

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA ITEM SUMMARY**

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<b>Meeting Date: September 13, 2022</b>	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular	
	<input type="checkbox"/> Workshop	<input type="checkbox"/> 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) Avis Budget Car Rental, LLC, (Avis-Budget) as the sole owner of Avis Rent A Car System, LLC (Avis) and Zipcar, Inc. (Zipcar), for payment of an initial Minimum Annual Guarantee (MAG) in the amount of \$650,000.00 plus facility rentals for the rental car reservation counter area; and
- (B) Avis-Budget, as the sole owner of Budget Rent A Car System, LLC (Budget) and Payless Car Rental, Inc. (Payless), for payment of an initial MAG in the amount of \$650,000.00 plus facility rentals for the rental car reservation counter area.

**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 areas based on standard terminal rental rates, which are \$65.11 per square foot for fiscal year 2023, and which are adjusted annually in accordance with the Signatory Airline Agreement (R-2019-1155). The rental car reservation counter area for the Avis/Zipcar Agreement is approximately 318 square feet, resulting in an initial facility rental of \$20,704.98. Avis-Budget will construct a new reservation counter for the Budget/Payless Agreement, subject to a rental credit not to exceed \$50,000 to offset the cost of construction, and will pay facility rental based on the actual size of the reservation counter and queue area. An Airport Concession Disadvantaged Business Enterprise (ACDBE) goal was established at 3.22% of the purchase of goods and services. Under both Agreements, Avis-Budget has committed to 3.28% 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. Avis-Budget submitted bid responses for both the Avis/Zipcar and Budget/Payless brands, but both bid responses were found non-responsive to the ACDBE requirements of the IFB and were rejected. The Department of Airports determined it was in the best interest of PBI to re-issue an IFB for the two remaining rental car lease and concession agreements. IFB No. PB 22-9 was issued on July 6, 2022, and Avis-Budget submitted bid responses on August 2, 2022, that were found to be responsive to the IFB requirements. There were no other bidders. 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. Avis-Budget is Delaware limited liability company with its principal place of business in Parsippany, NJ.

**Attachments:**

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

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<b>Recommended By:</b>	<i>[Signature]</i>	8.18.22	
	Department Director	Date	

<b>Approved By:</b>	<i>[Signature]</i>	8/31/22	
	County Administrator	Date	

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Capital Expenditures	_____	_____	_____	_____	_____
Const. Reimbursement	_____	<u>\$50,000</u>	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	_____	<u>(\$1,320,705)</u>	<u>(\$1,320,705)</u>	<u>(\$1,320,705)</u>	<u>(\$1,320,705)</u>
Program Inc. (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
<b>NET FISCAL IMPACT</b>	_____	<u>(\$1,270,705)</u>	<u>(\$1,320,705)</u>	<u>(\$1,320,705)</u>	<u>(\$1,320,705)</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Proposed 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:**

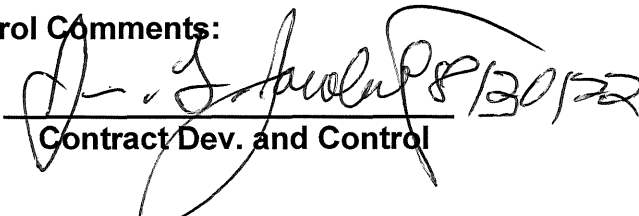
The revenues payable under the Agreements consist of facility rentals for the lease of reservation counter and office areas, and concession fees equal to the greater of the MAGs or 10% of gross revenues for each contract year. The initial MAG for each agreement is \$650,000 and was established by each Concessionaire's bid response. The MAG 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. Initial facility rental for the Avis/Zipcar Agreement is \$20,704.98. Facility rental for Budget/Payless will be established based on the actual size of the reservation counter, to be constructed. The Budget/Payless Agreement provides for a rental credit not to exceed \$50,000 to offset the cost of constructing the new reservation counter, which is shown to occur in FY2023.

C. Departmental Fiscal Review: 

**III. REVIEW COMMENTS**

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

 8/23/22  
 OFMB 8/22  
 MG 8/23

 8/30/22  
 Contract Dev. and Control

**B. Legal Sufficiency:**

 8/31/22  
 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)