

Agenda Item: **3F5**

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: December 4, 2018

☒ Consent ☐ Regular
☐ Workshop ☐ Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: Agreements for Rental Car Lease and Concession (Agreements), commencing January 1, 2019, and expiring June 30, 2021, with optional month to month renewals for up to 12 months thereafter, for the operation of a rental car concession at the Palm Beach International Airport (PBIA), with the following companies (Concessionaires):

- (A) Avis Budget Car Rental, LLC (Avis Budget), d/b/a Avis Rent A Car System, Inc., and Zipcar, Inc., for payment of a Minimum Period Guarantee (MPG) for the first year in the amount of \$1,533,093.00 and facility rentals of \$65,385.60;
- (B) Avis Budget, d/b/a Budget Rent A Car System, Inc., and Payless Car Rental, Inc., for an initial MPG of \$1,704,350.00 and facility rentals of \$64,062.32;
- (C) Enterprise Leasing Company of Florida, LLC (Enterprise Leasing), d/b/a Alamo Rent A Car and National Car Rental, for an initial MPG of \$1,600,041.00 and facility rentals of \$64,218.00;
- (D) Enterprise Leasing, d/b/a Enterprise Rent-A-Car, for an initial MPG of \$750,041.00 and facility rentals of \$64,218.00; and
- (E) Sixt Rent A Car, LLC (Sixt), d/b/a Sixt Rent A Car, for an initial MPG of \$651,101.05 and facility rentals of \$65,307.76.

Summary: The Agreements provide for the operation of rental car concessions at PBIA. The Agreements require the Concessionaires to pay concession fees equal to the greater of the MPG or 10% of gross revenues. In addition, the Concessionaires are required to pay facility rentals for the lease of reservation counter and office areas based on standard terminal rental rates, which are adjusted annually in accordance with the Signatory Airline Agreement (R-2014-1033). An Airport Concession Disadvantaged Business Enterprise (ACDBE) goal was established at 3.19%. All of the Concessionaires have committed to achieving the ACDBE Goal. Countywide (AH)

Background and Justification: Invitation for Bid (IFB) No. PB 18-10 was issued on August 13, 2018, for up to eight rental car lease and concession agreements at PBIA. The Concessionaires listed above submitted responsive, responsible bids on September 20, 2018. The IFB established a MPG amount of no less than \$500,000 for the first and second contract years and \$250,000 for the third six-month contract period. Avis Budget is a Delaware limited liability company (LLC) with its principal place of business in Parsippany, New Jersey. Enterprise Leasing is a Delaware LLC with its principal place of business in Coconut Creek, Florida. Sixt is a Delaware LLC with its principal place of business in Fort Lauderdale, Florida.

Attachments:

1. Agreements (3 from each Concessionaire)

AB

Recommended By: _____

Department Director

Date

11/15/18

Approved By: _____

County Administrator

Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

| Fiscal Years | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|-------------------------|--------------------------|--------------------------|--------------------------|------------------|------------------|
| Capital Expenditures | _____ | _____ | _____ | _____ | _____ |
| Operating Costs | _____ | _____ | _____ | _____ | _____ |
| Operating Revenues | <u>(\$4,921,363)</u> | <u>(\$6,606,796)</u> | <u>(\$5,613,911)</u> | _____ | _____ |
| Program Income (County) | _____ | _____ | _____ | _____ | _____ |
| In-Kind Match (County) | _____ | _____ | _____ | _____ | _____ |
| NET FISCAL IMPACT | <u>(\$4,921,363)</u> | <u>(\$6,606,796)</u> | <u>(\$5,613,911)</u> | <u>(\$0)</u> | <u>(\$0)</u> |
| # ADDITIONAL FTE | _____ | _____ | _____ | _____ | _____ |
| POSITIONS (Cumulative) | _____ | _____ | _____ | _____ | _____ |

Is Item Included in Current Budget? Yes X No _____
Does this item include the use of federal funds? Yes _____ No X

Budget Account No: Fund 4100 Department 120 Unit 8340/8430 Rsource 4465/4411
Reporting Category _____

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

The revenues payable under the Agreements consist of facility rentals for the lease of reservation counter and office areas, and concession fees equal to the greater of the MPGs or 10% of gross revenues for each contract period. The MPG for each contract period was established by each Concessionaire's bid response. The amounts listed above are the minimum amounts to be received; it is anticipated each Concessionaire's actual percentage payment will exceed the MPG. Also note the FY 2019 and FY 2021 amounts listed above are for nine months. Facility rentals are subject to adjustment each October 1.

C. Departmental Fiscal Review: cm Sumner

III. REVIEW COMMENTS

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

OFMB

Contract Dev. and Control

B. Legal Sufficiency:

Assistant County Attorney

C. Other Department Review:

Department Director

REVISED 11/17

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT)