

## Risk Review Form

<b>Contract/ Agreement Title</b>	Airline Operating and Use Agreement with Allegiant Air, LLC for the operation of scheduled commercial air service at St. Pete-Clearwater International Airport					
<b>Bid/Contract#</b>		<b>Granicus#</b>	19-1297A	<b>Stars#</b>	19-22573	
<b>Purchasing Contact:</b>		<b>PID #</b>		<b>Amount:</b>	\$14,286,222.00	
<b>Department</b>	Airport		<b>Project/Contract Mgr:</b>	Thomas Jewsbury		
<b>Type of Contract</b>	Other Operating Agreement			<b>Method of Review</b>	Granicus	
<b>If PE to PE, \$768.28?</b>						

<b>JPA:</b>	Choose One	<b>Name of JPA:</b>	
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Required Coverages	Add'l Language / Exclusions	Limits	Justification
<b>WC/EL</b>	Employers Liability not less than \$1,000,000	500K Person 500K Disease 500K Disease limit	
<b>CGL</b>	Fire Legal Liability in Limits of 500K	1M Occurrence 2M Aggregate	
<b>AL</b>	Including Garage Liability with \$1,000,000	1M Per Accident	
<b>Excess/Umbrella</b>		1M Occurrence 1M Aggregate	
<b>Property</b>		90% of value of fixtures and improvements	
<b>Pollution</b>	If written on claims made basis, a retro date is required with tail	1M Occurrence 1M Aggregate	
<b>Other</b>	Airline Liability Insurance	750M Occurrence 25M PI to 3 <sup>rd</sup> Party	
Choose an item.			

**Date/Time/Comments:** 8/14/19 Approve and execute the Airline Operating and Use Agreement (Agreement) with Allegiant Air, LLC (Allegiant) for operation of scheduled air service at the St. Pete-Clearwater International Airport (PIE). The new five-year Agreement for Fiscal Years 2020 through 2024 (FY20-FY24) will provide PIE revenues of approximately \$14.2M, representing a 49.5% increase over the prior Agreement for FY14-FY19 valued at approximately \$9.5M. The Agreement provides for charges for office space, ticket counters, landing fees, passenger screening fees, terminal facility fees, loading bridge fees, and overnight parking for Allegiant's based aircraft. Future charges are estimated utilizing our most recent Federal Aviation Administration and Master Plan forecasts for enplaned passengers and number of flights. Per the agreement, the insurance requirements are set and are similar to a prior contract with Allegiant under 17-616D. This is a high risk per current matrix. The limits set are the requirement of the agreement.

*Please note: The Insurance & Contractual Risk Division reviews requests to assess risk, assign insurance requirements and provide compliance reviews for insurance certificates. However, this review does not imply approval for any event, purchase, service or project. It is the requestor's responsibility to obtain all necessary approvals.*

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**NOTES:** Pursuant to the terms of the Agreement, Allegiant will continue operating scheduled air service at PIE, commencing October 1, 2019 through September 30, 2024. It is further agreed that Allegiant shall have one additional, one-year renewal option to extend the Agreement, subject to the sole discretion and consent of the County. Allegiant began operations at PIE in November 2006 with two (2) based aircraft serving 12 non-stop routes. During the first year of service (November 2006 - November 2007) Allegiant served just over 668,000 passengers. During Calendar Year 2018, Allegiant transported over 2.2 million passengers to and from PIE with 12 based aircraft, now serving 55 non-stop destinations. Allegiant now provides air service to more non-stop destinations than any other airline serving the Tampa Bay area. That is an increase of 358% over a 12-year period. PIE is Allegiant's third largest based airport across the nation among the 121 cities they currently serve.

Allegiant's number of locally based employees has grown from 46 to 500, including station employees, pilots, mechanics, and flight attendants. Allegiant plans to continue steady incremental growth at PIE for the foreseeable future.

Most of Allegiant's growth at PIE has transpired over the past five (5) years. This rapid growth has outpaced the availability of necessary operational space to accommodate their station operations, catering, crew, storage for aircraft parts, and maintenance requirements. As a result, Allegiant is currently investing \$4M to construct a new 25,000 square foot Airline Support Facility at PIE to accommodate these existing operational needs to meet future growth.

<b>Initial Reviewer:</b> <a href="#">Valerie Edmons</a>	<b>Date</b> 8/14/2019
<b>2<sup>nd</sup> Reviewer:</b>	<b>Date</b> Click to enter date.
<b>Manager Review:</b> <a href="#">Rick Kahler</a>	<b>Date</b> 8/14/2019

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