



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 17

**Agenda Date:** October 3, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation Department

**DEPARTMENT HEAD:** Jesus H. Saenz Jr.

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Contract Award for the Collection of General Aviation Landing Fee and Federal Inspection Station Fee Billing Fees at the San Antonio International Airport

**SUMMARY:**

This ordinance authorizes a contract with Vector Airport Systems LLC (Vector) for collection services of two general aviation fees at the San Antonio International Airport. As part of the agreement, Vector will bill and collect the fees, depositing 85% of the revenues into the Airport Operating and Maintenance Fund and retaining 15% of the fees as their fee for these services. This action will also authorize a one-time payment of \$9,000 to Vector to install the two systems used for billing and collection fees. Funding in the amount of \$9,000 is budgeted and available in the Airport Operating and Maintenance Fund FY 2025 Adopted Budget.

The initial term of the contract is for five years with the option to extend for five additional one-year periods. It is anticipated that this contract will generate over \$2 million in annual revenues that will be deposited into the Airport Operating and Maintenance Fund.

## **BACKGROUND INFORMATION:**

Increasingly, commercial airports are using billing and collection services to help manage aircraft landing fees to recover costs for maintaining their facilities including airfield and federal inspection stations rather than relying on commercial and general aviation aircraft to self-report. The use of a third-party service provider to bill, through proprietary software, and collect those associated fee has been utilized at Dallas Love Airport, Tucson International Airport and Toronto Pearson International Airport. The FY 2025 Adopted Budget includes two new fees associated with general aviation aircraft landing fees that will help contribute to the funding to maintain the runway, taxiways and other facilities used by general aviation aircraft.

The City issued a Request for Information (RFI) for General Aviation Landing Fee and Federal Inspection Services (FIS) Station Fee Collection Services for the San Antonio International Airport on August 1, 2022 with a submission deadline of August 31, 2022. The RFI was advertised in the HartBeat, TVSA channel, the City's Bidding & Contracting Opportunities website, the San Antonio e-Procurement System and an email notification was released to a list of potential bidders. Two bid response were received. One bid was deemed non-responsive due to not meeting the experience requirements for the RFI. The bid received from Vector Airport Systems LLC is recommended for award and meets the published bid specifications.

Vector will provide the following services:

- Provide the PLANEPASS® billing & collection service to manage the fees for general aviation landings and general aviation Federal Inspection Station processing fees.
- Utilize PLANEPASS® service to provide billing services once an aircraft is identified. The Vantage Aircraft ID System identifies billable operations, as defined by the City, and tracks exempt aircraft, billable weights, and operations types (e.g., arrivals and departures).
- Coordinate with City staff to ensure that invoices generated on behalf of PLANEPASS® are consistent with the City's existing billing rate and policies. Provide electronic access to Contractor's Payment Portal in order to allow aircraft operators to view and pay electronic invoices. All other invoices will be printed, sorted and mailed to customers by Contractor.
- Provide customer service center access (live via phone and email) to all aircraft operator accounts to address and resolve questions regarding fees, invoices, payments and other customer service items that arise from issued invoices.
- Provide secure web-based payment portal where aircraft operators can login to their account(s) to check billing status, print and review bills, and submit payment online. Maintain PLANEPASS® automated billing services including: billing, customer support, collection of fees, and reporting.
- Provide collection system that automatically credits accounts for payments received, calculates operator balances, and tracks accounts receivable balances.
- Process payments through a secure bank lockbox with proper cash controls. At the close of the month, provide a collection report for approval and electronically transfer collected funds in accordance with the service fee agreement.
- Provide ongoing City and user support.

**ISSUE:**

Ordinance approving a contract with Vector Airport Systems LLC, for billing and collection services for the general aviation landing and general aviation Federal Inspection Station fees at the San Antonio International Airport for an initial term of five years with an option to extend for five additional one-year terms. Annual revenues in the estimated amount of \$2,100,000 are anticipated to be generated and will be deposited into the Airport Operating and Maintenance Fund.

**ALTERNATIVES:**

City Council could chose not to approve this agreement with Vector Airport Systems, LLC, which would result in the Department needing to create new positions and purchase proprietary software to perform these tasks and delay the collection and billing of these fees resulting in a loss of revenue.

**FISCAL IMPACT:**

This ordinance authorizes a contract with Vector Airport Systems LLC (Vector) for the collection services of two general aviation fees at the San Antonio International Airport. As part of the agreement, Vector will bill and collect the fees, depositing 85% of the revenues into the Airport Operating and Maintenance Fund and retaining 15% of the fees as their fee for these services. This action will also authorize a one-time payment of \$9,000 to Vector to install the two systems used for billing and collection fees. Funding in the amount of \$9,000 is budgeted and available in the Airport Operating and Maintenance Fund FY 2025 Adopted Budget.

**RECOMMENDATION:**

Staff recommends the approval of a contract with Vector Airport Systems LLC for General Aviation Landing Fee and Federal Inspection Station Fee Billing and Collection Services for the San Antonio International Airport.