

Memorandum



Date: December 4, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

Supplement to
Agenda Item No. 8(A)1d

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "Burgess", written over the printed name of George M. Burgess.

Subject: Supplement to Award Recommendation-RFQ for Airline Liaison Office Consulting
Services RFQ No. MDAD-06-07 in the amount of \$3,157,875

The following supplemental information is provided in response to the Airport & Tourism Committee's (ATC) request for details regarding the services the Airline Liaison Office consultant will perform, the relationship among the Miami-Dade Aviation Department (MDAD), the consultant and airlines, and how billing and payment will be accomplished.

The MAAC (Miami Airport Affairs Committee) Consultant Office, which was established in 1995, functions in a liaison capacity between MDAD and the airlines serving Miami International Airport (MIA) to provide assistance to both parties in their mutual efforts to address various, technical, financial, operational, lease agreement, etc., issues that arise on a day-to-day basis in general and related to implementation of MIA's Capital Improvement Program (CIP) in particular.

In this capacity, the professional staff assigned to the MAAC Consultant Office endeavor to foster a constructive working relationship between MDAD and the airlines serving MIA by encouraging the parties to view their relationship as a public-private business partnership where both partners benefit from an increased level of cooperation and coordination. Many major airports throughout the U.S. have established similar functions.

MDAD needs this function because the coordination and consultation with the airline industry is required by federal grant assurances and passenger facility charge regulations. In addition, implementation of MIA's \$6.2 billion capital program requires a significant ongoing level of involvement and coordination with the airlines serving MIA. Airport operators and the airlines both find that the establishment of such functions is a cost efficient and effective means of addressing the myriad of issues that arise at major airports.

A confluence of factors contributes to the need for MDAD and the airlines to contract with an outside consulting firm to serve in this capacity. Significant among these factors are the following:

For their part, the individual airlines serving MIA simply no longer have sufficient staff resources in their Corporate Real Estate Departments to dedicate to MIA at the level necessary to properly address the issues that need to be addressed at MIA in a timely manner. Increasingly, the airlines are relying on firms such as Airport & Aviation Professionals, Inc. (AvAirPros), to provide the supplemental resources necessary to address issues related to implementation of major CIPs at airports throughout the U.S. Insofar as the airlines rely on the MAAC Consultant Office to properly review/validate and comment on MDAD-prepared work product as well as represent their perspective as part of MDAD decision-making processes, the airlines would perceive MDAD to have an inherent conflict of interest if MDAD were to serve in such a capacity. Even if there was no conflict, MDAD does not have the requisite expertise to function in this capacity.

AvAirPros was selected as part of a competitive selection process pursuant to MDAD procurement guidelines. The selection panel for this contract was comprised of mostly MDAD representatives. AvAirPros is an aviation consulting firm that provides aviation consulting services to a balanced portfolio of airport operators and airlines at a variety of major airports throughout the U.S. Their industry relationships and experience working with other airline and airport industry professionals, combined with an understanding of the dynamics of the aviation industry, enhances their ability to deal effectively with the varied interests in the airport environment.

AvAirPros currently functions in a role very similar to that provided for by this contract at more than a dozen major airports throughout the U.S. At MIA, AvAirPros works for the benefit of both MDAD and the Airlines serving MIA. The company reviews the budget and the CIP, as well as policies such as Common Use Terminal Equipment (CUTE), incentive programs and rate and charges.

The MAAC Consultant Office coordinates annually with the MAAC to establish the scope of services to be provided with input and coordination from MDAD. The MAAC Consultant reports to the chair of the MAAC, currently the corporate real estate representative for American Airlines and MDAD through the airport director.

The term of this contract is five-years plus two one-year options. The contract may be terminated with 30 days notice. The contract is included in MDAD's annual operating budget and recovered from landing fees at the request of the airlines.

The staffing level and budget provides for approximately one full-time equivalent on an annual basis. The MAAC and MDAD may, from time to time authorize the AvAirPros to draw upon other professional staff resources within the firm to work on specific issues that may arise that require specialized expertise. As an example, AvAirPros was recently asked to provide Baggage Handling System specialists to assist MDAD and the airlines to address issues related to start-up of the new baggage system in the South Terminal.

MDAD and the airlines serving MIA mutually benefit from the relationship fostered by the MAAC Consultant.



Assistant County Manager