

**NOTICE OF PUBLIC MEETING  
PHOENIX AVIATION ADVISORY BOARD  
BUSINESS AND DEVELOPMENT SUBCOMMITTEE**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the **PHOENIX AVIATION ADVISORY BOARD, BUSINESS AND DEVELOPMENT SUBCOMMITTEE** and to the general public, that the **BUSINESS AND DEVELOPMENT SUBCOMMITTEE** will hold a meeting open to the public on **Thursday, April 3, 2025 at 2:30 p.m.** located at the **City of Phoenix Aviation Department, PAAB Conference Room, 2485 E. Buckeye Road, Phoenix, Arizona 85034**, or via WebEx teleconference.

**Meeting Attendance Options:**

- **Watch the meeting virtually using the WebEx link provided below.**  
<https://cityofphoenix.webex.com/weblink/register/r8458f864b0578a89e932a3126cbac2ed>
- **Call-in to listen to the meeting**, dial 602-666-0783 and Enter Meeting ID 2349 294 3087 # Press # again when prompted for attendee ID.
- **Attend the meeting in person at the Aviation Headquarters.**

**Public Comment:** If you wish to provide a written comment or speak at the meeting virtually or by phone, please submit a request to [matthew.heil@phoenix.gov](mailto:matthew.heil@phoenix.gov) no later than 10 a.m. on Thursday, April 3, 2025. The email should include your first and last name, email address, the item number(s), and whether you would like your comment read into the record or if you wish to speak. Those who wish to attend in person may submit a request to speak by completing a speaker card at the registration desk at the beginning of the meeting.

One or more board members may participate via teleconference. Agenda items may be taken out of order.

The agenda for the meeting is as follows:

**CALL TO ORDER**

**MINUTES OF MEETING**

1. **For Approval or Correction, the Minutes of the Business and Development Subcommittee Meeting on February 6, 2025**

**COSNENT ACTION (ITEMS 2 - 4)**

2. **New Executive Hangar Agreement with RSW Group, LLC at Phoenix Deer Valley Airport**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a new Executive Hangar Lease with RSW Group, LLC at DVT for five years with three one-year options to extend.

**THIS ITEM IS FOR CONSENT ACTION.**

**3. New Facility Lease with Worldwide Flight Service Inc.**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a new Facility Lease with Worldwide Flight Services, Inc. for three years with four one-year options to extend.

**THIS ITEM IS FOR CONSENT ACTION.**

**4. Jet Fuel Remediation Contract Award**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract with Geosyntec Consultants, Inc. for jet fuel remediation and technical dispute environmental consulting services for the Aviation Department in an amount not to exceed \$250,000 over the five-year aggregate term of the contract

**THIS ITEM IS FOR CONSENT ACTION.**

**DISCUSSION AND POSSIBLE ACTION (ITEMS 5 - 8)**

**5. Taxicab Meter Rate Increase**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to authorize the Aviation Department to amend Chapter 4, Article IV, § 4-83 of the Phoenix City Code to establish new fare rates for taxicabs operating at Phoenix Sky Harbor International Airport.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

**6. Taxicab Request to Issue Revenue Contract Solicitation**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to authorize the Aviation Department's request to issue a Revenue Contract Solicitation for taxicab services at Phoenix Sky Harbor International Airport.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION**

**7. Baggage Handling Systems – Operations, Maintenance, Repair, and Control System Design, Programming, and Integration Services Request to Award**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to award a contract for Baggage Handling Systems – Operations, Maintenance, Repair, and Control System Design, Programming, and Integration Services at Phoenix Sky Harbor International Airport to JSM Airport Services, LLC, for a five-year contract term with two one-year options to extend.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

**8. Airport Childcare Provider**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract with KinderCare Education at Work, LLC, to build out and operate a childcare facility at Phoenix Sky Harbor International Airport.

**THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.**

**SUBCOMMITTEE INFORMATION AND FOLLOW-UP REQUESTS**

**CALL TO THE PUBLIC**

This is the time for the public to comment. Members of the Board may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. Section 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later time.

**ADJOURNMENT**

For further information, please call Mathew Heil, Deputy Aviation Director, Aviation Department at 602-273-3487. For further documentation related to this meeting, please visit [skyharbor.com](http://skyharbor.com).

Persons with a disability may request a reasonable accommodation, please contact Mathew Heil, Deputy Aviation Director, Aviation Department at 602-273-3487. Or 7-1-1 friendly.

The next Business and Development Subcommittee meeting is scheduled to take place Thursday, May 1, 2025.



**PHOENIX AVIATION ADVISORY BOARD  
BUSINESS & DEVELOPMENT SUBCOMMITTEE  
SUMMARY MINUTES**

**February 6, 2025**

***Meeting held in person and via WebEx***

Subcommittee Members Present

Andrew Cohn  
Annette Musa- Chairperson  
Stephanie Cherny

Subcommittee Members Absent

Valencia Fisker

Staff Present

Andrew Durket  
Annie Sleeper  
Cadle Collins  
Chad Makovsky  
Cindy Lizarraga  
Daver Malik  
Doug Ostermeyer  
Gina Huerta

Heather Shelbrack  
John Ojeda  
Kyle Brack  
Latasha Crawford McLaughlin  
Matthew Heil  
Marshall Kain  
Mike Pluff  
Moe Yacut

Pearl Meza  
Richard Graham  
Robert Hawes  
Roxann Favors  
Ryan Hartnett  
Sarah Demory  
William Robinson

Members of the Public present:

Febriani Ronsumbre

**CALL TO ORDER**

Ms. Musa called the meeting to order at **2:30 p.m.**

**MINUTES OF MEETING**

- 1. For Approval or Correction, the Minutes of the Business and Development Subcommittee Meeting on January 2, 2024.**

**A motion was made by Mr. Cohn, seconded by Ms. Musa, that this item be approved.**

No public comments.

The motion carried.

## **DISCUSSION AND POSSIBLE ACTION (ITEMS 2-4)**

### **2. Termination of RT Sky Harbor, LLC Lease No. 102545**

Mr. Robert Hawes presented this item.

Mr. Hawes shared that the Aviation Department is requesting approval to terminate Ground Lease No. 102545 with RT Sky Harbor LLC for a 15-acre property at Phoenix Sky Harbor International Airport. The leased property was most recently occupied by JP Morgan Chase as a customer service center until it consolidated operations during the pandemic.

Following the vacancy, Mr. Hawes noted RT Sky Harbor has considered its options, remaining obligated under the lease until 2032, which would allow for an additional 15-year lease extension, if the firm invested an additional \$11 million in the property. The property, which includes a large office building and parking facilities, faces decreased demand in the local market.

Mr. Cohn asked if the \$11 million was rent or if it was to be used as an additional capital investment.

Mr. Hawes stated the investment is for a mid-term refresh of the business.

Mr. Hawes continued by noting that In October 2024, the Aviation Department entered a license agreement with RT Sky Harbor to lease parking spaces to accommodate high-demand periods. Given the success of that temporary use, the Aviation Department determined that to meet ongoing demand, it is in the Department's best interest to negotiate an early termination of the lease to regain control of the property.

He noted that the lease buyout for \$10 million and demolition of an on-site office building for approximately \$1.1 million for this demolition, would provide several benefits to the airport, including new parking facilities at a much lower cost than construction. The acquisition would add 2,031 parking spaces to alleviate current capacity constraints.

Mr. Cohn asked if Mr. Hawes could explain the lease termination fee.

Mr. Hawes explained the total cost to buy out the remaining term of the lease is \$10 million. RTS has agreed to demolish the building for approximately \$1.1 million, a lower cost compared to recent city expenditures for similar demolition projects conducted by Aviation near Sky Harbor, which will be reimbursed..

Mr. Makovsky added that if a new parking garage were built today, the cost would easily exceed \$40 million, highlighting the significant value of taking over this asset.

Mr. Cohn asked what the ground lease payments were due over the balance of the term through 2032.

Mr. Hawes stated it was \$440,000 through 2028, and that he was unsure of the remainder of the term.

Mr. Cohn asked who the principals of the property were that would be paid for the lease buyout.

Mr. Hawes stated it would be RT Sky Harbor.

Mr. Cohn asked who the individuals involved in the transaction were.

Mr. Hawes responded the firm was Link Logistics.

Mr. Cohn asked if they had been the ground lessee for a long period of time or if they had entered into the role.

Mr. Hawes stated RT Sky Harbor has been the master sub-tenant since 2011, and then in 2023 they became the principal.

**A motion was made by Ms. Cherny, seconded by Mr. Cohn, that this item be approved.**

No public comments.  
The motion carried.

### **3. Award Recommendation for Terminal 4 Lobby Retail at Phoenix Sky Harbor International Airport**

Ms. Corrine Harbaugh presented this item.

Ms. Harbaugh shared that the current store, Arizona Highways, has been operating month to month since its lease expired in July 2024. She shared that the new store will focus on convenience, news, gifts, and travel essentials.

Ms. Harbaugh then reviewed the procurement process timeline, the evaluation panel, and the evaluation criteria.

She noted that two responsive proposals were received for Paradies Lagardere, with the Camelback Provisions concept, and Marshall Retail Group LLC, with the Skypine concept. Ms. Harbaugh stated that Paradies Lagardere was recommended for award, having the highest-scoring proposal.

She then discussed the proposed lease term, which is ten years with no options to extend, featuring the higher of a minimum annual guarantee of \$250,000 or percentage rent, and a proposed initial capital investment of over \$900,000.

She noted that Camelback Provisions aims to serve both travelers and airport employees with local products, quick service, and innovative offerings, including the airport's first AI manicure machine.

Finally, Ms. Harbaugh explained the construction of the space is expected to take 16 weeks once all permits are issued. Pending Council approval, the build-out is estimated to start sometime in September, with completion slated for late 2025.

Mr. Cohn stated he is in favor of changing from the standard retail environments to new retail uses and asked if the procurement received a significant response.

Ms. Harbaugh stated that Aviation has gotten good responses from its solicitations overall, and that staff lets tenants know well in advance of opportunities.

Ms. Musa asked if anyone had tried the AI manicure unit.

Ms. Harbaugh shared that she had watched a video that demonstrated the process and explained how the machine works.

Ms. Roxann Favors shared that staff had seen the machine demonstrated at an airport concessions industry conference.

Ms. Cherny added that she is happy to see these types of innovations being added and that the airport is taking the initiative in showcasing new technology.

**A motion was made by Ms. Cherny, seconded by Mr. Cohn, that this item be approved.**

No public comments.

The motion carried.

#### **4. Information Technology Staffing Services Award Recommendation**

Mr. Daver Malik presented this item.

He began by describing the Aviation Department's information technology team and the systems they support. He stated their focus is on technology that supports passenger interactions, including check-in kiosks and flight information displays, as well as essential operational systems, including parking, access control, and ground transportation.

He then discussed how the Aviation Department uses contract staffing to supplement full-time employees, particularly for mission-critical applications that require round-the-clock support. Staff monitors systems, addresses incidents, and restores services.



Mr. Malik continued by explaining that staff augmentation is frequently used to address challenges in recruiting, training, and retaining specialized talents, particularly in fields like cybersecurity and emerging technologies such as AI.

He stated the demand in these areas is high, making it difficult to attract and retain qualified professionals. Utilizing a contract staffing model provides significant flexibility, allowing organizations to adjust staffing levels based on project or operational demands.

The organization currently employs 50 full-time equivalents and 33 contractors, with numbers fluctuating according to annual priorities. Presently, access to seven different IT staffing firms allows for quick negotiation and onboarding of qualified people.

He continued by explaining a procurement process was initiated in the Spring to secure contract IT staffing services, focusing on two main areas: fulfilling requirements for 27 specific IT roles, including network engineering, database administration, and AI engineering, and providing turnkey IT services for niche demands.

Mr. Malik noted that the solicitation received significant interest, yielding 95 proposals, with 40 being deemed responsible and responsive. After a thorough evaluation based on firm qualifications, approach, and fee structures, Aviation recommended awarding contracts to ten firms.

He stated the estimated total value of these contracts over five years is \$26 million, with an annual expenditure of \$5.2 million, set to commence around April 1. They are committed to ensuring a smooth transition for the current contract staff to either maintain their positions with incumbents or move to new providers, minimizing any operational disruptions at the airport.

Mr. Cohn asked if the contract workers have their own cybersecurity measures, and if so, how do they work with airport systems.

Mr. Malik stated all staffing firms engaged with the Aviation Department must adhere to our cybersecurity standards, regardless of their internal policies.

Mr. Cohn requested additional information on the airport's cybersecurity posture as a follow-up for a future Board meeting.

Ms. Cherny asked what the background requirements are for contract staff.

Mr. Malik stated the contract staff go through the same checks that any airport employee is subject to including fingerprinting and criminal history.

Ms. Cherny asked if the contract staff works in-person or remotely.

Mr. Malik stated they are all working in person.

Ms. Cherny also shared Mr. Cohn's request to have a deeper dive into the airport's cybersecurity program at a future date.

**A motion was made by Ms. Cherny, seconded by Ms. Musa, that this item be approved.**

No public comments.  
The motion carried.

#### **SUBCOMMITTEE INFORMATION AND FOLLOW-UP REQUESTS**

None.

#### **CALL TO THE PUBLIC**

None.

#### **ADJOURNMENT**

The meeting adjourned at **3:13 p.m.**

<b>BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT</b>	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	New Executive Hangar Lease with RSW Group, LLC at Phoenix Deer Valley Airport

### **Description**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a new Executive Hangar Lease with RSW Group, LLC at Phoenix Deer Valley Airport (DVT) for five years with three one-year options to extend.

THIS ITEM IS FOR CONSENT ACTION.

### **Report Summary**

RSW Group, LLC (RSW) requests to enter into a new Executive Hangar Lease to continue to lease the premises of a 10,000 square foot executive hangar and approximately 2,924 square feet of office and shop space located on approximately 1.23 acres at DVT. RSW utilizes the premises for the refurbishment, final assembly, and sale of aircraft. RSW's Executive Hangar Lease No. 140605 expired on October 31, 2024. RSW continues to occupy the premises and pays the current monthly rent of approximately \$14,173 for 12,924 square feet of hangar and shop space at a rental rate of \$13.16 per square per year. This rental rate of \$13.16 per square foot per year reflects an annual rental rate adjustment effective on November 1, 2024.

### **Contract Term**

The new lease term will be five years which will begin retroactively on November 1, 2024, and expire on October 31, 2029, with three, one-year renewal options to extend at the sole discretion of the Aviation Director.

### **Financial Impact**

Rent for the first year of the new lease will be approximately \$170,079 at \$13.16 per square foot. Rent will be adjusted annually by the Phoenix-Mesa-Scottsdale Consumer Price Index or three (3%) percent, whichever is greater. Total anticipated revenue over the duration of the lease will be approximately \$1,512,407 if all extension options are exercised.

### **Location**

Phoenix Deer Valley Airport, 702 W. Deer Valley Road

### **Recommendation**

Request that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a new Executive Hangar Lease with RSW Group, LLC.

<b>BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT</b>	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	New Facility Lease Agreement with Worldwide Flight Service Inc.

### **Description**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a new Facility Lease with Worldwide Flight Services, Inc. for three years with four one-year options to extend.

THIS ITEM IS FOR CONSENT ACTION.

### **Report Summary**

Worldwide Flight Services, Inc. (WFS) currently operates at the West Air Cargo facilities at Phoenix Sky Harbor International Airport (PHX) under Commercial Use Permit No. 406-17 and a Cargo Facility License Agreement No. 152567 to support its cargo handling services for Amazon operations. WFS's Cargo Facility License Agreement No. 152567 expired on February 13, 2025 and WFS requests to continue to lease approximately 38,094 square feet of space in West Air Cargo facilities to support its ongoing cargo handling services to Amazon.

### **Contract Term**

The new lease term will be for three years, which will begin retroactively on February 14, 2025, and expire on February 13, 2028, with four one-year renewal options to extend at the sole discretion of the Aviation Director.

### **Financial Impact**

Worldwide Flight Services, Inc., will pay the rental rate per square foot per year for space in West Air Cargo and West Air Cargo GSE facilities as set by the PHX Rates and Charges provision of the Phoenix City Code. Total anticipated rent for the first year of the new lease is approximately \$656,033. The cargo facilities rental rate will be adjusted annually in accordance with Rates and Charges provision of Article IX of Chapter 4 of the Phoenix City Code.

### **Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

### **Recommendation**

Request that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a new Facility Lease with Worldwide Flight Services, Inc.

<b>BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT</b>	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Jet Fuel Remediation Contract Award

### **Description**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract with Geosyntec Consultants, Inc. for jet fuel remediation and technical dispute environmental consulting services for the Aviation Department in an amount not to exceed \$250,000 over the five-year aggregate term of the contract.

THIS ITEM IS FOR CONSENT ACTION.

### **Report Summary**

Arizona Fueling Facilities Corporations (AFFC) is a consortium comprised of air carriers currently operating at Phoenix Sky Harbor International Airport (PHX) with the purpose of building, maintaining, and operating the airport fuel system for the benefit of all air carrier users. In 2005, the AFFC and the Aviation Department entered into a consent decree regarding jet fuel remediation at PHX. Since the AFFC 2005 consent decree, Aviation has utilized environmental consulting services to assist with analyzing remediation progress and related reporting and technical services.

### **Procurement Information**

The Request For Proposal (RFP) for environmental consulting services was issued October 16, 2024 and two Offers were received from:

- Geosyntec Consultants, Inc.: 835 Points
- Partner Engineering and Science, Inc.: 777.60 Points

### **Contract Term**

The proposed contract term is five years with no renewal options to extend. The contract is anticipated to commence on or about July 1, 2025.

### **Financial Impact**

The contract value will not exceed \$250,000 over the aggregate 5-year term. Funds are available in the Aviation Department budget.

### **Public Outreach**

The RFP solicitation was advertised in accordance with City and State requirements and fulfilled all standard outreach efforts.

### **Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

### **Recommendation**

Request the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract with Geosyntec Consultants, Inc. for jet

fuel remediation and technical dispute environmental consulting services for the Aviation Department in an amount not to exceed \$250,000 over the five-year aggregate term of the contract.

<b>BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT</b>	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Taxicab Meter Rate Increase

### **Description**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to authorize the Aviation Department to amend Chapter 4, Article IV, § 4-83 of the Phoenix City Code to establish new fare rates for Taxicabs operating at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

### **Report Summary**

Article IV, § 4-83 of the Phoenix City Code establishes maximum and minimum passenger fare rates applicable to taxicabs departing the Airport.

Taxicab services are an integral part of the Airport's transportation offerings to airport customers. The City of Phoenix regulates Taxi Meter Rates to ensure consistent and transparent fares are available to the traveling public. The last meter rate adjustment was implemented in 2012. Adjusting the meter rates addresses economic inflation and allows authorized Taxi operators to maintain competitive fares.

Taxicab meter rates are proposed to be adjusted as follows:

Meter Rates	Current Rate	Proposed Rate
Airport to Downtown Rate	\$ 17.00	\$20.00
Traffic Delay Charge (not to exceed)	\$23.00	\$36.00
First Mile	\$5.00	\$7.00
Each Additional Mile	\$2.30	\$2.60
Airport Minimum Fare	\$15.00	\$18.00

### **Financial Impact**

Taxicab contracts generate revenue for the airport through trip fees as specified in Chapter 4, Article IV, § 4-78 of the Phoenix City Code. Therefore, the proposed meter rate adjustments will have no material effect on airport revenues.

### **Public Outreach**

This process will include all standard and required outreach efforts, including official posting to meet State of Arizona public posting requirements.

### **Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

### **Recommendation**

Request the Business and Development Subcommittee recommend the Phoenix Aviation Advisory Board to authorize the Aviation Department to amend Chapter 4,

Article IV, § 4-83 of the Phoenix City Code pertaining to established new fare rates for taxicabs operating at Phoenix Sky Harbor International Airport.



<b>BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT</b>	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Taxicab Request to Issue Revenue Contract Solicitation

### **Description**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to authorize the Aviation Department's request to issue a Revenue Contract Solicitation (RCS) for taxicab services at Phoenix Sky Harbor International Airport (PHX).

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

### **Report Summary**

The Aviation Department's three existing contracts for taxicab services expire in April 2026. The purpose of the RCS is to ensure that on-demand taxicab services continue to be available at all times to the traveling public at PHX. The Aviation Department is proposing to enter into four contracts for taxicab services consisting of two large operators and two small operators. The successful large operators will be awarded 70 vehicle slots each, and the small operators will be awarded 30 vehicle slots each, for a total of 200 vehicles.

### **Procurement Information**

The successful respondents of the RCS must meet all minimum solicitation and contractual requirements, including sustainability requirements for hybrid and electric vehicle (EV) fleet-mix. A percentage of the vehicle fleet must be accessible in accordance with Americans with Disabilities Act requirements, and requests for wheelchair-accessible vehicles must have a 24/7 response. The top two highest-ranked respondents of each large and small operator category will be recommended for the taxicab services contract award, and no single respondent will be awarded more than one contract. The Aviation Department intends to issue this RCS on or about June 2025, with an estimated award in Spring 2026. Solicitation responses will be evaluated on the following criteria:

- Business & Operations Plan
- Qualification & Experience of Respondent
- Qualification & Experience of General Manager
- Customer Service Plan
- Driver/Owner-Operator Plan

### **Contract Term**

The proposed contracts consist of an initial term of five years, with one two-year extension option.

### **Financial Impact**

The City estimates the contracts will generate \$715,000 in annual revenue with an estimated \$5 million in revenue over the aggregate term.

**Public Outreach**

This process will include all standard and required outreach efforts to attract local and small business interest.

**Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

**Recommendation**

Request the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to issue a Revenue Contract Solicitation for taxicab services at Phoenix Sky Harbor International Airport.

<b>BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT</b>	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Baggage Handling Systems – Operations, Maintenance, Repair, and Control System Design, Programming, and Integration Services Request to Award

### **Description**

This report requests that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to award a contract for Baggage Handling Systems – Operations, Maintenance, Repair, and Control System Design, Programming, and Integration Services at Phoenix Sky Harbor International Airport to JSM Airport Services, LLC, for a five-year contract term with two one-year options to extend.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

### **Report Summary**

On February 26, 2024, the Aviation Department issued Request for Proposal 24-0156 Baggage Handling Systems – Operations, Maintenance, Repair, and Controls System Design, Programming and Integration Services (RFP 24-0156) to create a contracting opportunity that provides operation, maintenance, and repair services on the mechanical and controls systems for the baggage handling systems (BHS) in Terminals 3 and 4 of Phoenix Sky Harbor International Airport (PHX).

The operation, maintenance, and repair of the BHS ensure that checked baggage is appropriately conveyed, handled, and screened and that it reaches the designated airline's baggage location in a timely manner.

This business opportunity closed on May 28, 2024, and the Public Notice of Award Recommendation was posted on August 15, 2024.

### **Procurement Information**

The proposals were evaluated by a five-member evaluation committee. A consensus was reached for contract award. The proposals were evaluated based on the following four criteria and corresponding points (up to 1,000 points possible):

- |  |                |
|--|----------------|
| 1. Method of Approach to Scope of Services                   | (0-350 Points) |
| 2. Fee Schedule  | (0-250 Points) |
| 3. Qualifications and Experience of Firm                     | (0-225 Points) |
| 4. Qualifications and Experience of Proposed On-Site Manager | (0-175 Points) |

The award recommendation is for JSM Airport Services, LLC, based on the following consensus scoring:

#### **Proposers:**

- |  |            |
|--|------------|
| • JSM Airport Services, LLC            | 850 Points |
| • Daifuku Services America Corporation | 781 Points |

**Contract Term**

Contract provisions include an initial five-year contract term and two one-year renewal options, which shall be exercised at the sole discretion of the Aviation Director.

**Financial Impact**

The total estimated contract value will be up to \$41,264,973 over the aggregate seven-year contract term.

**Public Outreach**

The Baggage Handling Systems – Operations, Maintenance, Repair, and Control System Design, Programming, and Integration Services business opportunity was posted on the City of Phoenix Solicitation website, Phoenix Sky Harbor website, Airports Council International-North America, American Association of Airport Executives (AAAE), and Southwest Chapter of AAAE. The announcement was also sent to 774 firms registered with the City of Phoenix vendor management system, ProcurePHX. A mandatory pre-proposal meeting was held on March 18, 2024, and a mandatory site tour was conducted on March 20, 2024.

**Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

**Recommendation**

Request that the Business and Development Subcommittee recommend to the Phoenix Aviation Advisory Board to award a contract for Baggage Handling Systems – Operations, Maintenance, Repair, and Control System Design, Programming, and Integration Services to JSM Airport Services, LLC.

<b>BUSINESS AND DEVELOPMENT SUBCOMMITTEE REPORT</b>	
To:	Business and Development Subcommittee
From:	Chad R. Makovsky, A.A.E. Aviation Director
Subject:	Airport Childcare Provider Award Recommendation

### **Description**

This report requests that the Business & Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract with KinderCare Education at Work, LLC, to build out and operate a childcare facility at Phoenix Sky Harbor International Airport.

THIS ITEM IS FOR DISCUSSION AND POSSIBLE ACTION.

### **Report Summary**

As part of the City of Phoenix allocation of American Rescue Plan Act funds, the Phoenix City Council undertook a review of departments and programs to identify areas where additional support could help essential workers.

As part of this effort, the City Council adopted an ARPA funding strategic plan on June 8, 2021. One element of the plan was to provide childcare support to essential workers at Phoenix Sky Harbor International Airport. The Aviation Department was allocated \$5 million as part of that process for badged airport workers.

One of the key elements of this program is to construct a purpose-built childcare facility at the 44th Street Sky Train station. To ensure that the Aviation Department had the necessary technical expertise to run the facility, it issued a Revenue Contract Solicitation for an airport childcare provider.

The solicitation included requirements for the operator to work with the Aviation Department to build out the facility, make tenant improvements to the facility in accordance with childcare best practices, and operate the facility in compliance with state requirements.

Staff worked throughout the procurement process to solicit and incorporate industry feedback in the final agreement terms, including updating lease terms to allow for amortization of capital investment.

The procurement was paused to address a timely protest related to the procurement process. Subsequently the Aviation Department convened a second independent evaluation panel. Both panels recommended proceeding with KinderCare Education at Work LLC, dba KinderCare for Employers as the recommended awardee.

### **Procurement Information**

The Aviation Department issued AVN RCS 24-001 on Jan 10, 2024.

The proposals were evaluated and scored by an evaluation panel through consensus scoring on the following criteria:

- Overall qualifications and experience of the respondent and key personnel (375 points)
- Method of approach and management, marketing, operations and technology plans (350 points)
- Design of the childcare service facility (275 points)

KinderCare Education at Work, LLC dba KinderCare for Employers is the responsive and responsible bidder and is the recommended contractor for the award of this contract. The score for the proposers is below.

KinderCare: 865

Bright Beginnings: 640

### **Contract Term**

The initial term of the lease will be for 12-18 months to allow for facility construction, followed by a primary lease term of ten years, and two five-year options to extend which may be exercised at the sole discretion of the Aviation Director.

### **Financial Impact**

Based on feedback provided during the pre-proposal process, and given the pioneering nature of this initiative and solicitation, the Aviation Department has determined it is appropriate to waive rent through the fifth year of the primary lease term.

The operator will be subject to a net rental rate of \$134,620 per year commencing with the sixth year of the primary term.

### **Location**

Phoenix Sky Harbor International Airport, 2485 E. Buckeye Road

### **Recommendation**

Request that the Business & Development Subcommittee recommend to the Phoenix Aviation Advisory Board to enter into a contract with KinderCare Education at Work, LLC dba KinderCare for Employers, to build out and operate a childcare facility at Phoenix Sky Harbor International Airport.