

# Narrative

## January 17, 2023



### RESOLUTION – ESSENTIAL AIRLINE RECOMMENDATION

The Essential Air Service (EAS) program is provided by the U.S. Department of Transportation (DOT). The EAS program funds basic air service at 110 cities in the lower 48, Hawaii and Puerto Rico. Alliance is eligible to participate in this program and is how the airport is able to offer commercial service to and from Denver. The Department of Transportation solicited proposals from carriers to provide Essential Air Service at Alliance and/or Chadron on November 9, 2022. The current contract with Denver Air Connection expires on May 31, 2023 and a new contract period begins June 1, 2023. The Department of Transportation received proposals from two carriers:

- Denver Air Connection
- Southern Airways Express

A small core group made up of four individuals were brought together to analyze the proposals. The four individuals were Seth Sorensen (City Manager), Lynn Placek (Airport Director), Chelsie Herian (BBDC/frequent flyer) and Lori Mazanec (BBGH/ frequent flyer). The group used the same priority list of criteria that has been used the last several bid cycles. The airport's air service consultant, Mike Mooney, reviewed a list of questions for each carrier, provided a proposal comparison and compared load factor data of both airlines. Alliance invited all airline carriers to participate in a zoom meeting. Each carrier was given one hour to make a presentation and answer questions from the group.

**Southern Airways Express** is based in Pompano Beach, Florida. Southern Airways Express submitted a bid with two different options for Alliance to consider. The first option would utilize a single-engine Caravan nine-seat turboprop aircraft. The second option shows a King Air Super 200 (eight-seat) or a Pilatus PC-12 (nine-seat). The carrier currently has four King Air aircraft and forty-six Caravan with an additional three King Air aircraft in the pipeline. Southern Airways has three pricing tiers that they use and each has different baggage fees associated with it. The ticket prices, without baggage are \$39, \$69, or \$99 at each tier. Southern Airways has ticket and baggage agreements with United, American, Alaska and Hawaiian Airlines.

**Denver Air Connection (DAC)** is based in Englewood, Colorado. Denver Air Connection submitted a bid that will continue to fly a Metroliner-23, which is a 19-seat pressurized twin-engine turboprop. DAC did configure this plane with nine seats offering first-class legroom and a cargo bay that can accommodate all of our passengers' luggage. Denver Air Connection has multiple pricing tiers but no added baggage fees. The ticket prices are \$49, \$59, \$69, \$89 and \$99. Denver Air Connection has a ticket and baggage agreement with United and American. Alliance has experienced a 99.68% completion rate each year that Denver Air Connection has operated.

The final step was evaluating each carrier based on the priority list. The priority list was created by the airline selection committee and the airline consultant in 2015. That was the first year that Alliance actively pursued airlines to submit bids to the DOT. The priority list consisted of the following eight categories with the top of the list being the highest priority:

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1. Reliability/Overnight of aircraft
2. Pricing
3. Schedule
4. Simplicity (codeshare, ticket and baggage etc)
5. Communication or responsiveness of the airline
6. Marketing/Tourism
7. Economic Impact
8. Baggage Space

Each member of the group rated each carrier on all priorities, and then the final ratings were averaged for each category. With this process completed and with reliability being the major difference, the core group unanimously voted that Denver Air Connection will be the best choice for providing air service to Alliance.

**RECOMMENDATION: APPROVE THE RESOLUTION RECOMMENDING DENVER AIR CONNECTION BID FOR TWO YEARS TO THE DEPARTMENT OF TRANSPORTATION FOR ESSENTIAL AIR SERVICE AT ALLIANCE.**

RESOLUTION NO. 23-07

*WHEREAS*, The City of Alliance owns and operates the Alliance Municipal Airport which provides commercial air service; and

*WHEREAS*, The Department of Transportation has solicited proposals from carriers to provide Essential Air Service to Alliance, Nebraska; and

*WHEREAS*, Our current carrier's contract to provide Essential Air Service ends May 31, 2023; and

*WHEREAS*, Two carriers submitted proposals which were evaluated and rated by our Airport Director and individuals interested in the commercial air service provided to Alliance; and

*WHEREAS*, Based on the evaluations and interviews with the carriers, the group is recommending the selection of Denver Air Connection-Metroliner for two years to the Department of Transportation to provide Essential Air Service for Alliance.

*NOW, THEREFORE, BE IT RESOLVED* by the Mayor and Council of the City of Alliance, Nebraska, that Denver Air Connection-Metroliner be recommended to the Department of Transportation to provide Essential Air Service to the Alliance Municipal Airport.

PASSED AND APPROVED this 17<sup>th</sup> day of January, 2023.

\_\_\_\_\_  
Mike Dafney, Mayor

(SEAL)

Attest: \_\_\_\_\_  
Tarah S. Johnson, City Clerk

Approved as to Form and Legality:

\_\_\_\_\_  
Simmons Olsen Law Office, Legal Counsel