

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: 1/12/2016

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: *(Include a concise, one sentence description – please include name of company or contractor and contract control number - that clearly indicates the type of request: grant acceptance, contract execution, amendment, municipal code change, supplemental request, etc.)*

Amendment to the WJ Advisors LLC (PLANE-201206746-00) contract by adding \$750k and extending by one year to 12/31/16.

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:

This Amendment would extend the term of the Agreement from December 31, 2015 to December 31, 2016 for continuity of service. WJ Advisors was originally selected from a competitive RFP process. As a financial advisor to the Airport for the past three years (20+ years in a variety of aspects), WJ Advisors has extensive knowledge of the Denver Airport System. Throughout the term of the current agreement, WJ Advisors has developed and reviewed calculation of airline rates, fees and charges, and prepared financial feasibility reports regarding financing the Airport's capital plan, which included consideration of bond issues and compliance with the General Bond Ordinance.

WJ Advisors would assist the Airport in with the following during the extension:

- Review development and review of the annual and mid-year 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.
- Prepare a financial feasibility report regarding financing the airport's capital plan. Per requirements of 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 operation and maintenance expenses and the increase in rates, fees, rentals, or

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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 704 B 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 shall be in a format suitable for incorporation into the Official Statement for the sale of such bonds.

- Provide support in the renegotiating of the airline use and lease agreement, which includes assisting in the development of key goals and objectives, developing discussion materials, financial analysis and summary of key results on alternative methodologies/approaches. In addition, WJ Advisors will assist in the development of individual airline costs per enplaned passenger results, provide recommendations to “Exhibit F” changes, as well as, participate in strategy and negotiating strategy sessions.
- Provide support in the redevelopment of the Landside Terminal (referred to as the Great Hall Program), which includes strategic oversight and assistance in reviewing proposals received such as financial models of business arrangements and financial structures, as well as, offer advice and assistance in evaluating financial impacts, identifying any implications on proposed business arrangements/financial structures on the airline use and lease agreement and during negotiations with respondents. WJ Advisors will also assist in developing key messages regarding any impacts, participated in internal meetings and provide other assistance to management, as requested.
- Provide advisory capacity for the Great Hall Program to lead the team’s direction, monitor progress and deliver guidance to executive leadership.

****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-201206746-00
- b. **Duration:** 4 years
- c. **Location:** DEN
- d. **Affected Council District:** 11
- e. **Benefits:** Continuity of service, 20+ years of financial advising and extensive knowledge of the Denver Airport System
- f. **Costs:**

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$2,000,000	\$750,000	\$2,750,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
3 years	1 year	12/31/16

- 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

Vendor/Contractor Name: WJ Advisors LLC

Contract control number: PLANE-201206746-00

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

Was this contractor selected by competitive process? Was it the low bid? Non-Competitive Amendment (WJ Advisors was originally selected from a competitive RFP process)

Term/Duration of contract/project: Current Term: 1/1/2013 to 12/31/2015 (3 years)

Renewal terms: 1/1/2016 to 12/31/2016 (1 year)

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.

Scope of services to be provided with performance bench marks:

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Cost/value: Current: \$2,000,000/Amendment Amount \$750,000/New Total \$2,750,000

Source of funds: O&M

Benefit: Continuity of service, 20+ years of financial advising and extensive knowledge of the Denver Airport System

Termination provision for City and for contractor: Yes

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

Who are the subcontractors to this contract?

Oliver Wyman, Airmac LLC, and ICF International

Location: Englewood, CO

Affected Council District: 11

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