

**Information Paper for the**

**Finance Committee**

**To Exercise the**

**Third Option Year for**

**Airport Consultant Services**

January 2012

## Overview

- Request that the Finance Committee concur with staff's recommendation to exercise the final 1-year option for the Airport Consultant's contract
- As Airport Consultant, LeighFisher, Inc. performs a variety of services:
  - Prepares Report of the Airport Consultant and certificate of issuance of additional bonds for Aviation Enterprise bond financings
  - Provides support for the airline rates and charges model
  - Conducts ad hoc analyses, including concessions reviews and financial modeling



## Contract Status

- The contract was awarded January 22, 2008 with a 2-year base period and three 1-year options
- The second 1-year option will expire on January 21, 2012
  - Prior to this expiration date, the Airports Authority will need to either exercise the final 1-year option or issue an RFP for a new contract
- The Airports Authority has paid LeighFisher \$1.2 million for consulting services from January 2008 through December 2011



## Industry Players

- Two firms dominate the airport financial feasibility study consulting business: LeighFisher, Inc. and Ricondo & Associates
- 32 airports retained an airport consultant in association with the issuance of an Official Statement for a financing event between August 2010 and December 2011
  - LeighFisher provided consultancy services to 50% of these airports
  - Ricondo & Associates provided services to 41%
- Only these two firms responded to the Airports Authority's RFP in 2007



## Evaluation and Recommendation

- Evaluating the Airport Consultant's performance takes into account:
  - Responsiveness to the Airports Authority's requirements
  - Ability to meet deliverable schedules
  - The accuracy of its reports and forecasting models
- LeighFisher has performed well during its current contract
- Recommend Renewing the final 1-Year Option

**INFORMATION PAPER FOR THE  
FINANCE COMMITTEE  
TO EXERCISE THE THIRD OPTION  
FOR THE AIRPORT CONSULTANT CONTRACT**

**JANUARY 2012**

**PURPOSE**

That the Finance Committee concur with staff's recommendation to exercise the Airport Consultant Contract's final one-year option. LeighFisher, Inc. currently provides this service, with support provided by MAC Consulting, Airport Strategies, AirProjects, and Oliver Wyman. The contract was awarded on January 22, 2008 and has a two-year base period, which expired on January 21, 2010, and three one-year options, which may be exercised at the sole option of the Airports Authority. The second one-year option will expire on January 21, 2012. The Finance Committee recommended that it be consulted regarding this contract renewal.

**BACKGROUND**

The Airport Consultant performs a number of services, including preparation of the Report of the Airport Consultant (ROAC) for Aviation Enterprise bond financings and the certificate for the issuance of additional bonds. The ROAC is an independent analysis that focuses primarily on the Washington, D.C. metropolitan area's ability to support projected air traffic and the Airports Authority's financial condition and ability to carry existing and new debt. On an as-needed basis, the Airport Consultant also provides assistance and support for the rates and charges model under the Airport Use and Premises Lease Agreement, concessions analysis and performs special services, such as preparing financial scenarios.

**DISCUSSION**

From January 2008 through December 2011, the Airports Authority has paid LeighFisher \$1,166,566 of the \$1,500,000 total contract for consulting services.

Evaluating the Airport Consultant's performance takes into account its responsiveness to the Airports Authority's requirements, meeting deliverable schedules and the accuracy of its reports and forecasting models. LeighFisher has performed well during the current contract period.

Two firms dominate the airport financial feasibility study consulting business – LeighFisher, Inc. and Ricondo & Associates (Ricondo). Only these two firms responded to the Airports Authority’s Request for Proposals (RFP) in 2007. Out of 32 airports that retained an airport consultant and have issued Official Statements with par amounts above \$100 million between August 2010 and December 2011, LeighFisher provided consultancy services for 50 percent while Ricondo provided 40.6 percent. Additionally, a limited number of airports have contracted with two small, local firms – Unison Consulting, Inc. and Newton & Associates for their financial feasibility study work. Attached is a spreadsheet which lists those issuers and their respective airport consultants.

## **CONCLUSION**

That the Finance Committee concur with staff’s recommendation to exercise the Airport Consultant Contract’s final one-year option. The Airport Consultant Contract’s second option period will expire January 21, 2012. Prior to this expiration date, the Airports Authority will need to either exercise the final one-year option or issue an RFP for a new contract.

Prepared by:

Office of Finance  
January 12, 2012

Sale Date	Issuer	Purpose (New Money or Refunding)	Par Amount (\$ MM)	Consultant	Jacobs / LeighFisher	Ricondo	Newton & Associates	Unison Consulting
08/05/10	Massachusetts Port Authority	NM/R	259.795	LeighFisher	1			
08/06/10	Raleigh-Durham Airport Auth	R	336.445	Jacobs	1			
08/11/10	Massachusetts Port Authority	R	107.505	LeighFisher	1			
08/11/10	Phoenix City Civic Imp Corp	NM/R	696.105	Jacobs	1			
08/11/10	Sacramento Co-California	NM	128.300	Jacobs	1			
09/14/10	Alaska	NM/R	171.060	N/A				
09/21/10	Metro Washington Airports Auth	R	170.000	Jacobs	1			
09/23/10	San Diego Regional Airport Auth	NM	572.565	Unison Consulting				1
10/14/10	Clark Co-Nevada	R	204.160	N/A				
10/15/10	Chicago City-Illinois (Midway)	NM	246.540	Ricondo		1		
10/20/10	Port of Portland-Oregon	NM/R	157.050	Ricondo		1		
10/27/10	Dallas & Fort Worth Cities-Texas	NM	304.395	LeighFisher	1			
10/27/10	Philadelphia City-Pennsylvania	NM/R	624.665	LeighFisher	1			
10/28/10	Los Angeles Dept of Airports	NM	194.040	Ricondo		1		
11/03/10	Love Field Airport Modern Corp (Southwest Airlines)	NM	310.000	N/A				
11/05/10	Atlanta City-Georgia	NM	587.800	LeighFisher	1			
11/09/10	Port of Seattle	R	146.465	Ricondo		1		
11/10/10	Los Angeles Dept of Airports	NM	875.805	Ricondo		1		
12/01/10	Port Authority of NY & NJ	NM	796.280	Ricondo		1		
12/08/10	Wayne Co Airport Auth	R	447.745	Ricondo		1		
12/09/10	Birmingham Airport Authority	NM	151.705	Unison Consulting				1
12/09/10	San Antonio City-Texas	NM/R	100.440	Ricondo		1		
12/15/10	Wayne Co Airport Auth	R	391.000	Ricondo		1		
12/16/10	Atlanta City-Georgia	R	524.045	LeighFisher	1			
01/20/11	San Francisco City & Co Arpt Com	R	155.350	N/A				
03/31/11	Connecticut*	R	152.380	N/A				
04/07/11	Denver City and Co-Colorado	R	349.730	LeighFisher	1			
04/27/11	Chicago City-Illinois	NM	1000.000	Ricondo		1		
05/19/11	Clark Co-Nevada	NM (pay P&I on outstanding notes)	100.000	N/A				
06/08/11	Massachusetts Port Authority	NM	214.060	LeighFisher	1			
06/20/11	Dallas & Fort Worth Cities-Texas	R	111.355	N/A				
06/28/11	Houston City-Texas	R	566.905	N/A				
06/30/11	San Francisco City & Co Arpt Com	R	350.415	N/A				
07/13/11	San Jose City-California	R	236.785	Ricondo		1		
07/21/11	Atlanta City-Georgia	R	440.390	LeighFisher	1			
07/21/11	Dallas & Fort Worth Cities-Texas	R	151.840	N/A				
08/02/11	Clark Co-Nevada	R	200.000	N/A				
08/04/11	Lee Co-Florida	R	174.450	N/A				
08/17/11	Dallas & Fort Worth Cities-Texas	R	221.750	N/A				
08/24/11	San Francisco City & Co Arpt Com	R	354.575	N/A				
09/14/11	Hawaii	R	300.885	LeighFisher	1			
09/21/11	Metro Washington Airports Auth	R	195.775	LeighFisher	1			
09/28/11	Denver City and Co-Colorado	R	213.680	LeighFisher	1			
09/28/11	Greater Orlando Aviation Auth	R	108.370	N/A				
10/19/11	Charlotte City-North Carolina	NM	110.350	Newton & Associates			1	
10/25/11	Dallas & Fort Worth Cities-Texas	R	106.240	N/A				
11/09/11	Houston City-Texas (Continental Airlines)	NM	113.305	N/A				
11/17/11	Wayne Co Airport Auth	R	169.430	Ricondo		1		
12/02/11	San Jose City-California	R (refunding of CP)	271.820	Ricondo		1		
12/09/11	Philadelphia City-Pennsylvania	R	233.830	N/A				
					16	13	1	2
					16	13	1	2

\*No OS available.  
 Note: Highlighted items indicate that the Report of the Airport Consultant was included in the OS.

Percentage of Consultants for Deals that Indictate the Airport Consultant	
Jacobs / LeighFisher	50.0%
Ricondo	40.6%
Others	9.4%
	100.0%

50.0%      40.6%      3.1%      6.3%