

**ORDINANCE**

**APPROVING A TWO-YEAR FUNDING AGREEMENT AND AUTHORIZING PAYMENT IN THE AMOUNT NOT TO EXCEED \$21,479,035.00 TO THE SAN ANTONIO AIRLINE CONSORTIUM FOR MODERNIZATION UPGRADES TO THE OUTBOUND BAGGAGE HANDLING SYSTEM LOWER LEVEL CONTROLS AT THE SAN ANTONIO INTERNATIONAL AIRPORT, WITH FUNDING FOR FY 2023 IN THE AMOUNT \$4,595,998.25 AVAILABLE FROM INTERIM AIRPORT FINANCING WITHIN THE BAGGAGE HANDLING SYSTEM EXPANSION PROJECT AND INCLUDED IN THE FY 2023 – FY 2028 CAPITAL IMPROVEMENT PROGRAM.**

\* \* \* \* \*

**WHEREAS**, in 2011 the airlines at the San Antonio International Airport formed the San Antonio Airlines Consortium to perform services such as maintenance of the baggage handling system (BHS) and the passenger loading bridges; and

**WHEREAS**, pursuant to the 2020 Airline Operating Agreement and Terminal Building Lease, approved through Ordinance 2020-09-03-0604, the Consortium is authorized to perform capital improvements on behalf of the airlines and the City, and be reimbursed by the City; and

**WHEREAS**, the current BHS system became operational in 2011 with the opening of Terminal B and serves both terminals and the system has become prone to breakdown causing delays; and

**WHEREAS**, in August 2021, through Ordinance 2021-08-12-0560, City Council approved a funding agreement with the Consortium in the amount of \$2,378,775.00 for the BHS Upper Level Controls project to address critical improvements; and

**WHEREAS**, to increase reliability and performance of the BHS, the parties desire to modernize and upgrade the Lower Level Controls, consisting of software, networks, and electrical components that directly control the mechanical equipment that sorts and transfers the bags; and

**WHEREAS**, the Consortium will design and build out the BHS Lower Level Controls for an estimated cost of \$21,479,035.00 and the City will reimburse the Consortium up to such amount; and

**WHEREAS**, this Ordinance authorizes the execution of a Funding Agreement between the City of San Antonio and the Consortium in an amount not to exceed \$21,479,035.00 and reimbursement of the Consortium up to that amount for the Outbound Baggage Handling System Lower Level Controls project; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager or designee, or the Director of the Public Works Department or designee, is authorized to execute a Funding Agreement between the City of San Antonio and San Antonio Airline Consortium for an amount not to exceed \$21,479,035.00 which is set out in **Exhibit 1.**

**SECTION 2.** Payment is authorized to be encumbered and made payable to San Antonio Airline Consortium in an amount not to exceed \$4,595,998.25. Payment is in support of the Baggage Handling System Expansion Project, using Fund 51099000, with the WBS element 33-03312-05-02 and GL account 5201140. Funding for this project is provided by Interim Airport Financing and is in the FY2023-FY2017 CIP Budget.

Payment is limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

**SECTION 3.** Additional funding in the amount of \$16,883,036.75, for subsequent years is contingent upon City Council approval of subsequent budgets within the term length of this contract.

**SECTION 4.** The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Fund Numbers, Project Definitions, WBS Elements, Internal Orders, Fund Centers, Cost Centers, Functional Areas, Funds Reservation Document Numbers, and GL Accounts as necessary to carry out the purpose of this Ordinance.

**SECTION 5.** This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

***PASSED and APPROVED*** this 4<sup>th</sup> day of May 2023.

**M A Y O R**  
Ron Nirenberg

MAT  
05/04/2023  
Item No.

THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED  
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Debbie Racca-Sittre, City Clerk

\_\_\_\_\_  
Andrew Segovia, City Attorney

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**EXHIBIT 1**  
**BHS LOWER LEVEL CONTROLS FUNDING AGREEMENT**

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