



CITY OF LONG BEACH

LONG BEACH AIRPORT

R-33

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May 6, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to enter into three-year agreements with Frasca & Associates, L.L.C., (Frasca) and Ricondo & Associates, Inc., (Ricondo) for as-needed airport financial consulting services for a total combined annual amount not to exceed \$395,000; execute amendments to extend the term for up to two additional two-year terms; increase the maximum authorized amounts; authorize additional services, if required, within the provisions of the contracts; adjust the fee schedules for inflation; and increase appropriations in the amount of \$300,000 in the Airport Enterprise Fund (EF 320). (District 5)

DISCUSSION

The Airport advertised a Request for Proposal (RFP) for aviation industry financial consulting services on December 24, 2007. The RFP document was made available from the Purchasing Division, located on the Plaza Level of City Hall, and the division's website: www.longbeach.gov/purchasing. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 30 local, minority and women's business groups. Of the 78 potential consultants notified of the opportunity, 14 firms downloaded the RFP. Responses were due on January 11, 2008. Four proposals were received and all respondents were interviewed. Based upon consultant presentations, their understanding of the Airport's issues, airport industry experience, financial expertise, airport management team and input from client references, two contracts totaling \$95,000 were issued to Frasca, a WBE firm, and Ricondo to assist in a variety of airport financial feasibility studies. Issuing two contracts provides the opportunity to select one of the two firms to perform identified services based on their specific expertise. City Council approval is requested to enter into formal agreements with Frasca and Ricondo for a total combined annual amount of \$395,000, which includes the previously issued amount of \$95,000, for continued as-needed Airport financial consulting services.

Financial consulting with Frasca and Ricondo for ongoing services may include involvement with the operating and Capital Improvement Program (CIP) budgets,

parking studies and rates, Customer Facility Charges (CFC), Passenger Facility Charges (PFC), federal grants, airline rates and charges, negotiations, agreements, industry surveys, financial modeling, general airport/airline industry support, and other related services. Additionally, the firms would assist in the Airport and the Department of Financial Management in development of a revenue program outlining the sources and amounts to meet the funding requirements of the pending terminal improvements and new parking structure.

This matter was reviewed by Assistant City Attorney Michael J. Mais on April 11, 2008, and by Budget Management Officer Victoria Bell on April 14, 2008.

TIMING CONSIDERATIONS

City Council action on this item is requested on May 6, 2008, to continue the as-needed Airport financial consulting services.

FISCAL IMPACT

The total annual amount of the agreements will not exceed \$395,000. An increase in appropriations in the amount of \$300,000 in the Airport Enterprise Fund (EF 320) is requested.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CHRISTINE F. ANDERSEN
AIRPORT DIRECTOR

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APPROVED:



PATRICK H. WEST
CITY MANAGER