

ORDINANCE/RESOLUTION REQUEST

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 1/31/2017

Please mark one: **Bill Request** or **Resolution Request**

1. Has your agency submitted this request in the last 12 months?

Yes **No**

If yes, please explain:

2. Title: Financial Services Contract - WJ Advisors LLC (PLANE-201629561)

3. Requesting Agency: Department of Aviation

4. Contact Person: *(With actual knowledge of proposed ordinance/resolution.)*

- **Name:** Aaron Barraza
- **Phone:** (303) 342-2261
- **Email:** Aaron.Barraza@flydenver.com

5. Contact Person: *(With actual knowledge of proposed ordinance/resolution who will present the item at Mayor Council and who will be available for first and second reading, if necessary.)*

- **Name:** Adam Giombetti
- **Phone:** (303) 342-2456
- **Email:** Adam.Giombetti@flydenver.com

6. General description of proposed ordinance including contract scope of work if applicable:

Consultant shall provide professional airport system consulting services for the financial and economic management of the Airport and for the planning and development of Airport facilities.

Specifically, services to be performed by Consultant; when and as directed by the Manager of Aviation, shall include, but not be limited to the following:

- Development and review of the calculation of airline rates, fees, and charges relating to the Denver Airport System, which may include improvement, augmentation, modification and simplification of a financial model and assumptions used to calculate such rates. This includes a detailed summary of rates, fees and charges by airline as well as in total for the Airport system.
- Conduct an annual Year-End Settlement process to identify all airline rentals, fees and charges for the year and determine whether each airline paid all chargeable amounts due, including a review of projected revenue against actual revenue for all airline rentals, fees and charges and prepare an annual Year-End Settlement Report.
- Create a manual and documentation for rate model. Develop a user’s guide incorporating the rate model operation, architecture and logic as well as provide training for airport staff on how to operate the model.
- Prepare a financial feasibility report regarding financing the airport’s capital plan. Per requirements for the Airport Consultant’s Report, Section 704B of the Airport General Bond Ordinance, prior to the issuance of additional bonds, the Consultant shall issue a report, estimating the current and next three fiscal years, Gross Revenues, Operation and Maintenance Expenses, and other amounts required to be deposited to funds and accounts in support of funding the capital projects as well as the increase in operation and maintenance expenses and the increase in rates, fees, rentals, or other charges that may result from completion of the project(s).

Based upon those estimates, the report must demonstrate that the Net revenues in each such Fiscal Year, together with any Other Available Funds are projected to be sufficient in each such fiscal year to meet the Rate Maintenance Covenant, taking into consideration the debt service requirements of any future series of bonds required to complete the improvement project(s), as estimated by bond advisors, and after giving effect to, among other things, the increase in

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SIRE Tracking Number: _____

Date: _____

operation and maintenance expenses and the increase in rates, fees, rentals, or other charges that may result from completion of the Project. The report must comply with the requirements as more fully outlined and described in Section 704B of the Airport General Bond Ordinance.

If this report shows the Airport System not meeting the Rate Maintenance Covenant, the Consultant shall advise the Manager of Aviation and make recommendations as to the revision to rentals, fees and charges to meet this requirement.

In conjunction with issuance of additional revenue bonds, Consultant shall prepare a financial feasibility report regarding improvement projects to be financed. The feasibility report regarding improvement projects to be financed. The feasibility report shall be in a format suitable for incorporation into the Official Statement for the sale of such bonds.

- At the request of the Airport, Consultant shall review and advise upon the capital program for the Denver Airport System for compliance with the Bond Ordinance and Airline Use and Lease Agreements.
- Consultant shall review and advise, as requested, with respect to any other matters affecting the Denver Airport System. These matters may include:
 - Performing qualitative and quantitative analyses on a variety of strategic and financial issues, as well as business issues, including but not limited to, analyses relating to the operating & capital planning budget and sensitivity and scenario analyses
 - Assisting in airline lease negotiations
 - Services in connection with the planning of present Airport System facilities or those to be acquired or to be developed by the City in the future.
- Other special projects as assigned that impact the Airport System, including but not limited to providing advisory services related to DEN strategy business development

****Please complete the following fields:** (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)

- a. **Contract Control Number:** PLANE-201629561
- b. **Duration:** 3 year (plus two 1-year options)
- c. **Location:** DEN
- d. **Affected Council District:** 11
- e. **Benefits:** 20+ years of industry and financial advising and extensive knowledge of the Denver Airport System
- f. **Costs:**

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
\$3,000,000	\$0	\$3,000,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
1/1/17 – 12/31/19		

- g. **Date Goals Assigned:** N/A
- h. **Goals:** The Division of Small Business Opportunity has determined that this contract's Scope of Services does not fall under provisions of Denver's CEI (Construction Empowerment Initiative) Ordinance.

7. **Is there any controversy surrounding this ordinance?** (Groups or individuals who may have concerns about it?) **Please explain.** None.

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Key Contract Terms

Type of Contract:

Professional Services > \$500K Lease Design or Construction for airport improvements > \$5M

Grant IGA Sale of Real Property Sale of Personal Property

Vendor/Contractor Name: WJ Advisors LLC

Contract control number: PLANE-201629561

City's contract manager: Adam Giombetti, Director of Fiscal Policy

Was this contractor selected by competitive process? Yes, Competitive RFP process

Has this contractor provided these services to the City before? Yes No

Term/Duration of contract/project: Three (3) Years with the option of two one (1) year extensions.

Is this a new contract? Yes No Is this an Amendment? Yes No If yes, how many? _____

Renewal terms: Option of two one (1) year extensions by written amendment to this Agreement.

Purpose: The Consultant will provide professional airport system financial and consulting services for the financial and economic management of the Airport and the planning and development of Airport Facilities.

Specifically, services to be performed by Consultant; when and as directed by the Manager of Aviation, shall include, but not be limited to the following:

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three fiscal years, Gross Revenues, Operation and Maintenance Expenses, and other amounts required to be deposited to funds and accounts in support of funding the capital projects as well as the increase in operation and maintenance expenses and the increase in rates, fees, rentals, or other charges that may result from completion of the project(s).

Based upon those estimates, the report must demonstrate that the Net revenues in each such Fiscal Year, together with any Other Available Funds are projected to be sufficient in each such fiscal year to meet the Rate Maintenance Covenant, taking into consideration the debt service requirements of any future series of bonds required to complete the improvement project(s), as estimated by bond advisors, and after giving effect to, among other things, the increase in operation and maintenance expenses and the increase in rates, fees, rentals, or other charges that may result from completion of the Project. The report must comply with the requirements as more fully outlined and described in Section 704B of the Airport General Bond Ordinance.

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Cost/value: \$3,000,000

Source of funds: Airport System Funds

Benefit: 20+ years of industry and financial advising and extensive knowledge of the Denver Airport System

Termination provision for City and for contractor: Yes

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

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WBE/MBE/DBE commitments (construction, design, Airport concession contracts):

Who are the subcontractors to this contract?

Airmac LLC/ICF International

Location: Englewood, CO

Affected Council District: 11

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