

## ORDINANCE/RESOLUTION REQUEST

All Fields must be completed

Incomplete request forms will be returned to sender which may cause a delay in processing.

**Date of Request: August 31, 2023**

Please mark one:     **Bill Request**                      or                       **Resolution Request**

**1. Type of Request:**

- Contract/Grant Agreement**     **Intergovernmental Agreement (IGA)**     **Rezoning/Text Amendment**  
 **Dedication/Vacation**                       **Appropriation/Supplemental**                       **DRMC Change**  
 **Other:**

**2. Title:** Approves Hotel Asset Value Enhancement (HotelAVE) 202266122 contract execution for \$1,650,000.00 to provide hotel asset management services to Denver International Airport Westin Hotel.

**3. Requesting Agency:** Department of Aviation/Denver International Airport

**4. Contact Person:**

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Amy Edinger	Name: Rita Aguilar, Rachel Gruber, Barry Burch
Email: <a href="mailto:Amy.Edinger@flydenver.com">Amy.Edinger@flydenver.com</a>	Email: <a href="mailto:Rita.Aguilar@flydenver.com">Rita.Aguilar@flydenver.com</a> <a href="mailto:Rachel.Gruber@flydenver.com">Rachel.Gruber@flydenver.com</a> <a href="mailto:Barry.Burch@flydenver.com">Barry.Burch@flydenver.com</a>

**5. General description or background of proposed request:**

The Westin-DIA hotel is owned by Denver International Airport (DEN) and operated by Marriott under the Westin brand. DEN's airport hotel opened in 2015 and was delivered to increase non-aeronautical revenue for DEN. Non-aeronautical revenue is revenue that is not directly related to the airlines, which comprises roughly 35% of the \$1.33 Billion DEN budget. Non-aeronautical revenue plays an important part in DEN's operation by offsetting aeronautical costs and keeping passenger and airline rates competitive.

Hotel Asset Value Enhancement (HotelAVE) was selected through competitive procurement to provide hotel asset management services to DEN's Commercial Business division for a three-year contract with 2 one-year extensions.

This firm will act as the Owner's representative to DEN and will use their expertise to analyze Westin provided hotel financial performance reviews and advise DEN on strategic decisions related to the operation and care of the Westin-DIA Hotel. HotelAVE will maximize the operational and financial performance of the airport hotel and ensure the contracted operator (Westin by Marriott) is properly caring for and maintaining the infrastructure and systems which keep it running smoothly.

By contracting with an asset management firm, the DEN Commercial Business division will have access to niche skillsets (room pricing analysis, repair options, upgrade timing, facility refresh scopes) when needed. HotelAVE is currently proving this service as an "on-call" to DEN and their agreement expires 03/11/2024. Rather than continuing to meet this need through an on-call agreement, DEN decided to release an RFP for a longer-term contract with an owner's representative. We are requesting \$1.6M in total capacity over the 3-year term and the additional 2 year extension options to cover both the flat monthly expense for HotelAVE's services and some additional capacity to cover travel and expenses when we require expert consultants to be onsite at DEN.

**6. City Attorney assigned to this request (if applicable):** Jacob Garner

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*To be completed by Mayor's Legislative Team:*

Resolution/Bill Number: \_\_\_\_\_

Date Entered: \_\_\_\_\_

7. **City Council District:** District 11

8. **\*\*For all contracts, fill out and submit accompanying Key Contract Terms worksheet\***

### Key Contract Terms

**Type of Contract:** Professional Services Expenditure Contract

**Vendor/Contractor Name:** Hotel Asset Value Enhancement (hotelAVE)

**Contract control number:** PLANE-202266122

**Location:** Denver International Airport

**Is this a new contract?** Yes

**Is this an Amendment?** No

**Contract Term/Duration:** Date of execution (DOE) + 5 Years (3 years plus 2 one-year options)

**Contract Amount (indicate existing amount, amended amount and new contract total):**

<i>Current Contract Amount</i> (A)	<i>Additional Funds</i> (B)	<i>Total Contract Amount</i> (A+B)
1,650,000.00	N/A	\$1,650,000.00

  

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
DOE + 5-Years		DOE + 5-Years

**Scope of work:**

Scope of work will include, but will not be limited to, the following:

- 1) Serve as primary liaison between DEN's Commercial Business division and third-party property management and brand representatives (Westin).
- 2) Conduct analyses of hotel financial statements and operating performance and challenge the hotel operator to respond where areas of opportunity to improve sales and streamline operations exist.
- 3) Evaluate operating initiatives to reduce cost while still maintaining the highest profitability and guest satisfaction.
- 4) Ensure brand operator's compliance with the hotel management agreement (HMA).
- 5) Strategically negotiate with brand management to maximize DEN's return on investment.

**Was this contractor selected by competitive process?** Yes

**If not, why not?** N/A

**Has this contractor provided these services to the City before?** Yes

**Source of funds:** 80160000-73130-6022010-HOTL

**Is this contract subject to:**  W/MBE  DBE  SBE  XO101  ACDBE

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**N/A** - DSBO determined this agreement is not subject to goals; there are very few firms operating in this market. HotelAVE is a women owned business.

**WBE/MBE/DBE commitments:** None

**Who are the subcontractors to this contract?** None

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