

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

**All fields must be completed.*
Incomplete request forms will be returned to sender which may cause a delay in processing.*

Date of Request: 7/1/2014

Please mark one: Bill Request or Resolution Request

1. Has your agency submitted this request in the last 12 months?

Yes No

If yes, please explain:

2. **Title:** Brookstone DEN T-B, LLC d/b/a Brookstone (PLANE-201414718-00) – New Concession Agreement

3. **Requesting Agency:** Department of Aviation

4. **Contact Person:** (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Amy Raaz
- **Phone:** (303) 342-2201
- **Email:** Amy.Raaz@flydenver.com

5. **Contact Person:** (With actual knowledge of proposed ordinance/resolution who will present the item at Mayor Council and who will be available for first and second reading, if necessary.)

- **Name:** Patrick Heck
- **Phone:** 303 342-2207
- **Email:** Patrick.Heck@flydenver.com

6. **General description of proposed ordinance including contract scope of work if applicable:** This Concession Agreement comes within the special circumstances described in Executive Order 8B. Contracts that require a concessionaire to make significant capital investment to meet the City's needs, like some concession agreements. The agreement will obtain the greater of either a Monthly Guarantee of \$13,769.25 or a percentage of compensation of 13% on annual sales of up to \$1M and 15% on sales exceeding \$1M. The Percentage Compensation annual sales threshold amounts will be evaluated and assessed on a per month basis.

It will require a \$315,945 capital investment and a mid-term refurbishment of \$63,189. The term is 7 years in order for the concessionaire to amortize the investment. Brookstone DEN T-B, LLC d/b/a Brookstone is a joint venture partnership between Brookstone Stores, Inc. and Innovative Retail Group, LLC (a certified ACDBE company with 25% interest in the joint venture).

DIA collaborated with many of its concessionaire partners to develop and implement the Premium Value Concessions program (PVC). The program established an internal competition to recognize the top performing concessions. These top performers are awarded the Program Benefit which is the opportunity to bypass the competitive Request for Proposal (RFP) process and begin lease negotiations with the airport. For those concessions not earning the Program Benefit, DIA will RFP and competitively bid those concession locations.

a. **Contract Control Number:** PLANE-201414718-00

b. **Duration:** 7 years + 270 days from DOE

c. **Location:** DIA

d. **Affected Council District:** 11

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"). Brookstone DEN T-B, LLC has been determined to receive the Benefit of a new concession agreement during Phase 2 of the PVC program.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date: _____

f. Costs:

<i>Current Contract Amount (A)</i>	<i>Additional Funds (B)</i>	<i>Total Contract Amount (A+B)</i>
\$165,231.00 Annually		\$165,231.00 Annually

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
7 years		7 years

g. Date Goals Assigned: 11/19/2013

h. Goals: 25% ACDBE / 25% Participation

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain.

None

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Date: _____

Key Contract Terms

Vendor/Contractor Name: Brookstone DEN T-B, LLC d/b/a Brookstone

Contract control number: PLANE-201414718-00

City's contract manager: John Ackerman

Was this contractor selected by competitive process? Was it the low bid? Yes / No

Term/Duration of contract/project: 7 years + 270 days from DOE

Renewal terms: None

Purpose: This concession agreement grants concessionaire the right to use the facilities at DIA to provide the traveling public and employees of the airport with food, retail, or services. This is a revenue contract.

Scope of services to be provided with performance bench marks: None

Cost/value: \$13,769.25 Monthly Guarantee or percentage compensation, whichever is greater. The Percentage Compensation annual sales threshold amounts will be evaluated and assessed on a per month basis.

Source of funds: Revenue Agreement

Benefit: Provides concession services to the traveling public and employees at DIA.

Termination provision for City and for contractor: No

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): 25% ACDBE Goal
Who are the subcontractors to this contract? Brookstone DEN T-B, LLC minority participation is 25% (joint venture with Innovative Retail Group, LLC (an ACDBE company).

Location: DIA

Affected Council District: District 11

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