



Legislation Text

File #: 18-1139, Version: 1

Contract Request Template (Contracts; IGAs; Leases)

Date Submitted: 10-2-18

Requesting Agency: Denver International Airport
Division:

Subject Matter Expert:

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving a proposed fifth Amendment between the City and County of Denver and APRO, LLC concerning concessions along Pena Blvd. at Denver International Airport.

Amends a contract with APRO, LLC., by reducing the compensation fee from 15% to 12% of gross receipts, updating the food court operation contract terms and revising portions of the lease language for clarity for fast food, convenience store and gasoline provisions to airport customers along Peña Boulevard at Denver International Airport (AC 59013-05). The last regularly scheduled Council meeting within the 30-day review period is on 11-5-18. The Committee approved filing this item at its meeting on 10-10-2018.

Affected Council District(s) or citywide? CD 11

Contract Control Number: AC 59013-05

Vendor/Contractor Name (including any "DBA"): APRO, LLC

Type and Scope of services to be performed:

Denver International Airport (DEN) contracts APRO, LLC, for fast food (Final Approach plus

Wendy's), convenience store, and gasoline provision to airport customers on landside, along Peña Boulevard. The Final Approach plus Wendy's (the Food Court operation) is an Airport Concessions Disadvantage Business Enterprises (ACDBE) sublease of APRO, LLC. The fifth amendment updates the Food Court operation contract terms in response to current Food Court brand performance. Proposed changes in lease compensation fee and re-concepting would improve net results for the sublease operation. ACDBE participants anticipate a stronger position, post amendment, with an increase in overall revenue opportunities from the Food Court operation changes that allow them to be more competitive in the airport's landside, fast-food market.

Location (if applicable):

WBE/MBE/DBE goals that were applied, if applicable (construction, design, Airport concession contracts):

Division of Small Business Opportunity established an ACDBE goal of 25%, in 2012, for the operation of the Food Court. APRO, LLC subleased the Food Court operation with 100% ACDBE.

Are WBE/MBE/DBE goals met (if applicable)?

Is the contract new/a renewal/extension or amendment?

Was this contractor selected by competitive process or sole source?

For New contracts

Term of initial contract:

Options for Renewal:

How many renewals (i.e. up to 2 renewals)?

Term of any renewals (i.e. 1 year each):

Cost of initial contract term:

Cost of any renewals:

Total contract value council is approving if all renewals exercised:

For Amendments/Renewals Extensions:

Is this a change to cost/pricing; length of term; terms unrelated to time or price (List all that apply)?

If length changing

What was the length of the term of the original contract?

What is the length of the extension/renewal?

What is the revised total term of the contract?

If cost changing

What was the original value of the entire contract prior to this proposed change?

What is the value of the proposed change?

What is the new/revised total value including change? compensation fee update from 15% to 12%

If terms changing

Describe the change and the reason for it (i.e. compliance with state law, different way of doing business etc.)

Amendment authorizes a compensation fee update from 15% to 12% of gross receipts generated under the APRO, LLC, existing lease for the Food Court operation provision, retroactively as of October 31, 2017. The recommended rate change would allow these Peña Boulevard establishments to be competitive and responsive, in hopes of improving net revenue for their struggling ACDBE operators.

The market place also supports an approval to re concept several of the existing fast food concessions to improve the Final Approach plus Wendy's net revenue. Specifically, "Subway" to "Schlotzsky's" to decrease franchise costs, plus "Slice" to "Auntie Anne's Pretzels" increasing customer traffic though greater national brand recognition.

Lastly, DEN Legal Services will update lease language for clarity.