, Qualifications and References **(20 Points)**
- 2 Work plan proposed for the financial analysis; **(20 Points)**
- 3 Recent experience with PFC programs and new applications; **(20 Points)**
- 4 Experience with California CFC programs and legislation; **(20 Points)**
- 5 Work plan demonstrating typical approaches to completing other requested analyses; **(15 Point)**
- 6 Local expertise demonstrated on the team **(5 Points)**

Firms are requested to submit their qualifications so that they correspond to and are identified with the following specific evaluation criteria:

**A.** Transmittal letter -Should include an introduction of the submittal, a brief summary of overall firm qualifications and a summary of the reasons why the City should select the responding firm to perform the identified services. Include current contact name, phone, and email of three (3) recent references of similar services performed for other Airports within the last 5 years.

**B.** Firm name, complete address and zip code, telephone/fax number, type of ownership (sole proprietor, partnership, corporation, joint venture, etc.), a brief history and structure of firm (include organizational charts), and identify those personnel with the ability to commit your firm to this project;

**C.** Identify the team of professionals you propose to use to provide the necessary services to the Airport. Include any proposed sub consultants.

**C.1** List comparable Airport services provided by your firm and identify the personnel to be utilized. Succinctly and economically provide the qualifications of the personnel you propose to assign to Airport projects;

**C.1.1** Identify methodology your firm would utilize to conduct an Airport feasibility analysis;

**C.1.2** Describe three similar analyses you have completed.

**C.1.3** For the projects identified in C.1.2, provide references with complete contact information.

**C.2** List Airport PFC services provided by your firm and identify the personnel to be utilized. Succinctly and economically provide the qualifications of the personnel you propose to assign to Airport projects;

**C.2.1** Identify methodology your firm would utilize to conduct an Airport Comprehensive Capital Plan and Analysis with available funding sources;

**C.2.2** Describe three similar analyses you have completed.

**C.2.3** For the projects identified in C.2.2, provide references with complete contact information.

**C.3** List Airport CFC services provided by your firm and identify the personnel to be utilized. Succinctly and economically provide the qualifications of the personnel you propose to assign to Airport projects;

**C.3.1** Identify methodology your firm would utilize to conduct an Airport Comprehensive Capital Plan and Analysis with available funding sources;

**C.3.2** Describe similar analyses you have completed.

**C.3.3** For the projects identified in C.3.2, provide references with complete contact information.

**C.4** List Bond Financing and Federal Grant and Alternative Funding Development services provided by your firm and identify the personnel to be utilized. Succinctly and economically provide the qualifications of the personnel you propose to assign to Airport projects;

**C.5** Identify other Airport specialty financial consulting services in which your firm has expertise that may pertain to the requirements of this SOQ.

**C.6** Describe the approach for the project development and the proposed schedule;

**C.7** Describe the organizational structure and project principals you propose to manage the team constructed to meet the Airport's needs.

**D. Other related qualifications:**

**D.1** Describe your knowledge of and experience with Federal Aviation Administration regulations, policies, procedures, funding programs and specification requirements;

**D.2** Describe your firm's commitment to and past experience with Disadvantaged Business Enterprise (D.B.E.) participation in contracts of a similar scope to that covered by this solicitation. Identify team members with a federal D.B.E. designation.

**D.3** Identify project management tools you propose to use to keep both your own staff on track and the Airport staff cognizant of current project status.

**D.4** Identify a contract of similar size and scope and describe how your firm applied its skills and abilities in the following areas:

- (a) Responsiveness and attentiveness to client needs;
- (b) Creative ability;
- (c) Knowledge and understanding of the latest trends and systems used by other airports;
- (d) Analytic capability;
- (e) Oral and written communication skills;
- (f) Interaction with client's organization, i.e., other divisions and personnel
- (g) Sensitivity to funding constraints.

**E.1 Local Expertise Demonstrated on the Team:** Pursuant to the City of Palm Springs Local Preference Ordinance 1756, in awarding contracts for services, including consultant services, preference to a Local Business shall be given whenever practicable and to the extent consistent with the law and interests of the public. The term "Local Business" is defined as a vendor, contractor, or consultant who has a valid physical business address located within the Coachella Valley, at least six months prior to bid or qualifications opening date, from which the vendor, contractor, or consultant operates or performs business on a day-to-day basis, and holds a valid business license by a jurisdiction located in the Coachella Valley. "Coachella Valley" is defined as the area between the Salton Sea on the south, the San Jacinto and Santa

Rosa Mountains on the west, and the Little San Bernardino Mountains on the east and north.

For the purposes of this definition, "Coachella Valley" includes the cities of Beaumont and Banning and the unincorporated areas between Banning and the City of Palm Springs. Post office boxes are not verifiable and shall not be used for the purpose of establishing such physical address.

The consultant will also, to the extent legally possible, solicit applications for employment and qualifications for subcontractors and subconsultants for work associated with the proposed contract from local residents and firms as opportunities occur and hire qualified local residents and firms whenever feasible.

In order for a business to be eligible to claim the preference, the business **MUST request the preference in the Solicitation response (see Attachment A)** and provide a copy of its current business license (or of those it employs for this project) from a jurisdiction in the Coachella Valley. A non-local business that requests the preference based on employing local residents must provide proof of full-time primary residency from a jurisdiction in the Coachella Valley with the qualifications. The City reserves the right to determine eligibility. The full local preference, five (5) points, may be awarded to those that qualify as a Local Business. Two (2) points may be awarded to a non-local business that employs or retains local residents and/or firms for this project. Non-local firms that do not employ or retain any local residents and/or firms for this project shall earn zero (0) points for this criteria.

**E.2** List all team members with local expertise. Clearly define their role in the overall project.

**F.1** PROPOSED COSTS, RATES, and FEES Schedule – SUBMIT THESE IN A SEPARATELY SEALED ENVELOPE:

- The proposed level of effort (hours) for specific tasks
  - CFC new project approval, also to include # calendar days to complete
  - New PFC project, with calendar days to complete
- The hourly Rates for all staff involved that would be allocated for PSP work, including their titles.  Travel expense costs/fees, including any per diem, for trip(s) to PSP that will be required during the course of the work for various meetings and or presentations.

**7. QUALIFICATIONS SUBMITTAL CONTENTS:** Firms are requested to format their qualifications so that responses correspond directly to, and are identified with, the specific evaluation criteria stated in Section 6 above. **The qualifications package must be in an 8 ½**

**X 11 format, minimum 10pt font size, minimum ¾" margins, and may be no more than a total of twenty five (25) pages (a "page" is defined as a single sheet of paper, which may be double-sided).** The page count limit includes cover letters, organization charts, staff resumes, appendices, and any exceptions to the language in the sample agreement, or to the insurance requirements. **NOTE:** Dividers, Attachments "A" & "B", Addenda acknowledgments, and the proposed cost rates and fees, (*\*in a separate sealed envelope*) do NOT count toward the page limit (everything else does). Interested firms shall **submit SIX (6) copies (one marked "Original" plus five (5) copies) of both** your Technical/Work Qualifications **and** your proposed cost rates and fees, and **one (1) Thumb Drive or CD** of the **entire** qualifications package (including the proposed cost rates and fees), by the deadline.

All qualifications packages shall be sealed within one package and be clearly marked, "SOQ #01-17, STATEMENT OF QUALIFICATIONS FOR AVIATION FINANCIAL CONSULTING SERVICES. Within the sealed qualifications package, the proposed cost rates and fees shall be separately sealed from the Work Qualifications. **Qualifications packages submitted that do not meet the above criteria may be found to be non-responsive.**

**EACH QUALIFICATIONS PACKAGE MUST INCLUDE TWO (2) SEPARATELY SEALED ENVELOPES:**

**Envelope #1, clearly marked "Work Qualifications", shall include the following items:**

Completed Signature authorization and Addenda Acknowledgment (see Attachment A)  Completed, and notarized, Affidavit of Non-Collusion (see Attachment B)  If applicable, your specific request for Local Preference (reference Attachment A) and a copy of a valid business license from a jurisdiction in the Coachella Valley.  All information requested in Sections A thru E of part 6 above.

**Envelope #2, clearly marked "Costs, Rates, and Fees Schedule", shall include the information requested in Section F of part 6 above. DO NOT include Attachment "A" or "B" in the Cost, Rates, and Fees Envelope#2. Attachments "A" and "B" are to be included in Envelope #1, "Work Qualifications".**

**DEADLINE FOR SUBMISSION OF QUALIFICATIONSS:** Qualifications packages will be received in the City of Palm Springs, Office of Procurement and Contracting until **3:00 P.M., LOCAL TIME, WEDNESDAY, SEPTEMBER 7, 2016**. Proof of receipt before the deadline is a City of Palm Springs, Office of Procurement and Contracting time/date stamp. It is the responsibility of the firms replying to this SOQ to see that any qualifications packages sent through the mail, or via any other delivery method, shall have sufficient time to be received by the Procurement Office prior to the due date and time. Late qualifications packages will be returned to the firm unopened. **Qualifications packages shall be clearly marked and identified and must be submitted to:**

**City of Palm Springs Procurement and Contracting Department 3200 E. Tahquitz Canyon Way  
Palm Springs, CA 92262 Attn: Craig Gladders, C.P.M., Procurement & Contracting Manager**

**QUESTIONS:** Firms, their representatives, agents or anyone else acting on their behalf are specifically directed **NOT** to contact any city employee, commission member, committee member, council member, or other agency employee or associate for any purpose related to this SOQ other than as directed below. **Contact with anyone other than as directed below WILL be cause for rejection of a qualifications package.**

**Any questions, technical or otherwise, pertaining to this SOQ must be submitted IN WRITING and directed ONLY to:**

Craig Gladders, C.P.M.  
Procurement & Contracting Manager  
3200 East Tahquitz Canyon Way  
Palm Springs, CA 92262  
via **FAX (760) 323-8238**  
or via **EMAIL: [Craig.Gladders@palmspringsca.gov](mailto:Craig.Gladders@palmspringsca.gov)**

Interpretations or clarifications considered necessary in response to such questions will be resolved by the issuance of formal Addenda to the SOQ. **The deadline for all questions is 3:00 P.M., Local Time, Wednesday, August 24, 2016.** Questions received after this date and time may not be answered. Only questions that have been resolved by formal written Addenda via the Division of Procurement and Contracting will be binding. Oral and other interpretations or clarifications will be without legal or contractual effect.



**FORM OF AGREEMENT:** The selected firm will be required to enter into a contractual agreement, inclusive of insurance requirements, with the City of Palm Springs in accordance with the standard Professional Services Agreement (**see Attachment "D"**) Please note that Exhibits A, B, C, D and E are intentionally not complete in the attached document. These exhibits will be negotiated with the selected firm, and will appear in the final Professional Services Agreement executed between the parties. Requested changes to the Professional Services Agreement may not be approved, and the selected firm must ensure that the attached document will be executed.

We **specifically draw your attention** to the language in the sections of the sample contractual agreement attached entitled "**Conflict of Interest**" and "**Covenants Against Discrimination**" and recommend all firms carefully consider these contractual requirements prior to submitting a qualifications package in response to this SOQ.

Failure or refusal to enter into an Agreement as herein provided or to conform to any of the stipulated requirements in connection therewith shall be just cause for an annulment of the award. If the highest ranked Proposer refuses or fails to execute the Agreement, or negotiations are not successful, or the agreement is terminated, the City may, at its sole discretion, enter negotiations with and award the Contract to the second highest ranked Proposer, and so on.

It is the City's intent that the term of the agreement that is awarded as a result of this SOQ be in effect for three years with two one-year renewal options, or whatever term is in the best interests of the City.

**AWARD OF CONTRACT:** It is the City's intent to award a contract to the firm that can provide all of the services identified in the SOQ document. However, the City reserves the right to award a contract to multiple firms or to a single firm, or to make no award, whichever is in the best interest of the City. It is anticipated that award of the contract will occur at the next regularly scheduled City Council meeting after the evaluation committee has made its final selection of the firm to be recommended for award and a contract has been negotiated and agendaized for consideration. The decision of the City Council will be final.

**RIGHT TO ACCEPT OR REJECT QUALIFICATIONSS:** The City of Palm Springs reserves the right to waive any informality or technical defect in a qualifications package and to accept or reject, in whole or in part, any or all qualifications packages and to cancel all or part of this SOQ and seek new qualifications packages, as best serves the interests of the City. The City furthermore reserves the right to contract separately with others certain tasks if deemed in the best interest of the City.

**INSURANCE:** Insurance provisions are contained in the Standard Contract Services sample agreement included in the SOQ. The successful Proposer will be required to comply with these provisions. It is recommended that Proposers have their insurance provider review the insurance provisions BEFORE they submit their qualifications.

**RESPONSIBILITY OF PROPOSER:** All firms responding to this SOQ shall be responsible. If it is found that a firm is irresponsible (e.g., has not paid taxes, is not a legal entity, submitted an SOQ without an authorized signature, falsified any information in the qualifications package, etc.), the qualifications packages shall be rejected.

**PUBLIC RECORD:** All documents submitted in response to this solicitation will become the property of the City of Palm Springs and are subject to the California Code Section 6250 et seq., commonly known as the Public Records Act. Information contained in the documents, or any other materials associated with the solicitation, pursuant to CA Government Code 6255 during

the negotiation process, may be made public after the City's negotiations are completed, and staff has recommended to the City Council the award of a contract to a specific firm, but before final action is taken by the City Council to award the contract.

Although the California Public Records Act ("CPRA") recognizes that certain confidential trade secret information may be protected from disclosure, the City may not be in a position to establish that the information submitted in a qualifications is a trade secret. If a request is made for information marked "Confidential," "Trade Secret," "Proprietary," or any other similar designation, the City will provide the party submitting such information with reasonable notice to allow the party to seek protection from disclosure by a court of competent jurisdiction. If a submitting party contends that a portion of the qualifications is confidential even under the CPRA, the party: 1) must clearly label each document and/or page deemed a confidential document 2) the legal rationale supporting such contention including specific references to applicable provisions of the Public Records laws of the State 3) must actively defend against any request for disclosure of information which the party has determined should not be released, and 4) must indemnify and hold harmless the City from any loss, claim or suit, including attorneys' fees, brought by a person challenging the City's refusal to release the documents. The City will not, under any circumstances, incur any expenses, or be responsible for any damages or losses incurred by a party submitting a qualifications or any other person or entity, because of the release of such information. The City will not return the original or any copies of the qualifications or other information or documents submitted to the City as part of this SOQ process. **NOTE THAT THE CITY MAY NOT RECOGNIZE QUALIFICATIONS PACKAGES WHERE ALL OF THE INFORMATION, VIA A BLANKET STATEMENT, IS SUBMITTED AS PROPRIETARY INFORMATION OR A TRADE SECRET. SUCH QUALIFICATIONS PACKAGES MAY BE FOUND NON-RESPONSIVE.**

**COST RELATED TO QUALIFICATIONS PACKAGE PREPARATION:** The City will NOT be responsible for any costs incurred by any firm responding to this SOQ in the preparation of their qualifications package or participation in any presentation if requested, or any other aspects of the entire SOQ process.

**COMPLIANCE WITH LAW.** Proposer warrants that all Services rendered shall be performed in accordance with all applicable federal, state, and local laws, statutes, ordinances lawful orders, rules, and regulations.

**LICENSES, PERMITS, FEES, AND ASSESSMENTS.** Proposer represents and warrants to City that it will obtain all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice its profession and perform the Work and Services requested in this SOQ. Proposer represents and warrants to City that Proposer shall, at its sole cost and expense, keep in effect at all times during the term of the Agreement if so awarded, any license, permit, qualification, or approval that is legally required for Proposer to perform the Work and Services under the Agreement if so awarded. Proposer shall have the sole obligation to pay for any fees, assessments, and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Proposer's performance of the Work and Services required under the Agreement if so awarded. Proposer shall indemnify, defend, and hold harmless City against any such fees, assessments, taxes penalties, or interest levied, assessed, or imposed against City to the fullest extent permitted by law.

**BUSINESS LICENSE:** The selected firm will be required to be licensed in accordance with the City of Palm Springs Business License Ordinance, Municipal Code Chapter 3.40 through 3.96, entitled "Business Tax".

**INVESTIGATIONS:** The City reserves the right to make such investigations as it deems necessary to determine the ability of the firms responding to this SOQ to perform the Work and

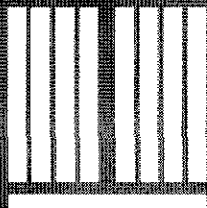
the firm shall furnish to the City all such information and data for this purpose as the City may request. The City reserves the right to reject any qualifications if the evidence submitted by or investigation of such firm fails to satisfy the City that such firm is properly qualified to carry out the obligations of the Contract and to complete the Work contemplated therein.

**QUALIFICATIONS TO REMAIN OPEN:** The Proposer shall guarantee that all contents of their qualifications package shall be valid for a period of 120 calendar days from the due date.

**SIGNED QUALIFICATIONS PACKAGE AND EXCEPTIONS:** Submission of a signed qualifications package will be interpreted to mean that the firm responding to this SOQ has hereby agreed to all the terms and conditions set forth in all of the sheets which make up this Statement of Qualifications, and any attached sample agreement. Exceptions to any of the language in either the SOQ documents or attached sample agreement, including the insurance requirements, must be included in the qualifications and clearly defined. Exceptions to the City's SOQ document or standard boilerplate language, insurance requirements, terms or conditions may be considered in the evaluation process; however, the City makes no guarantee that any exceptions will be approved.

# Exhibit "C"

SEPTEMBER 7, 2016



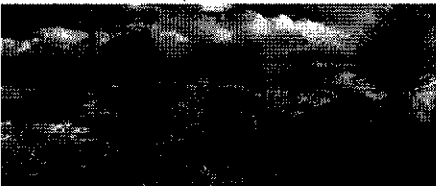
**RICONDO**  
& ASSOCIATES

STATEMENT OF QUALIFICATIONS TO PROVIDE

## Aviation Financial Consulting Services

for the City of Palm Springs

SOG #01-17



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September 7, 2016

Mr. Craig L. Gladders, CPM  
Procurement and Contracting Manager  
City of Palm Springs  
Procurement and Contracting Department  
3200 E. Tahquitz Canyon Way  
Palm Springs, California 92262

RE: Statement of Qualifications to Provide Aviation Financial Consulting Services to the City of Palm Springs, California – SOQ #01-17

Dear Mr. Gladders:

Ricondo & Associates, Inc. (R&A) is pleased to submit one original, five copies, and one electronic copy in Adobe Acrobat (.pdf) format of our Statement of Qualifications (SOQ) to provide Aviation Financial Consulting Services for the City of Palm Springs, California (the City). Our SOQ has been prepared in strict adherence to the guidelines provided by the City in its Request for Qualifications (RFQ).

R&A is an internationally recognized aviation consulting firm that provides the full range of airport financial planning, facilities planning, environmental planning, and on-call general advisory services. The firm is headquartered in Chicago and has additional U.S. offices in Atlanta, Cincinnati, Dallas-Fort Worth, Denver, Honolulu, Miami, Orlando, Phoenix, southern California, and Washington, D.C., as well as international offices in Abu Dhabi and London. If selected to provide the requested services, we would assign the best suited technical staff to meet the City's needs.

R&A has been solving the challenging problems facing the aviation industry since the firm's inception in 1989. R&A's only business interest is airport and aviation planning services. We take a practical, collaborative approach to projects, working with our clients to address the issues at each airport in a manner that best addresses each client's needs.

This SOQ demonstrates R&A's interest in and ability to provide the services sought by the City for Palm Springs International Airport. R&A's designated team of professionals consists of individuals who have long-standing reputations for commitment, responsiveness, excellence, and the proven ability to deliver successful financial planning projects. James E. Branda, an industry leader in developing and implementing rental car concession programs, as well as business and financial planning for rental car concession programs, would lead our work serving as Officer-in-Charge and Task Leader for all Customer Facility Charge (CFC) projects. Assisting Mr. Branda would be Bonnie A. Ossege, who has extensive Passenger Facility Charge (PFC), airport bond financing, and airport financial analysis experience. Ms. Ossege would serve as Task Manager for the Comprehensive Capital Improvement Plan Analysis and PFC Services. Bryan O. Elliott, AAE, would serve as R&A's Project Manager as well as our Financial Analysis Lead. Mr. Branda, Ms. Ossege and Mr. Elliott would serve as the Project Management Team for this assignment.



Mr. Craig L. Gladders, CPM  
City of Palm Springs  
September 7, 2016  
Page 2

Through our internal project approach, R&A ensures that we would support the City in the most responsive and technically thorough manner, that our Project Manager would be accessible to the City for the duration of the contract, and that all documentation and other work products would be of the highest quality. R&A would bring regional and local knowledge to this project, as well as the broader perspective of the national and global aviation industry.

As you assess R&A's ability to provide the requested services, please consider these relevant points:

- **R&A is known for commitment and responsiveness.** R&A assures the City that the individuals named in this submittal are available to provide the requested services and would be committed to assist the City during the term of our contract. We encourage you to check our references regarding our responsiveness and the quality of our services. We pride ourselves on our ability to retain existing clients by making every effort to be responsive and provide the highest quality work product on each and every assignment. We treat each assignment as if it were our first, thus requiring that we perform in a manner that adds value. We believe that our success depends on the success of our clients, and the best evidence of the quality of services we provide and the professional reputation enjoyed by R&A's officers and senior staff is the fact that nearly 90 percent of our assignments are from repeat clients.
- **R&A Experience and Expertise.** Our Project Management Team has extensive industry experience. Mr. Branda has more than 30 years of aviation/rental car concession planning experience; Ms. Ossege has 20 years of aviation consulting experience; and Mr. Elliott has 30 years of airport leadership experience. Mr. Branda has assisted airport operators with planning more than half of the consolidated rental car facilities now in development or in operation in the United States, which were funded, in part, with CFCs including 8 California airports. Ms. Ossege has prepared more than 50 PFC applications and amendments and has assisted the operators of many airports with CFC planning and capital planning assignments including feasibility analysis. Mr. Elliott is currently serving as Project Manager for various client services, including those for the Raleigh-Durham Airport Authority and Redmond Municipal Airport-Roberts Field (Oregon). He has over 15 years' experience with preparing PFC applications and amendments and is currently assisting with PFC reconciliation and planning services for Saipan International Airport. All R&A professionals assigned to this assignment have extensive experience developing airline rates and charges models and negotiating airline and airport use agreements.
- **R&A has provided exceptional client service on similar projects at airports throughout the United States including small-hub size airports like Palm Springs International Airport.** We take a practical, collaborative approach to projects, working with our clients to address the issues at



Mr. Craig L. Gladders, CPM  
City of Palm Springs  
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Page 3

each airport in a manner that best suits each client's needs. Recent financial planning services include the preparation of PFC applications for Bob Hope Palm Beach International, and San Antonio International Airports and CFC support for the Greater Columbus Regional and Raleigh-Durham International Airports. As a result of this experience, R&A would bring a local, regional, State of California, and national perspective to addressing your airport financial planning concerns.

- **R&A understands that planning must be realistic, flexible, and financially feasible to provide value.** Our work is based on facts and reasonable forecasts and projections, as well as the use of analytical and simulation tools, which enable us to provide technically accurate conclusions and recommendations that can be implemented and are financially feasible.

As requested by the RFQ, three of our client references who would attest to the quality of our services are as follows:

1. Mr. John T. Hatanaka, Senior Deputy Executive Director, Burbank-Glendale-Pasadena Airport Authority, 818-729-2225, [jhatanaka@bur.org](mailto:jhatanaka@bur.org)
2. Mr. Eric M. Kaalund, Assistant Aviation Director, San Antonio Airport System, 210-207-3449, [eric.kaalund@sanantonio.gov](mailto:eric.kaalund@sanantonio.gov)
3. Ms. Judith Olmstead, Assistant Director of Airports, Horry County Department of Airports, 843-839-7359, [olmsteadj@horrycounty.org](mailto:olmsteadj@horrycounty.org) (formerly Charleston County Aviation Authority)

We appreciate the opportunity to submit this SOQ for the City's consideration, and believe that it demonstrates our comprehensive and unique approach to providing quality aviation financial consulting services. If you have any questions concerning our submittal or need additional information, please call me at 312-212-8822 or [j.branda@ricondo.com](mailto:j.branda@ricondo.com).

Sincerely,

RICONDO & ASSOCIATES, INC.

James E. Branda  
Vice President

cc: 16-98-1325-01-1110  
Read File

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## B. Firm Background

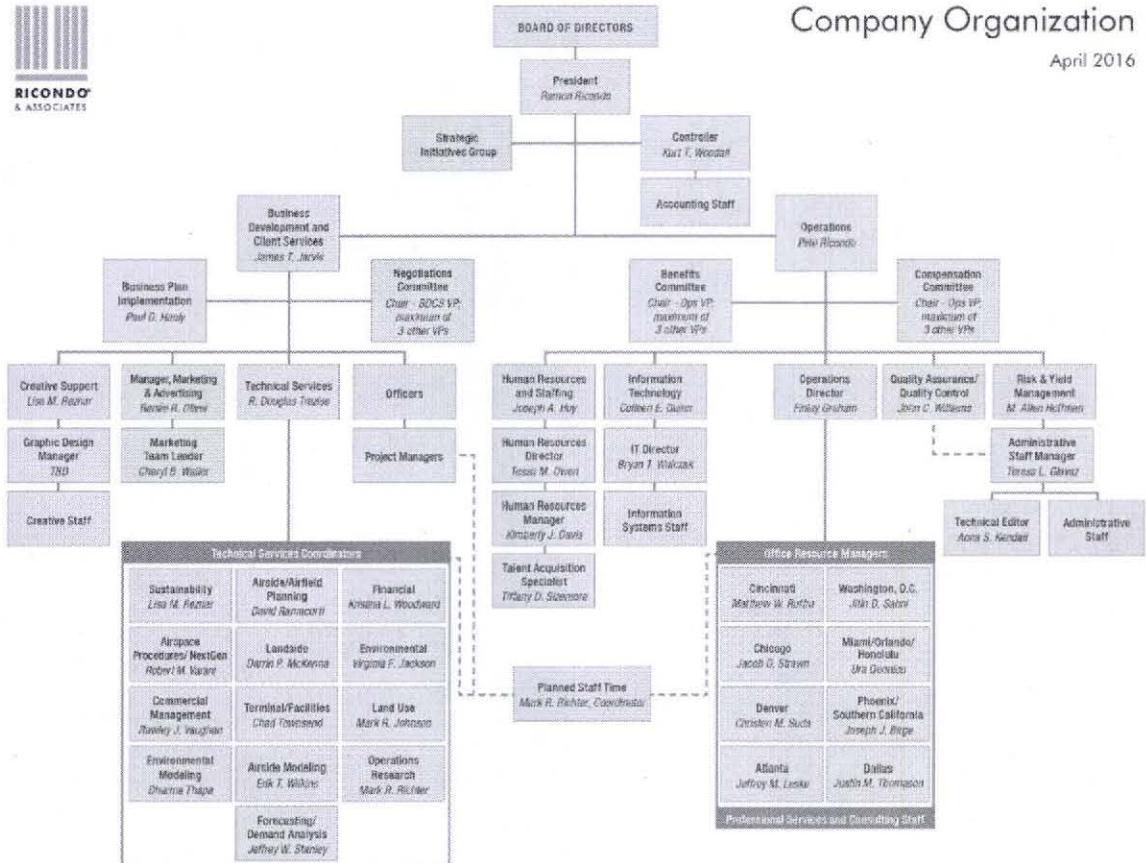
Ricondo & Associates, Inc. (R&A) is a full-service aviation consultancy firm headquartered in Chicago at 20 North Clark Street, Suite 1500, Chicago, Illinois 60602 (312-606-0611 [telephone]; 312-606-0706 [facsimile]). R&A is organized as an S-Corporation and specializes in airport planning and business management services in support of airport owners and operators, airlines, and federal and state agencies. Since its inception in the State of Illinois in 1989, R&A has been dedicated to solving the challenging problems facing the airport and airline industries. The firm is owned and operated by its senior officers and has no other business interest except airport and aviation consulting.

R&A employs more than 130 professional aviation consultants and 20 administrative and technical full-time staff, with offices in the following locations: Chicago (corporate headquarters), Atlanta, Cincinnati, Dallas-Fort Worth, Denver, Honolulu, Miami, Orlando, Phoenix, Southern California, and Washington, D.C., as well as international offices in Abu Dhabi and London.

R&A's comprehensive business and financial planning services generally include airport capital planning, affordability, and justification analyses; airport financial modeling, including rates and charges model development; aviation demand forecasting for financial purposes; revenue bond feasibility study preparation; passenger facility charge (PFC) planning and implementation; customer facility charge (CFC) planning and implementation; rental car business and financial planning; Airport Improvement Program (AIP) and Letter of Intent (LOI) grant planning; airline and other tenant agreement development and negotiation; nonaeronautical revenue enhancement strategy development; parking and ground transportation analyses; and strategic business planning. R&A has provided business and financial planning services for 63 large-, medium- and small-hub airports as well as to various non-hub and general aviation airports since the inception of our financial planning practice in 1996.

As Officers for our firm, both James E. Branda and Bonnie A. Ossege are authorized to commit R&A to services required by the City. **Figure B-1** on the following page depicts the firm's overall hierarchical structure.

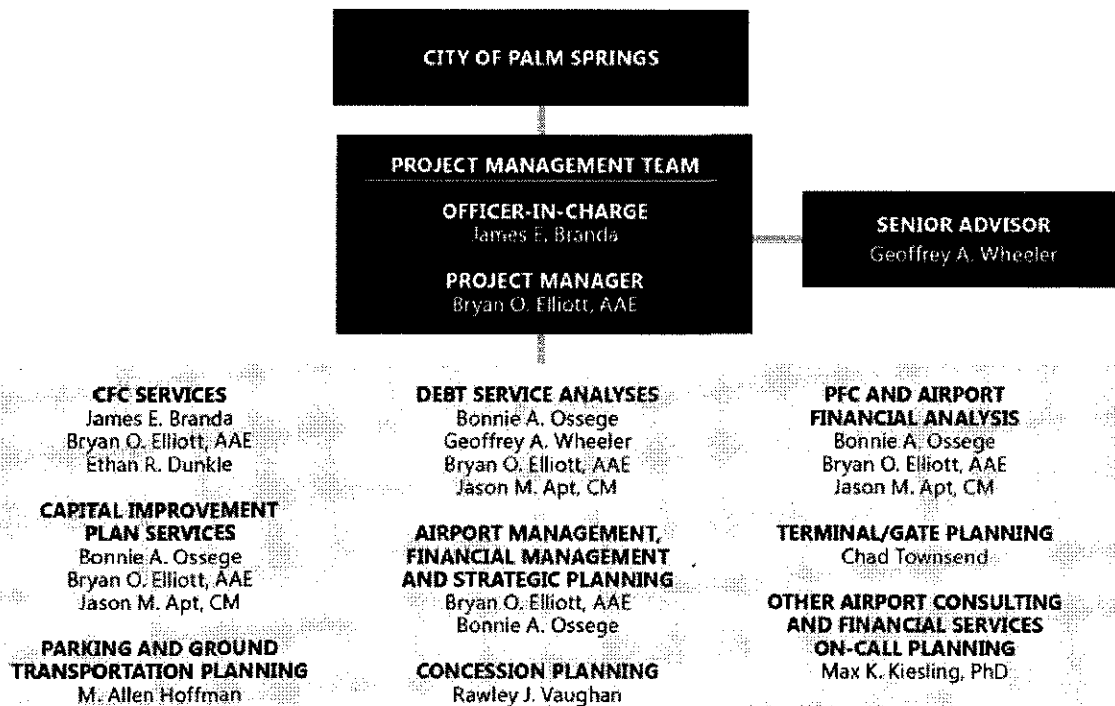
Figure B-1: R&A's Hierarchical Structure



## C. Staffing and Organization

The individuals designated for this effort are experienced professionals who have been selected to provide the requested services based on their experience and expertise in the various technical areas required to complete the work, an understanding of the issues at the Airport, and their availability to commit to the required services during the term of the contract. **Exhibit C-1** presents our designated R&A professionals and their respective roles:

**Exhibit C-1: R&A Proposed Project Organization**

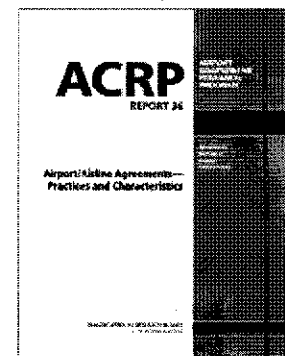


## C.1 Comparable Airport Services

R&A has been providing financial services to the airport industry since 1996. We have prepared approximately 180 PFC applications and have assisted the operators of more than 25 airports with CFC analyses related to rental car facilities including consolidated rental car facilities (CONRAC). R&A has by far the most experience assisting California airports with implementing CFCs and converting CFCs to a per-day-rate, from conception to implementation. Those airports include Bakersfield, Burbank, Los Angeles, Oakland, San Diego, San Jose, San Luis Obispo and San Francisco. Our firm has prepared financial analyses that have led to the preparation of bond feasibility reports that have been included in Official Statements for the sale of the bonds for 36 airports, totaling in excess of \$30 billion in bond proceeds. In addition, R&A has significant experience with Capital Improvement Program (CIP) administration at several airports, including Honolulu International and Kahului Airports, where R&A tracks expenditures and projected cash needs for consolidated rental car facilities being constructed at a total cost of \$866.3 million. Additionally, our public-private-partnership work has provided opportunities for operational and cost studies aimed at maximizing revenue at domestic and international airports.

As the largest independently owned aviation consultancy in the world's largest aviation market, R&A is a respected entity. Our reputation for delivering quality work products and exceeding client expectations distinguishes us in this field and results in a host of opportunities for our professional staff to be on the cutting edge of aviation policy formulation and an industry advisor as evidenced by:

- The FAA inviting R&A to participate in a 2013 financial working group session to evaluate the PFC Program and potential reform
- Being requested to evaluate the application of Voluntary Airport Low Emissions (VALE) Program eligibility requirements to PFC authorization
- Participating in the development of the American Association of Airport Executives (AAAE) PFC workshop, including the roles of speaker, moderator, and organizer of the entire workshop on a biennial basis since 2009
- Serving as a strategic partner to Airports Council International-North America (ACI-NA)
- Being selected in 2008 by a panel of industry experts to develop a manual on airport/airline agreements and rate-making methodologies and characteristics for the Transportation Research Board's Airport Cooperative Research Program (TRB's ACRP). The manual was published in 2011 and is intended to provide information to assist both airport operators and airlines in better understanding the needs of one another and to present information that better explains how and why each responds to certain issues. The manual also includes sample documentation to assist airport operators in developing goals and objectives, financial analyses, and the airline agreement itself. The overall goal of the resource manual is to assist both parties in making more informed decisions during the negotiation process. For further information, the manual can be downloaded directly from the TRB website at: [http://onlinepubs.trb.org/onlinepubs/acrp/acrp\\_rpt\\_036.pdf](http://onlinepubs.trb.org/onlinepubs/acrp/acrp_rpt_036.pdf)



R&A's Experience Matrix on the following page demonstrates the depth of our financial and business planning services at small-hub like Palm Springs International Airport as well as other California airports.

Short biographical and experience statements for the R&A Project Management Team and other staff that would assist with this assignment are presented below.

**James E. Branda**, our designated Officer-in-Charge and CFC and Rental Car Concession Planning Task Leader, has nearly 30 years of airport rental car concession and facility development experience. He is an industry leader in developing and implementing rental car concession programs, as well as business and financial planning for rental car concession programs. Mr. Branda has assisted airport operators with planning more than half of the consolidated rental car facilities now in development or in operation in the United States. He led Budget Rent A Car System's worldwide Properties and Facilities Division for 14 years. Since 1998, he has provided rental car consulting services exclusively to airport operators, including the following California airports: Bakersfield, Burbank, Los Angeles, Oakland, San Diego, San Francisco, San Jose, and San Luis Obispo. He has also led CFC consulting services at Chicago, El Paso, Hawaii, Nashville, Orlando, Portland (Oregon), Seattle-Tacoma, Tampa, and Washington, D.C.

**Bonnie A. Ossege**, our designated Task Leader for PFC and CIP Services, has nearly 20 years of financial and business planning experience in the aviation industry. Her financial consulting experience includes negotiation and development of airline agreements, financial analyses associated with the implementation of CIPs, and development of the analyses and documentation necessary to support the issuance of airport revenue bonds. Ms. Ossege has determined the financial feasibility of many airport capital improvement projects, prepared PFC applications, evaluated the use of CFCs for the funding of rental car facilities, determined debt capacity, prepared strategic business plans, and developed the financial analyses in conjunction with many master plan updates. Since 2009, she has led R&A's participation in the AAAE Rates and Charges Workshop and the AAAE PFC Workshop, including the development of topics for workshop sessions, coordination of speakers, administration and logistics coordination with AAAE staff related to the workshops, and serving as both moderator and presenter. Using her knowledge of airline rates and charges and her computer modeling expertise, Ms. Ossege has developed financial models designed for the ongoing calculation of airline rates and charges by airport staff and has conducted training sessions at various airports to help airport staff maximize the benefits of R&A-developed financial models. Some of Ms. Ossege's recent clients have included the operators of San Antonio International, Northwest Florida Beaches International, Northwest Arkansas Regional, Palm Beach International, Southwest Florida International, and Tampa International Airports.

**Bryan O. Elliott, A.A.E.**, our designated Project Manager and Airport Financial Analysis Task Leader, has over 30 years of public sector senior leadership experience and 10 years of airport consulting experience. He currently leads R&A's airport rates and charges analysis work for the Raleigh-Durham Airport Authority which involves developing an updated airline rates and charges study, preparing a 20-year cash flow analysis, and developing recommendations related to airline fees for the City's future year budgets. He has also led the Redmond Municipal Airport-Roberts Field Rental Car CFC and Request for Proposal (RFP) process which involved undertaking a CFC debt capacity analysis and assisting with the development of a RFP for new rental car concession contracts. Mr. Elliott is also assisting with the preparation of the Rental



Car Concession Agreement contract for John Glenn Columbus International Airport, where he is responsible for developing and recommending various provisions and suggested contract language. Mr. Elliott has extensive experience with airport master planning, benchmarking studies, airline lease negotiations, development of strategic business plans, and formulation of financial analysis, to support airport capital improvement plans. Mr. Elliott would be extensively involved in developing work products related to the CIP analysis, PFC services, and CFC projects. He is also available to lead and deliver other specialty financial consulting services and federal grant and alternative funding development services.

**Jason M. Apt, C.M.**, has over 14 years of experience in multiple airport planning disciplines (all with R&A), including significant airport financial planning experience. Mr. Apt has supported or managed a wide variety of airport financial tasks including capital improvement plan implementation and funding analyses, rates and charges modeling, airline lease negotiations, cost allocation studies, customer facility charge and passenger facility charge capacity studies, and benefit-cost analyses (BCAs). He has also managed or assisted with feasibility studies in support of the issuance of over \$4.5 billion in airport revenue bond proceeds. Mr. Apt has led the development and analysis of financial plans in support of numerous airport master plans and has completed several successful federal grant applications through the FAA's VALE program. Mr. Apt previously served as Project Manager for R&A's on-call financial services contract for Los Angeles World Airports. He is currently conducting financial analyses in support of terminal development at Hollywood Burbank Airport, is leading an effort to obtain LOI federal funding for Dallas Fort Worth International Airport, and is conducting detailed CFC cash flow modeling for the State of Hawaii Department of Transportation, Airports Division, in support of a statewide comprehensive consolidated rental car development program as well as for the Moscow-Pullman Regional Airport's runway realignment in Washington state.. Mr. Apt would be our designated primary analyst with regard to general financial tasks, the CIP, and PFC efforts.

**Ethan R. Dunkle** has participated in numerous financial planning assignments since joining R&A in 2013, including airline rates and charges analyses, revenue bond feasibility reports, airline negotiations, CFC rate analyses, BCAs, and general financial planning. Recently, he supported the Broward County Aviation Department and the San Antonio Aviation Department in the issuance of revenue-backed and special-facilities bonds. Mr. Dunkle manages rates and charges modeling efforts for multiple large-, medium-, and small-hub airports. His CFC rate analyses have been utilized to gauge CFC rate sizing and funding capacity of multiple airports. Prior to joining R&A, Mr. Dunkle worked as a revenue analyst for Delta Air Lines, where he gained experience in aircraft capacity forecasting and network planning of air-cargo-driven markets. Mr. Dunkle would be our designated analyst for CFC services.

**M. Allen Hoffman** has more than 25 years of experience in airport planning and transportation planning/engineering, with emphasis on the planning and operational analysis of airport ground transportation and parking facilities at more than 50 domestic and international airports. His key areas of expertise include roadway and parking demand forecasting and requirements, operational analyses, and the preparation of physical layouts for airport roadways, curbsides, parking, and rental car facilities; airport roadway and curbside simulations; parking demand and revenue forecasting; strategic parking facility and product planning; preparation of alignment and station plans for automated people mover and rail systems; master and land use planning; automated vehicle identification system plans and specifications; airport shuttle bus system analysis and planning; and commercial ground transportation business arrangements, fees, and revenue analyses.

**Max K. Kiesling, Ph.D.**, has over 20 years of experience in airport facility planning, airport master planning, project management, airfield and airspace planning, program implementation, air transportation economics, transportation logistics, and statistical analysis. Dr. Kiesling is currently serving as project manager (PM) of on-call planning services for the Houston Airport System, which includes master plan updates at William P. Hobby Airport and Ellington Airport. He is also PM of the Laredo International Airport master plan update, and recently served as PM for on-call planning services at Dallas Love Field Airport. During his tenure with R&A, Dr. Kiesling has managed on-call and master planning assignments for several large-hub airports or airport systems, including the Houston Airport System, Dallas Airport System, and Denver International Airport. For the Houston Airport System, he has managed master plans for William P. Hobby Airport (2003 and 2014), Ellington Airport (2014), and a wide range of facility planning projects ranging from international concourse planning, Spaceport planning, air cargo facility development, runway upgrade air airfield improvements, airfield capacity enhancements, on-airport facility redevelopment, and urban planning/renewal. In addition to project and program management, Dr. Kiesling has extensive experience in capital development, stakeholder coordination and consensus building, and contractor management.

**Chad Townsend** has nearly 20 years of experience in planning, developing, and implementing successful solutions for large public facilities and responding to aviation challenges at the world's busiest airports and at smaller regional airports. Mr. Townsend has participated in a wide variety of airport and terminal area development projects as project manager, task leader, lead planner, or consulting technical staff. As a member of multiple on-call consulting teams, in addition to completing individual project assignments, Mr. Townsend has managed and participated in tasks related to terminal area programming, capacity planning and growth scenarios, forecast development and analysis, airfield strategic planning, gate and concourse expansion, baggage infrastructure planning and implementation, facility threat mitigation, security screening innovation development, technology implementation strategies, BCAs, passenger/baggage flow simulations, and multimodal transportation access planning and implementation.

**Rawley J. Vaughan** has nearly 10 years of experience as a consultant to airport management, specializing in strategic planning, financial analyses, and commercial development. Mr. Vaughan's focus in commercial development is concessions planning, and has helped plan or evaluate in-terminal concessions at Chicago (Midway), Chicago (O'Hare), Dallas/Fort Worth, Denver, Guam, Los Angeles, Orlando, Pittsburgh, Raleigh-Durham, Reno-Tahoe, Sacramento, Saipan, and San Francisco International Airports, as well as Santa Barbara Municipal Airport, Toronto City Airport (Canada) and Manchester Airport (United Kingdom). His work has included evaluating and benchmarking financial performance, projecting supportable space and planning space layout, and assisting in the tender process and concession agreement negotiations. Mr. Vaughan also has worked on various airport transactions-such as those in San Juan (Luis Muñoz Marín), São Paulo (Guarulhos) and New York (LaGuardia) concentrating on revenue development (including concessions). From 2008 to 2013, he assisted senior management at Los Angeles World Airports in changing the terminal rental methodology to unify the various terminals into one cost center and to produce a self-financing mechanism for billions of dollars of future capital improvements at Los Angeles International Airport, which included the projection of net revenues generated from all concession categories in all terminal buildings.

**Geoffrey A. Wheeler** is a senior officer in R&A's airport financial and business planning practice and joined the firm in 1996 following 19 years of experience in aviation management, operations, and consulting. He assists clients in accessing the revenue bond market, having participated in more than \$5.0 billion in airport



revenue bond financings for his clients. Mr. Wheeler has also assisted many clients with the development and financing of consolidated rental car facilities, including the Burbank-Glendale-Pasadena Airport Authority, the State of Hawaii Department of Transportation – Airports Division, the Port of Seattle, and the Rhode Island Airport Corporation. Mr. Wheeler has advised numerous airport operators on their ability to complete capital programs and is the firm's Officer-in-Charge for the State of Hawaii's ongoing \$1.7 billion terminal modernization program at Honolulu International Airport. Mr. Wheeler has also developed numerous PFC applications and coordinated with the FAA on behalf of R&A clients, as well as developed, negotiated, and implemented airline agreements. He would provide project support assistance for PFC and CFC bond financing matters.

### C.1.1 AIRPORT FINANCIAL ANALYSIS METHODOLOGY

R&A's approach to developing an airport financial analysis is aimed at producing a work product that will enable our clients to understand their capacity to implement its desired CIP, issue debt to construct large-scale projects or programs, and/or create an awareness of their ability finance ongoing airport operations resulting from initiation of capital plans, issuance of debt, or changes in its operating environment.

The analytical work performed by our firm is used to identify potential funding sources that are practical alternatives for financing capital development projects, evaluate revenue enhancement potential for airport operations, and calculate the impacts to airline rates and charges and costs per enplaned passenger metrics. Areas of focus for R&A in completing these types of projects generally include:

- Compiling and reviewing data and documents related to an airport's financial condition, policies, administrative regulations, grant status, airline use and lease agreements and other key airport user agreements
- Gaining an understanding of the strengths, weaknesses, opportunities, and threats related to the Airport's financial performance from Airport leadership
- Reviewing the airport master plan, aviation forecasts, historical airport financial operating results, and the adopted capital development plan
- Analyzing the capacity of FAA grants, PFC revenues, airport sponsor funds, State resources, and CFC funds to support a proposed capital plan
- Evaluating the revenue generating potential of food and beverage, news and gift, and specialty retail concessions
- Evaluating the revenue generating potential of car rental companies, other ground transportation and public parking fees
- Identifying other revenue enhancement opportunities which may result from the development of Airport facilities
- Assessing the Airport's cost structure and considering avenues for cost-containment and/or service curtailment

The work effort associated with producing financial analysis includes:

- Gathering documents which detail the financial management of Airport operations and the Airport capital development program, including:
  - Detailed year-to-date financial statements for the current year with budget remaining amounts
  - Most recent operating and capital budgets
  - Historical airport operating and maintenance (O&M) financial results – revenues and expenditures (3-5 years)
  - Current capital improvement and major maintenance programs
  - FAA, state, and local grant records
  - PFC quarterly reports
  - Copies of current airline leases, rental car concession agreements, parking operations, FBO leases and other specialty contracts as appropriate
  - Copies of bond enabling legislation and associated documents
  - Interviewing key Airport staff members to gain an understanding of the legal documents and agreements which affect financial management of the airport
  - Confirming the structure, constraints, requirements and opportunities for financing overall airport operations as well as the proposed CIP

This inventory, data gathering, and assessment phase enables R&A to thoroughly examine the financial operations of the Airport enterprise for the most recent 5-year period, highlight trends and relationships during this time period, and establish the groundwork for forecasting financial factors. The forecasting element of the R&A financial analysis work is based upon a number of factors, including:

- Airline traffic forecasts
- Historical trends
- Existing and proposed leases with Airport tenants and users
- Inflationary effects
- Development program effects

Collectively, these data enables us to develop a robust financial pro-forma analysis containing forecasts of:

- Non-airline operating revenues
- Operating expenditures
- CIP expenditures
- CIP sources of revenue

R&A's analysis extends to calculating the potential impacts on tenant rates and charges, evaluating the reasonableness of such charges based upon common industry matrices such as airline cost per enplaned passenger, operating expenditures per enplaned passengers, rental car revenue per deplaned passenger, and other revenues derived by passenger activity.

**C.1.2 SIMILAR FINANCIAL ANALYSIS PROJECTS**

Project Title: General Financial Consulting Services for Savannah/Hilton Head International Airport  
 Client: Savannah Airport Commission  
 Start/End Date: 1996/Ongoing

Project Description: The Savannah Airport Commission (the Commission) first retained R&A in 1996 to develop a funding strategy using passenger facility charge revenue to provide partial funding for the Commission's ongoing capital program. R&A reviewed the airport's financial position and met with key staff to identify the Commission's project objectives. The Commission had recently completed construction of a new terminal building, and the Airline-Airport Use and Lease Agreement provided for certain nonairline revenue credits to be applied against the airline terminal rental rate requirement. A key objective in developing the PFC funding strategy was to maximize funding for future PFC-eligible projects to conserve Commission funds, while maintaining a minimum terminal rental rate for the airlines.



The Commission has continued to engage R&A to provide on-call financial services and advice on an ongoing basis. R&A's efforts have primarily centered on an annual analysis of Commission's capital program and management of the PFC program. Our reviews have included coordination between the FAA Airports District Office, the FAA Regional Office, and FAA Headquarters and the Commission. Over the years, R&A has prepared more than 20 PFC applications and PFC amendments for the Commission. In each case, where required, R&A prepared the airline consultation notice, led airline discussions at the consultation meeting, prepared the application submittal for the Commission, met with FAA representatives, prepared approval notices for distribution to the airlines, and worked with the Commission staff to ensure that fund receipts and disbursements were recorded properly. R&A has also provided strategic assistance to the Commission when preparing to renegotiate the airport-airline use and lease agreement and developed alternative rates and charges models.

Project Title: Financial Services for Henry E. Rohlsen Airport and Cyril E. King Airport  
 Client: Virgin Islands Port Authority  
 Start/End Date: 2010/Ongoing

Project Description: In 2010, the Virgin Islands Port Authority (Port Authority) approved the selection of R&A to provide general consultant and engineering services for the Henry E. Rohlsen Airport. This multi-year contract provides planning, architectural, engineering, and management consulting services for implementation of the airport's CIP and other operational enhancements. The initial project undertaken and completed under this contract included the design and bid of a pavement rehabilitation and overlay of the



primary Runway 10-28. This design project was undertaken in an expedited schedule in order to compete for and secure federal funding prior to the end of the 2009/2010 fiscal year cycle. Later that same year, R&A initiated an energy conservation audit for the terminal building. Other projects anticipated to be undertaken during the term of this contract (as project funding is secured) include the design and construction of a new aircraft rescue and firefighting facility; a terminal re-roofing project; a master plan update; and terminal operational enhancements study.

In addition, R&A assisted the Port Authority with the development of a business plan that included development of an airline rate-making methodology, evaluation of tenant leases, benchmarking and PFC analysis for Cyril E. King Airport and the Henry E. Rohlsen Airport. R&A is currently assisting the Port Authority with PFC planning, which includes the development of PFC amendments in 2015 and preliminary planning for a new PFC application to be submitted in 2016.

Project Title: On-Call Financial Planning Services for San Antonio Airport  
 Client: San Antonio Airport System  
 Start/End Date: May 2008/Ongoing

Project Description: Since 2008, R&A has assisted the City of San Antonio Aviation Department (the Department) with financial consulting services for San Antonio International Airport. R&A is tasked with all financial planning related to the airport's capital program and has prepared the Report of the Airport Consultant for the issuance of the Series 2010 General Airport Revenue Bonds, Series 2010 PFC Bonds, the Series 2015 General Airport Revenue Bonds and the Series 2015 CFC Special Facility Bonds. R&A has assisted the City with PFC planning including development of PFC amendments and preliminary planning for new PFC applications.



R&A assisted the Department with negotiation and development of a new airline agreement that was executed in 2011. This assistance included development of a business deal that supports the Department's ability to implement its future capital program while concurrently maintaining a reasonable level of airline rates and charges; drafting of the legal document; and negotiation of the business deal, as well as other provisions of the agreement with the airlines. R&A developed the rates and charges model and has assisted with subsequent calculation of rates and charges for budgeting and settlement purposes.

R&A assisted with rental car concession strategic and financial planning and consulting services related to the development of a CONRAC at the airport. These services included assistance with the negotiation of the concession and facility leases with the rental car companies as well as the development of financial projections related to the collection of CFCs and development of the plan of finance that resulted in acceptable levels of CFC reserves and debt service coverage.

### C.1.3 AIRPORT FINANCIAL ANALYSIS REFERENCES

References for the projects listed above are as follows:

1. Mr. John Rauback, Assistant Executive Director, Savannah Airport Commission 400 Airways Avenue, Savannah, Georgia, 31408, 912-964-0514 (telephone), [jrauback@savannahairport.com](mailto:jrauback@savannahairport.com)
2. Mr. Dale Gregory, Director of Engineering, Virgin Islands Port Authority, P.O. Box 301707, St. Thomas, Virgin Islands. 00803, 340-774-1629 (telephone), [dgregory@viport.com](mailto:dgregory@viport.com)
3. Mr. Eric M. Kaalund, Assistant Aviation Director, San Antonio Airport System, 9800 Airport Boulevard, San Antonio, Texas, 78216, 210-207-3449 (telephone); [eric.kaalund@sanantonio.gov](mailto:eric.kaalund@sanantonio.gov)

## C.2 Passenger Facility Charge Services

R&A is thoroughly familiar with Section 158.29 of the Federal Aviation Regulations (Title 14, Code of Federal Regulations [CFR], Part 158 (the PFC Regulations) and has extensive experience in PFC planning and implementation. For most of our clients, we develop the application that the client reviews, signs, and submits to the FAA. We also provide PFC strategy support, including thorough collaboration with the FAA on PFC application drafts to better ensure FAA approval, including reaching agreement on the proportionate eligibility for projects that are only partially eligible. The staff members designated for these services have also reviewed client-prepared PFC applications and amendments and developed overall PFC strategies as they relate to financing an airport's short- or long-term CIP.

Our role and responsibilities related to PFC projects have included:

- Assisting the airport operator in identifying appropriate projects
- Recommending pay-as-you-go or leveraging of PFC revenues
- Coordinating with the FAA, including face-to-face meetings
- Developing projections of enplaned passengers for application purposes
- Preparing PFC collection and expenditure schedules based on cash drawdown requirements
- Preparing the notification letter to the airlines regarding the required consultation meeting to discuss the proposed PFC application, including preparation of the mailing list required to fulfill FAA requirements for airline notification
- Preparing the public notice to be placed on the airport operator's website and/or in local newspapers
- Leading the airline consultation meeting and responded to follow-up requests

- Assisting airport operators in developing adequate project descriptions, justifications, and objectives
- Assisting in developing “significant contribution” support when required
- Preparing PFC applications and all supporting schedules
- Preparing notification to the airlines of FAA approval of the application

When undertaking a PFC project, R&A recommends early coordination with the FAA. Although this early coordination can take place over the telephone, we prefer to meet personally with FAA staff in the appropriate Airports District Office and/or Regional Office to discuss plans and an approach prior to beginning the process. We also recommend submitting a draft of the application for FAA review prior to formal submittal to resolve potential conflicts outside the parameters of the official review process.

For Palm Springs International Airport, R&A would first undertake an extensive examination of the City’s existing PFC-backed bond issues including a review of debt service schedules, timing, and call provisions for the bonds. We would engage in discussions with Airport and City leadership regarding the timing for issuing refunding the bonds and consider new projects intended to be financed for the Airport. This process would provide an analysis to gauge the capacity of the Airport’s PFC program to re-structure its existing debt and undertake new projects including the proposed air carrier terminal ticketing area expansion and enhancement project.

As Task Leader for the Airport’s PFC work, Ms. Ossege would draw on her knowledge preparing more than 50 PFC applications and amendments including debt-backed financed projects. She is recognized as an industry leader in this field, and has led R&A’s efforts with the AAAP PFC Workshop since 2009. Assisting her would be Mr. Elliott, who has over 15 years’ experience with PFC programs. He would coordinate activities related to the airline and public consultation processes and preparation of the draft documents. Mr. Elliott is currently working with PFC planning and reconciliation matters for the Saipan International Airport. Mr. Apt would also serve as an additional resource for this task, providing necessary analytical support for the PFC Capacity evaluation and preparation of the various applications exhibits and attachments.

As shown in **Table C-1**, R&A has assisted approximately 30 airport operators with more than 160 PFC applications and amendments.

**Table C-1: R&A PFC Application Experience (Since 2012)**

SUBMITTAL DATE	AIRPORT	KEY R&A STAFF	APPLICATION/ AMENDMENT NO.	CLIENT CONTACT
Feb 2017 (estimated)	John Glenn Columbus International Airport	Bonnie A. Ossege Robin J. Brinkman	16-10-C-00-CMH	Karmin Bailey 614-239-4092
December 2016 (estimated)	Tri-Cities Regional Airport	Michael L. Scott	16-07-C-00-TRI	Patrick Wilson 423-325-6000
June 2016	Tallahassee International Airport	Bonnie A. Ossege Michael L. Scott	16-07-C-00-TLH	Erik Treudt 850-891-7873

SUBMITTAL DATE	AIRPORT	KEY R&A STAFF	APPLICATION/ AMENDMENT NO.	CLIENT CONTACT
May 2016	Key West International Airport and Marathon Airport	Bonnie A. Ossege Robin J. Brinkman	16-16-C-00-EYW	Donald DeGraw 305-809-5210
Jan 2016	Tri-Cities Regional Airport	Michael L. Scott	16-06-C-01-TRI	Patrick Wilson 423-325-6000
Dec 2015	Ithaca Tompkins Regional Airport	Michael L. Scott	16-04-C-00-ITH	Roxan Noble 607-257-0456
Nov 2015	Jacksonville International Airport	Bonnie A. Ossege Robin J. Brinkman	16-11-C-00-JAX	Todd Lindner 904-741-2743
Oct 2015	Savannah/Hilton Head International Airport	Geoffrey A. Wheeler Robin J. Brinkman	16-10-C-00-SAV	John Rauback 912-210-7624
Sept 2015	Cyril E. King International Airport	Bonnie A. Ossege Robin J. Brinkman	11-08-C-01-STT	Dale Gregory 340-774-1629
Sept 2015	Henry E. Rohlsen International Airport	Bonnie A. Ossege Robin J. Brinkman	11-05-C-01-STX	Dale Gregory 340-774-1629
Mar 2015	San Antonio International Airport	Bonnie A. Ossege	01-01-C-04-SAT; 03-02-U-43-SAT; 05-04-C-03-SAT; 07-05-C-02-SAT	Eric Kaalund 210-207-3449
Jan 2015	Tampa International Airport	Bonnie A. Ossege	15-10-C-00-TPA	Dan Johnson 813-801-6030
Jan 2015	Palm Beach International Airport	Bonnie A. Ossege	14-15-C-00-PBI	Jerry Allen 561-309-8203
Dec 2014	Los Angeles International Airport	Malcolm H. Klein (Ret)	14-10-C-00-LAX	Doug Schmidt 424-646-5335
Nov 2014	Tri-Cities Regional Airport	Geoffrey A. Wheeler	15-06-C-00-TRI	Patrick Wilson 423-325-6000
Apr 2014	Ithaca Tompkins Regional Airport	Geoffrey A. Wheeler	14-03-C-00-ITH	Bob Nicholas 607-257-0456
Nov 2013	Louisville International Airport	Bonnie A. Ossege	14-08-C-00-SDF	Dodie Caulk 502-363-8517
Mar 2013	Southwest Florida International Airport (Fort Myers)	Bonnie A. Ossege	13-08-C-00-RSW	Ben Siegel 239-590-4500
Mar 2013	El Paso International Airport	Bonnie A. Ossege	13-06-C-00-ELP	Monica Lombraña 915-780-4793
Feb 2013	Tri-Cities Regional Airport	Geoffrey A. Wheeler	15-05-C-00-TRI	Patrick Wilson 423-325-6000
Jan 2013	Chicago O'Hare International Airport	Matthew W. Ruffra	13-26-C-00-ORD	Matthew Danaher 773-686-3024
Jan 2013	Jackson-Evers International Airport	Geoffrey A. Wheeler	14-06-C-00-JAN	Dirk Vanderleest (Ret.) 601-664-3500
Jan 2013	Palm Beach International Airport	Bonnie A. Ossege	13-14-U-00-PBI	Jerry Allen 561-309-8203
Dec 2012	Palm Beach International Airport	Bonnie A. Ossege	10-10-C-01-PBI	Jerry Allen 561-309-8203
Jan 2013	Charleston International Airport	Geoffrey A. Wheeler	13-03-C-00-CHS	Judi Olmstead 843-767-7017

SUBMITTAL DATE	AIRPORT	KEY R&A STAFF	APPLICATION/ AMENDMENT NO.	CLIENT CONTACT
Jan 2013	Jackson-Evers International Airport	Geoffrey A. Wheeler	07-05-C-02-JAN	Dirk Vanderleest (Ret.) 601-664-3500
Oct 2012	Palm Beach International Airport	Bonnie A. Ossege	13-13-C-00-PBI	Jerry Allen 561-309-8203
Sep 2012	Dayton International Airport	Geoffrey A. Wheeler	01-04-C-03-DAY	Joseph Homan 937-454-8211
Jul 2012	Tampa International Airport	Bonnie A. Ossege	12-09-C-00-TPA	Joe Lopano 813-870-8701
Jul 2012	Charleston International Airport	Geoffrey A. Wheeler	12-02-C-00-CHS	Judi Olmstead 843-767-7017
May 2012	Savannah/Hilton Head International Airport	Geoffrey A. Wheeler	12-09-C-00-SAV	John Rauback 912-964-0514
Apr 2012	Dayton International Airport	Geoffrey A. Wheeler	12-07-C-00-DAY	Joseph Homan 937-454-8211
Apr 2012	Savannah/Hilton Head International Airport	Geoffrey A. Wheeler	10-08-C-01-SAV	Patrick Graham 912-964-0514
Mar 2012	Tri-Cities Regional Airport	Geoffrey A. Wheeler	12-04-C-00-TRI	Patrick Wilson 423-325-6000
Jan 2012	Bob Hope Airport (Burbank)	Geoffrey A. Wheeler	09-09-C-02-BUR	John Hatanaka 818-729-2225

### C.2.1 AIRPORT COMPREHENSIVE CIP ANALYSIS

Undertaking a CIP requires careful and thoroughly developed funding strategies. Proper phasing and maximization of funding sources—such as PFC revenues, AIP grants, and CFC revenues—are critical in this process. We would work with the City to understand the scope of capital projects, the timing of the projects, and the proposed sources of funding. Our work process for developing comprehensive airport CIPs begins with assimilating historical data and existing plans and financial documents including:

- Debt service schedules by series of bonds and allocation to cost centers
- Capital amortization schedules by project and allocation to cost centers
- Unrestricted fund balances at start of current fiscal year
- Capital program details by project, annual expenditures, annual funding sources by project, and potential O&M expense impacts
- Approved grant funding, assumed grant funding
- Project descriptions
- PFC application status
- CFC status and plans
- Copy of bond enabling legislation



Once gathered, we then develop a financial model to analyze and measure the financial effects of the proposed CIP on the airports' financial operations. Through this process, R&A would be able to assist in determining the affordability of the CIP based on available funding streams. Once the affordability of the program has been established, we then analyze how to most efficiently use the City's revenue stream to satisfy the annual financial requirements of the CIP.

### C.2.2 SIMILAR COMPREHENSIVE CIP ANALYSIS PROJECTS

Project Title: Financial Consulting Services for Palm Beach International Airport  
 Client: Department of Airports, Palm Beach County  
 Start/End Date: August 1998/Oct 2004

Project Description: Since 1997, R&A has continued to provide financial consulting services to Palm Beach County including development of the financial plan for the 1998 Master Plan Update for the Airport, which included a Strategic Plan and Business Plan elements. The Business Plan addressed the financial ability of Palm Beach County to undertake an airport development program, identified additional revenue sources for improving the financial performance of the airport enterprise and for the County's planned development program; and identified a financial strategy for undertaking future development. R&A subsequently prepared a cash flow analysis to implement the capital improvements identified in the Master Plan and developed recommendations for improving the financial performance of the airport during implementation of the capital improvements to generate a financially feasible program.



In 2005 and then again in 2014, R&A assisted the County with negotiation of an Airline-Airport Use and Lease Agreement. R&A assisted with development of the business deal/rates and charges model, drafting the agreement language as well as providing negotiating support. In 2006, R&A assisted the County with the issuance of \$85.9 million of General Airport Revenue Bonds and Refunding Bonds, including development of a financial feasibility report and rating agency/bond insurer's presentation support.

R&A provides ongoing assistance with the County's PFC program, including preparation of new applications and amendments to existing applications. Additional on-call financial consulting support has included ground transportation analyses, annual rates and charges support, development of competition plans and other miscellaneous services. R&A is currently assisting with developing the financial plan for the County's Master Plan Update for the airport.

Project Title: General Financial Consulting Services for Savannah/Hilton Head International Airport  
 Client: Savannah Airport Commission  
 Start/End Date: 1996/Ongoing

Project Description: The Savannah Airport Commission (the Commission) first retained R&A in 1996 to develop a funding strategy using passenger facility charge revenue to provide partial funding for the Commission's ongoing capital program at the airport. R&A reviewed the airport's financial position and met



with key staff to identify the Commission’s project objectives. The Commission had recently completed construction of a new terminal building, and the Airline-Airport Use and Lease Agreement provided for certain nonairline revenue credits to be applied against the airline terminal rental rate requirement. A key objective in developing the PFC funding strategy was to maximize funding for future PFC-eligible projects to conserve Commission funds, while maintaining a minimum terminal rental rate for the airlines.

The Commission has continued to engage R&A to provide on-call financial services and advice on an ongoing basis. R&A’s efforts have primarily centered on an annual analysis of Commission’s capital program and management of the PFC program. Our reviews have included coordination between the FAA Airports District Office, the FAA Regional Office, and FAA Headquarters and the Commission. Over the years, R&A has prepared more than 20 PFC applications and PFC amendments for the Commission. In each case, where required, R&A prepared the airline consultation notice, led airline discussions at the consultation meeting, prepared the application submittal for the Commission, met with FAA representatives, prepared approval notices for distribution to the airlines, and worked with the Commission staff to ensure that fund receipts and disbursements were recorded properly.

R&A has also provided strategic assistance to the Commission when preparing to renegotiate the airport-airline use and lease agreement and developed alternative rates and charges models.

Project Title: Financial Services for Jackson-Medgar Wiley Evers International Airport  
 Client: Jackson Municipal Airport Authority  
 Start/End Date: 1996/Ongoing

Project Description: In 1996, R&A was retained by the Jackson Municipal Airport Authority for an initial assignment which included a review of the proposed airport capital development plan and a determination of its implementation feasibility, which also involved a review of alternative rates and charges methodologies to support the capital program.

In 1996, R&A prepared the Report of the Airport Consultant for the Authority’s first issuance of airport revenue bonds. This issuance was followed by a second series of bonds in 1998. Both issuances were completed with tenant airline use permits that provided for month-to-month airport occupancy.



R&A (in association with another aviation consultancy) provided consulting services to enhance and improve the financial performance of concessions in the terminal building. The specific concessions included food and beverage, retail, and display advertising. Recommendations regarding concession location, products and services, contractual provisions, and revenue considerations were developed.

In 2003, R&A began to assist the Authority with planning and construction of a new consolidated rental car facility. This project involved complex bond tax issues and the implementation of CFCs to fund construction of the facility. The Authority issued bonds in 2005 for the rental car facility and its ongoing terminal improvements in 2005. R&A prepared the Report of the Airport Consultant, which included an analysis for the use of PFCs, CFCs, and other airport revenues for payment of the Series 2005 debt service.

In 2004, R&A assisted the Authority in negotiating and revising its airline ratemaking methodology. Under its existing airline use permit, the Authority was recovering its terminal costs through a compensatory approach. To improve its terminal cost recovery from the airlines, R&A recommended and assisted in implementing a commercial compensatory approach which commenced in fiscal year 2005. In 2008, following the completion of an airline terminal space audit which resulted in significant changes to terminal space allocations, R&A conducted a thorough review of alternative rate making approaches and assisted the authority in developing a multi-year approach to adjusting terminal rental rates.

In 2011, R&A prepared and negotiated a physical and financial plan for a consolidated rental car quick turnaround facility to replace the industry's aging facilities at the airport.

From the inception of its relationship with the Authority R&A has continued to assist the Authority on an annual on-call basis with annual airline rates and charges calculations and reviews, PFC strategy, rating agency credit reviews, capital planning, and cargo and concession planning. Over the years, R&A has provided various analyses with regard to multiple PFC applications and amendments, project funding capacity, and third party special project analysis.

### C.2.3 COMPREHENSIVE CIP ANALYSIS REFERENCES

1. Mr. Michael Simmons, Deputy Director, Airport Finance, Department of Airports, Palm Beach County Building 846, Palm Beach International Airport, West Palm Beach, Florida, 33406, 561-471-7433 (telephone), 561-471-7424 (facsimile), [msimmons@pbia.org](mailto:msimmons@pbia.org)
2. Mr. John Rauback, Assistant Executive Director, Savannah Airport Commission, 400 Airways Avenue, Savannah, Georgia, 31408, 912-964-0514 (telephone), [jrauback@savannahairport.com](mailto:jrauback@savannahairport.com)
3. Mr. Carl D. Newman, Chief Executive Officer, Jackson Municipal Airport Authority, 100 International Drive, Suite 300, Jackson, Mississippi, 39208, 601-939-5631, extension 500 (telephone), [cnewman@jmaa.com](mailto:cnewman@jmaa.com)

## C.3 Customer Facility Charge Services

R&A offers a comprehensive mix of services to its clients related to CFC sizing and implementation, rental car concession program development and consolidated rental car facility business and financial planning programs including:

- Facility sizing/rental car industry coordination
- Site selection
- Sizing CFC levels and debt capacity analysis
- Funding plans
- Strategic planning and development of rental car concession business plans
- Negotiating business deals with rental car companies

- Preparing RFP/RFQ specifications and rental car concession and lease agreements
- Tracking project expenditures for conformance with CFC sources and uses model and plan of finance

R&A has provided (or is currently providing) CFC-related services at Bakersfield, Bob Hope, Los Angeles, Norman Y. Mineta San Jose, Oakland, San Diego, San Luis Obispo, and San Francisco International Airports. R&A's services at these airports have included research and preparation of background materials to provide support to airport managements in meetings with state legislators in Sacramento regarding both the original statewide CFC legislation and subsequent amendments; presentations to governing Boards (San Diego, Burbank) and City Councils (San Jose) in connection with authorization and implementation of the CFC at their respective airports in accordance with the CFC statute; and most recently, assisting outside auditors retained by the San Diego and Burbank-Glendale-Pasadena Airport Authorities with compliance with the pre-implementation of per-transaction-day CFCs and ongoing post-implementation auditing requirements that were added to the state statute in 2010, assisting San Francisco with establishing a CFC for its planned new rental car facility, and assisting Bakersfield with the implementation of a CFC for a future rental car facility.

R&A's CFC work plan for Palm Springs International Airport would be developed in conjunction with the City's overall strategic business and financial objectives for the planned new CONRAC project. The City has already begun preliminary programming and sizing for its new rental car facility, which will lead to development of a rough order of magnitude project cost estimate. The crucial element of the CFC work plan will be to determine whether the Airport needs to convert its existing \$10.00 per-transaction CFC to the per-transaction-day CFC, and if so, to establish a new CFC rate sufficient to fund the proposed rental car facility project. R&A would assist the City in making that determination, and in providing the steps and timeline for compliance with the state CFC statute. We would then develop a CFC sources and uses demand analysis that would flow into a debt capacity analysis in order to determine the range of debt service (i.e., project costs) that could be supported by CFC revenues assuming various CFC rates. This work would provide the City with supporting analysis to make a determination of other costs it might agree to make "CFC-eligible" as well as whether, and to what extent, other revenue sources (rental car company capital contribution, facility rent, grants, etc.) might be required to make the project financially "affordable" (i.e., the strategic business, financial and action plan).

Mr. Branda—an industry leader in developing and implementing rental car concession programs as well as business and financial planning for rental car concession programs—would lead R&A's work for the City's CFC projects. He has assisted airport operators with planning more than half of the CONRAC facilities now in development or in operation in the United States, which were all funded, in part, with CFCs. In addition, he has assisted 8 California airports with CFC-related services. Mr. Elliott would assist Mr. Branda with preparation of the CFC analysis, development of the business terms, and RFP and concession documents. Mr. Elliott has over 30 years' experience in airport management and consulting including the financing, planning, and construction of a CONRAC facility in Virginia, assisting with the Greater Columbus Airport Authority's CONRAC Facility (Ohio), and the Redmond Municipal Airport–Roberts Field Rental Car CFC Sizing Analysis and Rental Car RFP process. Mr. Dunkle would provide analytical support for the Airport's CFC-related tasks. He has participated in numerous financial planning assignments since joining R&A in 2013, including airline rates and charges analyses, CFC rate analyses, revenue bond feasibility reports, airline

negotiations, and general financial planning. Recently, he supported the Hillsborough County Aviation Authority and Greater Columbus Regional Airport Authority in analyzing the effects of increases in existing CFC rates on rental car demand and concession revenues.

**Table C-2** lists CFC-related projects completed by R&A since 2008.

**Table C-2: R&A Rental Car CFC Sizing and Implementation Experience (Since 2008)**

DATE	AIRPORT	KEY R&A STAFF	CLIENT CONTACT
Ongoing	Dallas Love Field	James E. Branda, Ethan R. Dunkle	Lynette Kidd 214-670-6084
Ongoing	Lubbock International Airport	James E. Branda; Matthew W. Ruffra	Kelly Campbell 806 775-3126
Ongoing	Bakersfield Meadows Field	James E. Branda	Richard Strickland 661 391-1800
Ongoing	Oakland International Airport	James E. Branda	Mark Bryant 510 563-3372
Ongoing	Raleigh-Durham International Airport	James E. Branda, Ethan R. Dunkle	Donna Sylver 919-840-7730
June 2015	Tampa International Airport	James E. Branda, Ethan R. Dunkle	Damian Brooke 813-870-8700
2013	Jackson-Evers International Airport	James E. Branda	Gary Cohen 601-664-3500
2012	San Diego International Airport	James E. Branda	Scott Brickner 619-400-2838
Ongoing	State of Hawaii Airports Division (all commercial airports in the state)	James E. Branda, Jason M. Apt	Ford Fuchigami 808-587-2150
2011	El Paso International Airport	James E. Branda	Monica Lombraña 915-780-4793
2010	Chicago O'Hare International Airport	James E. Branda; Matthew W. Ruffra	Jonathan Leach 773-686-3587
2009	Nashville International Airport	James E. Branda	Rebecca Ramsey 615-275-1656
2008	Orlando International Airport	James E. Branda	Alan Powell 407-825-7799
2008	San Jose International Airport	James E. Branda	Kimberly Becker 408-392-3610

## C.4 Bond Financing, Federal Grant, and Alternative Funding Development Services

The preparation of financial models in support of bond financing is a core R&A business. Our firm has prepared bond feasibility reports that have been included in Official Statements for the sale of the bonds and participated in rating agency, investor, and insurance provider presentations for bond offerings for

36 airports, totaling in excess of \$30 billion. We have developed and maintained comprehensive financial models to calculate airline rates and charges, cash flow, debt service coverage, debt capacity, bond sizing, effects of short- and long-term capital projects, and other financial metrics.

Since our inception we have assisted our clients with the preparation, submission, and closeout of FAA AIP grants and LOI applications for obtaining federal grant funding for capital projects. R&A is very familiar with the AIP guidelines and have established relationships with appropriate FAA staff. R&A has assisted the operators of five large-hub airports in preparing BCAs and LOI requests to obtain more than \$1.2 billion in FAA AIP grant funding, including working with the FAA on behalf of clients regarding the award of two of the largest LOIs for AIP grant funds in the program's history.

In terms of alternative funding, since 2013 R&A has represented U.S. Travel's Gateway Airports Council at an industry working group focused on advancing FAA air traffic technology through regulatory reform that would potentially change the funding structure of the FAA. Regarding public-private partnerships, R&A has provided technical advisory services for a bidder on the LaGuardia Airport Central Terminal Building project and has provided vendor due diligence for the long-term lease of Chicago Midway International Airport. R&A created the plan of finance and successfully closed the first U.S. Department of Transportation (DOT) Transportation Infrastructure Finance and Innovation Act (TIFIA) loan put in place for Chicago O'Hare International Airport under the 2012 Moving Ahead for Progress in the 21st Century Act. Finally, R&A has supported clients with obtaining FAA VALE funding for such projects as acquisition of hybrid vehicles, solar installation, gate electrification, electric vehicle charging stations, hydrant fueling and replacement ground power units (GPUs).

## C.5 Other Airport Specialty Financial Consulting Services

As a full-service aviation planning firm, R&A has a broad range of experience and can assist the City with virtually any airport planning task that arises. We are known for being problem solvers and can quickly and efficiently gather the resources necessary to assist the City. R&A is well qualified with a deep pool of talent and experience to support the City with virtually any airport consulting service it may require. In addition to the services specifically requested in the RFQ, R&A has experience in the following areas and would be able to quickly ramp up to complete unexpected assignments:

- Airfield Analysis and Planning
- Airport Business and Financial Services
- Airspace Analysis and Planning
- Environmental Services
- Forecasting
- General Advisory Services
- Land Use and Development Planning
- Landside Planning
- Management Support Services
- Noise Analyses
- Operations Research
- Regulatory Assistance
- Strategic Planning
- Sustainability Services
- Terminal and Facilities Planning

## C.6 Project Development Approach

Our approach to the timely delivery of a project initially centers on collaboratively developing a work plan with our clients that identifies all elements, tasks, and subtasks, as well as client coordination and review periods. Once this work plan is generated and agreed upon, a project schedule is developed so that all parties know when they are required to complete the tasks and the identified deliverables.

Specific to PFC applications, the process prescribed by FAA policy requires a minimum of 180 days and has no flexibility. Additional time is necessary for data collection; drafting the description, objective, and justification for each project; preliminary FAA review;<sup>1</sup> responses to airline disagreement, if applicable;<sup>2</sup> compilation of the PFC application; and notification of the FAA's FAD. Although the amount of time for these additional tasks varies, typically they require between 60 and 90 days. Therefore, a typical timeline for the preparation and submittal of a PFC application is 240 to 270 days or 8 to 9 months.

For airport financial reports, R&A typically is able to complete the first draft within 60 days of conducting its inventory and data collection phase of work. The final version of the report is provided once our clients have completely vetted all elements and concurred with the assumptions and findings. If linked to a bond financing, the schedule is determined by the City's Financial Advisor.

With regard to CFC services, California Civil Code Section 1936 governs the criteria for implementation of a CFC, the CFC rate that can be authorized by local airport sponsors, CFC-eligible costs, and post implementation-auditing requirements. It authorizes airports to impose a CFC for development of CONRAC facilities and common use transportation systems serving those facilities. The City currently imposes a CFC of \$10.00 per transaction day pursuant to the original CFC statute. In 2010 the statute was amended to permit airports to charge a per-transaction-day CFC rate subject to specific criteria set forth in the statute. It is critical for the City to note that this per-transaction-day rate methodology (defined in the statute as the "alternative CFC") sunsets at the end of 2017, at which time any airport sponsor wanting to initiate a new CFC can only do so at a rate of \$10.00 per transaction—a key consideration for generating sufficient CFC revenue for the funding of a possible new rental car facility at the Airport. Accordingly, should the City desire to revise its CFC structure, it will need to do so prior to 2018.

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<sup>1</sup> Although preliminary FAA review is not required in the PFC Regulations, it is strongly recommended by the FAA so that it has sufficient time to fully evaluate the projects and identify if additional information is necessary to approve the projects prior to the official review period, which is constrained by the required timeframes identified in the PFC Regulations.

<sup>2</sup> Frequently, airline responses are received toward the end of the 30-day comment period. If an airline disagrees with a project, an airport sponsor response is required, which adds additional preparation time before the application can be submitted.

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## C.7 Organizational Structure and Project Principals

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The designated Project Management Team would include the following: (1) Officer-in-Charge James E. Branda, who would be responsible for ensuring that every task is efficiently and effectively staffed; maintaining quality control; identifying key project elements, deadlines, and client issues; and overseeing contractual issues; (2) Project Manager Bryan O. Elliott, who would be responsible for coordinating the completion of assignments and day-to-day interaction with the City regarding relevant project details.



## D. R&A Related Qualifications

### D.1 Familiarity with FAA Regulations, Policies, and Programs

R&A has extensive experience assisting airport operators with the preparation, submission, and closeout of FAA AIP grant and LOI applications for obtaining federal grant funding for capital projects. Given R&A's broad expertise in airport planning, including facility and operational analyses, we have developed numerous creative approaches to economically and financially justify capital programs. Our involvement in LOI and AIP grant applications has included preparing clients for discussions with the FAA at the initial stages of the process. We prepared presentation materials, talking points, and draft applications. Our involvement has ranged from preparation of material to direct participation in meetings with some of the highest ranking officials in the FAA's Airports Division. R&A has extensive experience assisting airport operators with the FAA's BCA/LOI process for obtaining federal AIP grant funding for capital projects.

In the context of PFC planning and implementation, R&A staff members have been active in the PFC process since the PFC Program was initiated by the FAA in the early 1990s. R&A is an industry leader in the PFC process and, as a result, staff members maintain relationships and frequently coordinate with key members of the Financial Analysis and PFC Program Branch at various FAA Regional Offices and Headquarters in Washington, D.C. Our relationships with the FAA have provided us ease of access to the FAA and quick responses when verifying (or proposing) a PFC plan in its early stages on behalf of our clients. Additionally, R&A staff members have conducted PFC workshops at major industry conferences, and written papers regarding technical aspects of the PFC Program. On behalf of the AAAE, R&A hosts the PFC and Rates and Charges Workshops on a biennial basis.

### D.2 Disadvantaged Business Enterprise Experience

R&A is a minority-owned firm that started as a small business in 1989 and was previously certified as a Disadvantaged business Enterprise (DBE), but has since graduated from the program. We understand the basis and the value of the DBE program in creating opportunities within a community. In assembling a project team, R&A seeks DBEs that contribute to the overall strength of the team's qualifications by providing specialized professional services and a strong source of relevant information on local conditions. R&A is sensitive to ensuring full participation and conformity with established goals for participation by DBEs on all planning assignments we undertake. Although no DBE goals have been established for this effort, R&A would be willing to meet any DBE goals that the City might establish for this project and is

receptive to including such firms that have performed well for the City in the past as part of our team. Our interest is in providing the City with the services it desires at a reasonable cost.

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### D.3 Project Management Tools

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R&A has a proven track record in providing successful on-call services for our clients. Our approach to providing such services to the City, as with other clients, would include dedicating R&A's resources in an efficient and effective manner to meet all of the City's needs under this contract.

R&A has successfully executed on-call contracts with many of our clients and we manage all of our on-call assignments in a similar manner, as we would with the City. Our Project Manager is responsible for fielding all on-call services requests, conducting internal meetings to determine the appropriate staff to involve in the work, and creating and obtaining budget approval from the client. Typically, a budget is set in our accounting system and progress-to-date is available to the Project Manager on a weekly basis. Equipped with knowledge of percent completion, effort expended, and project due dates, the Project Manager is able to hold regularly scheduled project meetings with staff and proactively work to resolve any anticipated problems. R&A's Project Manager keeps the Officer-in-Charge updated on a regular basis. Via email and the use of our Internet posting site, R&A can easily transmit information and communicate with our clients in a timely manner. Additionally, both the Project Manager and the Officer-in-Charge would make themselves available to meet with the client as quickly as possible after obtaining a request for a meeting.

R&A is structured with flexibility in mind. We are a team player, which is crucial to providing consulting services for our airport clients. We work well with other consulting firms and with the various departments within a client's organization. The staff members designated for these services have considerable experience in all aspects of airport business operations, business and financial planning, and revenue bond financing. Additionally, direct involvement of the key personnel would ensure that collective work efforts maintain proper focus, and that all work is completed on time and to the client's satisfaction.

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### D.4 Comparable Project

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Since 2010, R&A has provided comprehensive on-call financial planning services to the Freidman Memorial Airport Authority in association with the Friedman Memorial Airport located in Hailey, Idaho. This facility is a non-hub commercial service airport located in the Wood River Valley region of Idaho and is served by Alaska, Delta, and United Airlines. The airport's market area includes four incorporated cities and is home to a growing tourism sector including the Sun Valley Resort.

While the local tourism economy is thriving, the current location of the airport is quite constrained and until 2015 did not meet required FAA airport design standards. Given the constraints of the current airport site, community and airport leaders have been evaluating alternatives to solve these deficiencies for approximately 30 years. These alternatives have included evaluating the feasibility of resolving the FAA design constraints at the existing location or constructing a replacement airport.

R&A's tasks associated with the decision-making process related to this issue have included preparing financial pro-formas for the continued use of the airport as well as construction of a replacement facility. This work has included evaluating capital improvement plan funding requirements for both scenarios. With regard to the replacement airport, R&A has evaluated that ability of the Airport Authority to issue debt financing; use PFC and CFC revenues; to obtain third-party financing for improvements; to utilize proceeds from the sale of the existing airport site for the replacement airport, seek local taxpayer support for funding components of both plans; and to maximize FAA funding through its LOI program.



The work R&A has performed for the airport has involved interactions with stakeholders including airport staff, Airport Authority members, concerned citizens, the media, and representatives of the region's tourism industry through public forums and face-to-face meetings. Throughout the term of our contract with the Airport Authority, R&A has been responsive and attentive to the needs of the airport balanced against the depth of public interest and involvement in the decision regarding a replacement airport. The governing body for the airport has strict deadline requirements that involve considerable lead-time. This lead time is such that we have found ourselves having to be in a position to respond to requests for additional data and/or information and prepare analysis of the same within a matter of days in order for materials to be distributed to the public and the governing body within the prescribed timelines for the ensuing meeting. We have consistently met these tight deadlines and have been commended by airport leaders for the quality of both our written analytical capabilities and presentation of the same during meetings and public forums.

As a non-hub airport, the ability of the Airport Authority to generate sufficient revenue streams to undertake the necessary capital improvement plan for a replacement airport is challenging. In this regard, we have undertaken an exhaustive review of possible options to garner sufficient funding to finance this work in recognition of these limited funding streams. As noted above, this has included the FAA's LOI program, debt financing, general taxpayer support of the project, third-party financing, and CFC funding. We have evaluated similar non-hub replacement airport projects and/or multi-million dollar investments at existing facilities in order to glean lessons-learned and how the outcomes at those airports could benefit the Airport Authority. The Airport Authority is currently completing a Master Plan Update that evaluates its costs associated with continuing to operate from the existing airport site into the future and possible triggers or events that would yield the necessary capital resources for a replacement airport. R&A prepared the financial analysis for these alternatives.

Our experience at Friedman Memorial Airport points to the commitment of our firm to being responsive to the needs of our clients regardless of whether they are a non-hub airport attempting to address its long-term capability to serve the aviation needs of the region it serves or a large-hub facility like Chicago O'Hare undertaking a program in excess of a billion dollars to modernize its airfield layout to enhance its capacity and operational efficiency.

## E. Local Expertise

R&A is confident that it can provide the full range of services being requested in the City's SOQ 01-17 in an efficient and cost-effective manner without the need to oversee a partnering firm's efforts and, therefore, have not requested additional firms to join in this effort. However, as previously mentioned, R&A is structured with flexibility in mind. We are a team player, which we believe to be crucial to providing consulting services to our airport clients. Accordingly, should the City identify a local firm with specialty expertise that it believes would be beneficial to this effort, R&A would be willing to discuss entering into a subcontract agreement with such a firm.



## **James E. Branda**

*Vice President*

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### **Education**

Bachelor of Arts – Political  
Science, Monmouth College

Juris Doctorate – Washburn  
University

### **Professional Affiliations**

American Association of Airport  
Executives (AAAE)

Chicago Bar Association

Airports Council International

### **Years of Experience**

R&A: 9

Other Firms: 8

### **Office Location**

Chicago, Illinois

### **Professional Background**

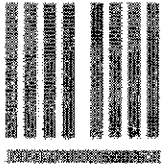
Mr. Branda has over 25 years of airport rental car concession and facility development experience. He is an industry leader in developing and implementing rental car concession programs, as well as in business and financial planning for consolidated rental car facilities, having assisted with more than half of the consolidated rental car facilities currently in development or operation in the United States. Mr. Branda led Budget Rent A Car's worldwide properties and facilities division for 14 years. Since 1998, he has provided rental car consulting services exclusively at airports, including those serving Chicago, Columbus, Detroit, El Paso, the State of Hawaii, Hartford, Los Angeles, Nashville, Oakland, Orlando, Portland (Oregon), San Antonio, San Diego, San Jose, Seattle-Tacoma, Tampa and Washington, D.C. Mr. Branda is also a licensed attorney and real estate broker.

He represents airport sponsors in various rental car concession matters, including strategic planning, the development and negotiation of rental car concession agreements and concession bid specifications, the development of facility leases, and consolidated rental car facility business, financial, and operations (such as common use transportation system) planning.

For the State of Hawaii Department of Transportation, Airports Division, Mr. Branda leads the Statewide Car Rental Facility Development Program Management Support Services effort to develop rental car facilities at all of the major airports in the State. The initial phase of this project included developing a Statewide rental car facilities plan, a preliminary plan of finance and CFC sizing analysis, and supporting the Airports Division in implementing a CFC consistent with the State's CFC statute. Currently Mr. Branda is leading the coordination of facility planning design efforts with the business and financial planning tasks for the team developing consolidated rental car facilities at Honolulu International Airport and Kahului Airport (Maui).

At El Paso International Airport, Mr. Branda assisted with development and implementation of a new rental car concession program, which included the feasibility of developing a consolidated rental car facility; developing a plan of finance, including sizing and implementing a customer facility charge (CFC); and assisting with development of bid specifications for new rental car concessions and leases.

At Portland and Seattle-Tacoma International Airports, Mr. Branda assisted with a detailed assessment of the existing rental car concession agreements, recommended new rental car concession programs, and assisted with implementing those programs through a Request for Proposal process. His assistance led to multimillion-dollar increases in rental car concession revenues at both airports.



**RICONDO**  
& ASSOCIATES

## **Bryan O. Elliott, A.A.E.**

*Director*

### **Education**

Bachelor of Science, Cum  
Laude, Public Administration,  
James Madison University

Master of Administration,  
Lynchburg College

### **Professional Affiliations**

Accredited Airport Executive,  
American Association of  
Airport Executives

### **Speaking Engagements**

"Airport Strategic Planning,"  
2016 Airports Conference

"Airport Stakeholder  
Engagement Strategies," 2016  
Texas Aviation Conference

"Airport Strategic Planning,"  
2015 Southeast Chapter, AAAE  
Finance & Administration  
Conference

"Airport Strategic Planning,"  
2015 New Mexico Aviation  
Conference

### **Publications**

"Practices to Develop Effective  
Stakeholder Relationships at  
Small Airports," *Airport  
Cooperative Research Program*

### **Years of Experience**

R&A: 1  
Other Firms: 11

### **Office Location**

Cincinnati, Ohio

### **Professional Background**

Mr. Elliott joined Ricondo & Associates, Inc. (R&A) in 2016, bringing with him over 30 years of public sector senior leadership experience and 10 years of airport consulting experience. He currently leads R&A's Airport Rates and Charges Analysis work for the Raleigh-Durham Airport Authority which involves developing an updated airline rates and charges study, preparing a 20-year cash flow analysis, and developing recommendations related to airline fees for the Airport Authority's future year budgets. He has also lead the Redmond Municipal Airport-Roberts Field Rental Car Customer Facility Charge (CFC) and Request for Proposal (RFP) process which involved undertaking a CFC debt capacity analysis and assisting with the development of a RFP for new rental car concession contracts. Mr. Elliott is also serving on R&A's team for the John Glenn Columbus International Airport Rental Car Concession Agreement contract and is responsible for developing and recommending various provisions and suggested contract language.

For 17 years, Mr. Elliott served as Chief Executive Officer of the Charlottesville-Albemarle Airport Authority. In this role, he directed all activities related to airport operation and ensured the efficient and effective delivery of airport services, including airport administrative/finance functions, airport operations, safety, security, and maintenance. During his tenure, approximately \$30.0 million in capital improvements were completed, including the construction of a new airline terminal, an airport rescue and firefighting station, a snow removal equipment storage building, new hangars, and several automobile parking expansion projects. Prior to his work with the Charlottesville-Albemarle Airport Authority, Mr. Elliott held various positions at the Lynchburg Regional Airport (Virginia), including seven years as Airport Manager.

From 2007 to 2012, Mr. Elliott was the Assistant County Executive for Community Services for Albemarle County, Virginia, where he coordinated the County's Police, Fire/Rescue, Social Services, Housing, Community Planning and Development, and Parks/Recreation functions. In this role, he was responsible for implementation of an annual operating budget of approximately \$75.0 million, served on the County's Capital Improvement Program Policy Oversight Committee, and led work efforts associated with development of County fire stations, parks, and regional library facilities.

In 2012, Mr. Elliott accepted a full-time position with Delta Airport Consultants, Inc. He had previously worked on a part-time/contractual basis with another national aviation consulting firm between 2005 and 2012.

Mr. Elliott has a wealth of airport planning experience, including leading airport master planning studies, benchmarking studies, airline lease negotiations, strategic business plans, and financial analysis, to support airport capital improvement plans. He also has over 15 years of experience with the Federal Aviation Administration's PFC process.



# Geoffrey A. Wheeler

Senior Vice President

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## Professional Background

Mr. Wheeler joined Ricondo & Associates, Inc., in 1996 following 19 years of experience in aviation management, operations, and consulting. His airport financial consulting experience has included the development and implementation of airport capital programs. He has advised numerous airport managers on their ability to complete capital programs and is instrumental in assisting his clients in accessing the revenue bond market. His role has ranged from actual detailed analyses to the direction/management of overall project work. In this capacity, he works closely with the investment banking community, rating agencies, bond counsels, airport financial advisors, and local counsels. Airports for which he has participated in revenue bond financings include: Baltimore/Washington International Thurgood Marshall, Bellingham International, Charleston International, Cincinnati/Northern Kentucky International, Dayton International, Detroit Metropolitan Wayne County International, Jackson-Evers International, Lehigh Valley International, Long Beach, Los Angeles International, Louis Armstrong New Orleans International, Louisville International, Northwest Arkansas Regional, Oakland International, Saipan International, Salt Lake City International, Savannah/Hilton Head International, Seattle-Tacoma International, Southwest Florida International, and T. F. Green Airports.

Mr. Wheeler's knowledge of airline operations and management has been of particular value when negotiating new airport use and lease agreements for his clients. His experience includes the development of specific airline rates and charges formulas along with drafting and implementation of airline agreements. Additionally, Mr. Wheeler provided assistance to his airport clients in analyzing the U.S. Department of Transportation (DOT)/FAA Policy Regarding Airport Rates and Charges. He assisted the sponsors of two airports in their successful defense of rates and charges complaints filed by the airlines pursuant to the DOT/FAA policy. In both cases, the airline filings were dismissed. A sampling of airports for which Mr. Wheeler assisted with airline negotiations/rates and charges formulas includes: Capital Region International, Charleston International, Charlottesville Albemarle, Dayton International, Honolulu International, Jackson-Evers International, Las Vegas McCarran International, Lehigh Valley International, Los Angeles International, Louis Armstrong New Orleans International, Oakland International, Northwest Arkansas Regional, Reno-Tahoe International, Saipan International, Savannah/Hilton Head International, Southwest Florida International, Tampa International, and Tri-Cities Regional Airports. While with a major airline, Mr. Wheeler served as chairman of the Airline Airport Affairs Committee at 15 airports and served as a committee member at 31 additional airports, including 4 in foreign countries.

For T.F. Green Airport (Providence), he served as officer-in-charge for the first intermodal facility financed at an airport through the use of customer facility charge supported bonds and funding from the Transportation Infrastructure Finance and Innovation Act of 1998. For the State of Hawaii, Mr. Wheeler developed a \$715 million funding plan for the development of consolidated rental car facilities at five airports. He has also provided assistance related to consolidated rental car facilities at Charlottesville Albemarle, Cincinnati/Northern Kentucky International, and Seattle-Tacoma International Airports.

## Education

Bachelor of Science – Business and Economics, Lehigh University

## Professional Affiliations

American Association of Airport Executives (AAAE)

## Speaking Engagements

Airports Council International - North America (ACI-NA) Annual Conference, 2004

Federal Aviation Administration (FAA) Pacific Aviation Directors Workshop, 2004

ACI Legal Committee Conference, 2004

Airport Consultants Council (ACC) 23rd Annual Conference, 2001

AAAE National Airports Conference, 2001

ACC/FAA Summer Workshop Series, 2001

AAAE Annual Conference and Exposition, "Airport Cost Allocation Issues: Compensatory versus Residual Rate Making Approach"

## Years of Experience

R&A: 20  
Other Firms: 19

## Office Location

Alexandria, Virginia



## **Jason M. Apt, CM**

*Managing Consultant*

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### **Education**

Master of Business  
Administration in Aviation,  
Embry-Riddle Aeronautical  
University

Bachelor of Science – Aviation  
Business  
Administration/Airport  
Management,  
Embry-Riddle Aeronautical  
University

### **Professional Affiliations**

American Association of  
Airport Executives (Certified  
member)

### **Years of Experience**

R&A: 13  
Other Firms: 1

### **Professional Background**

Mr. Apt joined Ricondo & Associates, Inc. (R&A) in 2002 and has over 13 years of experience in multiple airport planning disciplines, including significant airport business and financial planning experience.

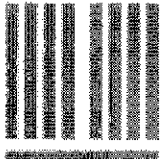
Mr. Apt serves as Project Manager for R&A's on-call financial services contract for the Houston Airport System (HAS) and is currently involved in developing key performance indicators for each HAS airport. Mr. Apt previously served as Project Manager for R&A's on-call financial services contract for Los Angeles World Airports and has delivered a variety of financial services for Los Angeles International Airport (LAX) over the past eight years, including capital improvement program analyses, rates and charges modeling, airline negotiation support, cost allocation studies, and revenue bond feasibility studies. Mr. Apt also assisted in a bond feasibility study for Louisville International Airport. He has led the development and analysis of financial plans in support of numerous airport master plans, including for Denver International Airport, Boise Airport, Stockton Metropolitan Airport, Dallas Love Field, and Laredo International Airport.

Within the past three years, Mr. Apt helped complete a comprehensive financial performance review and assessment study for Mineta San Jose International Airport, supported Los Angeles World Airports with developing and implementing a new terminal rate structure for LAX, managed two bond feasibility studies for LAX, and led the preparation of applications in support of AIP funding for Chicago O'Hare International Airport through the FAA's Voluntary Airport Low Emissions (VALE) program. He is currently conducting detailed CFC cash flow modeling for the State of Hawaii Department of Transportation, Airports Division, in support of a statewide comprehensive consolidated rental car development program.

Serving in a lead role, Mr. Apt recently prepared a benefit-cost analysis and AIP Letter of Intent application for a replacement commercial service airport in Williston, ND. He has also managed a benefit-cost analysis for the acquisition of Automated Weather Observing System equipment for Idaho County Airport, served as the lead consultant on a benefit-cost analysis for a proposed commercial service airport in Mesquite, Nevada, and supported a benefit-cost analysis for a crossfield taxiway at Phoenix Sky Harbor International Airport.

In addition to his airport business and financial planning experience, Mr. Apt has experience in airport master planning, airport environmental planning, airfield planning and simulation, terminal planning, land use planning, aviation activity forecasting, operational analyses, airport access/parking planning, and is proficient in the use of Geographic Information Systems (GIS).

Mr. Apt has a strong personal interest in aviation and is a licensed instrument-rated private pilot. Prior to joining R&A, Mr. Apt gained airline operational experience as an operations/ramp agent for Southwest Airlines at Mineta San Jose International Airport.



**RICONDO**  
& ASSOCIATES

### **Education**

Bachelor of Business  
Administration – Finance,  
University of Cincinnati

### **Years of Experience**

R&A: 2  
Other Firms: 2

### **Office Location**

Cincinnati, Ohio

## **Ethan R. Dunkle**

*Senior Consultant*

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### **Professional Background**

Since joining Ricondo & Associates, Inc. (R&A) in May 2013, Mr. Dunkle has assisted with various financial projects, including airline rates and charges modeling, feasibility studies, debt capacity analyses, and benefit-cost analyses for airport development. Before earning his bachelor degree, Mr. Dunkle served as a revenue management analyst for Delta Air Lines, with experience in aircraft capacity forecasting and network planning of cargo driven air carrier markets.

Since 2013, Mr. Dunkle has assisted the Jackson Municipal Airport Authority (JMAA) with general financial consulting for Jackson-Evers International Airport. Mr. Dunkle led all rates and charges modeling through JMAA's most recent Budget FY 2015 airline and airport agreement negotiations. In 2014 Mr. Dunkle assisted JMAA, alongside Fitch and Moody's rating agencies, through the credit review of outstanding revenue bonds. He also supported Northwest Florida Beaches International Airport, Ithaca Tompkins Regional Airport, and Northwest Arkansas Regional Airport in maintaining rates and charges models that incorporate long-term projections, allowing him to analyze airline and nonairline revenues, operating and maintenance expenses, and cash flows with respect to cost centers.

Mr. Dunkle also assisted Hillsborough County Aviation Authority (HCAA) with financial consulting for Tampa International Airport with a focus on customer facility charge (CFC) rate increase impacts. He has assisted the HCAA with on-call financial consulting regarding the ability of CFC rate increase implementation to provide the revenue requirements sufficient in the construction of a Consolidated Rental Car Facility (CONRAC) with an automated people mover. Mr. Dunkle supported HCAA in project eligibility of a Florida Department of Transportation Grant through a benefit-cost analysis.

Mr. Dunkle has also assisted with CFC rate analyses for the future CONRAC at Austin-Bergstrom International Airport. He supported the project in collecting monthly passenger and rental car transaction statistics as well as other related financial information. Mr. Dunkle maintained the R&A model developing a projection of deplaned destination passengers, rental car activity, and CFC collections required to meet rate covenant obligations set forth in the FY 2014 indenture.

## **M. Allen Hoffman**

*Vice President*

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### **Education**

Bachelor of Science, Civil Engineering, University of Texas at Austin

Master of Science, Transportation Engineering, University of Texas at Austin

### **Professional Affiliations**

TRB Committee AV050, Airport Terminals and Ground Access

### **Years of Experience**

R&A: 12

Other Firms: 15

### **Office Location**

Alexandria, Virginia

### **Professional Background**

Mr. Hoffman has over 25 years of experience in airport and transportation planning, with emphasis on physical planning and operational analysis of airport ground transportation and parking facilities at over 65 large- and medium-hub U.S. airports and international airports. Key areas of experience include demand forecasts and requirements, operational analyses, and physical layouts for airport roadways, curbsides, parking, and rental car facilities; parking revenue forecasts; alignment and station planning for airport automated people mover and rail systems; master and land use planning; automated vehicle identification systems; and commercial ground transportation fees.

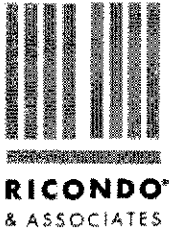
Mr. Hoffman is currently serving as R&A's officer responsible for parking planning services for Ronald Reagan Washington National Airport, Charleston International Airport, and Denver International Airport, which involves the development demand/revenue models, parking products and facility planning. He is also serving as the task leader for landside planning services for master plans at Raleigh-Durham International Airport and at Abu Dhabi International Airport, which includes detailed simulation of roadway and curbside facilities. His previous Abu Dhabi experience included planning of landside facilities for a new midfield terminal complex, expansion of existing facilities, and concept planning for future intermodal rail facilities.

Mr. Hoffman was recently responsible for parking planning services in support of the Parking Advisory Services for Austin-Bergstrom International Airport which included the development of parking demand forecasts, products and revenues and the operational analyses of parking exit plaza improvements using simulation. He was also the landside task leader for on-call planning at Baltimore/Washington International Thurgood Marshall Airport and for a master plan update at Orlando International Airport.

As part of a comprehensive facility requirements study for Pittsburgh International Airport, he was responsible for assessing landside parking facilities and developing action plans to increase airport revenue and reduce airport operating costs. He was also responsible for developing roadway access and curbside concepts for the landside master plan prepared as part of the Dallas Love Field Modernization Program.

Mr. Hoffman has prepared studies in support of the planning and design of landside facilities at numerous airports including Anchorage, Boston, Burbank, Chicago O'Hare, Dallas, Denver, Honolulu, Las Vegas, Los Angeles, Memphis, Orlando, Phoenix, Raleigh-Durham, San Francisco, and Tampa. He has prepared parking studies for airports serving Austin, Dallas, Denver, Detroit, Houston, Orange County, Memphis, Miami, Pittsburg, San Francisco, San Jose, Tampa, Tulsa, and Washington, D.C.

In 2010, Mr. Hoffman was co-author of Airport Cooperative Research Program (ACRP) Report 34, Handbook to Assess the Impacts of Constrained Airport Parking. In 2009, he served as co-author of ACRP Report 10, Innovations for Airport Terminal Facilities, for which he was responsible for the research associated with ground access innovations.



## **Max K. Kiesling, PhD**

*Vice President*

### **Education**

Bachelor of Science – Civil Engineering, Texas Tech University

Bachelor of Architecture, Texas Tech University

Masters of Science – Civil Engineering, University of Texas at Austin

Doctor of Philosophy – Civil Engineering, University of California at Berkeley

### **Professional Affiliations**

Airports Council International – North America

American Association of Airport Executives

Transportation Research Board, Airport Cooperative Research Program

### **Years of Experience:**

R&A: 11

Other Firms: 11

### **Office Location**

Irving, Texas

### **Professional Background**

Dr. Kiesling has more than 20 years of experience in airport facility planning, airport master planning, project management, airfield and airspace planning, program implementation, and transportation logistics.

During his tenure with Ricondo & Associates, Inc. (R&A), Dr. Kiesling has managed on-call and master planning assignments for several large airports or airport systems, such as for the Houston Airport System, City of Dallas, Department of Aviation, and for Denver International Airport. Some of his most notable accomplishments have occurred while managing R&A's general planning services for the Houston Airport System from 1998–2003 and from 2011 through the present. During this time, Dr. Kiesling managed the preparation of the 2004 Comprehensive Master Plan for William P. Hobby Airport, as well as an update to the master plan in 2014. The master plan update included several major changes to the airfield, a five-gate terminal expansion to accommodate Southwest Airlines' entry into international markets, a new parking garage, rerouting of the terminal area roadway, and a new central utility plant. Dr. Kiesling also oversaw the preparation of the 2015 Master Plan Update for Ellington Airport, which focused on certifying the airport as a Spaceport. Currently, advanced planning initiatives are underway for the potential development of more than 400 acres in support of the Spaceport and various space-industry activities. Additional master planning initiatives include a master plan update for Laredo International Airport (completed in 2015) and an ongoing master plan update for Al Bateen International Airport (Abu Dhabi, U.A.E.).

Prior to joining R&A, Dr. Kiesling managed several facility planning studies for Fort Lauderdale-Hollywood International Airport, including land use and facility planning for a proposed cargo center. He also developed recommendations for improving the airport-seaport transportation system and prepared a commuter facility planning study and an analysis of ramp operations at the airport. Furthermore, Dr. Kiesling supported airport master plan updates for Dallas Fort Worth, Port Columbus, Portland, and Tucson International Airports; air cargo forecasts for Dallas Fort Worth International Airport; and cargo market analyses for Miami International Airport.

In addition to these airport planning projects, Dr. Kiesling served as Program Manager for a large-scale capital development program that included the rebranding of more than 1,000 wholesale stores across the United States. Management of the program included extensive consensus-building among stakeholders and contractor management, as well as construction monitoring and quality control.

## **Bonnie A. Ossege**

*Vice President*

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### **Education**

Bachelor of Science –  
Accounting, University of  
Delaware

Master of Business  
Administration, Concordia  
University

### **Speaking Engagements**

AAAE PFC Workshop; Naples,  
Florida; Speaker; Passenger  
Facility Charges 101; 2015

AAAE PFC Workshop; Naples,  
Florida; Speaker; Capital  
Improvement Program, PFC as  
a Funding Source; 2015

AAAE PFC Workshop; Naples,  
Florida; Speaker; Collaboration  
with the FAA: A Case Study;  
2015

AAAE Rates & Charges  
Workshop; Naples, Florida;  
Speaker; Per Use Fees: A Case  
Study; 2015

AAAE Rates & Charges  
Workshop; Long Beach,  
California; Speaker; Per Turn  
Fees and Common Use  
Charges; 2014

### **Years of Experience**

R&A: 19  
Other Firms: 6

### **Office Location**

Cincinnati, Ohio

### **Professional Background**

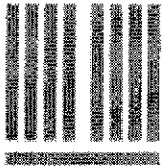
Ms. Ossege joined Ricondo & Associates, Inc. (R&A) in 1996. Since joining R&A, She has served as project manager on financial assignments for many clients and her responsibilities include overseeing projects from start to finish while coordinating the work between the client and various consulting staff members.

Her financial consulting responsibilities include negotiation and development of Airport Airline Use and Lease Agreements; financial analyses associated with implementation of capital development programs; development of computerized airline rates and charges models, which were designed for implementation and use by airport staff for the ongoing development of airline rates and charges at their airports and participation in the financing process for many airport clients, including development of the Report of the Airport Consultant, development of documentation for the Bond Rating Agencies, and participation in presentations to the Bond Rating Agencies.

Ms. Ossege has extensive experience with the Federal Aviation Administration's (FAA) passenger facility charge (PFC) process and has prepared approximately 50 PFC applications and amendments for 12 different airport clients. Additionally, she provides guidance to airport clients in the overall management of their long-term PFC programs (capacity, timing, eligibility, SOAR) and frequently interacts with FAA personnel at the national, regional and district level to ensure R&A is abreast of the most current regulations, practices and procedures.

Ms. Ossege has also assisted clients with development of aviation activity forecasts, debt capacity analyses, customer facility charge funding strategies, strategic business plans and the financial analyses for many airport master plans.

Since 2009, R&A has assisted AAAE with the development of the AAAE PFC and Rates and Charges workshops. Ms. Ossege has led the efforts for R&A including selection of workshop location, development of the session topics, securing presenters, serving as speaker and/or moderator for sessions and overall coordination with AAAE.



**RICONDO**  
& ASSOCIATES

### **Education**

Bachelor of Arts – Architecture,  
University of Idaho, Moscow

### **Years of Experience**

R&A: 10  
Other Firms: 10

### **Office Location**

Alexandria, Virginia

## **Chad Townsend**

*Director*

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### **Professional Background**

Mr. Townsend is R&A's Terminal/Facilities Technical Service Leader and has 20 years of experience planning, developing, and implementing successful at the world's busiest airports. During his career, Mr. Townsend has led efforts in terminal planning and alternative development at 7 of the top 10 busiest airports by passenger activity in the United States and multiple international airports in 3 European countries.

Mr. Townsend currently manages the provision of R&A's services for the firm's Airport Planning Professional Services – Architecture, Building Planning and Related Services contract with Los Angeles World Airports for Los Angeles International Airport. Coordinating with local area subconsultants and aviation-focused national consultancies, He led planning for the North Midfield Satellite Concourse terminal at the airport from initial programming through delivery of a Project Definition manual used as the basis for procuring design services.

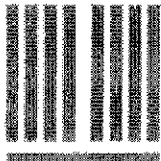
Mr. Townsend is also leading alternative development and project definition efforts for the expansion of terminal and gate facilities at Maynard H. Jackson J. International Terminal as part of on-call services provided to the City of Atlanta. He also currently serves as lead terminal manager for the on-call professional and support services contract with the City of Denver.

Earlier, Mr. Townsend managed R&A's collaboration with the Maryland Aviation Administration's Office of Planning and Environmental Services on development and implementation of the Terminal Modernization Program for Baltimore/Washington International Thurgood Marshall Airport. The program establishes the goals and objectives, functional requirements, and preferred arrangement of facilities to modernize and otherwise improve the passenger terminal complex at the airport.

Mr. Townsend managed R&A's assistance to the National Agency for Eurocup 2012's development of three new airport terminals (in Kiev, Lviv, and Donetsk) in preparation for the 2012 European football championships. He completed various assignments, including planning for extensive remote apron boarding stand operations supported by apron buses during the tournament, temporary consolidation of terminal services into Terminal B at Kiev International Airport, and the consolidation of all terminal services at the airport in new Terminal D.

For Abu Dhabi International Airport, Mr. Townsend served as the Project Manager or Senior Terminal Lead in providing programming, alternatives development, and implementation phasing for the expansion of Terminals 1, 2, and 3 to accommodate unprecedented airport growth. These projects were intended to bridge the gap between the present day and commissioning of a new Midfield Terminal Complex.

Mr. Townsend was the lead passenger facilities planner for R&A's on-call services provided to the Metropolitan Washington Airports Authority, continuing in the role he held prior to joining R&A. Other tasks include conducting a comprehensive capacity analysis of the main terminal, preparing a cargo operations relocation study, and developing strategies for expanding international operations at Washington Dulles International Airport, including implementation and design of an expanded international arrivals building, which opened in 2010.



**RICONDO®**  
& ASSOCIATES

### Education

Master of Regional Planning –  
University of North Carolina at  
Chapel Hill

Bachelor of Arts – University of  
Virginia

### Speaking Engagements

American Association of  
Airport Executives, Rates and  
Charges Workshop, "Capital  
Funding Sources," Naples,  
Florida, 2015.

Airports Council International-  
North America, Business of  
Airports Conference, "Non-  
aero Revenues are Flying  
High,--What's Next?" Phoenix,  
Arizona, 2015.

Airport Consultants Council,  
Global Business Summit,  
"Airport Planning with a  
Regulatory Focus,"  
Washington, D.C., 2011

National Center of Excellence  
for Aviation Operations  
Research (NEXTOR), Airport  
System Planning and Design  
Short Course, "Airport Finance  
101," Berkeley, California, 2010

### Years of Experience

R&A: 3.5

Other Firms: 5.5

### Office Location

Alexandria, Virginia

## Rawley J. Vaughan

Director

### Professional Background

Mr. Vaughan has nearly 10 years of airport consulting experience, specializing in strategic planning, financial analyses and commercial development. His focus in commercial development is concessions planning, and has helped plan or evaluate in-terminal concessions for many U.S. airports. His work has included evaluating and benchmarking financial performance, projecting supportable space and planning space layout, and assisting in the tender process and concession agreement negotiations. He is a member of ACI-NA's Commercial Management Steering Group and was previously member of the Concessions Benchmarking Working Group. Prior to joining Ricondo & Associates, Inc., in 2012, he worked for another nationally known aviation consulting firm for more than 5 years and for a member of the Committee on Appropriations in the U.S. House of Representatives for more than 3 years.

Currently he is projecting concession space requirements to inform master plan updates at Pittsburgh and Raleigh-Durham International Airports, and is assisting Saipan International Airport in the solicitation process for a successor Master Concession Agreement featuring a large duty-free store.

He has helped plan space requirements and layouts for terminal redevelopment programs, such as Chicago (O'Hare), Dallas Fort Worth, Orlando, Reno-Tahoe, Sacramento, and San Francisco International Airports, as well as Santa Barbara Municipal Airport, and Manchester Airport in the U.K.

From 2008 to 2013, he assisted Los Angeles World Airports senior management in changing the terminal rental methodology to unify the various terminals into one cost center and produce a self-financing mechanism for billions of dollars of future capital improvements at Los Angeles International Airport, which included the projection of net revenues generated from all concession categories in all terminal buildings.

For Reno-Tahoe International Airport, Mr. Vaughan prepared a model in support of concession agreement renegotiations from 2010 to 2011. The model was used to evaluate the term required to amortize new concessionaire investments required as part of a security-driven terminal expansion. The existing concessionaires agreed to re-brand certain concepts, and the investment commitment of the food and beverage concessionaire for the new sit-down restaurant was negotiated.

From 2009 to 2011, Mr. Vaughan assisted the Associate Deputy Airport Director at San Francisco International Airport in analyzing the financial performance of its concession units. This work focused on the redevelopment of Terminal 2 and the proposed renovation of Terminal 3.

Mr. Vaughan has projected in-terminal and other revenues as part of sell-side or buy-side advisory work in support of airport transactions. Domestically, these airports include Chicago (Midway), New York (LaGuardia) and San Juan (Luis Muñoz Marín). Foreign transactional work features São Paulo Governador André Franco Montoro (Guarulhos), Viracopos-Campinas, and Brasília-Presidente Juscelino Kubitschek International Airports, as well as Toronto City (Billy Bishop) Airport. Each study featured in-terminal concessions, and consisted of a financial performance review, lease review, and, ultimately, nonaeronautical revenue projections.

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# Appendix B

REQUIRED FORMS

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**STATEMENTS OF QUALIFICATIONS (SOQ 01-17)**

**FOR**

**AVIATION FINANCIAL CONSULTING SERVICES**

**ADDENDUM NO. 1**

This Addendum is being issued for the following changes and informational items:

THE FOLLOWING REVISIONS AND/OR ADDITIONS TO THE RFP DOCUMENT AND INSTRUCTIONS ARE TO BE INCLUDED AND SHALL TAKE PRECEDENCE OVER ANYTHING CONTRARY ON THE PREVIOUSLY ISSUED SPECIFICATIONS AND INSTRUCTIONS AND SHALL BE REFERRED TO HEREINAFTER AS PART OF THE CONTRACT DOCUMENTS.

***The City has received the following question and is hereby providing an answer thereto:***

***Q.1 Does the term "Airport feasibility analysis" in C.1.1 (page 6) of the submittal requirements refer to financial feasibility analysis services related to a bond financing, or to general financial feasibility services (including services not related to a bond financing)?***

**A.1 The airport does not currently have any GARB financing. This portion of the project would include, but not be limited to general review of Airport maintenance and operating (M&O) budget and evaluate potential to improve margins or identify specific opportunities for new sources of revenue.**

**Over the next two years the airport may embark on various facility improvements, to include CUPPS (common use passenger processing system). Analysis would review the financial implications along with the long term benefit of improved capacity with these special systems and the impact to airline rates and charges. Also, the airports airline agreement will expire in the next two years, analysis should provide opportunities and recommendations for considerations during the next term that will offer the best low cost solutions for commercial air carriers.**

***Q.2 Considering that this is an RFQ for financial consulting services, what is anticipated to be included in the "Airport Comprehensive Capital Plan" referenced in C.2.1 and C.3.1 (page 6) of the submittal requirements?***

**A.2 The C.2.1 references PFC projects, this will be the first assignment to begin. The Airport has three outstanding PFC Bond issues. With the current level of interest rates, the analysis will consider calling all three of these outstanding**

bond balances. PFC project application for the new PFC project and then reissuing a new PFC bond to cover the remaining PFC debt and the necessary new capital for the potential terminal ticket wing facility improvements that will be under consideration. The current Capital Plan will use a combination of AIP grant funds along with PFC revenue to fund the terminal ticket wing capacity enhancement construction. The analysis will include projections for estimated new capital from the bond sale that will become available to cover all aspects of the ticket wing improvement capital project. The result will include the supporting justification for the PFC bond consideration.

The C.3.1 reference to CFC projects will include design and construction of a consolidated rental car facility. Prior to this project moving forward, there will be several enabling projects that are necessary to be complete prior to the consolidated rental car facility project start, these will need to also be designed and constructed. The analysis will evaluate the estimated total capital that can be generated with the current collection of CFC at \$10 per transaction, along with the justification to increase the CFC to a daily collection rate if additional funds are necessary. The analysis will consider the total dollars necessary, and the steps for approvals to complete the enabling projects along with the rental car capacity improvements. The result will include a complete justification for the CFC bond consideration.

BY ORDER OF THE CITY OF PALM SPRINGS, CALIFORNIA

\_\_\_\_\_  
Craig L. Gladders, C.P.M.  
Procurement & Contracting Manager  
DATE: August 29, 2016

ADDENDUM ACKNOWLEDGMENT:

Proposer Firm Name: R. Condo + Associates, Inc  
Authorized Signature: James E. Branda Date: 8/29/16

Acknowledgment of Receipt of Addendum 1 is required by signing and including the acknowledgment with your submittal, or you may also acknowledge the Addenda on the bottom of Attachment A. Failure to acknowledge this Addendum may result in your submittal being deemed non-responsive.

**ATTACHMENT "A"**  
**\*THIS FORM MUST BE COMPLETED AND SUBMITTED WITH YOUR TECHNICAL/WORK**  
**QUALIFICATIONS (Envelope #1)\***  
**STATEMENT OF QUALIFICATIONS (SOQ) # 01-17**  
**AVIATION FINANCIAL CONSULTING SERVICES**

**SIGNATURE AUTHORIZATION**

NAME OF COMPANY (PROPOSER): Ricondo & Associates, Inc.  
 BUSINESS ADDRESS: 20 N. Clark Street Suite 1500  
Chicago IL 60602  
 TELEPHONE: 312 606-0611 CELL PHONE: 630 240-6336 FAX: 312 606-0706  
 CONTACT PERSON: James Branda EMAIL ADDRESS: jbranda@ricondo.com

A. I hereby certify that I have the authority to submit this Qualifications package to the City of Palm Springs for the above listed individual or company. I certify that I have the authority to **bind** myself/this company in a contract should I be successful in my qualifications.

James E. Branda, Vice President  
 PRINTED NAME AND TITLE  
James E. Branda 8/25/16  
 SIGNATURE AND DATE

B. The following information relates to the legal contractor listed above, whether an individual or a company. Place check marks as appropriate:

- If successful, the contract language should refer to me/my company as:
  - An individual;
  - A partnership, Partners' names: \_\_\_\_\_
  - A company;
  - A corporation If a corporation, organized in the state of: Illinois

Please check below IF your firm qualifies as a Local Business as defined in the SOQ:

A Local Business (Licensed within the jurisdiction of the Coachella Valley).  
 Copy of current business license **is required** to be attached to this document.

2. My tax identification number is: 36-3663903

**ADDENDA ACKNOWLEDGMENT:**  
 Acknowledgment of Receipt of any Addenda issued by the City for this SOQ is required by including the acknowledgment with your qualifications package. Failure to acknowledge the Addenda issued may result in your qualifications package being deemed non-responsive.

In the space provided below, please acknowledge receipt of each Addenda:

Addendum(s) # 1 is/are hereby acknowledged.

*James C. Bronda* 5/29/16

By: James E. Brumba

Title: Vice President

Subscribed and sworn to before me this 29<sup>th</sup> day of August, 2016.

*Kristin Lasky*  
"OFFICIAL SEAL"  
KRISTIN LASKY  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES 4/1/2017

# Exhibit "C"



**RICONDO®**  
& ASSOCIATES

HEADQUARTERS

**CHICAGO**

20 North Clark Street  
Suite 1500  
Chicago, Illinois 60602

tel +1.312.606.0611

fax +1.312.606.0706

PLEASE VISIT OUR WEBSITE AT:  
[www.ricondo.com](http://www.ricondo.com)



**Table F.1.A: Palm Springs International Airport, CFC Project Services Estimated Level of Effort (Hours)**

	<b>Officer</b>	<b>Director</b>	<b>Managing Consultant</b>	<b>Senior Consultant</b>	<b>Tech/ Support Admin</b>
1. Facility Requirements & CFC Capacity	6	12	40	0	0
2. Site Concepts	6	12	32	40	0
3. Business and Finance Terms	24	32	0	16	0
4. Business and Finance Planning	12	24	0	16	0
5. CFC Sizing and Implementation	8	16	0	32	0
6. Deliverables	4	18	24	0	8
<b>Total</b>	<b>60</b>	<b>114</b>	<b>96</b>	<b>104</b>	<b>8</b>

SOURCE: Ricondo & Associates, Inc.

PREPARED BY: Ricondo & Associates, Inc. August 2016



**Table F.1.B.: Palm Springs International Airport, PFC Project Services Estimated Level of Effort (Hours)**

	Officer	Director	Managing Consultant	Senior Consultant	Tech/Support Admin
1. PFC Capacity	4	8	16	20	8
2. Identificaiton of Eligible Projects	2	12	0	8	0
3. Airline Consultation	4	16	0	4	4
4. PFC Application Preparation	8	40	16	32	8
5. PFC Project Closeout Assistance	4	12	0	0	4
<b>Total</b>	<b>22</b>	<b>88</b>	<b>32</b>	<b>64</b>	<b>24</b>

SOURCE: Ricordo & Associates, Inc.

PREPARED BY: Ricordo & Associates, Inc. August 2016.

**Table F.L.C.: Ricondo & Associates, Inc. Standard Hourly Rates (2016)**

	<b>Title</b>	<b>Hourly Rate</b>
James E. Branda	Vice President	\$ 338.00
Bonnie A. Ossege	Vice President	\$ 338.00
Geoffrey A. Wheeler	Senior Vice President	\$ 338.00
Bryan O. Elliott	Director	\$ 290.00
Jason M. Apt	Managing Consultant	\$ 241.00
Ethan R. Dunkle	Senior Consultant	\$ 199.00
Teresa C. Glavaz	Manager, Document Production	\$ 129.00

SOURCE: Ricondo & Associates, Inc.

PREPARED BY: Ricondo & Associates, Inc. August 2016.

**Table F.1.D: Palm Springs International Airport, Ricondo & Associates, Inc. Travel Expenses (Estimated)**

	Anticipated Travel Expenses	
1. Airfare /1		
CVG-PSP	\$	860.00
GSO-PSP	\$	775.00
ORD-PSP	\$	700.00
BOS-PSP	\$	780.00
2. Meals per Person per Day	\$	75.00
3. Hotel per Person per Night	\$	225.00

SOURCE: Ricondo & Associates, Inc.

1. Per [www.delta.com](http://www.delta.com) for Travel to/from Palm Springs 10/5-10/7 2016.

PREPARED BY: Ricondo & Associates, Inc. August 2015.

**Exhibit "D "**

**Table 1: Ricondo & Associates, Inc. Standard Hourly Rates (2016)**

	Title	Hourly Rate
James E. Branda	Vice President	\$ 290.00
Bonnie A. Ossege	Vice President	\$ 290.00
Geoffrey A. Wheeler	Senior Vice President	\$ 290.00
Bryan D. Elliott	Director	\$ 270.00
Jason M. Apt	Managing Consultant	\$ 250.00
Ethan R. Dunkle	Senior Consultant	\$ 230.00
Teresa C. Glavaz	Manager, Document Production	\$ 159.00

**Table 1.A: Ricondo & Associates, Inc. Proposed PSP Hourly Rates (2016)**

Rates by Category:	Hourly Rate
Senior Vice President / Vice President	\$ 290.00
Director	\$ 270.00
Managing Consultant	\$ 250.00
Senior Consultant	\$ 230.00
Consultant	\$ 210.00
Administrative / Technical	\$ 159.00

SOURCE: Ricondo & Associates, Inc.

PREPARED BY: Ricondo & Associates, Inc. November 2016.

**Table 2: Palm Springs International Airport, Feasibility Analysis**

	Senior Vice President / Vice President	Director	Managing Consultant	Senior Consultant	Consultant	Administrative / Technical	Total Labor	Total Expenses	Total
<b>Proposed Hourly Rates</b>	\$ 290.00	\$ 270.00	\$ 250.00	\$ 230.00	\$ 210.00	\$ 159.00			
1 Inventory, data gathering, and assessment	4	12	16	24	0	0	56	\$ 2,835	
2 Prepare draft financial analysis (electronic & 10 printed versions)	4	16	8	48	0	4	80	\$ 250	
3 Conduct City conference call to review draft analysis and assumptions	2	4	0	0	0	4	10		
4 Update financial analysis based on City feedback	2	8	4	12	0	0	26		
5 Submit final draft analysis (electronic & 10 printed versions)	2	4	0	0	0	4	10	\$ 250	
<b>Total Hours</b>	<b>14</b>	<b>44</b>	<b>28</b>	<b>84</b>	<b>0</b>	<b>12</b>	<b>182</b>		
<b>Total Amount</b>	<b>\$ 4,060</b>	<b>\$ 11,880</b>	<b>\$ 7,000</b>	<b>\$ 19,320</b>	<b>\$ -</b>	<b>\$ 1,908</b>	<b>\$ 44,168</b>	<b>\$ 3,335</b>	<b>\$ 47,503</b>

SOURCE: Ricordo & Associates, Inc.

PREPARED BY: Ricordo & Associates, Inc. November 2016

**Table 3: Palm Springs International Airport, PFC Services**

	Senior Vice President / Vice President	Director	Managing Consultant	Senior Consultant	Consultant	Administrative / Technical	Total Labor	Total Expenses /1	Total
<b>Proposed Hourly Rates</b>	<b>\$ 290.00</b>	<b>\$ 270.00</b>	<b>\$ 250.00</b>	<b>\$ 230.00</b>	<b>\$ 210.00</b>	<b>\$ 159.00</b>			
1. PFC Strategy & Capacity Analysis	4	8	16	20	0	8	56		
2. Prepare Draft Application	2	12	0	8	0	0	22	\$ 2,835	
3. Airline Consultation and Public Notice	4	16	0	4	0	4	28	\$ 1,225	
4. PFC Application Preparation and Submittal	12	52	16	32	0	12	124		
<b>Total Hours</b>	<b>22</b>	<b>88</b>	<b>32</b>	<b>64</b>	<b>0</b>	<b>24</b>	<b>230</b>		
<b>Total Amount</b>	<b>\$ 6,380</b>	<b>\$ 23,760</b>	<b>\$ 8,000</b>	<b>\$ 14,720</b>	<b>\$ -</b>	<b>\$ 3,816</b>	<b>\$ 56,676</b>	<b>\$ 4,060</b>	<b>\$ 60,736</b>

NOTES:

1/ Assume a 2-person trip for meeting with FAA and a 1-person trip for airline consultation meeting.

SOURCE: Ricardo & Associates, Inc.

PREPARED BY: Ricardo & Associates, Inc. November 2016.

**Table 4: Palm Springs International Airport, CFC Services**

Proposed Hourly Rates	Senior Vice	Director	Managing	Senior	Consultant	Administrative	Total Labor	Total Expenses	Total
	President / Vice President		Consultant	Consultant		/ Technical		/1	
	\$ 290.00	\$ 270.00	\$ 250.00	\$ 230.00	\$ 210.00	\$ 159.00			
1. Data Collection and Review	4	4	4	16	0	0	28	\$ 1,375	
2. Debt Capacity Analysis	8	8	4	16	0	0	36		
3. CFC Sizing Analysis	8	8	8	22	0	4	50		
4. Alternative CFC Implementation Process	32	20	8	24	0	16	100	\$ 2,750	
5. Develop ConRAC Business and Financial Plan	24	32	0	0	0	12	68		
6. Support Development & Implementation of Rental Car Concession Agreements	56	40	0	12	0	12	120	\$ 4,125	
	132	112	24	90		44	402		
<b>Total Amount</b>	<b>\$ 38,280</b>	<b>\$ 30,240</b>	<b>\$ 6,000</b>	<b>\$ 20,700</b>	<b>\$ -</b>	<b>\$ 6,996</b>	<b>\$ 102,216</b>	<b>\$ 8,250</b>	<b>\$ 110,466</b>

NOTES:

1/ Assume 1-person trip, kickoff meeting with client, 2, 1 person trips for CFC implementation, 3, 1 person trips for RAC industry meetings

SOURCE: Ricordo & Associates, Inc.

PREPARED BY: Ricordo & Associates, Inc. November 2016

Table 5: Palm Springs International Airport Financing Services

	Senior Vice President / Vice President	Director	Managing Consultant	Senior Consultant	Consultant	Administrative / Technical	Total Labor	Total Expenses	Total
<b>Proposed Hourly Rates</b>	\$ 290.00	\$ 270.00	\$ 250.00	\$ 230.00	\$ 210.00	\$ 159.00			
<b>1 Prepare the Report of the Airport Consultant - Stand-Alone PPC Bonds:</b>									
1.1 Review Summary of Findings & Provide Edits		4	6	0	0	0	12		
1.2 Review Series Project and the Series Bonds & Provide Edits		4	6	0	0	0	12		
1.3 Review Airport Description Chapter & Provide Edits		4	6	0	0	0	12		
1.4 Review/Update Demographic and Economic Analysis from 2015 Master Plan		16	20	40	0	0	78		
1.5 Review/Update Passenger Demand and Air Service Analysis from 2015 Master Plan		16	60	0	0	0	80		
1.6 Update FY 2017 Financial Analysis from Task 1		12	4	12	0	0	32		
1.7 Document Production		2	4	0	0	18	24		
<b>2 Other Financing Services:</b>									
2.1 Project Coordination & Kick-Off Meeting <sup>1/</sup>		8	12	0	0	0	24	\$ 2,920	
2.2 Participate in Three Document Review Sessions		12	18	0	0	0	36		
2.3 Review Rating Agencies Follow-Up Requests		4	4	0	0	0	9		
2.4 Prepare Closing Documentation		2	0	0	0	0	3		
<b>Total Hours - Subtasks 1 and 2</b>	<b>28</b>	<b>84</b>	<b>140</b>	<b>52</b>	<b>0</b>	<b>18</b>	<b>322</b>		
<b>Total Amount - Subtasks 1 and 2</b>	<b>\$ 8,120</b>	<b>\$ 22,680</b>	<b>\$ 35,000</b>	<b>\$ 11,960</b>	<b>\$ -</b>	<b>\$ 2,862</b>	<b>\$ 80,622</b>	<b>\$ 2,920</b>	<b>\$ 83,542</b>
<b>3 OPTIONAL SERVICES:</b>									
3.1 Participate in Presentations to Bond Rating Agencies <sup>2/</sup>		4	8	0	0	2	22	\$ 1,460	
<b>Total Hours - Subtask 3</b>	<b>8</b>	<b>4</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>22</b>		
<b>Total Amount - Subtask 3</b>	<b>\$ 2,320</b>	<b>\$ 1,080</b>	<b>\$ 2,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 318</b>	<b>\$ 5,718</b>	<b>\$ 1,460</b>	<b>\$ 7,178</b>
<b>Total Hours</b>	<b>36</b>	<b>88</b>	<b>148</b>	<b>52</b>	<b>0</b>	<b>20</b>	<b>344</b>		
<b>Total Amount</b>	<b>\$ 10,440</b>	<b>\$ 23,760</b>	<b>\$ 37,000</b>	<b>\$ 11,960</b>	<b>\$ -</b>	<b>\$ 3,180</b>	<b>\$ 86,340</b>	<b>\$ 4,380</b>	<b>\$ 90,720</b>

NOTES:

1/ Assume a 2-person trip for Kick-Off Meeting or for Document Review Meeting

2/ Assume a 3-person trip for Rating Agencies

SOURCE: Bionds & Associates, Inc.

PREPARED BY: Bionds & Associates, Inc. November 2016.



**Table 6: Palm Springs International Airport, Ricondo & Associates, Inc. Travel Expenses (Estimated)**

	Anticipated Travel Expenses	
1. Airfare		/1
CVG-PSP	\$	860.00
GSO-PSP	\$	775.00
ORD-PSP	\$	700.00
BOS-PSP	\$	780.00
2. Meals per Person per Day	\$	75.00
3. Hotel per Person per Night	\$	225.00

SOURCE: Ricondo & Associates, Inc.

1. Per [www.delta.com](http://www.delta.com) for Travel to/from Palm Springs 10/5-10/7 2016.

PREPARED BY: Ricondo & Associates, Inc. November 2016.

<b>Total Not to Exceed \$309,425.00</b>
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# EXHIBIT "E"

## SCHEDULE OF PERFORMANCE

### **Task I – Feasibility Analysis**

Phase I – details necessary for PFC project analysis - 90 days from contract approval.

Phase II – upon collection of the project inventory, data gathering and assessment the forecast will be available within 90 days.

Phase III – analysis required for contract requirements associated with rental cars or airline agreements for the next lease term will be available within 120 days of notice to proceed for these associated tasks.

### **Task II – Prepare Passenger Facility Charge (PFC) Application**

Phase I – strategy and draft application to include FAA required attachment "B" and "G", will be available 30 days after the detailed project description, project cost and funding sources, complete project justification and supporting exhibits such as terminal space drawings to include square foot details are provided.

Phase II – Airline consultation will be provided within 45 days of final draft application approval with completed PFC application to the all airlines servicing Palm Springs International Airport.

Phase III – PFC application will be submitted after expiration of the airline comment period.

Phase IV – PFC final approval will be dependent on FAA review and comments.

### **Task III – Customer Facility Charge (CFC) – Rental Car Concession Planning**

Phase I – details necessary for this task will be initiated upon receipt of the justification and project details provided by the design team.

Phase II – evaluation of the required CFC rate based upon the debt capacity analysis will be provided based on the project design cost estimates, the report to be available within 120 days of project estimates and notice to proceed on this element of Task III.

Phase III – alternative funding recommendations will be provided within 90 days of Phase II recommendation.

Phase IV – Support with negotiations for rental car agreement through development of the project, will be dependent on facility development.

### **Task IV – Debt Financing Assistance**

Ricondo & Associates will assist the City with the necessary details and reporting requirements to be included with an Official Statement for bonding that may be necessary to fund the projects identified with the associated PFC and CFC funding, of Task II and Task III. These reports will be available within 90 days of notice to proceed for this assigned task.