



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
12**

Meeting Date: **OCTOBER 7, 2010**

Subject:

Authorize the President/CEO to Execute a Second Amendment to the Agreement with Phoenix Marketing International

Recommendation:

Adopt Resolution No. 2010-0109, authorizing the President/CEO to execute a Second Amendment to the agreement with Phoenix Marketing International extending the term of the agreement by one year from April 1, 2011 to March 31, 2012, and increasing the amount payable by \$247,425, for a new amount payable of \$705,575 for the quarterly passenger satisfaction and baggage surveys, and annual tenant satisfaction survey.

Background/Justification:

The San Diego County Regional Airport Authority contracts with Phoenix Marketing International to obtain ongoing, objective measurements of passenger and tenant satisfaction levels at San Diego International Airport. The statistically valid survey data are used to identify actions the Authority may take to increase passenger and tenant satisfaction. Collection of satisfaction surveys and data analysis has been conducted at the Airport since 2004.

In 2007, after completing a request for proposals (RFP) process, the Airport Authority entered into an agreement with Phoenix Marketing International. The agreement began April 1, 2007, and expired March 31, 2010, with options for two (2) one-year extension periods, at the sole discretion of the Authority. The maximum amount payable under the agreement was \$416,500.

On April 28, 2010, a First Amendment to the agreement with Phoenix Marketing International was executed, extending the term of the agreement from April 1, 2007 and ending on March 31, 2011. In addition, the maximum amount payable under the agreement was increased to \$458,150. Due to the complex nature of the annual fee structure and miscalculations during drafting, the additional funds allowed by the First Amendment are insufficient to cover the Authority's customer satisfaction survey needs.

The agreement calls for completion of Passenger Satisfaction Surveys on a quarterly basis, a Baggage Delivery Survey conducted on a quarterly basis and an annual Tenant Satisfaction Survey. Fees for each survey incrementally increased over the first four

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years of the agreement. There is no increase in fees for the Passenger Satisfaction Survey and the Baggage Delivery Survey the last year of the agreement.

Tenant Survey fees increase the last two years of the agreement due to a significant change in the scope of the survey. The current annual Tenant Survey approach to data collection is not fully meeting the needs of the Authority. The Tenant Survey has been changed to an online version that will allow respondents to complete at their leisure 365 days a year, 24 hours a day rather than fewer opportunities during a given period of time once a year. Phoenix Marketing will create a custom URL for the online survey that may only be accessed with a unique link. Phoenix Marketing will provide a list of unique links that Authority employees may embed in invitations they send out to targeted survey respondents after a recent interaction.

Following is a table of compensation for each survey for each contract year:

	April 1, 2007 to March 31, 2008	April 1, 2008 to March 31, 2009	April 1, 2009 to March 31, 2010	April 1, 2010 to March 31, 2011	April 1, 2011 to March 31, 2012	Total
Passenger Satisfaction Survey	\$80,400	\$84,425	\$88,375	\$91,900	\$91,900	\$437,000
Baggage Delivery Survey	\$34,425	\$36,150	\$37,975	\$39,400	\$39,400	\$187,350
Tenant Survey	\$7,775	\$8,175	\$8,575	\$13,350	\$13,350	\$51,225
Total						\$675,575
Maximum Amount Payable for Expenses						\$30,000
Grand Total						\$705,575

Based on the need to continue collecting customer satisfaction data and applying it to increase satisfaction levels, staff recommends:

1. The term of the agreement be extended for one year from April 1, 2011 to March 31, 2012; and
2. The maximum amount payable under the agreement be increased by \$247,425, resulting in a maximum amount payable of \$705,575.

Fiscal Impact:

The additional amount of funding required is included in the FY11 and FY12 budgets.

Environmental Review:

A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

DIANA LUCERO
DIRECTOR, PUBLIC, COMMUNITY AND CUSTOMER RELATIONS

RESOLUTION NO. 2010- 0109

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH PHOENIX MARKETING INTERNATIONAL EXTENDING THE TERM OF THE AGREEMENT BY ONE YEAR FROM APRIL 1, 2011 TO MARCH 31, 2012, AND INCREASING THE AMOUNT PAYABLE BY \$247,425, FOR A NEW AMOUNT PAYABLE OF \$705,575 FOR THE QUARTERLY PASSENGER SATISFACTION AND BAGGAGE SURVEYS, AND ANNUAL TENANT SATISFACTION SURVEY

WHEREAS, the San Diego County Regional Airport Authority has an agreement with Phoenix Marketing International to obtain ongoing, objective measurements of passenger and tenant satisfaction levels at San Diego International Airport ("Agreement"); and

WHEREAS, the Agreement, as amended by the First Amendment, began April 1, 2007, and expires on March 31, 2011 and has a compensation amount not to exceed \$458,150; and

WHEREAS, additional funds allowed by the First Amendment are insufficient to cover the Authority's customer satisfaction survey needs; and

WHEREAS, the statistically valid survey data provided by Phoenix Marketing International are used to identify actions the Authority may take to increase passenger and tenant satisfaction. Collection of satisfaction surveys and data analysis has been conducted at the Airport since 2004; and

WHEREAS, the Board finds it is in the best interest of the Authority to extend the term of the Agreement by one year and increase the amount of compensation by \$247,425, resulting in a maximum amount payable of \$705,575.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to execute a Second Amendment to the agreement with Phoenix Marketing International extending the term of the agreement by one year from April 1, 2011 to March 31, 2012, and increasing the amount payable by \$247,425, for a new amount payable of \$705,575 for the quarterly passenger satisfaction and baggage surveys, and annual tenant satisfaction survey.

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BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA"), Cal. Pub. Res. Code §21065; and is not a "development" as defined by the California Coastal Act, Cal. Pub. Res. Code §30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of October, 2010, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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