



City of San Antonio

Agenda Memorandum

File Number:18-6215

Agenda Item Number: 18.

Agenda Date: 12/6/2018

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Russell J. Handy

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Valet Parking Services at the San Antonio International Airport

SUMMARY:

This ordinance authorizes a five-year concessions agreement with Jacobsen/Daniels Associates, LLC dba Fly-Away Valet (Fly-Away Valet) to operate valet services at the San Antonio International Airport. The minimum annual guarantee is \$200,000.00 which will be deposited into the Aviation Operating and Maintenance Fund. The contract will generate at least \$1,000,000.00 over the five year term.

BACKGROUND INFORMATION:

The San Antonio Airport System continually looks for new programs to enhance the customer experience for passengers at the San Antonio International Airport. Examples of programs implemented to improve the customer experience at SAT include the addition of a revolving art program highlighting local and regional artists for passengers to enjoy, and initiation of a nationally known traveler rewards program, *Thanks Again*. The addition of valet services would be another opportunity to enhance the experience for SAT customers.

In April 2018, the airport system released a Request For Proposals (RFP) for a concessionaire for parking valet services at the airport that sought experienced and qualified firms to manage and operate a SAT-branded valet parking service concession on a 24-hour, daily basis at the airport. Three proposals were received, but two were deemed non-responsive for not providing the required proposal bond. An evaluation committee composed of representatives from the Aviation and Center City Development and Operations departments reviewed the Fly-Away Valet proposal and interviewed the firm. Following the interview, the evaluation committee unanimously

agreed to enter negotiations with the firm. The firm, a division of Jacobsen/Daniels, has provided valet services since 2016. On November 13, 2018, the item was presented to the Audit and Accountability Council Committee as a post-solicitation. The Committee recommended the contract be presented to City Council for consideration.

Airport Concessions Disadvantaged Business Enterprise (ACDBE)

This solicitation was released under the Airport Concession Disadvantage Business Enterprise Program. The Federal Aviation Administration Airport Improvement Program, which provides grants to the San Antonio Airport System, requires that participating airports conform to the requirements of Chapter 49 Code of Federal Regulations Part 23 Airport Concession Disadvantage Business Enterprise Program which prohibits the imposition of geographic location preference. While an ACDBE Goal was not required, compliance with the ACDBE Program's Good Faith Efforts Policy was evaluated. Fly-Away Valet Services is a certified ACDBE and will perform 100% of the contracted services.

Fly-Away Valet

Jacobsen/Daniels is a diversified technical and strategy consultant firm for airports, airlines and rental car firms. Fly-Away Valet is part of the Jacobson/Daniels family of firms. The firm provides valet services at Baltimore/Washington Thurgood Marshall Airport, Raleigh-Durham International Airport and Detroit Metropolitan Wayne County Airport.

ISSUE:

This ordinance authorizes a five-year concessions agreement with Fly-Away Valet to operate valet services at the airport. This agreement will generate revenue of \$200,000.00 annually or \$1,000,000.00 over the 5-year term for the Aviation Operating and Maintenance Fund. In addition, Fly-Away Valet will pay the airport system a 10% commission on the cost for all value-added services and customer amenities. The generated revenue will be deposited into the Aviation Operating and Maintenance Fund.

ALTERNATIVES:

City Council could elect to not authorize the agreement and have a new solicitation released. However, this solicitation was developed utilizing the City's procurement and policies and resulted in a proposal that the evaluation team agreed to move forward with. The time to develop a new solicitation could result in fewer proposers and delay the implementation of this customer service enhancement.

FISCAL IMPACT:

During the first contract year, the firm will pay the minimum annual guarantee of \$200,000.00. During the second year and each subsequent year, the MAG will be the greater of the MAG for the preceding year or 85% of total rent paid for the preceding year. The minimum annual revenue generated is \$200,000.00 and will generate \$1,000,000.00 over the five-year term. In addition, Fly-Away Valet will pay the airport system a 10% commission on the cost for all value-added services and customer amenities. The generated revenue will be deposited into the Aviation Operating and Maintenance Fund.

RECOMMENDATION:

Staff recommends authorizing a five-year concessions agreement with Fly-Away Valet to operate valet services

at the San Antonio International Airport.