



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 3/19/2019

Item Creation Date: 2/22/2019

HAS – Ordinance to Amend Ordinance 2017-0485 related to On-Call Professional Aviation Planning Consulting Contracts with HNTB, LeighFisher and Ricondo & Associates, Projects 739A, 739B, 739C

Agenda Item#:

### **Background:**

#### **RECOMMENDATION:**

Enact an ordinance to amend Ordinance 2017-0485 to de-appropriate \$4,000,000.00 from the HAS Airport Improvement Fund (8011) for the On-Call Professional Aviation Planning Consulting Services contracts between the City of Houston and HNTB Corporation, LeighFisher, Inc., and Ricondo & Associates, Inc. (Projects 739A, 739B and 739C) and to increase the HAS Revenue Fund (8001) allocation by \$9,500,000.00.

#### **SPECIFIC EXPLANATION:**

On June 28, 2017 City Council approved Ordinance 2017-0485 for On-Call Airport Professional Planning Consulting Services contracts with HNTB Corporation (739A), LeighFisher, Inc. (739B), and Ricondo & Associates (739C).

Ordinance 2017-0485 allocated \$2,500,000.00 from the HAS Revenue Fund (8001) and appropriated \$7,500,000.00 from the HAS Airport Improvement Fund (8011). The total amount of \$10,000,000.00 is used by three contracts (739A, 739B and 739C) for required planning services through Letters of Authorization (LOAs).

The original ordinance put into place contracts for the purpose of providing on-call professional aviation planning services for the Houston Airport System (HAS) to be utilized for multiple separate and distinct planning services such as terminal planning, aviation activity forecasting, and terminal passenger movements. After reviewing various completed tasks/projects performed under these contracts and also looking at projected future tasks/projects, it has been determined that the majority of the work does not meet the definition of capital assets nor ancillary charges necessary to ready capital assets for use according to Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements—And Management's Discussion and Analysis—for State and Local Governments. To account for these expenses in accordance with best practices for local governments and to ensure that the HAS Revenue Fund (8001) does not exceed the allocation as currently stated in Ordinance 2017-0485, this amendment is necessary.

A total of \$4,000,000.00 from the HAS Airport Improvement Fund (8011) will be de-appropriated and allocated to the HAS Revenue Fund (8001), increasing the allocation from \$2,500,000.00 to \$6,500,000.00. An additional allocation of \$5,500,000.00 is being requested from the HAS Revenue Fund to bring the total allocation from the HAS Revenue Fund to \$12,000,000.00. The total funding

for the three contracts from both funds will become \$15,500,000.00.

<b>Council Action</b>	<b>HAS - Airport Improvement Fund 8011</b>	<b>HAS Revenue Fund 8001</b>	<b>Total</b>
Ordinance 2017-0485	\$7.5M	\$2.5M	\$10.0M
Deappropriate/Reallocate	-4.0	4.0	0.0
Additional Amount	0.0	5.5	5.5
Amendment Final Amounts	\$3.5M	\$12.0M	\$15.5M

#### **FISCAL NOTE:**

Funding for this item is included in the FY2019 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

**Director's Signature:**

DS  
RB

DocuSigned by:  
*J'Maine Chubb*  
A43BC94CA687407...  
Mario C. Diaz  
Houston Airport System

DocuSigned by:  
*Andy Icken*  
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Andy Icken  
Chief Development Officer

Estimated Spending Authority			
DEPARTMENT	FY2019	OUT YEARS	TOTAL
Houston Airport System	\$1,700,000.00	\$7,800,000.00	\$9,500,000.00

**Prior Council Action:**  
6/28/2017 (O) 2017-0485

**Amount of Funding:**  
\$9,500,000.00  
HAS Revenue Fund  
Fund 8001

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