



REPORT TO THE CITY COUNCIL

AGENDA ITEM NO.	2B
COUNCIL MEETING	03/21/13
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

March 21, 2013

FROM: KEVIN R. MEIKLE
Interim Director of Aviation

SUBJECT: ADOPT A CEQA FINDING OF CATEGORICAL EXEMPTION, APPROVE A SOLE SOURCE RESOLUTION AND AUTHORIZE CONTRACTS WITH AIR-TRANSPORT IT SERVICES, INC. TO PROVIDE COMMON USE AIRLINE PASSENGER PROCESSING SOFTWARE AND EQUIPMENT AT THE TERMINAL GATES, AND MAINTENANCE AND TECHNICAL SUPPORT FOR ALL COMMON USE FACILITIES AT FRESNO YOSEMITE INTERNATIONAL AIRPORT.

1. ADOPT CEQA CATEGORICAL EXEMPTION PURSUANT TO GUIDELINES SECTION 15301 (EXISTING FACILITIES) TO AUTHORIZE CONTRACTS WITH AIR-TRANSPORT IT SERVICES, INC. TO PROVIDE COMMON USE AIRLINE PASSENGER PROCESSING SOFTWARE AND EQUIPMENT AT THE TERMINAL GATES, AND MAINTENANCE AND TECHNICAL SUPPORT FOR ALL COMMON USE FACILITIES AT FRESNO YOSEMITE INTERNATIONAL AIRPORT.
2. ADOPT A SOLE SOURCE RESOLUTION AUTHORIZING THE INTERIM DIRECTOR OF AVIATION OR DESIGNEE TO EXECUTE CONTRACTS WITH AIR-TRANSPORT IT SERVICES, INC TO EXTEND THE AIRLINE COMMON SYSTEM TO BOARDING GATES AND CONTINUE PROVIDING SUPPORT FOR ALL AIR-TRANSPORT IT SERVICES, INC AT FRESNO YOSEMITE INTERNATIONAL AIRPORT.
3. AUTHORIZE THE INTERIM DIRECTOR OF AVIATION TO EXECUTE A CONTRACT BETWEEN THE CITY OF FRESNO AND AIR-TRANSPORT IT SERVICES, INC. TO PROVIDE COMMON USE AIRLINE PASSENGER PROCESSING SOFTWARE AND EQUIPMENT AT THE TERMINAL GATES IN THE AMOUNT OF \$401,851.
4. AUTHORIZE THE INTERIM DIRECTOR OF AVIATION TO EXECUTE A FIVE-YEAR CONTRACT BETWEEN THE CITY OF FRESNO AND AIR-TRANSPORT IT SERVICES, INC. TO PROVIDE MAINTENANCE AND TECHNICAL SUPPORT FOR ALL EXISTING AND PROPOSED COMMON USE FACILITIES AT FRESNO YOSEMITE INTERNATIONAL AIRPORT IN THE AMOUNT OF \$1,916,575, TO BE PAID IN FIVE EQUAL ANNUAL INSTALLMENTS.

RECOMMENDATION

Adopt a CEQA finding of categorical exemption, approve a sole source resolution and authorize contracts with Air-Transport IT Services, Inc. (AirIT) to provide Common Use Airline Passenger Processing Software and Equipment (System) at the terminal gates, and Maintenance and Technical Support (Support) for all common use facilities at Fresno Yosemite International Airport (FYI).

1. Adopt CEQA Categorical Exemption pursuant to Guidelines Section 15301 (Existing Facilities) to authorize contracts with AirIT to provide Common Use Airline Passenger Processing Software and Equipment at the terminal gates, and Maintenance and Technical Support for all common use facilities at FYI.
2. Adopt a Sole Source Resolution authorizing the Interim Director of Aviation or designee to execute contracts with AirIT to extend the airline common system to boarding gates and continue providing support for all AirIT systems at FYI.
3. Authorize the Interim Director of Aviation to execute a contract between the City of Fresno and AirIT, to provide Common Use Airline Passenger Processing Software and Equipment at the terminal gates in the amount of \$401,851.
4. Authorize the Interim Director of Aviation to execute a five-year contract between the City of Fresno and AirIT to provide Maintenance and Technical Support for all existing and proposed common use facilities at FYI in the amount of \$1,916,575, to be paid in five equal annual installments.

EXECUTIVE SUMMARY

FYI currently has nine (9) airlines operating at seven (7) passenger boarding gates. On May 17, 2013 Frontier Airlines will be the tenth airline operating out of FYI. With the increased frequency of flights from existing airlines and with the addition of Frontier, improving our ability to maximize gate utilization has become a necessity. The AirIT platform for airline common use operations has proven itself at FYI and at many other airports as well. This technology avoids costly, disruptive, and time consuming expansion of existing facilities. The AirIT common use system was first installed at the passenger check-in/ticketing counters in 2008 and has proven to be an invaluable operational tool for both the airport and the airlines. Extending the System to the boarding gates will, (i) allow all airlines to operate without scheduling conflicts, (ii) better accommodate off-schedule flights, (iii) maximize gate utilization efficiency, and, (iv) avoid costly facility expansion in the foreseeable future.

In April 2008 Council also authorized a contract for supporting the common use airline passenger check-in equipment and systems at the check-in/ticket counters, and flight information display systems (FIDS). The existing support contract expires on May 31, 2013. The five-year Support contract will incorporate all new and existing AirIT systems, which includes operations at the check-in/ticketing counters, FIDS, and gates.

BACKGROUND

The AirIT System at FYI has been instrumental in accommodating the growth of airline service without having to physically expand the facility. This has resulted in new efficiencies by enabling airlines to operate out of vacant counters, which is essential during peak processing times, and/or accommodating additional flights. This capability has the direct effect of expanding the capacity of the facility by making it more efficient and sustainable, instead of investing in capital infrastructure and physical facility expansion at a much greater and long-term cost. The AirIT System also allows new airlines to begin operations at FYI without costly and time consuming infrastructure changes. This System has proven invaluable when Volaris and Aeromexico started service in 2011 and is playing an important role in the Frontier Airlines start-up process.

Expanding the System is the next logical step as this capability does not yet exist at the gates. With the growth in flights and airlines that FYI is experiencing, it is becoming more challenging to find available space to

expand when airline computer systems are fixed at their gates. This is due in part because the airlines are currently using their own proprietary fixed-in-place equipment at the gates. The AirIT System will eliminate the need for proprietary equipment and will allow an airline to operate at any available gate as scheduled and off-schedule flights dictate. The AirIT backbone (head end computer equipment) installed in 2008 was designed to accommodate this planned expansion.

All FYI airlines have been consulted and this proposal has received their full and enthusiastic support. With Council's approval of these contracts, extending common use capabilities to the gates will begin in May and all gates will be on line by June 2013. This System will enable FYI, (i) to maximize the utilization of our scarce gates, (ii) to help avoid airline delays and passenger inconvenience, (iii) avoid or delay the need for large scale capital expansion of the facility, and (iv) is consistent with FYI's ongoing sustainability efforts.

Both contracts are consistent with the previously executed AirIT contracts. The City Attorney's Office and the Risk Management Division have reviewed the draft contracts and no material changes are anticipated. Prior to execution, the final contracts will be reviewed and approved as to form by the City Attorney's office, and the insurance and indemnity provisions will be reviewed and approved by the City of Fresno Risk Management Division.

AirIT is the only company that provides a common use system whereby the airlines can operate in their native Departure Control System (DCS) environment. This type of system is not available from any other vendor. Without this capability, airlines would need to revert back to using their proprietary systems, which is no longer possible or desirable because FYI does not have sufficient counter or gate space to accommodate all flights and airlines without making a significant and expensive expansion to the terminal facility. There are other forms of common use systems but they do not allow the airlines to operate from their native DCS environment. These other systems are specifically designed for use primarily at large international terminals where hundreds of flights occur per week and airlines interface with multiple foreign destinations.

Due to the specialized nature of this common use platform, Council authorized the Airports Department (Department) to negotiate the current contracts which included System licensing, hardware, software, and support thereof (for check-in/ticketing counters and FIDS) directly with AirIT in February 2008. This occurred after the Department had performed an extensive solicitation and search process and AirIT was the only company that was (and still is) able to provide a common use system of this type. In April 2008 Council approved the initial AirIT contracts. At that time the Department considered including the gates but it was decided to move forward with implementing common use at the check-in counters first as this was the most critical need at the time.

Future Council actions related to the airlines will include an update to their Airline Operating Agreements (AOA) as they relate to common use of both ticket counters and gates. However, updating the AOA's is not necessary at this time to implement the expansion of the AirIT System to the gates.

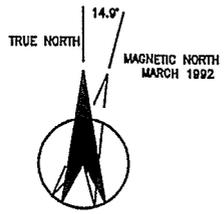
CEQA FINDING

Staff has performed a preliminary environmental assessment of this project and has determined that it falls within the Categorical Exemption set forth in CEQA Guideline Section, 15301, Existing Facilities, which exempts, the operation, repair, maintenance, leasing, licensing or minor alteration of existing structures involving little or no expansion of existing use. The Project is to install computer and printing equipment, and software programming related to extending and supporting an existing airline common use system at Fresno Yosemite International Airport. Furthermore, Staff has determined that none of the exceptions to Categorical Exemptions set forth in the CEQA Guidelines, Section 15300.2 apply to this project.

FISCAL IMPACT

Funding for the AirIT System expansion to the gates (\$361,161) and the first year of the new Support contract (\$401,851) are included in the Airports Department FY13 Adopted budget. Support contract funding for subsequent years will be budgeting in future fiscal year budgets. There is no impact to the General Fund from this action.

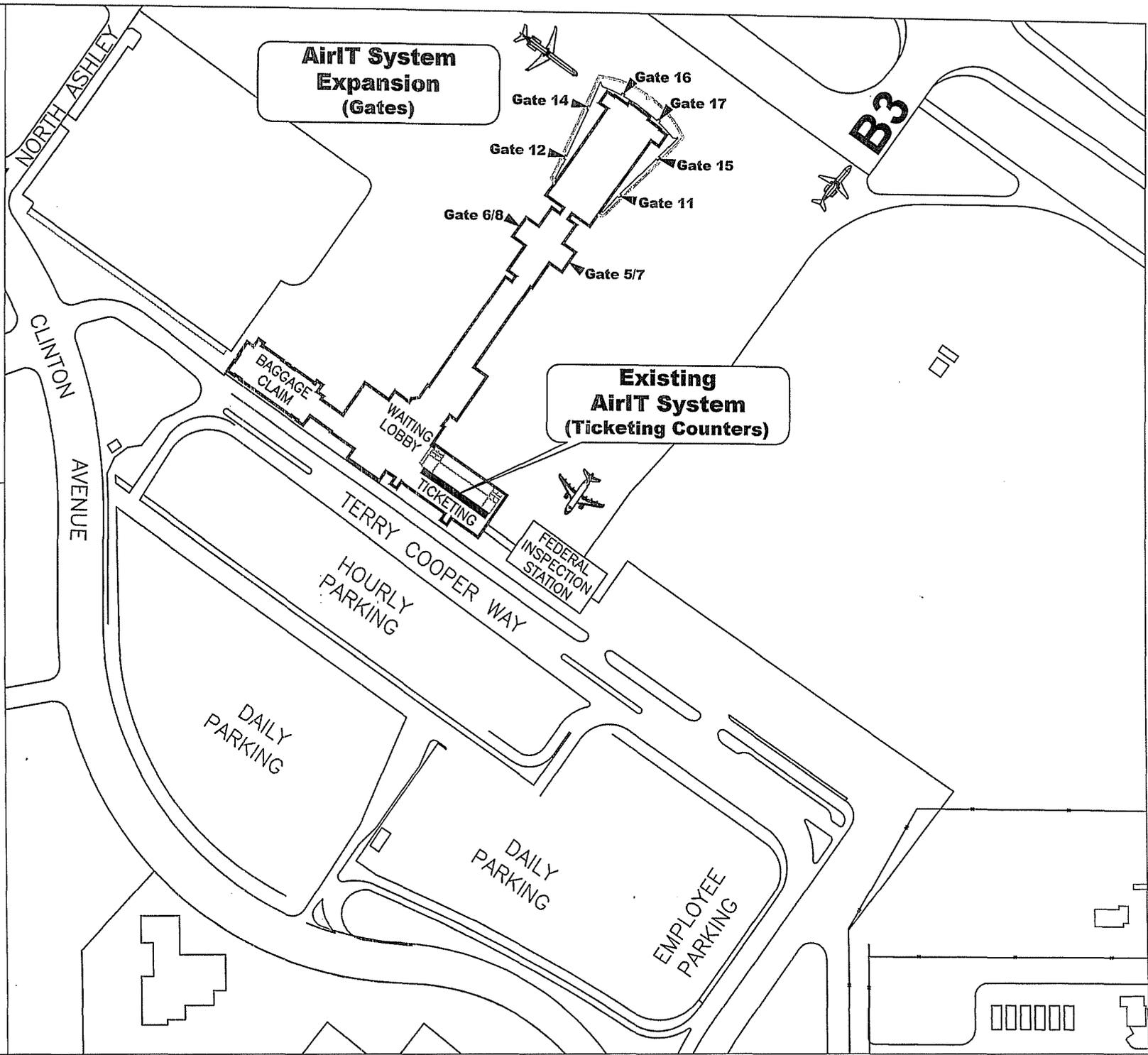
Attachments: Site Plan
Draft AirIT Gate Contract
Draft AirIT Support Contract
AirIT Sole Source Resolution



AirIT Service Expansion



FRESNO YOSEMITE
INTERNATIONAL AIRPORT



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**IMPLEMENTATION AND SERVICES AGREEMENT FOR COMMON USE - EXTENDED AIRLINE SYSTEM ENVIRONMENT
(EASE) and EASE-FX FIDS DISPLAYS FOR GATE EXPANSION**

This Agreement is made as of _____, 2013 (the "Effective Date") by and between (i) the City of Fresno, California ("Fresno"), at and for the Fresno Yosemite International Airport ("FYI"), and (ii) Air-Transport IT Services, Inc., with offices at 5950 Hazeltine National Drive., Suite 210, Orlando, Florida 32822 ("AirIT").

RECITALS

AirIT desires to perform, and FYI desires to have AirIT perform Extended Airline System Environment ("EASE") and EASE-FX hardware and software implementation services as an independent contractor to Fresno at and for FYI.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Services

1.1 Performance. AirIT shall perform the EASE implementation services (the "Services") described in detail on Exhibit A to this Agreement (the "Project Description").

1.2 Payment. As compensation for the performance of the Services, FYI will pay AirIT a lump sum price of **\$401,851.00 US** at the time of issuance of Notice To Proceed ("NTP") for the deliverables stated in the Project Description. FYI will pay each such invoice no later than thirty (30) days, pursuant to Florida law, after its receipt. AirIT's charges include state sales tax but are exclusive of federal, municipal or other governmental excise, sales, value-added, use, personal property and occupational taxes, excises, withholding obligations and other levies, and the amount of all payments due hereunder is subject to an increase equal to the amount of any tax AirIT may be required to collect or pay in connection with the Services other than any tax on the net income of AirIT.

2. Relationship of Parties

AirIT is an independent contractor and is not an agent or employee of, and has no authority to bind, FYI by contract or otherwise. AirIT will perform the Services under the general direction of FYI, but AirIT will determine, in AirIT's sole discretion, the manner and means by which the Services are accomplished, subject to the requirement that AirIT shall at all times comply with applicable law. AirIT will report as income all compensation received by AirIT pursuant to this Agreement.

3. Confidential Information

In connection with this Agreement, Fresno, FYI and its employees and agents may have access to private and confidential information owned or controlled by AirIT relating to equipment, apparatus, programs, software, specifications, drawings, pricing and other data. Similarly, AirIT and its employees and agents may have access to private and confidential information owned or controlled by FYI relating to FYI's operations and its proprietary computer software. All such information acquired by either party under this Agreement through its employees or agents shall be and remain its owner's exclusive property, and the receiving party shall keep, and shall obligate its employees and agents to keep, any and all such information confidential and, subject to California statutes, shall not copy or disclose it to others without the owner's prior written approval, and shall return all tangible copies of such information to the owner promptly upon request. Nothing herein shall limit either party's use or dissemination of information not actually derived from the other party or information which has been or subsequently is made public by the owner or with the owner's consent.

Notwithstanding anything to the contrary herein, or in any exhibit, schedule, attachment, purchase order or any other agreement between the parties to the contrary, the parties agree that AirIT acknowledges that Fresno is subject to California statutes known as the "California Public Records Act" and that this Agreement and documents related thereto shall be a public record as defined therein. Any specific information that AirIT claims to be confidential ("Confidential Information") must be clearly identified as such by AirIT. To the extent consistent with California Law, Fresno shall maintain the confidentiality of all such information marked by AirIT as confidential. If a request is made to view such Confidential Information, Fresno will notify AirIT of such request and the date that such records relating to the Confidential Information will be released to the requester unless AirIT obtains a court order enjoining such disclosure. If AirIT fails to obtain that court order enjoining disclosure, Fresno will release the requested information on the date specified. Such release of any Confidential Information shall be deemed to be made with AirIT's consent and will not be deemed to be a violation of law or this Agreement.

4. Termination and Expiration

4.1 Breach. Either party may terminate this Agreement in the event of a breach by the other party of this Agreement if such breach continues uncured for a period of ten (10) days after written notice. In the event this Agreement is terminated by FYI due to a breach of this Agreement by AirIT, FYI shall pay AirIT all amounts due and owing up until the date of such breach.

4.2 Termination for Convenience. FYI may terminate this Agreement, with or without cause, by giving not less than thirty (30) days prior written notice to the other party to this Agreement. FYI shall pay AirIT all amounts due and owing up until the date of Termination.

4.3 Expiration. Unless terminated earlier, this Agreement will expire five (5) years from system acceptance but no later than December 31, 2018.

4.4 System Acceptance. Acceptance is defined as the "Go-Live" date and the airport operating and realizing beneficial use of the EASE and EASE-FX system. Upon acceptance of the system, the Warranty and Support period begins.

4.5 Effect of Termination. Upon the expiration or termination of this Agreement for any reason, each party will be released from all obligations to the other arising after the date of expiration or notice of termination, except that expiration or termination of this Agreement will not relieve either party of its rights or obligations under Sections 1.2, 3, 5, and 6, nor will expiration or termination relieve either party of any liability arising from any breach of this Agreement.

4.6 Non-Appropriation of Funds. Notwithstanding anything herein to the contrary, the obligations of FYI under this Agreement are subject to the availability of funds lawfully appropriated annually for its purposes and in the event funds are not available, this Agreement may be canceled without penalty by FYI by giving written notice of such cancellation to AirIT. Such cancellation of the Agreement will not be deemed to be a breach or default of this Agreement by Fresno or FYI.

5. Limitation of Liability

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR LOSS OF PROFITS OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCURRED BY THE OTHER PARTY AND ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. THE TOTAL LIABILITY OF AirIT TO FRESNO UNDER THIS AGREEMENT, WHETHER ARISING OUT OF BREACH OF CONTRACT (INCLUDING BUT NOT LIMITED TO BREACH OF WARRANTY) OR TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY), SHALL IN NO EVENT EXCEED THE TOTAL AMOUNT ACTUALLY PAID TO AirIT BY FRESNO UNDER THIS AGREEMENT.

6. General

6.1 Governing Law; Severability. This Agreement will be governed by and construed in accordance with the laws of the State of California excluding that body of law pertaining to conflict of laws. If any provision of this Agreement is for any reason found to be unenforceable, the remainder of this Agreement will continue in full force and effect. Venue for litigation of this Agreement shall be in courts of competent jurisdiction located in Fresno County, California.

6.2 Notices. Any notices under this Agreement will be sent by certified or registered mail, return receipt requested, or be recognized express courier to the address specified below or such other address as the party specifies in writing. Such notices will be effective upon receipt as documented by the delivery medium.

6.6 Complete Understanding; Modification. This Agreement, together with Exhibit A, constitutes the complete and exclusive understanding and agreement of the parties and supersedes all prior understandings and agreements, whether written or oral, with respect to the subject matter hereof. Any waiver, modification or amendment of any provision of this Agreement will be effective only if in writing and signed by the parties hereto.

6.7 Personnel. AirIT shall, in its operation at FYI or any Fresno facility under this Agreement, employ or permit the employment of only such personnel as will assure a high standard of service to the public. In the event AirIT's employees, agents, officers directors, or any other personnel are required to conduct any of the duties or obligations of AirIT as set forth herein at FYI or any other Fresno facility, all such personnel, while at FYI or Fresno facilities, shall be clean, neat in appearance, (with appropriate identification badge displaying no less than AirIT and

employee name), and courteous at all times. All AirIT personnel that enter FYI or any Fresno facility shall do so only in accordance with FYI's rules and regulations, and shall be covered under the AIRIT's insurance policies.

7. **Ownership of Documents.** AirIT agrees that upon completion of the Services, ownership of deliverables, including copies of documents used in implementation, is as set forth in the License and Warranty Agreement.

8. **Indemnification**

8.1 General Indemnity. AirIT including its employees, agents and subconsultants, shall hold harmless, indemnify, and defend Fresno and FYI, its directors, officers, employees, representatives, and agents against any claim, action, loss, damage, injury, liability, cost and expense, of whatsoever kind or nature (including, but not by way of limitation, attorney's fees and court costs) arising out of injury (whether mental or corporeal) to persons, including death, or damage to property, arising out of or incidental to AirIT's, its employees', agents', and/or subconsultants' performance of this Agreement or work performed thereunder. This indemnification is separate and apart from, and in no way limited by, any insurance provided pursuant to this Agreement or otherwise and shall survive any termination of this Agreement.

8.2 Intellectual Property Indemnity. AirIT will, at its expense, indemnify, defend and hold harmless all claims, actions or proceedings against Fresno and FYI, its directors, officers, members, employees, representatives and agents, based on any allegation that the Services, any product or deliverable generated by the Services, or any part of the Services, constitutes an infringement of any copyright, patent, trade secret or any other intellectual property right, and will pay all costs (including, but not limited to attorney's fees and court costs), damages, charges, and expenses charged to FYI by reason thereof. FYI will give AirIT written notice of any such claim, action or proceeding and, at the request and expense of AirIT, FYI will provide AirIT with available information, assistance and authority for the defense. This indemnification is separate and apart from, and in no way limited by, any insurance provided pursuant to this Agreement or otherwise and shall survive any termination of this Agreement. If in any suit or proceeding, the Services, or any product or deliverable generated by the Services, is held to constitute an infringement and its use is permanently enjoined, AirIT shall, immediately, make every reasonable effort to secure for FYI a license, authorizing the continued use of the Service, product or deliverable. If AirIT fails to secure such a license for FYI, then AirIT shall replace the Service, product or deliverable with a non-infringing Service, product or deliverable or modify such Service, product or deliverable in a way satisfactory to FYI, so that the Service, product or deliverable is non-infringing.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the Effective Date.

AIR-TRANSPORT IT SERVICES, INC.

FRESNO YOSEMITE INTERNATIONAL AIRPORT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

Project Description

This Project Description is issued under and subject to all of the terms and conditions of the Implementation and Services Agreement dated as of _____, 2013 by and between the Fresno Yosemite International Airport and AirIT.

1. Overview

AirIT shall provide and implement AirIT's proprietary Extended Airline System Environment (EASE) and EASE-FX hardware and software for the City of Fresno, California ("Fresno"), at the Gates at the Fresno Yosemite International Airport ("FYI") and shall grant FYI a license to use the EASE and EASE-FX Software in accordance with the License and Warranty set forth in Attachment 1 hereto.

Fresno Yosemite International Airport Extended Airline System Environment (EASE) and EASE-FX Implementation Scope of Services

This document describes the requirements, assumptions, methodology, and fees to implement the EASE and EASE-FX systems for the Fresno Yosemite International Airport (FYI). The AirIT software modules to be implemented are the Extended Airline System Environment (EASE) and EASE-FX software applications.

Both the AirIT EASE and EASE-FX are "Commercial Off-the-shelf" (COTS) software products that are standard at each AirIT client site for the release version. The implementation effort focuses on configuring the standard "COTS" software to meet FAT's unique needs and requirements.

Statement of Work

AirIT will design, furnish, install and support EASE and EASE-FX system that will be installed at FYI in Fresno, California. AirIT will provide the necessary software and hardware to implement these systems as defined in Exhibit A.

The System will include the following components:

- A. EASE Software
- B. EASE-FX Software

System Requirements

This section specifies the deliverables for the EASE and EASE-FX system and related sub-systems.

- A. EASE and EASE-FX Primary and Standby Servers, server software, Rack and UPS
- B. Network Switches and network software
- C. FIDS LCD Displays (mounting devices)
- D. Media Players
- E. Professional Services, ie. Project Management, Engineering, installation and implementation, documentation and training.
- F. Hardware and Software Warranty for five (5) years. (Software Warranty included in Support and Maintenance Agreement)

General Description

- A. This contract shall provide an EASE head-end computer equipment, video display controllers, and other devices as necessary as specified herein. AirIT will coordinate with other contractors or airlines as required for a complete installation. EASE data will be routed over existing fiber optic and copper cabling provided by FYI or its contractor(s).
- B. AirIT shall be responsible for developing information display screens. Data shall be formatted to display text and or graphics as specified herein or directed by FYI.
- C. The system shall include equipment and appurtenances necessary for fully functional systems.
- D. The Contractor shall also supply all patch cabling, connectors, adapters, and termination equipment necessary to interconnect all system equipment including equipment located in the designated locations.
- E. AirIT will provide all the necessary Project Management and installation labor and services to make the system fully operational.
- F. AirIT will provide the following training services:
 - a. Operator (End User) Training
 - b. System Administration and Maintenance Training
- G. AirIT will provide a Five (5) year Software Warranty and the Manufacturers warranty on the equipment provided under the FYI Support and Maintenance contract.

Project Fees

The fixed price for the software and implementation services described in this scope of services is **\$401,851.00 US**. Payment of implementation fees shall be payable within 30 days of receipt of invoice by FYI.

Assumptions

The following assumptions were used in the development of the Scope of Services and Fees for this project.

- 1) The system will be based on Commercial Off-The-Shelf (COTS) software. AirIT will configure the System to meet the functional requirements of FYI.
- 2) Each deliverable and/or project status report will require an acceptance and sign-off to indicate the completion of the process or task. Project completion may be signified when all of the deliverables in the contract are signed-off and accepted.
- 3) In the interest of maintaining the project schedule, FYI will make a "Best Effort" to review, comment and sign off on deliverables and progress/status reports within three business days. Deliverables not returned with comments or rejected within five (5) business days are assumed to be acceptable. Delays caused by non-timely reviews will be managed through the scope change process.
- 4) All scope changes must have Scope Change documentation and approval by FYI and AirIT executive management before being implemented.
- 5) Members of the AirIT-FYI team will be available in accordance with the project work plan. If the unavailability of FYI staff causes delays in meeting scheduled task deliverables, FYI and AirIT agree to adjust the work plan accordingly. Such delays will be managed through the scope change process.
- 6) All project training will be held on-site at FYI facilities.

- 7) FYI will provide office space and support facilities, communications and infrastructure dedicated to the project team, including:
 - Project Office Space
 - High-Speed Internet access
 - Telephone & Service
 - Access to FAX Machine
 - Access to Photocopier
 - Secure storage and staging facilities
 - All badging to access post-security AOA work areas
- 8) FYI will assign a project manager to facilitate the project, expedite project decisions, provide access to key personnel as required, and ensure management commitment to the implementation.
- 9) AirIT will honor all holidays honored by AirIT or FYI.
- 10) AirIT is not responsible for providing or modifying millwork, cabinetry, or construction services.
- 11) AirIT is not responsible for any electrical work or network cabling.

Detailed Project Cost / Bill of Material

ITEM	DESCRIPTION	QTY	UNIT	UNIT SELL PRICE	TAX %	TAX\$	TOTAL UNIT SELL PRICE	TOTAL EXTENDED SELL PRICE
	HEAD-END							
1	Dell PowerEdge R410 Server	2	EA	3,823	8.23%	314	4,137	8,274
	NETWORK							
2	Cisco Catalyst 3750G-12S Switch	1	EA	7,800	8.23%	642	8,442	8,442
	Cisco Catalyst 3750G Smartnet	1	EA	1,321	8.23%	109	1,430	1,430
	Proline Cisco GLC SX-MM 1000Base-SX SFP Module	20	EA	150	8.23%	12	162	3,240
	Cisco Catalyst 2960 -24 Port Switch	8	EA	3,125	8.23%	257	3,382	27,056
	Cisco Catalyst 2960 Smart Net	8	EA	236	8.23%	19	255	2,040
	EASE HARDWARE							
3	Dell OptiPlex 980 (3gHZ/4GB- RAM/300GB-HD/Dual NICs/4 Port Serial Card/XP Professional/VMWorkstation)	26	EA	1,750	8.23%	144	1,894	49,244
4	Access ATB 421 MDO Integrated MS/OCR Keyboard	20	EA	850	8.23%	70	920	18,400
5	Viditronix MAP Combo Printer (w/ burster & 3-bin stock cabinet)	10	EA	3,233	8.23%	266	3,499	34,990
6	Epson FX-890A Dot Matrix Printer	10	EA	638	8.23%	52	690	6,900
7	Access 1D-2D Bar Code Boarding Gate Reader	8	EA	1,500	8.23%	123	1,623	12,984
8	Cisco 7940 VOIP Phone Set	8	EA	599	8.23%	49	648	5,184
	SPARE HARDWARE							
9	Dell OptiPlex 980 (3gHZ/4GB- RAM/300GB-HD/Dual NICs/4	1	EA	1,750	8.23%	144	1,894	1,894

ITEM	DESCRIPTION	QTY	UNIT	UNIT SELL PRICE	TAX %	TAX\$	TOTAL UNIT SELL PRICE	TOTAL EXTENDED SELL PRICE
EASE-FX -- GIDS / VIDEO WALL								
Display Device								
32	LG 47" LCD - 47VS10MS-B	12	EA	1,288	8.23%	106	1,394	16,728
32	LG 47WN30BR-B-47 LCD Display (Video Wall)	6	EA	2,561	8.23%	211	2,772	16,632
Media Player								
33	Dell OptiPlex 980 (3gHZ/4GB- RAM/300GB-HD/Dual NICs/4 Port Serial Card/XP Professional/VMWorkstation)	12	EA	1,750	8.23%	144	1,894	22,728
33	Video PC for Video Wall	1	EA	798	8.23%	66	864	864
Mounting Bracket								
34	Lucasey LCD Wall Mounting Hardware	12	EA	100	8.23%	8	108	1,296
34	LG Display Mounting Hardware for Thin Line Bezel LCD	6	EA	186	8.23%	15	201	1,206
Project Management								
35	AirIT Project Management & Services	2	DAY	1,400	0.00%	-	1,400	2,800
36	System Engineer - Configuration Services - Training	3	DAY	800	0.00%	-	800	2,400
37	Installation Labor Per EASE Station - Initial Deployment	12	EA	800	0.00%	-	800	9,600
38	Travel Expense	5	DAY	600	0.00%	-	600	3,000
							GIDS TOTAL	\$ 77,254.00
PRICING SUMMARY								
EASE IMPLEMENTATION								\$ 227,795.00
EASE & GIDS HARDWARE SUPPORT (5 YEAR WARRANTY)								\$ 96,802.00
EASE-FX/GIDS/VIDEO WALL								\$ 77,254.00
TOTAL								\$ 401,851.00

AIR-TRANSPORT IT SERVICES, INC. ON-SITE MANAGER AND 24/7 HELPDESK "SUPPORT" AGREEMENT

This Agreement is made as of _____ (the "Effective Date") by and between the City of Fresno, California, a Municipal Corporation ("Fresno"), and Air-Transport IT Services, Inc., a Delaware corporation ("AirIT").

RECITALS

WHEREAS AirIT desires to perform, and Fresno desires to have AirIT perform, Support services (the "Services") as an independent contractor to Fresno at and for Fresno Yosemite International Airport ("FYI"),

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements hereinafter contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Services

1.1 **Performance.** AirIT shall perform the Services, which are described in detail on Exhibit A to this Agreement (the "Project Description"). AirIT further agrees to cooperate in all respects with Fresno's General Contractor in connection therewith.

1.2 **Payment.** As compensation for the performance of the Services, Fresno will pay AirIT a total fee not to exceed **\$1,916,575.00 US in five (5) installments** as provided in accordance with Exhibit A. Installment payments will be made annually, in advance, by Fresno for a period of five (5) years commencing upon the anniversary date. Fresno will pay each such invoice upon receipt. AirIT's charges are inclusive of state sales tax but exclusive of federal, state, municipal or other governmental excise, sales, value-added, use, personal property and occupational taxes, excises, withholding obligations and other levies, and the amount of all payments due hereunder is subject to an increase equal to the amount of any tax AirIT may be required to collect or pay in connection with the Services other than any tax on the net income of AirIT.

2. Relationship of Parties

AirIT is an independent contractor and is not an agent or employee of, and has no authority to bind Fresno and/or FYI by contract or otherwise. AirIT will perform the Services under the general direction of FYI, but AirIT will determine, in AirIT's sole discretion, the manner and means by which the Services are accomplished, subject to the requirement that AirIT shall at all times comply with applicable law. AirIT will report as income all compensation received by AirIT pursuant to this Agreement.

3. Confidential Information

In connection with this Agreement, Fresno, FYI and its employees and agents may have access to private and confidential information owned or controlled by AirIT relating to equipment, apparatus, programs, software, specifications, drawings, pricing and other data. Similarly, AirIT and its employees and agents may have access to private and confidential information owned or controlled by FYI relating to FYI's operations and its proprietary computer software. All such information acquired by either party under this Agreement through its employees or agents shall be and remain its owner's exclusive property, and the receiving party shall keep, and shall obligate its employees and agents to keep, any and all such information confidential and, subject to California statutes, shall not copy or disclose it to others without the owner's prior written approval, and shall return all tangible copies of such information to the owner promptly upon request. Nothing herein shall limit either party's use or dissemination of information not actually derived from the other party or information which has been or subsequently is made public by the owner or with the owner's consent.

Notwithstanding anything to the contrary herein, or in any exhibit, schedule, attachment, purchase order or any other agreement between the parties to the contrary, the parties agree that AirIT acknowledges that Fresno is subject to California statutes known as the "California Public Records Act" and that this Agreement and documents related thereto shall be a public record as defined therein. Any specific information that AirIT claims to be confidential ("Confidential Information") must be clearly identified as such by AirIT. To the extent consistent with California Law, Fresno shall maintain the confidentiality of all such information marked by AirIT as confidential. If a request is made to view such Confidential Information, Fresno will notify AirIT of such request and the date that such

records relating to the Confidential Information will be released to the requester unless AirIT obtains a court order enjoining such disclosure. If AirIT fails to obtain that court order enjoining disclosure, Fresno will release the requested information on the date specified. Such release of any Confidential Information shall be deemed to be made with AirIT's consent and will not be deemed to be a violation of law or this Agreement.

4. Termination and Expiration

4.1 Breach. Either party may terminate this Agreement in the event of a breach by the other party of this Agreement if such breach continues uncured for a period of ten (10) days after written notice. In the event this Agreement is terminated by Fresno due to a breach of this Agreement by AirIT, Fresno shall pay AirIT all amounts due and owing up until the date of such breach.

4.2 Termination for Convenience. Fresno may terminate this Agreement, with or without cause, by giving not less than thirty (30) days prior written notice to the other party to this Agreement.

4.3 Expiration. Unless terminated earlier, this Agreement will expire on May 31, 2018.

4.4 Effect of Termination. Upon the expiration or termination of this Agreement for any reason, each party will be released from all obligations to the other arising after the date of expiration or notice of termination, except that expiration or termination of this Agreement will not relieve either party of its rights or obligations under Sections 1.2, 3, 5, 6, and 8, nor will expiration or termination relieve either party of any liability arising from any breach of this Agreement.

4.5 Non-Appropriation of Funds. Notwithstanding anything herein to the contrary, the obligations of Fresno under this Agreement are subject to the availability of funds lawfully appropriated annually for its purposes and in the event funds are not available, this Agreement may be canceled without penalty by Fresno by giving written notice of such cancellation to AirIT. Such cancellation of the Agreement will not be deemed to be a breach or default of this Agreement by Fresno or FYI.

5. Limitation of Liability

IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR LOSS OF PROFITS OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCURRED BY THE OTHER PARTY AND ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. THE TOTAL LIABILITY OF AirIT TO FRESNO UNDER THIS AGREEMENT, WHETHER ARISING OUT OF BREACH OF CONTRACT (INCLUDING BUT NOT LIMITED TO BREACH OF WARRANTY) OR TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY), SHALL IN NO EVENT EXCEED THE TOTAL AMOUNT ACTUALLY PAID TO AirIT BY FRESNO UNDER THIS AGREEMENT.

6. General

6.1 Governing Law; Severability. This Agreement will be governed by and construed in accordance with the laws of the State of California excluding that body of law pertaining to conflict of laws. If any provision of this Agreement is for any reason found to be unenforceable, the remainder of this Agreement will continue in full force and effect. Venue for litigation of this Agreement shall be in courts of competent jurisdiction located in Fresno County, California.

6.2 Notices. Any notices under this Agreement will be sent by certified or registered mail, return receipt requested, or by recognized express courier to the address specified below or such other address as the party specifies in writing. Such notices will be effective upon receipt as documented by the delivery medium.

6.3 Complete Understanding; Modification. This Agreement, together with Exhibit A and two other agreements of even date herewith constitute the complete and exclusive understanding and agreement of the parties and supersedes all prior understandings and agreements, whether written or oral, with respect to the subject matter hereof. Any waiver, modification or amendment of any provision of this Agreement will be effective only if in writing and signed by the parties hereto.

6.4 Personnel. AirIT shall, in its operation at FYI or any Fresno facility under this Agreement, employ or permit the employment of only such personnel as will assure a high standard of service to the public. In the event AirIT's employees, agents, officers directors, or any other personnel are required to conduct any of the duties or

obligations of AirIT as set forth herein at FYI or any other Fresno facility, all such personnel, while at FYI or Fresno facilities, shall be clean, neat in appearance, (with appropriate identification badge displaying no less than AirIT and employee name), and courteous at all times. All AirIT personnel that enter FYI or any Fresno facility shall do so only in accordance with FYI's rules and regulations, and shall be covered under the AIRIT's insurance policies.

7. Ownership of Documents. AirIT agrees that upon completion of the Services, ownership of deliverables, including copies of documents used in implementation, is as set forth in the License and Warranty Agreement, which is incorporated herein by reference.

8. Indemnification

8.1 General Indemnity. AirIT including its employees, agents and subconsultants, shall hold harmless, indemnify, and defend Fresno and FYI, its directors, officers, employees, representatives, and agents against any claim, action, loss, damage, injury, liability, cost and expense, of whatsoever kind or nature (including, but not by way of limitation, attorney's fees and court costs) arising out of or incidental to AirIT's, its employees', agents', and/or subconsultants' performance of this Agreement or work performed thereunder. This indemnification is separate and apart from, and in no way limited by, any insurance provided pursuant to this Agreement or otherwise and shall survive the expiration or any termination of this Agreement.

8.2 Intellectual Property Indemnity. AirIT will, at its expense, indemnify, defend and hold harmless all claims, actions or proceedings against Fresno and FYI, its directors, officers, members, employees, representatives and agents, based on any allegation that the Services, any product or deliverable generated by the Services, or any part of the Services, constitutes an infringement of any copyright, patent, trade secret or any other intellectual property right, and will pay all costs (including, but not limited to attorney's fees and court costs), damages, charges, and expenses charged to FYI by reason thereof. FYI will give AirIT written notice of any such claim, action or proceeding and, at the request and expense of AirIT, FYI will provide AirIT with available information, assistance and authority for the defense. This indemnification is separate and apart from, and in no way limited by, any insurance provided pursuant to this Agreement or otherwise and shall survive any termination of this Agreement. If in any suit or proceeding, the Services, or any product or deliverable generated by the Services, is held to constitute an infringement and its use is permanently enjoined, AirIT shall, immediately, make every reasonable effort to secure for FYI a license, authorizing the continued use of the Service, product or deliverable. If AirIT fails to secure such a license for FYI, then AirIT shall replace the Service, product or deliverable with a non-infringing Service, product or deliverable or modify such Service, product or deliverable in a way satisfactory to FYI, so that the Service, product or deliverable is non-infringing.

9. Miscellaneous

9.1 Nondiscrimination. To the extent required by controlling federal, state and local law, AirIT shall not employ discriminatory practices in the provision of services, employment of personnel, or in any other respect on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Subject to the foregoing and during the performance of this Agreement, AirIT agrees as follows:

(a) AirIT will comply with all applicable laws and regulations providing that no person shall, on the grounds of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement.

(b) AirIT will not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. AirIT shall ensure that applicants are employed, and the employees are treated during employment, without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Such requirement shall apply to AirIT's employment practices including, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. AIRIT agrees to post in conspicuous

places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause.

(c) AirlT will, in all solicitations or advertisements for employees placed by or on behalf of AirlT in pursuit hereof, state that all qualified applicants will receive consideration for employment without regard to race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era.

(d) AirlT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising such labor union or workers' representatives of AirlT'S commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

9.2 Binding. Once this Agreement is signed by all parties, it shall be binding upon, and shall inure to the benefit of, all parties, and each parties' respective heirs, successors, assigns, transferees, agents, servants, employees and representatives.

9.3 Assignment.

(a) This Agreement is personal to AirlT and there shall be no assignment by AirlT of its rights or obligations under this Agreement without the prior written approval of the City Manager or his/her designee. Any attempted assignment by AirlT, its successors or assigns, shall be null and void unless approved in writing by the City Manager or his/her designee.

(b) AirlT hereby agrees not to assign the payment of any monies due AirlT from Fresno under the terms of this Agreement to any other individual(s), corporation(s) or entity(ies). Fresno retains the right to pay any and all monies due AirlT directly to AirlT.

9.4 Compliance With Law. In providing the services required under this Agreement, AirlT shall at all times comply with all applicable laws of the United States, the State of California and City of Fresno, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement.

9.5 Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

9.6 Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify or add to the interpretation or meaning of the provisions of this Agreement.

9.7 Interpretation. The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but rather by construing the terms in accordance with their generally accepted meaning.

9.8 Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

9.9 Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, incorporated into and made a part of this Agreement.

9.10 Precedence of Documents. In the event of any conflict between the body of this Agreement and any Exhibit or Attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the Exhibit or Attachment. Furthermore, any terms or

conditions contained within any Exhibit or Attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, shall be null and void.

9.11 Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

9.12 No Third Party Beneficiaries. The rights, interests, duties and obligations defined within this Agreement are intended for the specific parties hereto as identified in the preamble of this Agreement. Notwithstanding anything stated to the contrary in this Agreement, it is not intended that any rights or interests in this Agreement benefit or flow to the interest of any third parties.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the Effective Date.

CITY OF FRESNO, CALIFORNIA
A Municipal Corporation

AIR-TRANSPORT IT SERVICES, INC.,
A Delaware Corporation

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ATTEST:

City Clerk

By: _____
Deputy

APPROVED AS TO FORM:

City Attorney

By: _____

CITY:

City of Fresno
Attention: _____
4995 E. Clinton Way
Fresno, Ca. 93727
Phone: (559) 621-4523
FAX: (559) 498-5549

CONTRACTOR:

Air-Transport IT
Attention: Chris Keller – President and COO
5950 Hazeltine National Dr., Suite 210
Orlando, Fl. 32822
Phone: (407) 370-4664
FAX: (407) 370-4657

Attachments:

- Exhibit A – Project description
- Exhibit B - Software Warranty and Support
- Exhibit C – AirIT Software License Agreement

EXHIBIT A

Project Description

1. Overview

AirIT shall provide Support Services for AirIT's proprietary Flight Information Display System (FIDS) Software and Extended Airline System Environment (EASE) System.

Fresno Yosemite International Airport Support Scope of Services

This document describes the requirements, assumptions, methodology, and fees to provide Support for the Fresno Yosemite International Airport (FYI).

General Description

AirIT Site Manager

AirIT shall include a Site Manager for both the FIDS and EASE (VoIP) implementation and support services.

The Site Manager will be responsible for providing on-site technical implementation and support for hardware and software which include the following:

- Assist with implementation of all FIDS and EASE hardware and software.
- Maintenance of all hardware includes preventive measures as well as replacement
- Provide hardware fixes and workarounds within the established SLA timeframes
- Management of onsite hardware inventory
- Software upgrades related to the replacement of hardware
- Setting/verification of IP addresses/computer names when necessary
- Maintaining appropriate software images in a test environment
- Tracking/maintaining site's open trouble tickets and closing issues with client upon resolution
- Utilization of web based support tool to resolve minor issues
- Escalation of software issues to Level 3 Support Engineers
- Provide weekly site report to management

Software Warranty Support

AirIT shall include software warranty and support for the following AirIT applications and 3rd party software. AirIT software warranty will be subject to the terms and conditions outlined in Exhibit B – Software Warranty and Support.

- a. Airport Operational Database (AODB) Software
- b. Flight Information Display System (FIDS) Software
- c. Extended Airline System Environment (EASE)
- d. 3rd party server operating system, database, network, VoIP and high availability software.

Hardware Warranty Support

AirIT shall include a hardware warranty and support for all the hardware associated with the EASE™ and FIDS installation.

Help Desk

AirIT will maintain a 24/7 Help Desk that will be responsible for handling recording the issue and escalating it to the appropriate party. (This level of support will be provided by AirIT personnel or the Airport's existing IT personnel.)

Project Fees

The fixed price for the support services described in this scope of services is \$ payments will be made annually, in advance, by FYI for a period of five (5) years.

Year 1	\$
Year 2	\$
Year 3	\$
Year 4	\$
Year 5	\$

Assumptions

The following assumptions were used in the development of the Scope of Services:

- 1) FYI will provide office space and support facilities, communication equipment, and a project team, including:
 - Project Office Space
 - High-Speed Internet access
 - Telephone & Service
 - Access to FAX Machine
 - Access to Photocopier
 - Secure storage and staging facilities
 - All badging to access post-security Airport Operating Area (AOPA)
- 2) FYI will assign a project manager to facilitate the project, expedite all requests for information, and ensure management commitment to the project.
- 3) AirIT will honor all holidays honored by AirIT or FYI.

Help Desk

AirIT will maintain a 24/7 Help Desk that will be responsible for handling the initial call from the customer and recording the issue and escalating it to the appropriate party. (This level may reside with the Airport's internal help desk or the Airport's existing IT personnel.)

Project Fees

The fixed price for the support services described in this scope of services is **\$ 1,916,575.00 US**. Distribution of payments will be made annually, in advance, by FYI for a period of five (5) years commencing upon June 1, 2013.

Year 1	\$ 383,295.00
Year 2	\$ 383,295.00
Year 3	\$ 383,295.00
Year 4	\$ 383,295.00
Year 5	\$ 383,295.00

Assumptions

The following assumptions were used in the development of the Scope of Services and Fees for this project.

- 1) FYI will provide office space and support facilities, communications and infrastructure dedicated to the project team, including:
 - Project Office Space
 - High-Speed Internet access
 - Telephone & Service
 - Access to FAX Machine
 - Access to Photocopier
 - Secure storage and staging facilities
 - All badging to access post-security Airport Operating Area (AOA) work areas
- 2) FYI will assign a project manager to facilitate the project, expedite project decisions, provide access to key personnel as required, and ensure management commitment to the implementation.
- 3) AirIT will honor all holidays honored by AirIT or FYI.

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RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF FRESNO, CALIFORNIA TO AUTHORIZE CONTRACTS WITH AIR-TRANSPORT IT SERVICES, INC. FOR EXPANSION OF THE COMMON USE AIRLINE SYSTEM TO PASSENGER BOARDING GATES, AND SUPPORT OF ALL EXISTING AND PROPOSED AIRIT SYSTEMS AT FRENZO YOSEMITE INTERNATIONAL AIRPORT (FYI) WITHOUT UTILILIZING COMPETITIVE BIDDING.

WHEREAS, the City of Fresno is in need of expanding the common use airline operating system for the airline check-in/ticketing function to include the passenger loading gates, and implementing a new five-year support contract for all existing and proposed AirIT systems at FYI; and

WHEREAS, AirIT is the only company that can provide a common use system whereby the airlines can operate in their native Departure Control System (DCS) environment; and

WHEREAS, no other company can provide a common use operating platform that allows airlines to operate in their native DCS environment, or provide an extension of the existing common use system, or provide support services; and

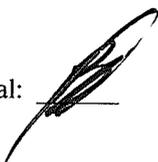
WHEREAS, an internal review by staff has determined that the AirIT meets all of the airport and airline requirements for providing a common use system at FYI; and

WHEREAS, FYI made a significant investment in the current AirIT common use system related to the airline check-in/ticketing function and if there were, a vendor found that could offer the common use system allowing the airlines to operate in their native DCS environment, FYI would need to make significant investments to replace the existing AirIT system purchased in 2008; and

WHEREAS, AirIT is willing to extend the current contract for Warranty support and maintenance for 5 years at the same price as the current contract; and

WHEREAS, the Charter Section 1208 requires advertised competitive bidding for equipment involving the expenditure of City monies in excess of \$123,000, unless Council determines the goods to be supplied can only be provided by one source and the purchase is authorized by resolution of the Council containing a declaration of the facts constituting the sole source; and

Date Adopted:
Date Approved:
Effective Date:
City Attorney Approval:



Resolution Authorizing AirIT Contracts
Airline Common sue at FYI
Resolution No. _____

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Fresno as follows:

- a. The Council has received and considered the report and recommendations of City staff.
- b. The unique features of the AirIT common use system is required for passenger boarding gates and check-in counters for continued efficient airline operations at FYI.
- c. AirIT is the only available company to provide a common use system whereby the airlines can operate in their native Departure Control System environment.
- d. It is proper to dispense with the competitive bidding requirement, execute a contract with AirIT to extend their common use system to the passenger loading gates and to provide on-going support of all existing and new systems at Fresno Yosemite International Airport.

The Director of Aviation or designee shall execute contracts with AirIT as the sole provider of common use technology for use at FYI.

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CLERK'S CERTIFICATE

STATE OF CALIFORNIA)
COUNTY OF FRESNO) ss.
CITY OF FRESNO)

I, YVONNE SPENCE, City Clerk of the City of Fresno, certify that the foregoing resolution was adopted by the Council of the City of Fresno, at a regular meeting held on the day of _____, 2013.

AYES :
NOES :
ABSENT :
ABSTAIN :

Mayor Approval: _____, 2013
Mayor Approval/No Return: _____, 2013
Mayor Veto: _____, 2013
Council Override Vote: _____, 2013

YVONNE SPENCE, CMC
City Clerk

By: _____
Deputy

APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE

By: _____
Robert C. Abrams Date
Deputy City Attorney

RA:elb [61011elb/rca] Reso

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