



## Legislation Details (With Text)

**File #:** ID19-11580    **Version:** 1    **Name:**

**Type:** Action Item    **Status:** Agenda Ready

**File created:** 11/12/2019    **In control:** City Council

**On agenda:** 12/5/2019    **Final action:** 12/5/2019

**Title:** Approve a consultant services agreement with Shizen Consulting, LLLP to provide professional owner advisor support services for the Fresno Yosemite International Airport's FATforward expansion program in an amount not to exceed \$6,500,000 (Council District 4)

**Sponsors:** Airports Department

**Indexes:**

**Code sections:**

**Attachments:** 1. Shizen Owner Advisor On-Call Agreement 12-05-19.pdf

Date	Ver.	Action By	Action	Result
12/5/2019	1	City Council	approved	Pass

## REPORT TO THE CITY COUNCIL

**December 5, 2019**

**FROM:** KEVIN R. MEIKLE, Director of Aviation  
Airports Department

## SUBJECT

Approve a consultant services agreement with Shizen Consulting, LLLP to provide professional owner advisor support services for the Fresno Yosemite International Airport's FATforward expansion program in an amount not to exceed \$6,500,000 (Council District 4)

## RECOMMENDATION

Staff recommends Council authorize the Director of Aviation to execute a consulting agreement (Agreement) with Shizen Consulting, LLLP (Shizen) to provide professional owner advisor support services for the Fresno Yosemite International Airport's (FAT) FATforward expansion program in an amount not to exceed \$6,500,000.

## EXECUTIVE SUMMARY

Owner advisor and support services are utilized in the airport industry on large capital programs, including complex Terminal and ground transportation projects such as FATforward. Owner advisor

services bridges the resource and expertise gap between in-house staff and the need to efficiently and effectively manage and deliver the development program. Services to be provided include facilitation of the Progressive Design Build (PDB) process and technical support.

Airports Department (Airports) will be managing FATforward to ensure proper and efficient owner control. In addition to maintaining project control, managing FATforward with Airport staff supported by Shizen will save \$1,738,000 in overall program costs as compared to fully outsourcing all Program Management functions during the four (4) year development program window.

The term of the Agreement is through December 31, 2024, incorporates all aspects of FATforward, which includes parking, Terminal, aircraft circulation areas and related elements, and is task order based depending on support services needed throughout the development program.

## **BACKGROUND**

Management and leadership of FATforward, as is with all Airport Capital programs, will be in-house to ensure successful program implementation, and supported with use of outside expertise, initially through Shizen and eventually with other sources as the program progresses. Specific to the PDB delivery method, examples of services that Shizen will provide includes assistance with project facilitation, development of program controls, cost and schedule validations, knowledge on current market conditions, technical reviews and value engineering during the design process and Department of Homeland Security (Customs and Border Protection and Transportation Security Administration) processes.

The airport industry has recently moved away from contracting out the management of major development programs - from arrangements that institutionalize the Owner's dependence on Program Management consultancies for the timely and on-budget execution of the program. Industry best practices now call for the Owner to be an active participant in overseeing the program, a practice Airports adopted some years ago - with effective and measurable success. The primary basis for this type of program management is to (i) maintain owner control of the programs, (ii) provide expertise and guidance where needed, and, (iii) increase in-house skill sets - all with the byproduct of controlling costs.

FATforward development program costs are allocated in two major categories; design/construction (\$105,000,000) and project administration (\$10,000,000). Project administration will be performed with Airport staff and supported by outside expertise, and typically consists of contract management, cost and schedule validations, Quality Assurance, Geotechnical studies, Construction Management, etc. The task order approach also allows flexibility with how we utilize this resource as FATforward progresses.

This balanced Program Management approach provides necessary expertise and resource support, and will "save" an estimated \$434,500 per year, or \$1,738,000 over the 4-year program window as compared to fully outsourcing management of FATforward. Fully outsourcing Program Management is not a viable or fiscally responsible approach, but will be necessary if Airports is unable to provide adequate in-house resources to effectively manage FATforward. The impact of this unlikely scenario would be a reduction of project scope to offset increases in Program Management costs.

Planned future Airports actions associated with supporting the execution of FATforward include ramping up internal staffing and external Construction Management (CM) support to supplement

Airports existing in-house staff.

Through a competitive Request for Qualifications (RFQ) process, Airports solicited Statements of Qualification from consulting services firms with the capability and experience necessary to provide comprehensive Owner Advisor and other support services related to the parking and Terminal projects at FAT. The Department advertised the RFQ in The Business Journal on August 7, 2019, with national airport trade organizations, on the airport's website and with direct mailings to known interested firms. Six professional consulting firms responded to the RFQ. Their qualifications were evaluated and rated by a committee of five in accordance with the provisions of the RFQ and FAA regulations. Shizen, a California Foreign Limited partnership based in Honolulu, Hawaii, was determined to be most qualified to perform the scope of services in support of successfully executing FATforward.

The agreement utilizes Standard Document #FYI-S-18.0, pre-approved as to form by the City Attorney's Office and used without modification as certified by Airports staff.

## **ENVIRONMENTAL FINDINGS**

This item is not a "project" as defined by the California Environmental Quality Act.

## **LOCAL PREFERENCE**

The City's Local Preference Ordinance (FMC 4-108) does not apply since federal funding is being used.

## **FISCAL IMPACT**

FAT is the largest driver in economic activity in the Central San Joaquin Valley with \$844 million of annual economic activity and 9,800 direct, induced and indirect jobs (2018 data). FAT's expansion program, FATforward, will enable the airport to meet current and future demand as our region grows, resulting in further economic activity and job growth. Funding for this Agreement is included in the Airports FY 2020 adopted budget and will be programmed in future Airport budgets. There is no impact to the General Fund or Ratepayers of the City of Fresno from this action.

Attachments:

- Shizen Agreement