



STAFF REPORT

DATE: November 7, 2017

TO: Ronald L. Olson, City Manager

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

SUBJECT: Professional Services Agreement with Garver, LLC

BACKGROUND AND FINDINGS:

The Killeen-Fort Hood Regional Airport (KFHRA) was opened for commercial service in August of 2004 with four (4) operational gates with respective passenger boarding bridges (PBB) manufactured by DEW Corporation; two (2) additional boarding bridges by a different manufacturer were added in 2008. The "DEW" PBBs have served the airport, the airlines, and the customers well in the 13 years hence; however, despite a rigorous preventative maintenance program used by the airport, these bridges are experiencing ever increasing mechanical and maintenance issues. The original equipment manufacturer (OEM) of the bridges is no longer in business, thus parts and maintenance support for these PBBs are increasingly difficult to find and obtain. In fact, several required parts necessary to keep these PBBs operational have had to be ordered and imported from Europe, thereby increasing the cost of repairs and operational down time of the equipment. Not only does this limit the operational capability of the Airport to meet our customer service goals, it has also affected our airline partners as well. By replacing this equipment, KFHRA anticipates increased operational efficiency and effectiveness, decreased bridge down time, decreased annual maintenance and repair costs, and increased customer service.

On September 22, 2015, the City Council approved acceptance of an Airport Improvement Program (AIP) grant for two projects. One of those projects was for a Preliminary Engineering Report (PER) on the existing PBBs. The PER fully evaluated the material condition, operational readiness, and life-cycle analysis of all PBBs and concluded it would be more cost effective and operationally prudent to replace the four (4) "DEW" bridges no longer supported by the OEM. Additionally, the PER recommended improvements to remaining two (2) bridges to increase their effectiveness and reduce maintenance costs.

Concurring with the results of the PER, the FAA offered, and the City Council accepted on September 13, 2016, a AIP grant for design to replace and effect improvements to the PBBs at KFHRA. This grant includes all of design, engineering, architectural, and administrative elements to bid and construct the project. On June 13, 2017, City Council approved the submission of a Passenger Facility Charge (PFC) application to the FAA to fund the grant matching requirements for this and other airport capital projects. FAA approved that application on September 6, 2017, and funds are available in the PFC account to proceed with this project.

Thus, Staff has negotiated a professional services agreement with Garver, LLC, in the amount of \$599,400.00 for design, bidding, contract administration, and construction services for improvements to the passenger boarding bridges at the Killeen-Fort Hood Regional Airport.

THE ALTERNATIVES CONSIDERED:

(1) Utilize the FAA AIP grant and PFC match to complete design for the replacement and improvements to the boarding bridges; (2) 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 an FAA grant (90%) and a passenger facility charge [PFC] (10%), thus making the project zero cost to the KFHRA (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 contract is funded by FAA AIP for 90% of the total cost and a 10% PFC. Funding will be available in the amount of \$539,460.00 in account number 524-0515-521.47-20 Engineering Services and \$59,940.00 in account number 529-0510-521.65-41 PFC Projects upon Council approval of a budget amendment for the project.

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

\$599,400 in FY 18

Is this a one-time or recurring expenditure?

This is a one-time expenditure.

Is this expenditure budgeted?

A budget amendment is required.

If not, where will the money come from?

FAA (90%); PFC (10%)

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

Upon approval of budget amendment

RECOMMENDATION:

City Council authorize the City Manager to execute a professional services contract with Garver, LLC in the amount of \$599,400.00 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