AGENDA ITEM
CONTAINS MORE THAN 50 PAGES
IT MAY BE VIEWED IN
COUNTY ADMINISTRATION

Agenda Item #: 5H-1

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: **May 1, 2007** [ ] Consent [✓] Regular
[ ] Workshop [ ] Public Hearing

Department:

Submitted By: **Department of Airports**

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

A) Approve the Retail Concessions Request for Proposals (RFP) including the Draft Concession Agreement (Agreement) for Palm Beach International Airport (PBIA).

B) Authorize Staff to modify the RFP, including the Agreement, based on the mandatory pre-proposal meeting and negotiations with the selected proposer.

Summary: Staff recommends a RFP process to select the most qualified concession company to develop and manage retail concessions at PBIA. Retail concessions at the airport involve sales of gift items, clothing, magazines, newspapers, travel items, etc.

The Department of Airports will conduct a mandatory pre-proposal meeting to answer questions pertaining to the RFP. Based on proposer input, Staff may modify the RFP documents. All attendees will be formally noticed of any changes. The BCC and County Administrator will be notified by letter of any significant changes.

Based on written proposals and oral presentations a Selection Committee will evaluate and rank proposals based on predetermined criteria listed in the RFP: retail concept development, company background and experience, financial projections, Disadvantaged Business Enterprise (DBE) participation, management plan, and planned capital investments. To qualify, a proposer must have at least 5 years of retail experience in an airport comparable to PBIA in passenger volume. After selection, the Agreement will be returned to the BCC for final review and approval. **Countywide (LMB)**

Background and Justification:
BACKGROUND AND JUSTIFICATION CONTINUED ON PAGE 3

Attachments:
RFP for Retail Concessions at PBIA (includes Draft Concessions Agreement)

Recommended By: _______________ 3/29/07
Department Director — Date

Approved By: _______________ 4/2/07
County Administrator — Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

FISCAL YEARS	2007	2008	2009	2010	2011
Capital Expenditures					
Operating Costs					
External Revenues (Grants)					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT					
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes X No ____
Budget Account No.: Fund 4100 Department 120 Unit 8430 Object 4462
Reporting Category ____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Estimated revenue to the County is $2.2 million per year. This amount is currently generated from the existing contract. The Concessions Agreement requires the Concessions Company to pay a minimum of 15% of their gross revenues to the County although the Company may propose a higher percentage in their RFP response. The Agreement also contains a provision that the Minimum Annual Guarantee is initially set at $1,350,000 which may be escalated under certain contractual conditions.

C. Departmental Fiscal Review: ____________

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

4-17-07 4/13/2007
OFMB 4.16.07 4/13/07 4/19/07
Contract Dev. and Control 4/17/07

B. Legal Sufficiency:

4/20/07
Assistant County Attorney

C. Other Department Review:

____
Department Director

revised 9/03
ADM FORM 01
(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

Background and Justification: (continued)

The successful proposer will develop retail shops in multiple phases. The first phase will be winter of 2007 to coincide with the opening of the Concourse C expansion area. The second phase will begin October 1, 2008 to coincide with the contract expiration of the existing retail operator, The Paradies Shops. Over the course of the ensuing year the existing shops will be remodeled to new concepts. Total capital investment from the concession company is anticipated to be $3,000,000. The lease term is approximately 13 years from the completion of the capital investment build out.

The RFP contains language to restrict the pricing of staple items to comparable "street" prices. Staple items are considered to be newspapers, magazines, medicines, toiletries, greeting cards, batteries, etc. The RFP also allows the proposer to sell limited food and beverages in their shops as an added convenience to passengers.