



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 20

Agenda Date: April 11, 2024

In Control: City Council A Session

DEPARTMENT: Aviation Department

DEPARTMENT HEAD: Jesus H. Saenz Jr.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Air Service Development and Airline Analysis Consultant Services for the San Antonio International Airport

SUMMARY:

This ordinance authorizes a professional services agreement with Mead & Hunt, Inc. for air service development and airline analysis consultant services for the San Antonio International Airport. Mead & Hunt, Inc. will provide technical services to support domestic and international air service at the San Antonio International Airport. The initial term of the agreement is for three years with the option to extend for two additional one-year periods for a total contract value of \$950,000. Funding in the amount of \$90,000 is available in the FY 2024 Airport Operating and Maintenance Fund. Funding for future fiscal years will be subject to the appropriation of funds.

BACKGROUND INFORMATION:

In 2023, the San Antonio International Airport reached an important milestone – with more than 10.67 million passengers due in part to new markets to the airport and increase in flights and larger aircraft to existing markets. Since 2019, three new airlines have launched service from San Antonio including VivaAerobus, JetBlue Airways and Spirit Airlines. In 2024, the first transatlantic service to Europe will launch when Condor Airlines initiates service in May 2024 to

Frankfurt, Germany. The airport will also serve seven Mexican destinations. Domestically, the airport system has increased service to new markets including Burbank, Albuquerque, Colorado Springs, Philadelphia and Ft. Lauderdale. The services of an air service consultant is key to the expansion of non-stop markets.

An air service consultant will provide the technical data and analysis on airlines to support the efforts for new and additional domestic and international air service:

- Develop City-Pair Target Market Analyses and Technical Presentations for Airline Meetings Held at Industry Conferences and Air Carrier Headquarters.
 - The firm will assist the City by identifying the specific air carriers and underserved markets to be targeted for meetings.
 - The firm will develop technical presentations for use by the City at airline-airport conferences. The presentation will include an analysis of supportable city-pair route analysis for the targeted route and supporting demographic and economic information.
 - For meeting at airline's headquarters, which are longer and more in-depth than the conference meetings, the firm will provide detailed route analysis and profit potential data for selected route(s); and, information regarding city-pair industry and economic synergies.
- Provide Catchment and Leakage Studies
 - The firm will prepare detailed catchment and leakage analysis for several markets close to San Antonio and include recommended strategies to retain Bexar County and surrounding area passengers who use other airports and attract new neighboring market passengers to use the San Antonio International Airport.
- AdHoc Airline Consulting Services
 - The firm will also provide technical analysis and reports or other on-call air service development initiatives as required by the Aviation Department.

The Finance Department on behalf of the San Antonio International airport released a Request for Qualifications (RFQ) on November 13, 2023. The RFQ was advertised in the San Antonio Hart Beat, the City's Bidding and Contracting Opportunities website, TVSA Channel, the online bidding website, the San Antonio eProcurement System, and an email notification was released to a list of potential Respondents. The RFQ closed on December 15, 2023 and two proposals were received in response of the RFQ. Both were deemed eligible for review.

On January 19, 2024, the proposals were reviewed by the evaluation committee consisting of representatives from the Aviation Department, Visit San Antonio and Alamo Travel Group and evaluated on the published criteria of Experience, Background, Qualifications, Proposed Plan, Local Preference Program and the Veteran-Owned Small Business Preference Program. After the committee review and evaluation, Mead and Hunt, Inc. received the most points and is recommended for award by the evaluation committee.

ISSUE:

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Airport. Mead & Hunt, Inc. will provide technical services to support domestic and international air service at the San Antonio International Airport. The initial term of the agreement is for three years with the option to extend for two additional one-year periods for a total contract value of \$950,000. Funding in the amount of \$90,000 is available in the FY 2024 Airport Operating and Maintenance Fund. Funding for future fiscal years will be subject to the appropriation of funds.

A waiver for the Small Business Economic Development Advocacy Program was issued for this contract as there are no commercially-useful subcontracting opportunities existing within the contract.

The Local Preference Program was applied in the evaluation of responses received for this contract; however, none of the firms were local businesses.

The Veteran-Owned Small Business Preference Program was applied in the evaluation of responses received for this contract; however, none of the firms are veteran-owned small business.

ALTERNATIVES:

The City could choose to release a new solicitation document for air service development consultancy services. However, releasing a new document for these services could delay the City's current efforts to grow air service at San Antonio International Airport.

FISCAL IMPACT:

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RECOMMENDATION:

Staff recommends the approval of a professional services agreement for air service development and airline analysis consultant services for the San Antonio International Airport with Mead & Hunt, Inc.

This agreement was procured by means of a RFQ; therefore, a Contracts Disclosure Form is required.