



**Purchasing Supply Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 14
AGENDA DATE: Thu 11/03/2005
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SUBJECT: Authorize negotiation and execution of a 12-month service agreement with CONVERGENT STRATEGIES CONSULTING INC., (M/DBE-100%), Kennett Square, PA, for consulting services related to the Shared Tenant Services program for the Aviation Department in an amount not to exceed \$58,495, with one 12-month extension option in an amount not to exceed \$35,835, for a total agreement amount not to exceed \$94,330.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$53,620.42 is available in the Fiscal Year 2005-2006 Approved Operating Budget of the Department of Aviation. Funding for the remaining one month of the original contract period and extension option is contingent upon available funding in future budgets.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing
DEPARTMENT:for Aviation;

DIRECTOR'S
AUTHORIZATION: Vickie Schubert

FOR MORE INFORMATION CONTACT: Vic Chanmugam, Senior Buyer Specialist/974-2030

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Approved by the Airport Advisory Board.

PURCHASING: Best evaluated proposal of three proposals received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is to obtain the services of an experienced consultant, knowledgeable about other Shared Tenant Services (STS) programs in other airports across the country and familiar with the business needs of the Department of Aviation's (DoA) business partners such as: the airlines, the Transportation Security Administration, the National Guard, etc.

A STS program is one where the airport tenants are required to exclusively use the fiber optic cabling infrastructure owned and operated by the airport for all of their voice, data, and video requirements. The Austin-Bergstrom International Airport (ABIA) is an STS facility and was the first airport in the country to use this program. An extensive fiber optic cable infrastructure was installed at the time that the airport was first built. This infrastructure connects all airport offices with each other and with the outside world. Tenants use STS for all their telecommunication needs, including local dial tone, long distance calls, as well as the transmission of data between their computer terminals and computers in other offices. STS then allows the telecommunications service providers to bill ABIA directly. The DoA then recovers these service costs as well as the fixed costs associated with the fiber optic cabling plant in an equitable and mutually agreed manner from all the tenants.

The original STS program was designed by the recommended awardee, Convergent Strategies Consulting Inc., when they were subcontractors to CDI Consulting Inc., during the ABIA construction phase. At that



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time, STS was considered a new business model in the Aviation industry and ABIA was the first airport to provide a STS offering to the airlines and other tenants. The success of this model has since led to its adoption at many other airports.

There are several outside vendors who provide the voice and data services that are associated with the STS program. These contracts will shortly be expiring and a competitive bid process is contemplated to find their replacements. In view of the complexity of the STS program and the way it has evolved and DoA's desire to demonstrate to the airlines and its other business partners that the STS program is providing them with competitive rates, it is imperative that the advice and consulting services of a consultant, knowledgeable about other STS programs and familiar with the business needs of DOA's business partners are available to help develop the specifications for a Request for Proposal (RFP) and to negotiate the best contracts with the selected vendors.

An RFP was issued in June 2005.

MBE/WBE/DBE Solicited: 24/15/2

MBE/WBE/DBE Bid: 0/0/1

**RFP No. VC05300038
PROPOSAL ANALYSIS**

- a. Adequate competition.
- b. 243 notices were sent, including 24 MBEs, 15 WBEs and 2 DBEs. Eleven solicitations were issued. Three proposals were received with one DBE responding.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal.
- b. The Department of Aviation concurs with the recommended award.
- c. Advertised in the Austin American-Statesman and Internet.