

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: **September 7, 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 United Parcel Service CO., contract execution for Use and Cargo Facilities Lease Agreement

3. Requesting Agency: Department of Aviation

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: George Karayiannakis, SVP Airlines and Commercial Affairs	Name: Rita Aguilar, Rachel Gruber, Barry Burch Jr.
Email: George.Karayiannakis@flydenver.com	Email: Rita.Aguilar@flydenver.com Rachel.Gruber@flydenver.com Barry.Burch@flydenver.com

5. General description or background of proposed request. Attach executive summary if more space needed:

This request is for a use and cargo facilities lease agreement between United Parcel Service Co. (UPS) and Denver International Airport (DEN) for five years. UPS is a cargo airline operating at DEN. They will continue to lease space in the UPS cargo building in the south campus to support their operations. The leased area includes 45,754 sq. ft. of building space and 898,546 sq. ft. of ground space, including 9 narrow body and wide body cargo aircraft parking positions, plus a ramp for 20 feeder aircraft. Airline Rates and Charges apply.

6. City Attorney assigned to this request (if applicable): Ema Medic

7. City Council District: District 11

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

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: Lease of Real Property

Vendor/Contractor Name: United Parcel Service CO. (dba UPS)

Contract control number: PLANE-202265984-00

Location: Department of Aviation

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): 5 years

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)
Rates and Charges	N/A	Rates and Charges

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
5 Years	N/A	2028

Scope of work:

This request is for a use and cargo facilities lease agreement between United Parcel Service Co. (UPS) and Denver International Airport (DEN) for five years. UPS is a cargo airline operating at DEN. They will continue to lease space in the UPS cargo building in the south campus to support their operations. The leased area includes 45,754 sq. ft. of building space and 898,546 sq. ft. of ground space, including 9 narrow body and wide body cargo aircraft parking positions, plus a ramp for 20 feeder aircraft. Airline Rates and Charges apply.

Airline rates and charges are established on “cost recovery” concepts whereby the annual cost of operating DEN forms the basis for the rate, fee, or charge assessed to the airlines. The Airport recalculates airline rates and charges each year based on its operating budget, debt service, amortization and projected aviation activity levels and reconciled at year-end based on actuals “true-up.” The airline/airport use and lease agreement specifies the types of costs that are used to calculate airline rates and charges. Examples of rates and charges include landing fee (fee for every time a plane lands on the runway), Terminal Complex rental rate (Per square foot rate to lease space in the Terminal (e.g., office, holdroom, ticketing)), concourse ramp, fee to recover the cost of leasing the ramp area associated with a gate, Automatic Guideway Transportation System (Passenger fee to use the train system between the terminal and concourses).

Was this contractor selected by competitive process? No
exception under Memorandum No. 8B and will not be competitively procured.

If not, why not? This procurement qualifies for

Has this contractor provided these services to the City before? Yes No

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Resolution/Bill Number: _____

Date Entered: _____

Source of funds: Revenue

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

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): No goals were assigned to this project.

Who are the subcontractors to this contract? N/A

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