

## **BILL/ RESOLUTION REQUEST**

**1. Title:** Approves a new concession agreement at DIA for 7 years with Avila Retail Development & Management, LLC d/b/a Mosaic Fine Arts and Craft Gallery with an annual MAG of \$127,445.00 or a percentage of compensation of Yrs 1-2, 10%; Yrs 3-7, 14%. (PLANE-201311252).

**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 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 contains an annual MAG of \$127,445.00 or a percentage of compensation of Yrs 1-2, 10%; Yrs 3-7, 14%. It will require a \$405,660.00 capital investment and a mid-term refurbishment of \$81,132.00. The term is 7 years in order for the concessionaire to amortize the investment. Avila Retail Development and Management, LLC is a certified ACDBE company with a 100% participation rate.

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.

**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"). Avila Retail Development and Management, 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)

\$127,445.00 Annual MAG

\$127,445.00 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: BR13-0776**

**Date: 10/23/2013**