

CONTRACT

Ordinance Fact Sheet

211116

Ordinance Number

Brief Title

Fourth Amendment to Agreement with Southwest Airlines For Tenant Reimbursement For Airline Technical Representative

Approval Deadline

Routine

Reason

To authorize the execution of Fourth Amendment to Tenant Reimbursement Agreement with Southwest Airlines

Details

Reason for Contract

Authorizing the execution of Fourth Amendment to Tenant Reimbursement Agreement with Southwest Airlines increasing the amount \$2,125,000 for a not to exceed of \$7,361,500.

Project Description

This proposed ordinance will authorize the execution of Fourth Amendment to Tenant Reimbursement Agreement with Southwest Airlines. Southwest Airlines, as chair of the Signatory Airlines Group at KCI, with concurrence with all Signatory Airlines, hired an Airline Technical Representative (“ATR”) to review and make recommendations regarding negotiations of the then current Use and Lease Agreement and certain Airport improvements, and Southwest Airlines seeks reimbursement for said ATR. The Kansas City Aviation Department has agreed to reimburse Southwest Airlines for the services of the ATR with the mutual understanding that the total amount of reimbursement for the ATR shall be added to the terminal rental rate base for all airlines operating at KCI.

This Fourth Amendment will provide Airline representation in the negotiations of the new, longer term Airport Use and Lease Agreement and to provide Airline representation for the design and during construction of the Terminal Modernization Program, and its ancillary facilities.

Term

This Fourth Amendment extends term of the Agreement to October 31, 2023.

Financials

This Fourth Amendment increases the amount to reimburse Southwest Airlines by \$2,125,000 to a not-to-exceed total of \$7,361,500, with the understanding that the total reimbursement for the ATR shall be from the City and/or Bond Proceeds which may be added to the rate base for all airlines operating at KCI.

Roles & Responsibilities

Sponsor	Aviation Department
Departments or Programs Affected	Aviation Department
Recommended Awardee	N/A
Contract Compliance Certification Obtained?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Opponents	<i>Groups or Individuals None Known Reason for Opposition</i>
Responsibilities	<i>Design Engineering</i>
	<i>Inspections</i>
	<i>Construction or Project Management</i>
	<i>Service Monitoring</i>

Policy / Program Impact

Policy or Program Emphasis Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Details

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Finances

City's Estimate of Cost	\$ _____
Bid or Proposal Data	<i>Lowest Contract Cost Submitted</i> \$ _____
	<i>No. of Proposals Considered</i> _____
	<i>Reason for rejecting lowest contract cost submitted.</i>
	<i>Other Bidders or Contractors Considered</i> <i>Contract Costs Submitted</i>
	_____ \$ _____
	_____ \$ _____
	_____ \$ _____
	_____ \$ _____
Fund Sources and Appropriation Account Codes For This Contract	
Source of Future Operating Funds	
Maximum Amount of Proposed Contract	This Fourth Amendment increases the amount to reimburse Southwest Airlines by \$2,125,000 to a not-to-exceed total of \$7,361,500.
Amount of Contingency	\$ _____
Engineering & Administration	\$ _____
Estimated Annual Revenue	\$ _____
Council Committee Actions	
<input type="checkbox"/> Do Pass	<input type="checkbox"/> Hold
<input type="checkbox"/> Do Pass (as amended)	<input type="checkbox"/> Without Recommendation
<input type="checkbox"/> Committee Substitute	<input type="checkbox"/> Do Not Pass

Fact Sheet Prepared by: **12/02/2021**

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Commercial Development Division

Reviewed by: **12/02/2021**

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Acting Deputy Director
Commercial Development Division

Reference Numbers: