

**SANTA FE MUNICIPAL AIRPORT
REQUEST FOR QUALIFICATIONS
AIRPORT RATES AND CHARGES STUDY**

I. Solicitation

The City of Santa Fe (City) is soliciting Statements of Qualifications (SOQ) from qualified and interested Aviation Business Consultants to conduct an Airport Rates & Charges Study for the City of Santa Fe Municipal Airport (Airport).

II. Introduction & Background

a. Location & Population

The Santa Fe Municipal Airport is a commercial service airport located approximately 9 miles south of the city center of Santa Fe, New Mexico. The Airport is owned and operated by the City of Santa Fe, which is within the County of Santa Fe, New Mexico. The 2010 census showed the City of Santa Fe to have a population of 67,947. The County's population is estimated at 144,170. The Santa Fe economy is based primarily on tourism and government employment.

The Airport is situated in the southern side of the city limits, which is the fastest growing segment of town in both residential and business development.

Santa Fe is one of the country's premier tourist destinations according to several national surveys. Domestic and international visitors enjoy a diversity of culture, activities and climate throughout the year. The City plays host to several annual events that draw thousands of visitors per event, including the International Folk Art Market in September, Santa Fe Indian Market in August, and The Summer Spanish Market.

b. Commercial Airline Service & General Aviation

The Airport is currently served by two airlines, United Express and American Eagle, operating 45- or 50-seat regional jet aircraft. The airlines fly daily and seasonally non-stop to Denver International Airport (DEN), Los Angeles International Airport (LAX) and Dallas/Ft. Worth International Airport (DFW). Airline flight schedules fluctuate somewhat throughout the year, with the tourism high season occurring June through October. During high season, the Airport generally supports one daily round trip to LAX, two daily round trips to DEN and three daily round trips to DFW. Flights typically depart as early as 6:00 AM and arrive as late as 9:30 PM. During low season, the LAX daily has historically shifted to three times a week and the third DFW round trip has been dropped.

The past five years have seen a steady increase in passenger traffic, with 2013 closing out with passenger boardings of 68,360 and passenger deplanements of 69,567, for a total passenger number of 137,927. An estimated 15,800 family members or friends drop off or meet passengers every year. This constitutes a 45% increase over the previous year and a 14 year high. Airline load factors for 2014 year-to-date are strong, at

consistently 90% and above, and are expected to continue. The forecast for 2014 is approximately 142,000 in- and out-bound passengers, and an estimated 16,330 families/friends, through the terminal building.

Santa Fe Airport, although a relatively small airport, is a busy airport, with a robust and loyal local aviation community. 207 aircraft call Santa Fe home, which includes 21 jets, 23 multi-engine and 15 military craft. One full-service, nationally branded FBO provides fueling, aircraft deicing and maintenance, pilot services, flight instruction, hangar storage, aircraft towing, crew cars, rental cars and other aircraft related services. Several private hangars and hangar associations hold long-term ground leases for aeronautical activity.

c. Current Revenue Streams

i. Operating Revenue

The Airport currently derives operating revenues from the following aeronautical and non-aeronautical sources:

1. Aeronautical
 - a. Ground Leases
 - b. Tie-Down Fees – Based and Transient
 - c. Commercial Landing Fees
 - d. Fuel Flowage Fees
 - e. Airline Lease and GSE Use Agreements
 - f. Airline Gate Fees
 - g. Airline Security Fees
 - h. Airline Fire Protection Fees
 - i. Percentage of Gross Revenue for Commercial Aeronautical Tenants
2. Non-Aeronautical
 - a. Automobile Parking
 - b. Rental Car Lease and Percentage of Gross Revenue
 - c. Restaurant Lease and Percentage of Gross Revenue
 - d. Other Terminal Leases

Certain Airport fees, seen below, are set through City Council Resolution No. 2001-78, as updated by City Council action on March 26, 2014.

Schedule "A"
Airport Users Fees
Current as of March 26, 2014

- Automobile parking is free for the first 4 hours, then \$3.00 per day.
- Airport landing fees are \$3.00 per 1,000 lbs of certificated maximum landing weight for aircraft being operated under either a Part 121 (airline) or Part 135 (charter) operating certificate **and** in excess of 12,500 pounds maximum gross weight.
- A Fire Protection Fee shall be applied to any flight requiring FAR Part 139 ARFF coverage, as per the Santa Fe Airport Certification Manual. The Fire Protection Fee is \$1.00/1,000 lbs of certificated maximum gross landing weight for any aircraft over 12,500 pounds.

- A Security Protection Surcharge may be added to any fee established in this exhibit at the discretion of the City Manager if security requirements imposed by the FAA result in unexpected costs to the City of Santa Fe.
- Aircraft Parking Fees are established in the table below.

SMALL G/A PARKING	FEE
SINGLE ENGINE DAILY	\$4.50
TWIN ENGINE DAILY	\$8.50
SINGLE ENGINE MONTHLY	\$30.00
TWIN ENGINE MONTHLY	\$50.00
LARGE G/A PARKING	FEE
DAILY	NONE
MONTHLY	NONE

- “Small G/A Tie Down” refers to general aviation single or twin engine propeller driven aircraft with a total seating capacity (including crew) of 6 or less that park and/or tie down overnight or longer.
 - “Large G/A Parking” refers to general aviation jet, or propeller driven aircraft with a seating capacity of more than 6 (including crew) that park and/or tie down overnight or longer. Commercial airliners that pay other access related fees to this airport are exempt.
 - Aircraft utilized for cargo or specialized operations that reduce or eliminate normal seating will be charged as if in a manufacturer’s baseline passenger configuration for the model in question.
 - Any G/A aircraft having a wingspan greater than 60 feet will be charged the “Large G/A Parking” fee, regardless of configuration. Exception: Gliders will pay the same amount as the “Small G/A Twin Engine” category.
 - Helicopters will be charged using the same criteria as G/A aircraft: By number of engines, and passenger capacity. Helicopters having a rotor span of more than 60 feet will be charged the “Large G/A Parking” fee, regardless of configuration.
 - If there is any question, the Airport Manager will make the final determination as to what fee applies.
- These fees may be adjusted from time to time with the approval of the City Manager.

ii. Capital Revenue

The Airport currently derives capital revenues primarily through grants from the Federal Aviation Administration Airport Improvement Program and the New Mexico State Aviation Division. Local match for these types of grants generally comes from the City’s general capital fund through CIP bond or other general fund sources. Although the Airport is currently not collecting Passenger Facility Charges (PFC), the Airport is in the process of submitting an application to begin PFC collection. The Airport does not collect Customer Facility Charges.

d. Self-Sustainability

The Airport is not self-sustained financially. Over the past several fiscal years, the Airport’s operating and capital expenditures have been augmented by the City’s General Fund. It is the Airport’s intent to strive towards self-sustainability through a realistic, expanding and flexible rates and charges policy that maximizes current revenue streams and identifies potential revenue, particularly non-aeronautical

revenue. Additionally, approximately 90% of the Airport operating revenues are derived either directly or indirectly from airline service. The Airport's long-term revenue plan is to develop a diversity of aeronautical and non-aeronautical revenue to insulate the Airport from reduction or loss of commercial service, ensure that aeronautical rates are competitive with neighboring airports, and ensure the Airport's long-term financial self-sustainability.

III. Scope of Services

In order to accomplish this task, the Airport is soliciting interest from experienced aviation business consultants to assist Airport staff in the following areas:

- a. Review current agreements with various tenants. Analyze each provision and outline options that have been developed in other similar situations that offer more contemporary approaches and recommend new business terms where issues are not addressed.
- b. Analyze the Airport's current rate and fees structure and provide comparables with competitive regional and national airports.
- c. Develop strategies to increase non-airline and non-aeronautical revenue opportunities. Review the non-aeronautical sources of revenue (parking, rental cars, advertising, etc.) and identify areas where existing contracts might generate additional net revenue and provide recommendations on future contracts where more revenue or more favorable terms could be achieved. Provide recommendations and strategies for developing Customer Facility Charges.
- d. Provide advice and support for airport development of RFQs/RFPs including, but not limited to, non-aeronautical development, rental cars, parking lot management, concessions and advertising.
- e. Provide assistance to the Airport in the creation of a rate model and negotiation of lease, use and concession agreements that will position the Airport to become self-sustaining as soon as possible.

IV. Minimum Qualifications

Proposers shall demonstrate at least the following minimum qualifications:

- a. Demonstrable knowledge of business issues involving all airport contractual segments including airline agreements, concession agreements, FBO agreements, third party development, advertising and parking agreements in small and non-hub commercial airports.
- b. Thorough understanding of the economic model alternatives for rate making methodologies for a variety of airport business applications.
- c. Strong knowledge of airport operations, space use, capital planning and sources and uses of funding.
- d. Experience in rate development for non-aeronautical sources of revenue.

V. Evaluation & Selection Criteria

a. Initial Evaluation of Statements of Qualifications

Based on the written SOQs received and application evaluation criteria specified below, two or more of the highest ranking Proposers deemed fully qualified, responsible and suitable to provide the requested services *may* be selected for an interview. The Airport reserves the right to waive the interview process if one Proposer's score is significantly higher than the next highest scoring Proposer. If the Airport chooses to conduct interviews, the Airport will schedule and proceed.

b. Interview Process

If the Airport elects to conduct interviews, interviews will be conducted by telephone. All interviews will be limited to not more than 45 minutes, which must include Proposer's presentation and time for Q&A with the Selection Committee. The executive/partner/principal of the Proposer assigned to the project, as well as project manager, shall be required to attend the interview. No sales or marketing personnel shall be present. Any and all expenses associated with the meeting, travel, document preparation, etc, shall be the sole expense of the Proposer.

c. Final Evaluation

If the Airport conducts interviews, after the interview process, the Airport shall re-evaluate the interviewed Proposers for the most responsive and responsible firm. Whether or not the Airport has conducted interviews, the Airport will invite the highest scoring Proposer to negotiate an agreement. If successful negotiations cannot be reached or an agreement cannot be finalized within a reasonable time period, the Airport may select to terminate negotiations with the current Proposer and opt to enter negotiations with the next highest scoring Proposers, and so on.

VI. Submittal Requirements

Qualifications submittals from Aviation Business Consultants will be received by the Santa Fe Municipal Airport, as addressed to the address below. Each SOQ shall contain four (4) hard copies and one (1) electronic copy and will be delivered in a sealed envelope to the **not later than Tuesday, October 21, 2014, 5:00 PM local prevailing time**. Any Statements of Qualifications received after this deadline will not be considered.

SUBMITTAL ADDRESS:

SANTA FE MUNICIPAL AIRPORT
ATTN: FRANCEY JESSON, AIRPORT MANAGER
RFQ SAF AIR SERVICE STUDY
PO BOX 909
SANTA FE, NM 87504-0909

Criteria for qualification will be based on the items 1 through 4 requested below. Failure to submit any one of the items below may result in disqualification. The items listed below are assigned a weighted value.

VII. Selection Committee

The Selection Committee shall consist of the following:

- Francey Jesson, Airport Manager
- Anita Medina, Airport Administrative Assistant
- Member of the Airport Advisory Board (TBD)

VIII. Selection Schedule

The following selection schedule is tentative depending upon the need to conduct interviews. The Airport reserves the right to elect to NOT conduct interviews if one Proposer is clearly the highest scoring Proposer. If the Airport elects to NOT conduct interviews, the Negotiation process will begin as soon as a clear high scoring Proposer is identified.

Statements of Qualifications Due	Tuesday, October 21, 2014, 5:00 PM Local Time
Telephone Interviews (if necessary)	October 23 rd and October 24 th
Negotiations with Top Scoring Proposer	October 27 – October 30, 2014
Public Works Committee	November 10, 2014
Finance Committee	November 17, 2014
City Council	December 10, 2014
Notice to Proceed	Upon City Execution of Contract

STATEMENT OF QUALIFICATIONS

Instructions: All questions must be answered, and the data given must be clear and comprehensive. If necessary, questions may be answered on separate attached sheets.

1. Company profile, experience and qualifications:
 - a. How many years have you been engaged in airport business consulting under your present firm or trade name?
 - b. Describe specifically the airport business consulting services your company provides, regardless of the scope of work contained in this RFQ.
 - c. Management Qualifications and Support:
 - i. Describe your company's management structure; local support; account manager, account supervision, and local administrative support.
 - ii. Provide current resumes of all executive management personnel.
 - iii. Provide current resumes of all personnel, including project manager and key support staff, who would be working on this project if you are selected.
 - iv. Describe your company's approach to successful project management and how you intend to ensure that all deliverables are delivered on time and to the Airport's satisfaction.
2. Consultant's ability to meet obligations
 - a. Current Contractual Obligations; name and location of each contract; contract dates.
 - i. Based on your current commitments, describe your company's ability to meet the obligations of a contract with the Santa Fe Municipal Airport should you be selected.
 - b. Provide an anticipated timeline for interim and final completion of the project based on the scope of work. Include tasks or deliverables and descriptions of each.
3. References:
 - a. Provide at least three (3) current or recent (within the past 18 months) *airport* customers with similar scopes of work including current contact names, email address, mailing address and phone numbers.
4. Consultant's history of successful contracts
 - a. Have you ever failed to complete any work awarded to you?
 - i. If so, where and why?
 - b. Have you ever defaulted on a contract?
 - i. If so, where and why?

EVALUATION WEIGHT

All statements of qualification will be evaluated and rated in accordance with the following criteria and the indicated weighted value of the criteria:

Weighted Value

Company profile, experience and qualifications	45%
Consultant's ability to meet obligations	25%
References	25%
Consultant's history of successful contracts	5%

TOTAL 100%

The City of Santa Fe is an Equal Opportunity Employer and all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation or national origin. The successful bidder will be required to conform to the Equal Opportunity Employment regulations.

Any questions regarding this RFQ should be directed to Francey Jesson, Airport Manager, Santa Fe Municipal Airport, 505.955.2901 or email fmjesson@ci.santa-fe.nm.us.

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