

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date: December 18, 2018	<input checked="" type="checkbox"/> [ x ]	Consent	<input type="checkbox"/> [ ]	Regular
	<input type="checkbox"/> [ ]	Workshop	<input type="checkbox"/> [ ]	Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

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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) The Hertz Corporation (Hertz) d/b/a Hertz, for payment of a Minimum Period Guarantee (MPG) for the first year in the amount of \$1,765,154.00 and facility rentals of \$24,753.12; and
- (B) Hertz d/b/a Dollar Rent A Car, and Thrifty Car Rental, for an initial MPG of \$936,154.00 and facility rentals of \$64,218.00.

**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 18-14 was issued on October 19, 2018, for up to three rental car lease and concession agreements at PBIA. The Concessionaires listed above submitted responsive, responsible bids on November 6, 2018. The IFB established a MPG amount of no less than \$650,000 for the first contract year. Hertz is a Delaware corporation with its principal place of business in Estero, Florida.

- Attachments:**
- 1. Agreements (3 from each Concessionaire)

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LB	Recommended By: <u></u>	<u>11/15/18</u>
	Department Director	Date
Approved By:	<u></u>	<u>12/5/18</u>
	County Administrator	Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2019	2020	2021	2022	2023
Capital Expenditures					
Operating Costs					
Operating Revenues	(\$2,092,709)	(\$2,790,279)	(\$2,092,709)		
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	(\$2,092,709)	(\$2,790,279)	(\$2,092,709)	(\$0)	(\$0)
# 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 Simon

III. REVIEW COMMENTS

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

Lisa Pmr  
OFMB  
11/28

11/29/18  
11/28

A-J. Jacobson  
Contract Dev. and Control  
12/3/18

12/4/18

B. Legal Sufficiency:

Anne Delgado 12-5-18  
Assistant County Attorney

C. Other Department Review:

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Department Director

REVISED 11/17

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