

REQUEST FOR PROPOSALS (RFP) TO PROVIDE AIRPORT OPERATIONS SERVICES

December 2, 2008

The San Bernardino International Airport Authority (“SBIAA”) is issuing this Request For Proposals (“RFP”) to qualified firms seeking to be considered for a contractual arrangement to provide services as needed to manage, operate and maintain the San Bernardino International Airport (“SBD” or “Airport”).

Responses to this RFP (“Proposals”) must be submitted to the SBIAA’s administrative office no later than 2:00 p.m. local time on Monday, December 29, 2008.

All Proposals will be time-stamped upon receipt. Please submit ten (10) original copies of the Proposal addressed to the attention of Ms. Kelly Berry, Assistant Secretary of the Commission. In bold lettering, mark the envelope with the following words: “RFP FOR AIRPORT OPERATIONS SERVICES.” Proposals shall be concise, containing no more than thirty (30) single sided pages of material. Please note that the Transmittal Letter, Table of Contents, completed Company Information Sheets, completed Subcontractor Information Sheets and Resumes will not be considered part of the thirty (30) pages.

In order to control the dissemination of information regarding this RFP, organizations interested in submitting Proposals shall not make personal contact with any member of the SBIAA Commission or SBIAA staff members other than Mr. Bill Ingraham. All questions should be directed via e-mail to the individual listed below with the words “RFP Airport Operations Services” entered on the e-mail subject line:

Mr. Bill Ingraham, AAE, Director of Aviation
San Bernardino International Airport Authority
294 S. Leland Norton Way, Suite #1
San Bernardino, CA 92408-0131
(909) 382-4100
Fax: (909) 382-4106
Email: bingraham@sbdairport.com

Those planning to submit a Proposal are encouraged to attend a non-mandatory pre-proposal informational meeting on Thursday, December 11, 2008, at 10:00 a.m. local time in the SBIAA Conference Room located at 294 S. Leland Norton Way, Suite #1, San Bernardino, California. Airport representatives will be available during the meeting to answer questions. The meeting will include a tour of the Airport and its major facilities.

Proposals shall be signed by an authorized individual or officer of the firm submitting the Proposal. Proposals may be withdrawn by the submitting firm at any time upon written notice to the SBIAA.

The SBIAA reserves the right to accept or reject any or all Proposals and/or re-solicit or cancel the procurement process, if deemed to be in the best interests of the SBIAA. Additionally, the SBIAA reserves the right to waive any informality in the RFP. Respondents to this RFP shall be responsible for any and all expenses incurred in preparing said Proposals.

A committee designated by the SBIAA will evaluate the Proposals. Such committee may short-list proposals after the initial evaluation and/or request additional information through interviews, presentations or correspondence. Any firm selected for provision of services will enter into negotiations with the SBIAA to determine specific terms and provisions of an agreement that will include all or part of the services necessary to provide professional management and operation of airside and landside facilities at the Airport.

GENERAL INFORMATION

The Airport and Proposed Facilities

The Inland Valley Development Agency (“IVDA”) and the San Bernardino International Airport Authority (“SBIAA”) previously adopted a Re-Use Plan for the former Norton Air Force Base, which now comprises a substantial portion of the San Bernardino International Airport (“SBD” or “Airport”), and establishes long-range development plans. SBD represents a portion of the former Norton Air Force Base which has been in the process of being converted to civilian use as a commercial service airport. The Airport is operated by the San Bernardino International Airport Authority. The Airport has one active Group VI runway, 10,001 feet long and 200 feet wide.

Navigational aids include high-intensity runway lights, Precision Approach Path Indicator (“PAPI”) lights, CAT-1 Instrument Landing System (“ILS”), and an Automated Weather Observation System (“AWOS”). A Non-Federal Air Traffic Control Tower is operated by Serco North America daily from 7:00 a.m. to 9:00 p.m. local time and is anticipated to be operated twenty-four (24) hours per day when Airport operations justify such operation. Aircraft Rescue and Fire Fighting (“ARFF”) services are provided by the City of San Bernardino Fire Department on an on-call basis. ARFF services are anticipated to be staffed on a part-time or full-time basis as commercial airline services justify. Security is provided by contract law enforcement officers employed by SBIAA and operating under the supervision of the City of San Bernardino Police Department.

Construction commenced recently on facilities to house a major fixed base operation (“FBO”) to be leased to Million Air San Bernardino, LLC, and operated under a management agreement by Million Air Interlink, as one of the premier general and corporate aviation service providers in the United States. These facilities will include two large corporate hangars for storage and transient use, a state-of-the art general aviation terminal building, a Customs facility capable of serving commercial aircraft passenger loads, and offices and operations space to accommodate both the FBO and its corporate tenants. The FBO facilities are expected to be complete and operational by summer of 2009.

Construction is anticipated to begin in the next few months on general aviation aircraft storage

hangars and other facilities to accommodate the relocation of general aviation activities, including the County of San Bernardino Sheriff's aviation unit, which will be relocating from the Rialto Municipal Airport anticipated to be closed by the end of 2009. This development will include several box hangars and T-hangars and will also include infrastructure to expand general aviation facilities to meet future growth.

In order to meet projected demand for commercial airline passenger service, the SBIAA prepared construction plans to remodel an existing passenger terminal building and to add the first of three phases of a new passenger concourse. To expedite the terminal project, the facility has been leased to a developer to complete the construction, after which the developer will transfer the completed building improvements with clear title to the SBIAA. At the present time, construction is approximately ninety-five percent (95%) complete and the passenger terminal is expected to be finished and available for airline operations by the first quarter of 2009.

SBIAA has contracted with Coffman Associates, a national airport planning firm, to update the SBD Airport Layout Plan and to establish a guide for development of the Airport. This plan incorporates the above-referenced developments and anticipates additional development of specialty aviation facilities and air cargo facilities. It is projected that the air cargo facilities will include up to 500,000 square feet of air cargo buildings in addition to significant aircraft ramp and truck parking areas.

Commercial Passenger Service

The SBIAA anticipates commencement of commercial passenger service in the first half of calendar year 2009. Initial service is projected to consist of at least five to seven (5 to 7) daily departures and arrivals and is expected to expand significantly over the next few years. The remodeled and expanded passenger terminal building includes, in the present phase of construction, approximately 40,000 square feet of remodeled passenger ticketing, passenger and baggage screening, baggage claim, concession and support areas in addition to a newly constructed 12,384 square foot passenger concourse which includes concession space, four passenger loading gates and associated holding areas. Three of the gates include fully articulating loading bridges capable of serving a range of aircraft from regional jets to wide-body passenger aircraft.

Design will commence in the near future on a second phase of terminal construction that will extend the passenger concourse to add 20,000 square feet of space that will include three additional passenger loading gates, associate holding areas and additional concession space. A third phase is also planned to add three passenger loading gates and thus achieve a total of ten passenger loading gates.

Airport concessions will be developed and managed by the Hudson Group. Initial concessions will include a Sbarro Italian Eatery, Coffee Bean and Tea Leaf and a Samuel Adams branded full service bar, in addition to their Hudson News retail outlet.

Parking, initially comprised of approximately 1,200 parking spaces with state of the art revenue control systems will be managed under a separate management agreement. An expansion is

under design to expand the parking to approximately 2,600 parking spaces.

SCOPE OF REQUEST FOR PROPOSAL

The SBIAA requests Proposals from qualified firms to manage, operate and maintain airside and landside facilities and operations at the San Bernardino International Airport located in the City of San Bernardino, California. The SBIAA, a joint powers authority under the purview of member jurisdictions consisting of the County of San Bernardino, the City of San Bernardino, the City of Colton, the City of Loma Linda and the City of Highland, is the owner and operator of SBD which operates as an FAA Part 139 airport.

If selected, the successful Respondent will exclusively negotiate with the SBIAA for a sufficient period, currently expected to be sixty (60) days, to determine specific terms and provisions of an agreement that will include the all or part of the services necessary to provide professional management and operation of airside and landside facilities at the Airport.

Proposals

Proposals shall be concise, containing no more than thirty (30) single sided pages of material. Please note that the Transmittal Letter, Table of Contents, completed Company Information Sheets (attached hereto as "Exhibit A"), completed Subcontractor Information Sheets (attached hereto as "Exhibit B"), Resumes and Facility Renderings will not be considered part of the thirty (30) pages.

Proposals should provide sufficient information to fully describe the scope of services to be provided in any proposed contractual arrangement with the SBIAA. Proposals are to include the Respondent's estimated cost of operating the Airport and proposed terms of an agreement with the SBIAA, including the contract period required to amortize start-up and mobilization costs and other terms as may be necessary or unique to the proposed Scope of Services. The proposed terms will be utilized in negotiation of a contract between the SBIAA and the successful Respondent.

This RFP does not commit the SBIAA to award a contract or contracts, to defray any costs incurred in the preparation of a response to this RFP, or to procure or contract for services.

The SBIAA reserves the right to cancel, in part or in its entirety, this RFP, including but not limited to: selection schedule, submittal date and submittal requirements. If the SBIAA cancels or revises the RFP, all Respondents of record will be notified in writing by the SBIAA.

Selection announcements, contract awards and all data provided by the SBIAA shall be protected from public disclosure by review by an independent consultant firm to the maximum extent allowed under California law. Respondents desiring to release information to the public must receive prior written approval from the SBIAA Aviation Director.

Should modification or clarification to this RFP become necessary, a written addendum shall be posted to the website of the SBIAA at www.sbdairport.com under the heading of "RFPs/Bids."

It is the responsibility of firms seeking to respond to this RFP to monitor the website of the SBIAA for any such addendums.

Proposal Contents

All Proposals shall include the information listed below. It is requested that all Proposals be organized in the following format:

- 1. Transmittal Letter:** A transmittal letter indicating the Respondent's interest in providing management and operations services and briefly summarizing any participation of partners, sub-contractors or others in the proposed operations of the Airport. Include contact information for a single individual designated as the primary point of contact for the Proposal.
- 2. Title Sheet:** A title sheet containing: (i) the Respondent's company name and address, including type of entity (sole proprietorship, partnership, or corporation, including whether public or private); (ii) the name and address of any sub-contractors, or others participating in the proposed operations of the Airport; and, (iii) the full name, title, mailing address, e-mail address, telephone and facsimile numbers of the individuals authorized to represent and contractually bind the Respondent.
- 3. Company Information:** Include a completed Company Information Sheet providing a list of all company principals and a completed Subcontractor Information Sheet for each subcontractor. The Company Information Sheet and Subcontractor Information Sheet are provided herewith.
- 4. Table of Contents:** List key sections of your Proposal in the Table of Contents to assist the reviewers in locating relevant information contained in your Proposal.
- 5. Statement of Qualifications and Experience:** Summarize the experience of your company as a whole with management, operation and maintenance of airports with specific emphasis on experience with new or emerging airports similar to SBD. Relate this summary to the pertinent areas of the following section "Minimum Qualifications". Include a list of relevant agreements for similar services at airports noting those operated within the United States and those operated outside the United States. Include in the section:

- Name of airport
- Contracting party
- Scope of airport management services
- Duration of contract
- Dollar amount of contract
- Contact information for contract reference

Include as a subsection a summary of the Respondent's experience in the following areas:

Promotion of airport growth including marketing and air service development
Customer service to traveling public
Maintenance of airport infrastructure including pavements
Operation and maintenance of airport buildings, including terminals
Development and/or implementation of technological advances
Airport certification with specific reference to federal and state requirements
Compliance with Transportation Security Administration requirements
Supervision and management of capital improvements projects

Include abbreviated resumes of key individuals that will provide services required to manage, operate or maintain the Airport. The resumes should include specific areas of responsibility, duration with the firm, and other related information that will be used to evaluate their qualifications.

6. Statement of Understanding and Approach: A summary of project understanding and general approach proposed to provide for the management, operation and maintenance of SBD. To the extent practical, relate this summary to the pertinent areas of the “Scope of Work” section contained herein.

7. Cost Proposal: Submit a cost proposal indicating the compensation expected in sufficient detail to relate it to the preceding “Statement of Understanding and Approach”. Respondents are encouraged to submit cost proposals that have one or both of the following components:

- a. A base management fee of a fixed annual amount; and/or
- b. An incentive fee based on specified financial metrics or performance objectives.

8. Conceptual Business Plan: Include the processes by which the Respondent intends to manage and operate the Airport including anticipated services to be provided by the Respondent, methods for involving the SBIAA and its key staff in policy decisions and implementation including capital development, and the intentions of the Respondent regarding relations with existing tenants and contractors (service providers).

9. Other Supporting Data: Describe the Respondent’s administrative, financial and physical capacity to provide and manage the services proposed at SBD. Include the Respondent’s experience operating in environments regulated by the Transportation Security Administration and the Federal Aviation Administration.

Proposal Submittal

Proposals in response to this RFP are due at the SBIAA's administrative office no later than 2:00 p.m. local time on Monday, December 29, 2008.

All Proposals will be time-stamped upon receipt. Please submit ten (10) original copies of the Proposal addressed to the attention of Ms. Kelly Berry, Assistant Secretary of the Commission. In bold lettering, mark the envelope with the following words: "RFP FOR AIRPORT OPERATIONS SERVICES."

If mail delivery is used, it is advised that the Proposal be mailed early enough to provide for arrival by the deadline. Use of the U.S. Postal Service or courier service will be at Respondent's own risk. The SBIAA will not be liable or responsible for any late delivery of Proposals.

The SBIAA reserves the right to request additional information and/or clarifications from any or all firms responding to this RFP.

All submitted Proposals and proposal documents are subject to the provisions of Government Code Section 6250, et seq., commonly known as the California Public Records Act.

All Proposals and related documents are to become the property of SBIAA.

Selection of Successful Proposal

It is the SBIAA's intent to evaluate Proposals and, if in the best interest of the SBIAA, to select the firm that, in the judgment of a selection committee, provides the optimal combination of management and operations services to the Airport.

Preference will be given to a Respondent that has demonstrated a history of successful airport management, operations and maintenance and, in the view of the selection committee, has submitted a Proposal that is in the best interest of the Airport and its development.

A selection committee comprised of an Ad Hoc Committee of the SBIAA Commission and key SBIAA staff members will evaluate the Proposals. The selection committee may short-list Proposals after the initial evaluation and/or request additional information through interviews, presentations or correspondence.

If selected, the successful Respondent will enter into exclusive negotiations for a sufficient period, currently expected to be sixty (60) days, with the SBIAA to determine terms and provisions of appropriate management and operations agreements for the Airport.

The SBIAA reserves the right to accept or reject any or all Proposals and/or re-solicit or cancel the Proposal process, if deemed to be in the best interest of the SBIAA.

Contact Person

Bill Ingraham, AAE, Aviation Director
San Bernardino International Airport Authority
294 S. Leland Norton Way, Suite 1
San Bernardino, CA 92408-0131
Phone: (909) 382-4100
Fax: (909) 382-4106
E-mail: bingraham@sbdairport.com

Schedule

RFP Packets Available	December 2, 2008
Pre-Proposal Meeting	December 11, 2008
Proposals Due	December 29, 2008 (2:00 p.m. local time)
Proposal Review Period	December 30, 2008 – January 9, 2009
Interviews (Optional)	January 9, 2009
SBIAA Commission Approval of Selected Firm and Designation of Exclusive Negotiating Period	January 14, 2009
Negotiation of Contract Terms	January 14, 2009 – February 16, 2009
SBIAA Commission Approval of Final Contract	February 25, 2009

After a final agreement has been approved and executed, the SBIAA anticipates issuing a Notice to Proceed shortly thereafter and will make no reimbursement for any costs incurred prior to execution of an agreement and issuance of the Notice to Proceed.

MINIMUM QUALIFICATIONS

Respondents must demonstrate that they comply with the following enumerated items in order to be considered:

1. Respondent shall have had at least five (5) years of continuous experience immediately prior to the date of the submission of its proposal in the management and operation of a commercial airport with at least five hundred thousand (500,000) enplaned annual passengers. A Respondent will be considered as complying with this requirement by demonstrating that one or more of its principals have the requisite experience.
2. Respondent shall demonstrate satisfactory performance of similar services of similar scope within the past five (5) years.

3. In the event a Proposal is submitted by a joint venture the foregoing prerequisites will be considered with respect to such Proposal as follows:

With respect to subparagraph (1) and (2) above, the prerequisite will be considered satisfied if the joint venture itself, or any of its participants individually, can meet the requirements. With respect to this subparagraph (3), the gross income of the joint venture itself may meet the prerequisites or the gross income of the participants in the joint venture may be considered cumulatively to meet the prerequisite.

Respondents must include documentation that they meet the above prerequisites.

SCOPE OF WORK

Respondents are asked to conform their Proposals to the Scope of Work described herein and include clear explanations of the services proposed with specific reference to the following overall concept of a management and operational duties.

Management Duties

In accordance with a management/business plan and an annual budget prepared jointly with SBIAA and approved by SBIAA, provide services to manage, operate, develop and maintain the Airport and the associated aviation activities. Such services may include, but are not be limited to:

1. Preparation for and initiation of commercial airline services
2. Aeronautical and landside operations
3. Commercial passenger terminal operations
4. Interactions with passenger and cargo air carriers
5. Public/customer service
6. Airfield maintenance
7. Landside maintenance, including landscaping
8. Facility/building maintenance
9. Vehicle and equipment maintenance
10. Marketing, including business development
11. Air service development (general aviation and passenger/cargo carriage)
12. Compliance with federal and state commercial passenger airport certification requirements
13. Compliance with federal Transportation Security Administration (“TSA”) security requirements with particular reference to TSA Part 1542
14. Business management, including financial reporting and accounting as necessary to meet contract and regulatory requirements

15. Oversight of the SBIAA current contractual relationships including, but not necessarily limited to:
 - (a) Serco North America – Air Traffic Control Tower services
 - (b) Hudson Group – Commercial Passenger Airline Terminal concessions
 - (c) To be determined – Terminal parking management services
 - (d) City of San Bernardino – Aircraft Rescue and Fire Fighting (ARFF) services
 - (e) City of San Bernardino – Law Enforcement Officer (LEO) services
 - (f) Million Air San Bernardino – Fixed Base Operations
 - (g) SBD FBO Services – Fixed Base Operations
 - (h) Lewis-Hillwood-Rialto LLC – Corporate General Aviation Center
 - (i) Various Lessees and Tenants

Terms of Agreement

It is the intent of the SBIAA to enter into one or more agreements, if determined by the SBIAA to be in the best interest of the Airport and its operations, to include terms consistent with this RFP, the Proposal from the selected Respondent, and negotiations resulting from such Proposal containing, among other things:

1. The specific services, responsibilities and rights to be provided for within the terms of an agreement with the SBIAA.
2. The term to negotiation depending on all of the facts and business terms of the negotiated agreement.
3. The effective date of the agreement, currently anticipated to be in the first quarter of 2009.
4. Provisions for the transfer of responsibility, if any, from the SBIAA and/or the SBIAA staff.
5. Fees appropriate the nature of services to be provided as negotiated based on the Respondent's fee proposal. Such fees may be either or a combination of base fees for management services and incentive fees based on performance.
6. Performance reviews, not less and semi-annually, consisting of a formal review by a SBIAA Ad Hoc Committee and key members of the SBIAA staff.
7. Procedures for preparation of a management and business plan jointly with the SBIAA that shall include best practices for all areas of services to be provided and incorporation of existing the SBIAA plans and capital programs. Such management and business plans shall be reviewed and updated in conjunction with the aforementioned performance reviews.
8. Budgets for the applicable areas of service provided for in the agreement and procedures for annual submission and approval of updated budgets as a part of the

SBIAA's annual budgeting process. Revenues and expenditures shall be accounted for in mutually agreed upon manner to be reviewed relative to such budgets as a part of the aforementioned performance reviews. An auditing firm mutually acceptable to both parties shall be designated.

9. Procedures for coordination of management and operations services and for oversight by the SBIAA.
10. Clear definition of ownership and responsibilities to be retained by the SBIAA including:
 - (a) Ownership of all Airport facilities
 - (b) Establishment of Fees
 - (c) Ownership of all Airport revenues
 - (d) Policy Setting
 - (e) Approval of Contractual Authority to enter into long-term leases or other long-term agreements
 - (f) Approval of Capital Expenditures
 - (g) Community Relations
 - (h) Compliance with federal and state regulatory agency requirements

AUTHORITY FOR ISSUANCE OF REQUEST FOR PROPOSALS

The issuance of this Request for Proposals for Airport Operations was authorized by the San Bernardino International Airport Authority Commission at its regular meeting on Wednesday, November 19, 2008.

Questions must be submitted via e-mail as outlined on page one (1) of this Request for Proposals.

Approved for Distribution this 2nd Day of December, 2008.

San Bernardino International Airport Authority

/s/

Bill Ingraham, AAE, Director of Aviation

EXHIBIT A

COMPANY INFORMATION SHEET

LEGAL NAME OF COMPANY: _____

TYPE OF BUSINESS (Check One):

- | | | | |
|--------------------------|---|--------------------------|---------------------------|
| <input type="checkbox"/> | CORPORATION | <input type="checkbox"/> | LIMITED LIABILITY COMPANY |
| <input type="checkbox"/> | PARTNERSHIP | <input type="checkbox"/> | JOINT VENTURE |
| <input type="checkbox"/> | INDIVIDUAL | | |
| <input type="checkbox"/> | INDIVIDUAL DOING BUSINESS UNDER A FIRM NAME | | |
| <input type="checkbox"/> | OTHER _____ | | |

STATE OF INCORPORATION OR FORMATION:

PRINCIPALS/OFFICERS OF COMPANY (List All Principals and Officers, Including Joint Venture Partners, in addition to investors/investment companies):

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

IDENTIFICATION OF PRINCIPALS/OFFICERS/REPRESENTATIVES OF THE COMPANY AUTHORIZED TO EXECUTE PROPOSALS AND RELATED DOCUMENTS:

The Company has authorized and hereby designates the following individuals to execute proposals and related documents:

_____	_____
Type or Print Name	Title
_____	_____
Type or Print Name	Title

EXHIBIT B

SUBCONTRACTOR INFORMATION SHEET

LEGAL NAME OF SUBCONTRACTOR: _____

ADDRESS: _____

TELEPHONE: _____ FAX: _____

TYPE OF WORK TO BE PERFORMED BY SUBCONTRACTOR: _____

TYPE OF BUSINESS (Check One):

- | | | | |
|--------------------------|---|--------------------------|---------------------------|
| <input type="checkbox"/> | CORPORATION | <input type="checkbox"/> | LIMITED LIABILITY COMPANY |
| <input type="checkbox"/> | PARTNERSHIP | <input type="checkbox"/> | JOINT VENTURE |
| <input type="checkbox"/> | INDIVIDUAL | | |
| <input type="checkbox"/> | INDIVIDUAL DOING BUSINESS UNDER A FIRM NAME | | |
| <input type="checkbox"/> | OTHER _____ | | |

STATE OF INCORPORATION OR FORMATION:

PRINCIPALS/OFFICERS/REPRESENTATIVES OF SUBCONTRACTOR (List All Principals and Officers, Including Joint Venture Partners):

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____