



Council Communication No. 97-272

SYNOPSIS –

Due to the time required to allow for City Council approval, and the orderly transfer to the new concessionaires, it is necessary to extend the existing agreement with Host International, Inc. (Host).

The existing agreement with Host is due to terminate on May 31, 1997. The proposed Fourth Amendment will extend the agreement on a month-to-month basis, but no longer than August 31, 1997. Under other items of the Council agenda, City Council will be setting the date of public hearing for the approval of the new concessionaires for food/beverage and gift /news concessions at the Airport.

By Section 2-88 (d) of the Municipal Code, the City Manager may extend any agreement for the provision of services to the City upon receiving prior authorization for such extension from the City Council by resolution, provided that the City Manager shall determine and report to the City Council, and the City Council shall concur and find in said resolution, that the continued provision of such services to the City by the current provider is vital to the City's interests and that the procurement of a new agreement for the provision of said services by competitive bid is impractical within the time remaining under the current agreement.

FISCAL IMPACT –

Under the proposed extension, there will be no change to the payment of fees and charges due to the Airport from Host.

RECOMMENDATION –

On September 20, 1993, by Roll Call No. 93-3490, the Des Moines City Council approved Ordinance 12,040 assigning certain rights and responsibilities pertaining to the Airport to the Des Moines International Airport Board, including the right to enter into leases up to three years in duration. As this Fourth Amendment is an extension to a four-year agreement, it will require approval through City Council. On May 6, 1997, by Resolution No. A97-128, the Airport Board requested and recommended to City Council to authorize and direct the City Manager to extend said agreement pursuant to Section 2-88(d) of the Municipal Code.

BACKGROUND –

On August 6, 1996, by Resolution No. A96-189, the Des Moines International Airport Board (Airport Board) approved an agreement for professional services between the City and Airport Concession Consultants, Inc. (ACC). Under the agreement, ACC produced a Concessions Analysis & Plan which has the following objectives:

1. Improve the appearance and appeal of the concession facilities;
2. Expand the variety of product offerings in the concessions;
3. Meet the needs/desires of the traveling public and other concession customers;
4. Provide viable opportunities for Disadvantaged Business Enterprise (DBE) businesses; and
5. Maximize revenues to the Airport/minimize Airport capital outlay.

The development of the final plan included: 1) an analysis of the existing operations; 2) a survey of concession operations at other airports; and 3) surveys of passenger/airport users and airport employees. Utilizing the above data, ACC completed the Plan to include summaries of the current concessions, and the potential alternatives for future concession operations at the Airport. Based on the final conclusions of the study, ACC then produced a specific recommendation based on the generated data. That specific recommendation was then translated into the Request for Proposals (RFP).

On December 10, 1996, by Resolution No. A96-338, the Airport Board approved the Concession Analysis & Plan (prepared by ACC) and approved the RFP for Food/Beverage and Gift/News Concessions at the Des Moines International Airport. On December 30, 1996, the City's Purchasing Agent issued the Invitation to Bid and Notice to Bidders for the "Operation and management of food/beverage concessions and gift/news concessions at the Des Moines International Airport in accordance with the attached requirements, terms, and conditions."

On March 27, 1997, the City's Purchasing Agent received the proposal packages in accordance with the guidelines set forth in the RFP.

On May 6, 1997, the Airport Board approved the recommendation of new food/beverage and gift/news concessionaires at the Airport.