# Agenda Item: 3F14

#### PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

# AGENDA ITEM SUMMARY

Meeting Date: August 23, 2022	[×] [ 1		[ ] Regular [ ] Public Hearing				
Submitted By: Department of Airports	• · ·	•					

## I. EXECUTIVE BRIEF

**Motion and Title: Staff recommends motion to approve:** Agreements for Rental Car Lease and Concession (Agreements), commencing October 1, 2022, and expiring September 30, 2027, with one 2-year renewal option, for the operation of a rental car concession at the Palm Beach International Airport (PBI), with the following companies (Concessionaires):

- (A) Enterprise Leasing Company of Florida, LLC (Enterprise Leasing), d/b/a Alamo Rent A Car (Alamo) and National Car Rental (National), for payment of an initial Minimum Annual Guarantee (MAG) in the amount of \$1,137,789.00 and facility rentals of \$54,169.50;
- (B) Enterprise Leasing, d/b/a Enterprise Rent-A-Car (Enterprise), for an initial MAG of \$1,016,410.00 and facility rentals of \$54,169.50; and
- (C) The Hertz Corporation (Hertz), d/b/a Hertz, for an initial MAG of \$1,000,001.00 and facility rentals of \$55,088.74; and
- (D) The Hertz Corporation, d/b/a Dollar Rent A Car and Thrifty Car Rental (Dollar/Thrifty), for an initial MAG of \$750,001.00 and facility rentals of \$54,169.50; and
- (E) Sixt Rent A Car, LLC (Sixt), d/b/a Sixt Rent A Car, for an initial MAG of \$650,000.00 and facility rentals of \$55,154.40.

**Summary:** The Agreements provide for the operation of rental car concessions at PBI. The Agreements require payment of concession fees equal to the greater of the MAG or 10% of gross revenues. In addition, 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-2019-1155). An Airport Concession Disadvantaged Business Enterprise (ACDBE) goal was established at 3.22% of the purchase of goods and services. Enterprise, d/b/a Alamo, National and Enterprise, has committed to 13.5% ACDBE participation; Sixt has committed to 3.6% ACDBE participation; and Hertz, d/b/a Dollar/Thrifty and Hertz, has committed to 3.22% ACDBE participation. **Countywide (AH)** 

**Background and Justification:** Invitation for Bid (IFB) No. PB 22-3 was issued on April 6, 2022, for up to eight rental car lease and concession agreements at PBI. The IFB established an initial MAG amount of no less than \$500,000, which is subject to adjustment annually to 90% of the actual percentage payment for the prior year, but which never decreases. The Concessionaires listed above submitted responsive, responsible bids on May 25, 2022. Two additional responses were found non-responsive to the ACDBE requirements of the IFB and were rejected. Enterprise is a Delaware limited liability company (LLC) with its principal place of business in Coconut Creek, FL; Hertz is a Delaware corporation with its principal place of business in Estero, FL; Sixt is a Delaware LLC with its principal place of business in Ft Lauderdale, FL.

#### Attachments:

- 1. Agreements (3 from each Concessionaire)
- 2. ACDBE Review, including ACDBE Schedules

Recommended By:	Par Koung	Bube 7	- 29- 22
-	Department Director	Date	
Approved By:	tel for	5/16	122
	<b>County Administrato</b>	r Date	

#### **II. FISCAL IMPACT ANALYSIS**

## A. Five Year Summary of Fiscal Impact:

<b>Fiscal Years</b>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>			
Capital Expenditures Operating Costs Operating Revenues Program Inc. (County) In-Kind Match (County)		(\$4,826,953)	 (\$4,826,953) 	(\$4,826,953)	 (\$4,826,953) 			
NET FISCAL IMPACT # ADDITIONAL FTE POSITIONS (Cumulativ	 re)	<u>(\$4,826,953)</u> 	<u>(\$4,826,953)</u> 	<u>(\$4,826,953)</u> 	<u>(\$4,826,953)</u> 			
Is Item Included in Proposed Budget? Yes <u>X</u> No Does this item include the use of federal funds? Yes No <u>X</u>								

Budget Account No: Fund <u>4100</u> Department <u>120</u> Unit <u>8340/8430</u> Rsource <u>4465/4411</u> 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 MAGs or 10% of gross revenues for each contract year. The initial MAG was established by each Concessionaire's bid response and is subject to adjustment each year to 90% of the prior year's actual percentage payment, but will never decrease. The amounts listed above are the minimum amounts to be received; it is anticipated each Concessionaire's actual percentage payment will exceed the MAG. Facility rentals are subject to adjustment each October 1.

C. Departmental Fiscal Review:

**III. REVIEW COMMENTS** 

A. OFMB Fiscal and/or Contract Development and Control Comments 813122 **OFMB** ontract Dev\_and Control MG 813/22 -21

**B. Legal Sufficiency:** 

x115/22 Assistant County Attorney

C. Other Department Review:

**Department Director** 

REVISED 11/17

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

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