



STAFF REPORT

DATE: February 20, 2018

TO: Ronald L. Olson, City Manager

FROM: Matthew Van Valkenburgh A.A.E., Executive Director of Aviation

SUBJECT: **AGREEMENT FOR installation of Shared-Use and Flight Information Display System with Amadeus Airport IT Americas**

BACKGROUND AND FINDINGS:

In August 2017, Council approved Aviation to release a request for proposals (RFP) for shared/common-use passenger processing system (S/CUPPS) and flight information display (FID) improvements at the Killeen Fort Hood Regional Airport (KFHRA).

The RFP was released on November 5, 2017 and was advertised on a variety of electronic databases, the City and Airport websites, and in local media. A pre-proposal meeting was held on November 14 to provide interested responders the opportunity to visit the Airport, view the project site, and present questions pertaining to the project. Two proposals were received by the closing date of December 5, 2017.

The evaluation on the proposals was completed by a review panel consisting of five (5) staff members which included four (4) Airport staff and one (1) Information Technology staff. This team independently evaluated each proposal via a series of elicited responses to questions in the RFP and then met to collectively determine the response which provided the best systems for the Airport and the best value for the City. The team chose Amadeus Airport IT Americas for the provider. This was based upon an evaluation process which determined the Amadeus product is a system which permits the airport complete flexibility to assign airlines to any ticket counter, check-in counter, or departure gate to meet the needs of the airport dependent upon demand, delays, diversions, charter activity, etc., or passenger boarding bridge maintenance requirements. This system will also reduce barriers to new airline entry into the market by providing a system which significantly reduces airline costs to those airlines in the market or those entering the market. This will dramatically improve the airport's ability to attract carriers which would lead to lower costs and furnish opportunities for increased competition amongst airlines.

Thus, Staff has negotiated an agreement with Amadeus Airport IT Americas, Inc., in the amount of \$750,000 for the installation and implementation of Shared-Use and Flight Information Display System software and hardware at the Killeen Fort Hood Regional Airport.

THE ALTERNATIVES CONSIDERED:

(1) Utilize the PFC funds approved by the Airlines to provide an Airport campus solution for an improved S/CUPPs and FIDs system; (2) upgrade the existing system, which is not campus-wide; or (3) do not do the project

Which alternative is recommended? Why?

Alternative 1 is considered the prudent course of action. The project is fully funded by a Federal Aviation Administration approved passenger facility charge [PFC] (100%), thus making the project zero cost to the KFRA enterprise fund (no use of Aviation fund balance). This project is fully supported by the airlines and will lower maintenance expenses while improving airport efficiency and customer experience.

CONFORMITY TO CITY POLICY:

Yes

FINANCIAL IMPACT:

This agreement is funded 100% by PFC. Funding is available in the amount of \$750,000 in account 529-0510-521.65-41 PFC Projects.

What is the amount of the expenditure in the current fiscal year? For future years?

\$750,000 in FY 18

Is this a one-time or recurring expenditure?

This is a one-time expenditure

Is this expenditure budgeted?

Yes

If not, where will the money come from?

NA

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes

RECOMMENDATION:

City Council authorize the City Manager to execute an agreement with Amadeus Airport IT Inc. in the amount of \$750,000 and any and all change orders or supplemental agreements within the amounts set by State and local law.

DEPARTMENTAL CLEARANCES:

Finance

Legal

ATTACHED SUPPORTING DOCUMENTS:

Agreement

Certificate of Interested Parties