

REQUEST FOR PROPOSAL

Strategies for Increasing the Economic Contribution of the Humboldt County Aviation System

Introduction

The Redwood Region Economic Development Commission and Humboldt State University Sponsored Programs Foundation (hereafter referred to as "Project Partners") are seeking proposals from qualified consultants to provide assistance in conducting an independent assessment and recommendations for maximizing the economic contribution of Humboldt County's aviation system

The purpose of this RFP is to seek technical expertise and assistance from qualified aviation and/or economic development consultants in conducting the study and making strategic recommendations. The study will identify:

- Aviation and airport-specific links to the local economy for facilitating economic development,
- Existing and future funding sources for development
- Services available at each facility and gaps in current or future service needs and opportunities for growth
- Existing and future technologies and their benefit to the community
- Best management and business practices for that may be applied to the County aviation system to maximize operations and economic contribution.

The strategic plan will also serve to educate area businesses and other entities relying on airport services for their transportation or business needs. This will include an overview of the:

- Regulatory environment in which the aviation system must operate.
- Funding required and available for both capital improvements and operation
- Compliance with grant assurances concerning revenue usage and property management,
- Federal and state environmental requirements
- Federal and state land use compatibility requirements.

Through interactive dialogue, the study process should identify and prioritize current issues of concern, analyze options available to address those issues, and recommend a preferred resolution.

Note that funding for this study has not yet been fully secured. Funding will be pursued based upon the cost proposal submitted by the winning bidder. Engagement of a contractor and commencement of project will be dependent upon securing funding.

Background

Humboldt County's ability to diversify into new growth industries will be influenced by its desirability to support and attract new businesses there that can efficiently connect with a flattening global economy. Developing and sustaining a solid air transportation network that includes increased airline passenger and air cargo service, business/corporate aviation access, aviation-related businesses and services, and aviation dependent industries, will be critical to support this growth. Failure to recognize this need will result in further economic isolation.

Humboldt County currently operates six public-use airports: Arcata-Eureka Airport, Murray Field Airport, Rohnerville Airport, Dinsmore Airport, Garberville Airport and Kneeland Airport. Management of the airports is through the County Department of Public Works, Aviation Division. Policy decisions regarding airport development are made by the Humboldt County Board of Supervisors and must be in compliance with state and federal regulations. The airports manager and staff are located at the Arcata-Eureka Airport.

Each airport is described briefly as follows:

- Arcata-Eureka Airport (ACV) – ACV’s principle role is to serve as a base of operations for scheduled airline services. In this capacity, the airport is designated as a primary commercial airport in the Federal Aviation Administration’s *National Plan of Integrated Airport Systems*. ACV also serves as a source of scheduled cargo services, a point of air access to the community, a site for emergency access to the community, a place to conduct business, and a base for Humboldt County region pilots. The airport has two runways: a 6,000-foot primary runway equipped with pilot controlled lighting and a precision instrument approach, and a 4,499-foot crosswind runway lit by prior permission and with a non-precision approach. ACV offers Jet A and 100LL fuel services and Aircraft Rescue Fire Fighting facilities.
- Murray Field, Eureka (EKA) – EKA is predominantly used by general aviation aircraft. There is an FBO on the field offering 100LL fuel and pilot services. Small parcel service is conducted by FedEx and UPS. The airport has one operational runway that is 3,000 feet long. The runway is lit for nighttime operation and is served by a satellite-based (GPS) approach procedure.
- Rohnerville Airport, Fortuna (FOT) — FOT is a general aviation airport serving Rohnerville and Fortuna. California Department of Forestry and Fire Protection (CDF) has a base at FOT that is used extensively during fire season. The airport operates a single, lit 4,005-foot runway served by GPS approach procedures and a self-serve 100LL fuel facility.
- Dinsmore Airport (D63) — D63 provides basic air access to an isolated area in eastern Humboldt County. The airport is physically located within Kuntz Canyon near Burr Valley. The 2,510-foot runway is not lit.
- Garberville Airport (016) — 016 is a general aviation facility serving Garberville and nearby communities. The airport is used extensively during fire season by California Department of Forestry and Fire Protection (CDF). The 3,050-foot runway is not lit. 016 offers self-serve 100LL fuel.
- Kneeland Airport, Kneeland (019) — 019 is a mountain-top airport located approximately 11 miles southeast of Eureka. It has a single 2,270-foot unlit runway located at an elevation of 2,737 feet above mean sea level (AMSL). The high elevation often places Kneeland above the fog layer which provides a safe-haven for airplanes that cannot land elsewhere due to the foggy conditions.

More information on the Humboldt County aviation system is at www.co.humboldt.ca.us/aviation.

Scope of Services

This section identifies the essential scope elements to be included in the consultant’s proposal. The response to this RFP will clearly describe the Consultant’s approach in conducting this study which will include a detailed Scope of Services, Itemized Cost Breakdown or Fixed price, and Project Schedule. It is important that each task below is cost or priced separately. The Consultant may elect to quote on less than 100% of the tasks below or team up with other organizations as part of their bid. If less than 100% bid, the Consultant should provide an explanation on why they are not able to quote on the ones left out. Project Partners reserve the right to put a team of bidders together to get 100% coverage of the RFP.

Task 1: Proposal Refinement and Contract Execution

The selected consultant will have 30 days following selection to negotiate a refined proposal and execute a contract. The Consultant acknowledges and accepts the basic contract terms included in Appendix A to this RFP.

Any questions related to those terms are to be directed to:

Gregg Foster
Executive Director
520 E Street
Eureka, CA 95501
gregg@rredc.com
707-445-9651

- Conduct a meeting with Humboldt State University Sponsored Programs Foundation (SPF) and RREDC to solicit the input necessary to refine the proposal.
- Prepare a refined scope, fee, and schedule based on the input received during the scoping meeting.
- Execute a contract and Notice to Proceed (NTP)

Task 2: Stakeholder Involvement

SPF will establish a stakeholder committee to obtain guidance as the study progresses and to provide an educational overview of airport-specific business practices and limitations. It is anticipated that between three and five on-site meetings involving the stakeholder committee, the Humboldt County Aviation Advisory Committee, the County Board of Supervisors, and one public information session.

Task 3: Assess Current and Potential Economic Impact of Each Airport

Work with Humboldt County, SPF, tenant businesses, and local economic development and/or business organizations to determine direct impacts, spin-off (i.e., multiplier) impacts, and combined impact of the County's airports. Subtasks necessary to complete this task may include the following:

- Collaborate with Humboldt State University, Department of Economics, to obtain initial assumptions and economic data specific to the County.
- Interview County Aviation Manager (may be written questionnaire) to help identify the economic profile of each airport.
- Assemble data of on-airport employment such as employment, salary, and other benefits for both County and Tenant businesses.
- Develop a database of airport tenants for determining their direct contributions to the County's economy. Database should specifically separate business, organizational and leisure-related tenants.
- Collect and analyze commercial passenger data: business versus leisure travel, ratio of local and visitor passengers, travel frequency, and gather spending information.
- Collect and analyze general aviation (GA) visitor data: comparable analysis to commercial passenger information to determine the nature and economic reach of GA visitors.
- Work with SPF to determine spin-off activities affecting off-airport industries in the region (e.g., multiplier impacts).
- Prepare a draft white-paper report summarizing economic profile of each airport to include: direct impacts, induced impacts, and combined economic output. The report will also summarize the main contributors to the local economy and include a profile of visitor spending.
- Refine the report based on input received from the technical committee.

Task 4: Airport Funding and Financial Overview

Document current airport funding programs, anticipated funding available for each program, restrictions on how funds may be used, planned capital improvements, and current financial reports (revenues and spending). Analyze the current funding and financial data in comparison to similar airports. Identify potential new funding opportunities and the efforts involved in obtaining those funds.

Task includes overview of the following items:

- Airport Improvement Program (AIP)
- Current Airport Capital Improvement Program (ACIP) for each airport
- California State Airport Funding
- Other Federal Programs
- Other State Funding Programs
- Local Funding
- Operations and Maintenance
- Enterprise Fund
- Current Revenues
- Current Expenses
- Historic Trends
- Comparative Analysis
- New Programs
- Future Trends

Task 5: Supporting Economic Growth

This task is to identify how the aviation system currently contributes to economic growth within the county, the degree to which those efforts are consistent with County Growth plans, and to identify specific opportunities for economic growth. This task includes a review of the following items:

- Discuss the airports' ACIPs and management plans and how they relate to economic development and growth.
- Make specific recommendations on actions that can be taken to maximize the economic impact of the aviation system.

Task 6: Develop Strategic Initiatives and Management Practices to Expand Airport Services and Aviation-Related Business Activity

For each of the six airports, identify and evaluate the adequacy of services available to travelers and other users. Then focusing specifically on Arcata-Eureka Airport, Murray Field Airport, and Rohnerville Airports, assess the growth potential within those service areas. Identify efforts the airport can take to expand the reach of those business services. Explore potential new services and the steps to obtain those services. This task will specifically address:

- Strategies and incentives to increase grow scheduled passenger service, both frequency and destinations.
- Opportunities to grow air cargo and steps to maximize air cargo operations
- Strategies to increase revenue through passenger serving enterprises and other income generating activities at ACV.
- Recommended of Air Service Development efforts, specifically airline recruitment efforts, marketing programs for passenger service via ACV, local use of the airport, aviation-related business development, and non-aviation commercial leases.
- Investments, programs and policies to increase the use of the airport by general aviation.
- Growing and attracting airport services such as fixed base operators and aviation-related businesses.
- Increasing aviation related lease revenue for hangars including the potential for owner-built hangars.
- Recommendations on how to increase lease revenue for non-aviation commercial property controlled by the Aviation Division.
- Identification of best management practices and recommended programs, policies, and standards that could increase the economic impact of the aviation system.
- Assessment of the potential costs and benefits of recommended strategies and discussion of how additional costs should be assessed and measured to ensure overall economic performance improvement.
- Recommendations on how to update and evaluate airport performance goals on a regular basis

Task 7: Airport Technology Overview and Needs

Provide an educational overview of various airport technologies, including: airplane technology, runway technology, air traffic control tower and terminal facilities. Include a discussion of the community benefits of each, which items may be necessary now or in the future, and the steps to acquire those technologies or facilities. The discussion will specifically the necessity, advisability and impact of investments in:

- Upgrading instrument approach procedures
- NexGen navigation systems on County Airports
- Air Traffic Control Tower
- Expanding and/or improving airline terminal building facilities
- Expanding and/or improving general aviation facilities.

Task 8: Airport Regulatory and Fiscal Environment

Purpose is to identify and describe the regulatory and fiscal environment under which an airport must operate, to assess the relative performance of the County's current system, and to answer common questions raised by users and policy makers concerning the priority of implementing various improvements. The discussion will include the following:

- Part 139 Airport Certification Requirements
 - Emergency Response
 - Airport Inspections
- FAA Prioritization of ACIP projects
- Security Requirements and Oversight
- State Certification and Inspection Requirements
- Environmental Regulation and Compliance
- Fiscal environment including federal and state funding priorities
- Recent examples to compare different airport and user perspectives

Task 9, Narrative Report

Based on the analysis associated with Tasks 3 through 8, prepare a white paper summarizing the existing conditions, identified gaps that should be addressed, and specific recommendations for improving the economic reach of the airport's and County. It is anticipated that the report will be vetted through three iterations: an administrative draft submitted upon completion of the technical work, a draft that is submitted to a larger group of stakeholders beyond the stakeholder committee, and a final version that incorporates comments received. At a minimum, the report will specifically include the following sections:

- Purpose and Background
- Current Airport Operations and Economic Impact
- Gap Analysis
- Strategic recommendations on how to increase the economic impact of the aviation system.

Submittal Requirements

Firms responding shall submit six (6) copies of the information that shall include the items listed below:

1. Include company organization structure, company history, and background, size of company, and recent experience in airport economic output analysis, experience and familiarity with non-hub and general aviation airports that focus on economic development strategy. Indicate who in the firm performed these related projects, and list the locations and owner's representative where the work took place.
2. Description of consultant team including names, classification and qualifications of key personnel and an organization chart showing how the team will work together. Include outside consultants necessary to complete all the tasks associated with this RFP. Summarize the areas of expertise of key personnel.

3. Client references that include current address and phone numbers of people to contact for references. References should be specific to individual team members. References are important to us; again, please make sure that the telephone numbers are current and complete.
4. Discuss your approach to completing projects and describe your ability to meet schedules and to complete projects within budget.
5. Provide a detailed cost proposal and basic assumptions used in developing those costs.
6. Include any other information useful in making this consultant selection.
7. Statement that the required insurance coverage will be obtained by the consultant.
 - a. Endorsements to the general liability policy naming the Redwood Region Economic Development Commission, the State of California, the California State University, the Board of Trustees, Humboldt State University, the Humboldt State University Sponsored Programs Foundation, and their employees, officers, agents and volunteers of each as additional insured parties;
 - b. The dates of inception and expiration of coverage shall be specified;
 - c. Minimum liability coverage of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined, with a general aggregate of at least twice the per occurrence amount.

Proposals must be emailed to gregg@rredc.com by 5:00 p.m. Pacific Time on December 9, 2011

Selection Process and Criteria

Selection will be based primarily on team qualifications performing similar work and overall approach for conducting this study. Costs will be considered in context with the project approach included in the proposal and may be amended following selection and subsequent scope refinement. Specific details criteria include:

1. Recent experience in airport consulting/ planning services such as airport management, airport operation, airport strategic planning, and airport financial/business planning and policy development.
2. Knowledge of various airport management structures and applicable federal and state laws.
3. Recent experience in conducting airport economic analysis including direct and multiplied calculations using local economic factors.
4. Project approach that most effectively and efficiently meets the project objectives included in the Introduction and Background section of this RFP: analyze, educate, and recommend. Costs will be used as a measure of efficiency.

APPENDIX A

CONTRACT AGREEMENT FOR PROFESSIONAL SERVICES

This agreement is entered into this ___ of _____, 20___, by and between (CONTRACTOR) and Redwood Region Economic Development Commission (COMMISSION) for professional and related services.

SCOPE OF SERVICES

CONTRACTOR shall provide to COMMISSION the services set forth in the attached Exhibit A: "Services and Fees".

STANDARD OF CARE

CONTRACTOR will perform the services in accordance with generally accepted professional or other practices and standards of care and skill ordinarily exercised by members of the profession or occupation currently practicing or performing services under similar conditions. CONTRACTOR will maintain applicable licenses and certifications during the period of performance of contract services.

TIMELY NOTICE

CONTRACTOR shall notify COMMISSION, in writing and in a timely manner, if, for any reason, CONTRACTOR is unable to meet its obligations as outlined in the Services and Fees.

FEES FOR SERVICES

For services provided by CONTRACTOR, COMMISSION shall pay CONTRACTOR in accordance with, and not to exceed, the rates and charges set forth in the attached Exhibit A, "Services and Fees".

BILLING AND PAYMENT

CONTRACTOR shall submit a statement to COMMISSION setting forth the amount due for services and expenses, itemizing tasks performed and budget accounts to be credited. CONTRACTOR shall submit expense receipts and documentation as required by COMMISSION for payment. Payment to CONTRACTOR by COMMISSION will be made within 30 days of submission of invoice.

INSURANCE

CONTRACTOR shall maintain in effect, at its own expense, adequate insurance coverage on its operations, facilities, vehicles, and employees, with minimum general or commercial liability coverage of not less than \$1,000,000 per occurrence injury and property damage liability combined, with a general aggregate of at least twice the per occurrence amount. CONTRACTOR shall also maintain workers compensation insurance covering any employees of CONTRACTOR who provide services under this Contract and any professional errors and

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omission insurance as generally carried by persons providing services such as those being provided by **CONTRACTOR** under this Contract. **CONTRACTOR** shall provide proof of relevant insurance coverage in forms acceptable to **COMMISSION** prior to commencement of the work or services.

LIABILITY

CONTRACTOR shall indemnify, defend, and hold harmless **COMMISSION**, its Directors and employees from and against any and all liability, claims, demands, damages, losses, or expenses, including but not limited to attorney's fees, for which **CONTRACTOR** is alleged to be legally liable resulting from intentional acts, negligent acts, errors, or omissions by **CONTRACTOR** in performance of services relating to this Agreement, including but not limited to any claims asserted by employees of **CONTRACTOR**. Liability, claims, demands, damages, losses, or expenses resulting from the sole negligent acts, errors or omission of **COMMISSION**, its Directors, agents, or employees are excluded from **CONTRACTOR**'s obligation.

CONSEQUENTIAL DAMAGES

Neither party shall be responsible or held liable to the other for any indirect special or consequential loss or damage or liability including, without limitation, loss of profit, loss of investment, loss of product, or business interruption, for services performed under this contract.

INDEPENDENT CONTRACTOR

CONTRACTOR shall provide services to **COMMISSION** as an independent contractor, not as an employee of **COMMISSION**. **CONTRACTOR** has been selected on the basis of its particular skill and expertise to provide the services and is solely responsible for the specific means and methods to be used to accomplish performance of the Contract. **CONTRACTOR** and any persons performing services to accomplish the completion of the Contract at the request of **CONTRACTOR** are not employees of the **COMMISSION** and do not have any claim for any benefits arising from employee status with **COMMISSION**.

NOTICES

All notices required or permitted to be given pursuant to this agreement shall be deemed received of when sent by United States mail, certified or registered, postage prepaid, addressed to the parties as follows:

CONTRACTOR
COMMISSION:

Gregg Foster
Executive Director
Redwood Region Economic Development Commission
520 E Street
Eureka, CA 95501

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ASSIGNMENT

CONTRACTOR shall not assign, subcontract or otherwise transfer its rights or obligations herein without the prior written consent of the **COMMISSION**.

TERMINATION OF CONTRACT

- (a) Unless otherwise terminated as provided herein, this Agreement shall terminate when the services provided for herein are completed to the satisfaction of **COMMISSION**.
- (b) Notwithstanding any other provisions of this Agreement, **COMMISSION** may terminate this Agreement by giving thirty (30) days written notice to **CONTRACTOR**.
- (c) Upon notice of termination of this Agreement, **CONTRACTOR** shall have no further obligation to provide services to **COMMISSION**. If the Agreement is terminated prior to completion of the services, **CONTRACTOR** shall render a full bill for services to **COMMISSION** and **COMMISSION** shall pay **CONTRACTOR** for all fees earned and expenses incurred prior to the date of termination.

REVIEW OF RECORDS

COMMISSION and/or any client or grantor of Commission with an interest in the services being provided under this Contract may audit or inspect **CONTRACTOR**'s records and accounts relating to services performed and related charges for a period of two years (or such longer period as may be provided for in the agreement between **COMMISSION** and its Client/Grantor) following completion of **CONTRACTOR**'s services. The purpose of any such audit shall be to verify charges.

CONFIDENTIALITY AND PROPRIETARY RIGHTS

CONTRACTOR shall not refer in any manner to **COMMISSION** or the client or grantor of **COMMISSION** in any promotional or advertising material, written or oral, without obtaining **COMMISSION**'s prior written consent.

CONTRACTOR agrees (i) to maintain in confidence, (ii) not to disclose to others without prior written approval, (iii) not to use for any purpose, other than such purpose as may be authorized in writing by **COMMISSION** and (iv) to prevent duplication of and disclosure to any other party any and all information and data provided to it by **COMMISSION** or resulting from Services. The foregoing obligations of confidence, nondisclosure and nonuse shall not apply to any information or data that is or becomes generally available to the public other than lawfully acquired on a nonconfidential basis from others or to information within general knowledge, or to the extent required for (1) performance of Services under this Agreement; (2) compliance with professional standards of conduct for preservation of the public safety, health, and welfare; or (3) compliance with any court order or other governmental directives. In the event disclosure

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occurs, **CONTRACTOR** shall advise **COMMISSION** immediately.

CONTRACTOR shall require its agents, employees, subcontractors and any other parties to whom **CONTRACTOR** must reasonably disclose confidential information for the performance of the Contract to comply with the confidentiality provisions of this Agreement.

All information, data, technology, inventions (whether patentable or unpatentable) and copyrightable works resulting solely from the services hereunder shall be the sole and exclusive property of **COMMISSION**.

OWNERSHIP OF DOCUMENTS

All materials and work product resulting from **CONTRACTOR**'s efforts under this Agreement, including documents, calculations, maps, photographs, drawings, computer printouts, notes, samples, specimens and any other pertinent data shall be owned by **COMMISSION**.

LAWS AND REGULATION

The laws of the State of California shall govern this agreement. In the performance of the work, parties agree they will comply with all laws, ordinances, rules and regulations of any government or administrative agency, which affect performance of the work.

DISPUTES

The parties shall make a good-faith effort to settle any dispute or claim arising under this agreement. If the parties fail to resolve such disputes or claims, they shall submit them to binding arbitration with a mutually agreed upon third party arbitrator. If the parties cannot agree on applicable rules for the arbitration, the arbitrator shall have the power to decide all procedural as well as substantive issues. If the parties cannot agree on the selection of an arbitrator, the parties shall request the Humboldt County, California Superior Court judge with primary responsibility for handling civil cases, or the presiding judge of that Court, to appoint an arbitrator. Unless agreed upon by the parties in writing, all arbitration proceedings shall be conducted in Humboldt County, California. Any court with appropriate jurisdiction may enter judgment on arbitration awards.

Should any dispute arise between the parties concerning the terms, interpretation effect or operation of this agreement, and should such dispute result in litigation or arbitration between the parties, or any of them, the prevailing party in such litigation or arbitration shall be entitled to recover from the unsuccessful party(ies) any and all attorneys' fees, disbursements and costs incurred by the prevailing party in such litigation or arbitration.

If any terms, covenant or condition of this agreement is held by an arbitrator or court of competent jurisdiction to be invalid, void or unenforceable, the rest of the agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, unless such enforcement shall frustrate the purpose of this agreement. Any legal action not otherwise within

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the arbitration requirements of this Contract shall be brought solely in the Superior Court of the State of California, County of Humboldt.

ENTIRE AGREEMENT

This Agreement constitutes the complete and final expression of the Agreement of parties and is intended as a complete and exclusive statement of the terms of their agreements and supersedes all prior and contemporaneous offers, promises, representations, negotiations, discussions, communications, and agreements which may have been made in connection with this contract for services. Any amendment, addition, revision or modification to this Contract must be in writing and signed by **COMMISSION** and **CONTRACTOR**.

SIGNATURE CLAUSE

The following signers represent that they are authorized to enter into this Agreement on behalf of the party for whom they sign.

Gregg Foster, Executive Director
Redwood Region Economic Development
Commission

Contractor

Date

Date

Tax ID