



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/20/2016

District I

Item Creation Date: 11/29/2016

HAS - Reimbursable Agreement with Southwest Airlines for PC Air at HOU

Agenda Item#: 28.

Background:

Enact an Ordinance approving a Reimbursable Agreement between the City of Houston and Southwest Airlines Co. (Southwest) for Pre-Conditioned Air Equipment Replacement (PCA) at William P. Hobby Airport (HOU) and an appropriation of \$4,000,000.00 from the HAS Airport Improvement Fund to finance the cost of the Project.

Specific Explanation:

This project involves the modification to, and minor construction of the Airport terminal building infrastructure by replacing the existing Preconditioned Air ("PCA") glycol system in the Central Concourse at William P. Hobby Airport with 19 new Point of Use ("POU") PCA units ("Project"). The Terminal modifications include the selected demolition of the existing glycol system and installation of 19 new POU PCA units. The objective of the Project is to replace the aging and failing PCA system with self-contained units to prevent overall system failure and provide energy efficient equipment that allows aircrafts to turn off their auxiliary power units while parked at the terminal gates, reducing airline operating costs and air emissions.

The City has determined that it will minimize disruption to Airport operations, the traveling public and employees, streamline coordination efforts, and be more time-efficient if Southwest manages the Project.

Southwest shall provide the plans and specifications for the Project which shall be subject to the review and approval of the Director of the Houston Airport System ("Director") through the Houston Airport System's Tenant Improvement Program ("TIP").

The City and Southwest agree that the Project shall be performed by Southwest, subject to and in accordance with the terms, provisions, and conditions of the approved PFC submittal, TIP, and this Agreement. Accordingly, the City hereby sets forth for Southwest's acceptance the basis and terms upon which the City shall grant Southwest permission to perform the Project and shall reimburse Southwest for eligible and approved Project Costs

Engineering Services Testing Contract:

Not Applicable

Project Costs:

HAS applied for use of Passenger Facility Charge ("PFC") funding and the Federal Aviation Administration ("FAA") approved the use thereof for the design, demolition, acquisition, and installation of 19 Point of Use (POU) PCA units at the Airport pursuant to the Project.

Fiscal Note:

Capital Project Information

See attached Form A(s)

No impact to the operating expense budget is anticipated as this project replaces existing equipment with similar equipment.

Director's Signature:

Mario C. Diaz
Houston Airport System

Chief Economic Development Officer's Signature:

Andy Icken
Office of the Mayor

Pay or Play:

The proposed contract requires compliance with the City's "Pay or Play" ordinance regarding health benefits for employees of City contractors.

Hire Houston First:

The proposed contract requires compliance with the City's "Hire Houston First" ordinance that promotes economic opportunity of Houston businesses and supports job creation.

MWBE Participation:

The MBE goal for this project is 6%. The WBE goal for this project is 6%.

Southwest Airlines has agreed to make good faith efforts to award subcontracts to certified MWSBEs.

Amount of Funding:

\$4,000,000.00 Airport Improvement Fund (8011)

Eligible for reimbursement through the Federal Aviation Administration Passenger Facility Charge (PFC) Program.

Contact Information:

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Bob Berker 281/233-1953

ATTACHMENTS:

Description	Type
Signed RCA Coversheet	Signed Cover sheet
COIP - SWA	Backup Material
Agreement - HAS Signed	Backup Material
Form A - PC Air	Financial Information
Delinquent Tax Report	Backup Material
Ownership Affidavit	Backup Material
Secretary of State Documentation	Backup Material
Comptroller Documentation	Backup Material