

BILL/ RESOLUTION REQUEST

- 1. Title:** Approves a new concession agreement at DIA for 7 years with Quiz-DIA, LLC d/b/a Quiznos with an annual MAG of \$718,442.00 or a percentage of compensation of 15% for food and 18% for alcohol, whichever is greater (PLANE-201311283).

- 2. Requesting Agency:** DIA

- 3. Contact Person *with actual knowledge of proposed ordinance***
 - Name:**John Ackerman
 - Phone:**
 - Email:**

- 4. Contact Person *with actual knowledge of proposed ordinance who will present the item at Mayor Council and who will be available for first and second reading, if necessary***
 - Name:**Amy Raaz
 - Phone:**
 - Email:**

- 5. Describe the proposed ordinance, including what the proposed ordinance is intended to accomplish, who's involved**
 - a. Scope of Work**

This Concession Agreement comes within the special circumstances for term, described in Executive Order 8B in that this contract requires a concessionaire to make significant capital investment to meet the city's needs. It also comes within special for competitive process, the justification for which is described in 6b. below. This new concession agreement with Quiz-DIA, LLC will provide food and beverage concept to the traveling public and employees at DIA on Concourse A. The term for this opportunity is seven (7) years in order for the concessionaire to amortize the investment. The agreement contains an annual MAG of \$718,442.00 or a percentage of compensation of 15% for food and 18% for alcohol, whichever is greater, and requires a capital investment of \$1,751,625.00 with a mid-term refurbishment of \$350,325.00. Quiz-DIA, LLC d/b/a Quiznos is a joint venture partnership between LEI Companies (a certified ACDBE company with 6.67% interest in the joint venture).
 - b. Duration**

7 years
 - c. Location**

DIA
 - d. Affected Council District**

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 - e. Benefits**

DIA worked with its concessionaires to design the Premium Value Concession Program (PVCP). The program is a competitive, merit-based program that rewards excellence resulting in better customer service and higher revenue to DIA. Concessionaires who are in the top third of their defined categories obtain the opportunity to execute a new agreement at the end of their current one and are not required to go through an RFP process (the "Benefit"). Quiz-DIA, LLC has been determined to receive the Benefit of a new concession agreement during Phase 1 of PVCP.

f. Costs

Current Contract Amount

(A) Additional Funds

(B) Total Contract Amount

(A+B)

\$718,442.00 Annual MAG

\$718,442.00 Annual MAG

Current Contract Term Added Time New Ending Date

7 Years

7 Years

6. Is there any controversy surrounding this ordinance, groups or individuals who may have concerns about it? Please explain.

No.

Bill Request Number: BR13-0781

Date: 10/23/2013