

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: 6/21/2016

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: Lufthansa German Airlines – Operational Air Service Development Incentive, contract no. 201525659 contract execution

3. Requesting Agency: Department of Aviation

4. Contact Person:

- Name: Laura Jackson
- Phone: (303) 342-2282
- Email: Laura.Jackson@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: Aaron Barraza
- Phone: (303) 342-2261
- Email: Aaron.Barraza@flydenver.com

6. General description of proposed ordinance including contract scope of work if applicable:

Lufthansa qualifies for an air service incentive for their new service to Munich which began May 11, 2016. As an unserved destination in Europe, Lufthansa’s service to Munich qualifies for a waiver of fees, applied as credits, to operate at Denver International Airport for the first two years of this service. The maximum amount of the credits is \$5M over these two years and the exact waiver amount is based on the number of passengers carried (\$40 of waiver per enplaned passenger). This incentivizes Lufthansa to carry as many passengers as possible on the flight.

***Please complete the following fields: (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)*

- a. Contract Control Number: 201525659
- b. Duration: 05/11/16 – 05/10/18
- c. Location: DIA
- d. Affected Council District: 11
- e. Benefits: This agreement supports DEN’s air service incentive program, which encourages new airlines to add service to Denver, and for existing carriers to add new nonstop destinations from Denver.
- f. Costs:

| <i>Current Contract Amount</i> <i>(A)</i> | <i>Additional Funds</i> <i>(B)</i> | <i>Total Contract Amount</i> <i>(A+B)</i> |
|----------------------------------------------|---------------------------------------|----------------------------------------------|
| 5,000,000.00 | | 5,000,000.00 |

| <i>Current Contract Term</i> | <i>Added Time</i> | <i>New Ending Date</i> |
|------------------------------|-------------------|------------------------|
| 05/11/2016 – 05/10/2018 | | |

- g. Date Goals Assigned: N/A
- h. Goals: N/A

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) Please explain. There are no known controversies. This is an air service incentive that is offered to all airlines.

To be completed by Mayor’s Legislative Team:

SIRE Tracking Number: _____

Date: _____

Key Contract Terms

Vendor/Contractor Name: Lufthansa German Airlines

Contract control number: CE 201525659

City's contract manager: Laura Jackson

Was this contractor selected by competitive process? Was it the low bid?
All airlines are eligible for the air service incentive program.

Term/Duration of contract/project:
05/11/2016 – 05/10/2018

Renewal terms:
N/A

Purpose:
Air Service Development.

Scope of services to be provided with performance benchmarks:
Maintain the Denver-Munich route for the duration of the contract period. Lufthansa will be credited the amount of \$40 per enplaned passenger over this period, for a maximum credit of \$5M.

Cost/value:
Maximum value of \$5,000,000.00

Source of funds:
The City's Airport System Capital Improvement and Replacement Fund

Benefit:
Supports new international flights during the first two years of service; provides more options for consumers for nonstop travel from Denver; enhances Denver's competitive air service position in the global aviation industry.

Termination provision for City and for contractor:
Either party may cancel and terminate this Agreement without cause by giving not less than thirty (30) days prior written notice to the other party, and may cancel and terminate this Agreement with cause by giving not less than ten (10) days prior written notice to the other party.

WBE/MBE/DBE commitments (construction, design, Airport concession contracts):
Who are the subcontractors to this contract?

Location: Denver International Airport

Affected Council District: 11

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date: _____