



# AVIATION AUTHORITY BOARD MEETING

**MAY 19, 2021**



## **ELECTION OF OFFICER**

## **VICE CHAIRMAN**



## **CONSIDERATION OF MEETING MINUTES**



## RECOGNIZING YEARS OF SERVICE

## **20 Years of Service**



**Jorge Llinas – Supervisor of Emergency Communications  
Communications Center**

## **25 Years of Service**



**Janet Shelton-Browne – GL Financial Analyst  
Finance Department**



## **PRESENTATION**

# **CONCESSIONS PROGRAM**

# Greater Orlando Aviation Authority Concessions Program





The Concessions Department of the Greater Orlando Aviation Authority is responsible for procuring all concessions and rental cars in the North Terminal, the future South Terminal, and all concessions in the supporting areas outside the terminals of Orlando International Airport.





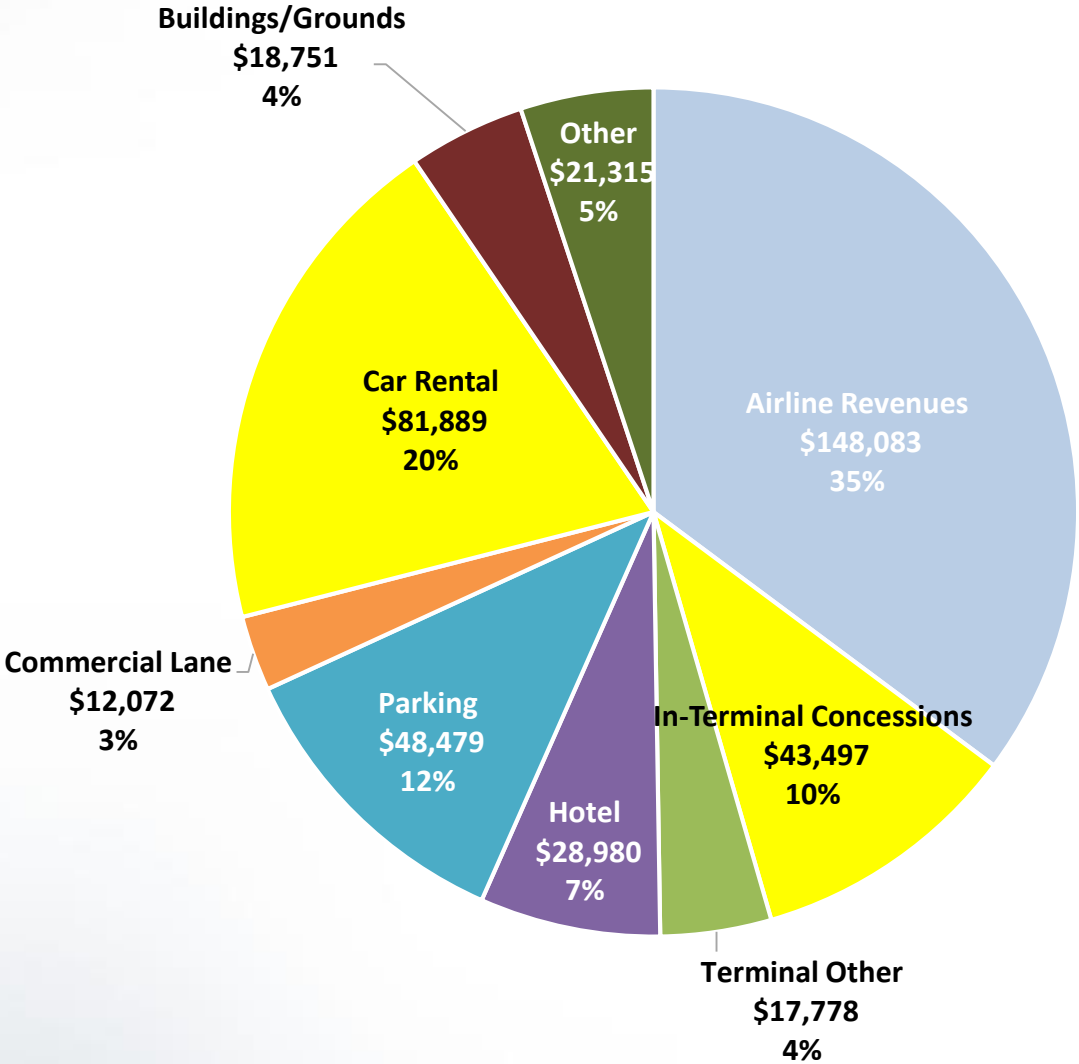
# Program Goals

- Procure world-class concessions that exceed the expectations of the traveling public
- Ensure the highest level of customer service in support of *The Orlando Experience*<sup>®</sup>
- Encourage the participation of small and local businesses
- Maximize revenue

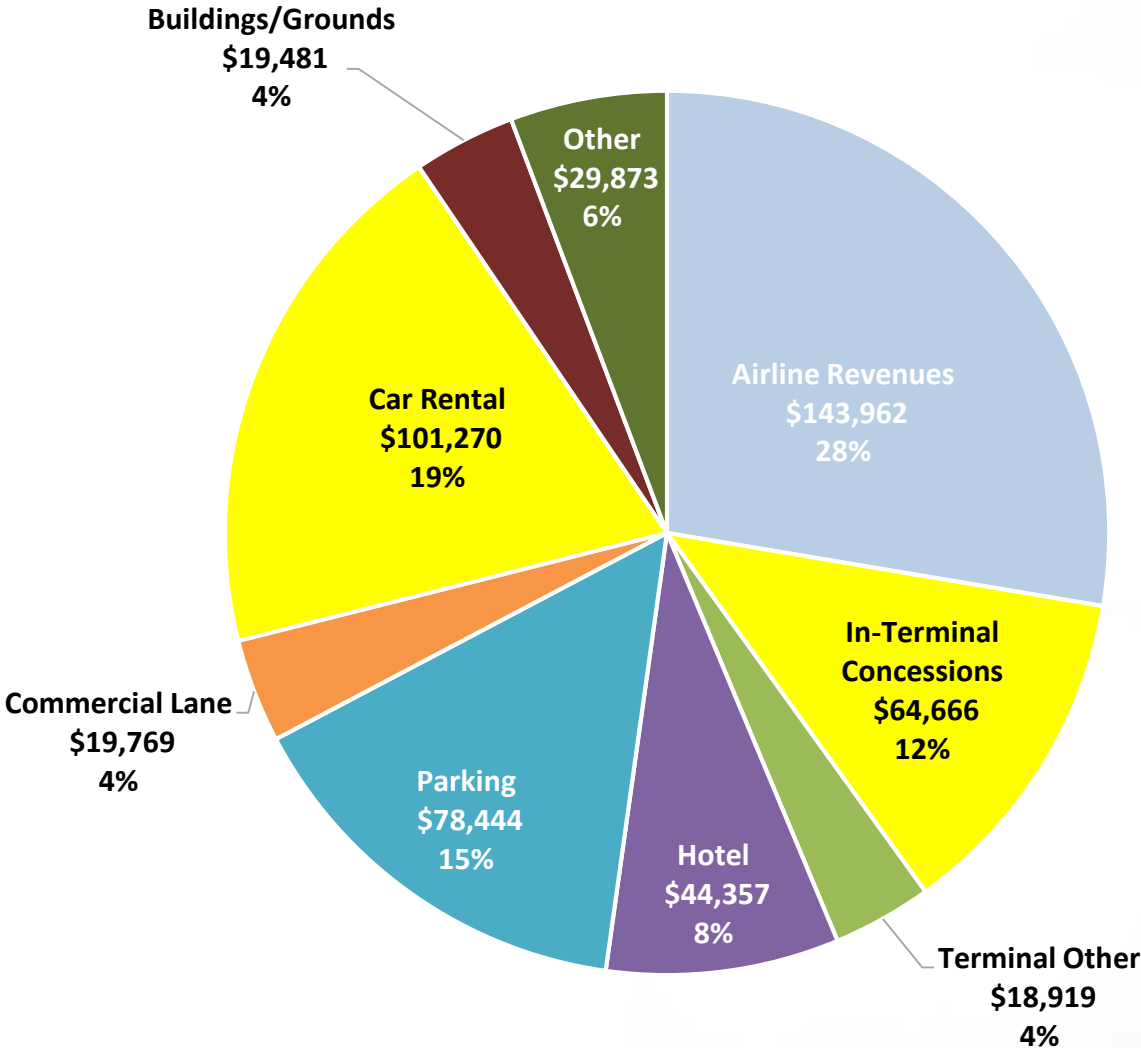


# Operating Revenues (Net of Revenue Share)

**FY 2020 Operating Revenues \$420,844**  
(in thousands)



**FY 2019 Operating Revenues \$520,741**  
(in thousands)



# Policy for Awarding and Operating Concessions and Consumer Service Privileges

- Establishes competition parameters for awarding concessions.
- Establishes a concession limitation rule to insure adequate opportunity for competition. Currently, a concessionaire may only hold an interest in one food and beverage concession contract in the NTC and one in the STC, and only one retail/service concession contract in the NTC and one in the STC exclusive of theme retail concessions. In light of the recent changes to the concessions market resulting from the Covid pandemic, staff is analyzing whether an adjustment to the concession limitation rule is necessary.
- Requires a competitive procurement process in most circumstances.
- Allows for direct negotiation in certain circumstances including with the themed retail partners.
- Allows for Retail Merchandising Units (RMU), also known as the “carts” or “kiosks”.

# Typical Departmental Process

- RFP/B issued approximately one year prior to expiration of concession
- Public notification
- Mandatory pre-proposal meeting held
- Proposals received
- Concessions Procurement Committee evaluation and ranking
- Recommendation of award to Aviation Authority Board
- Process contract documents
- Setup bill rules in financial billing system
- Design Review Committee
- Construction
- Open for business
- Daily operation/compliance

# Types of Concessions Managed

- Food & Beverage (number of each)
- Specialty Retail
- News & Gift
- Theme Retail/Transportation
- Rental Cars
- Duty Free
- Pilot Programs
  - Luggage Wrap and Storage
- Passenger Services
- Distributed Antenna System (DAS)
- Passenger Lounges
- Travel Plaza
- Retail Merchandising Units (RMU)
- Tour Operators
- Specialty Programs
  - Apiculture



# Airport Concession Disadvantaged Business Enterprise Program

- The **ACDBE** Program is a requirement of US Department of Transportation (USDOT) that is designed to level the playing field for small businesses who wish to participate in concessions contracting opportunities at airports.
- The ACDBE Program is mandated by federal regulation and airport sponsors agree to comply with the terms when they execute the Grant Assurances that accompany Federal Aviation Administration (FAA) grant awards.
- To be eligible for ACDBE certification, a firm must meet the following criteria:
  - Operate as a for-profit business concern (no non-profits).
  - Be a small business as defined by the Small Business Administration
  - Be at least 51% owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51% of the stock is owned by one or more such individuals.
  - An ACDBE's management and daily business operations must be controlled by one or more of the socially and economically disadvantaged individuals who own it.
  - Owners must be citizens (or lawfully admitted permanent resident) of the United States.

# Airport Concession Disadvantaged Business Enterprises

- As a large hub airport, the Aviation Authority is required submit its ACDBE goal to the FAA on a triennial basis.
- Calculating the ACDBE goal means determining the availability of ACDBE in the market area.
- Then determine a base figure from data of DBE firms in the market area/all firms.
- Adjust the calculation as necessary. Historically, Theme Retail has been excluded from the calculation.
- The current ACDBE goal is 20% of which 19% is race conscious and 1% is race neutral.

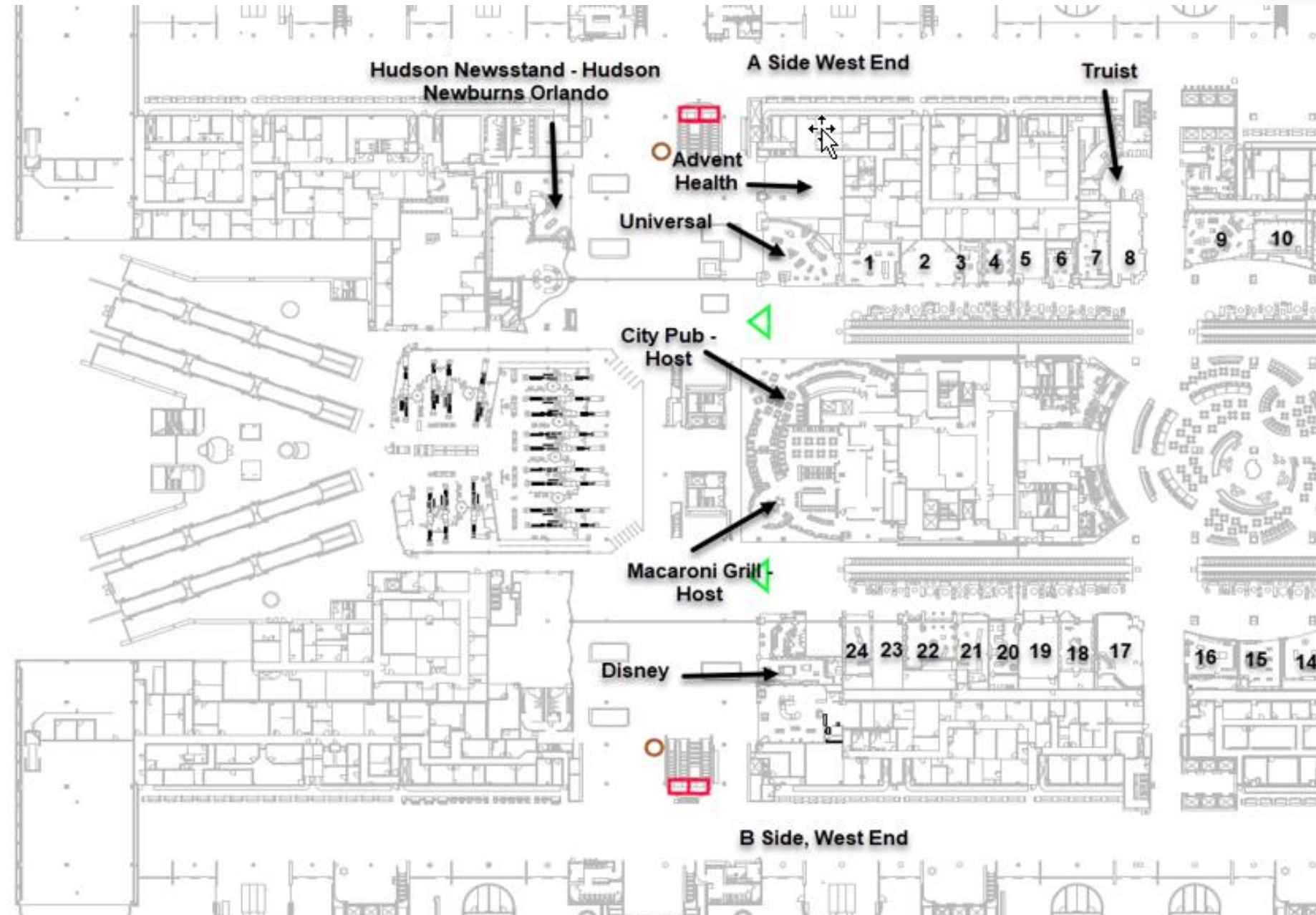
# Concessionaires



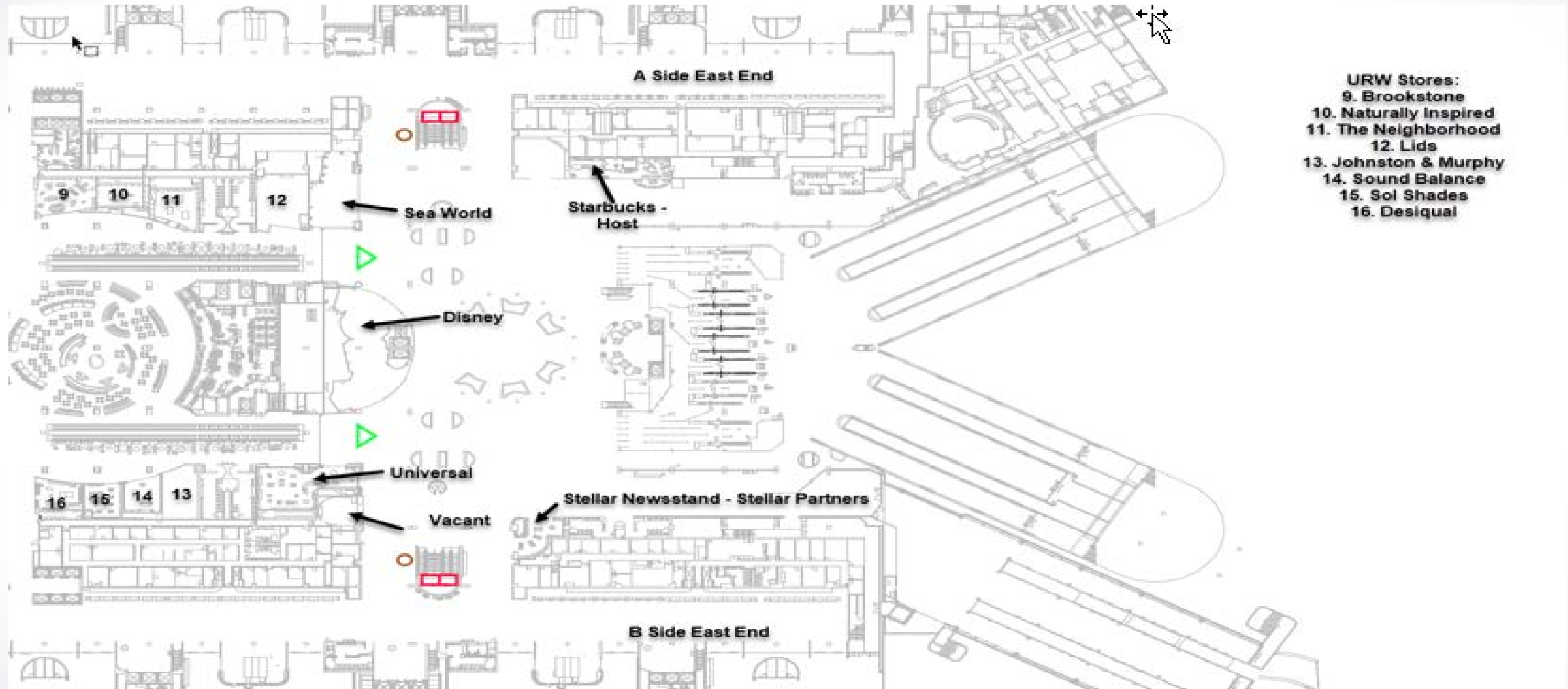


# LANDSIDE WEST HALL

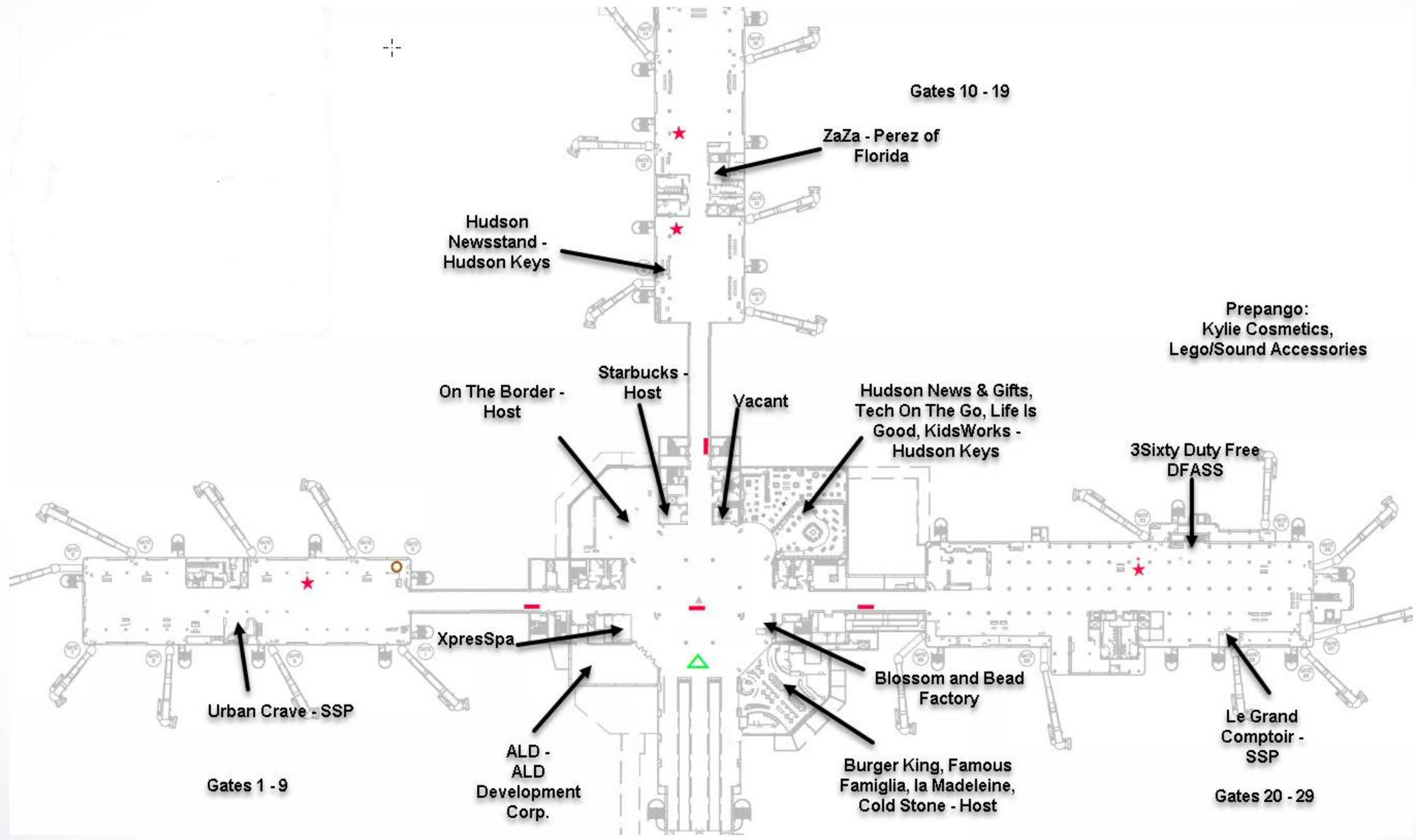
- URW Stores:
1. Dunkin
  2. Mango
  3. Vacant
  4. This Socks
  5. TUMI
  6. Swarovski
  7. Natalie's Candy
  8. Oakley
  9. Brookstone
  10. Naturally Inspired
  14. Brookstone
  15. Sound Balance
  16. Desigual
  17. Ron Jon
  18. Vacant
  19. Cariloha
  20. Samsonite
  21. Xpres Spa
  22. Skechers
  23. Guess
  24. InMotion



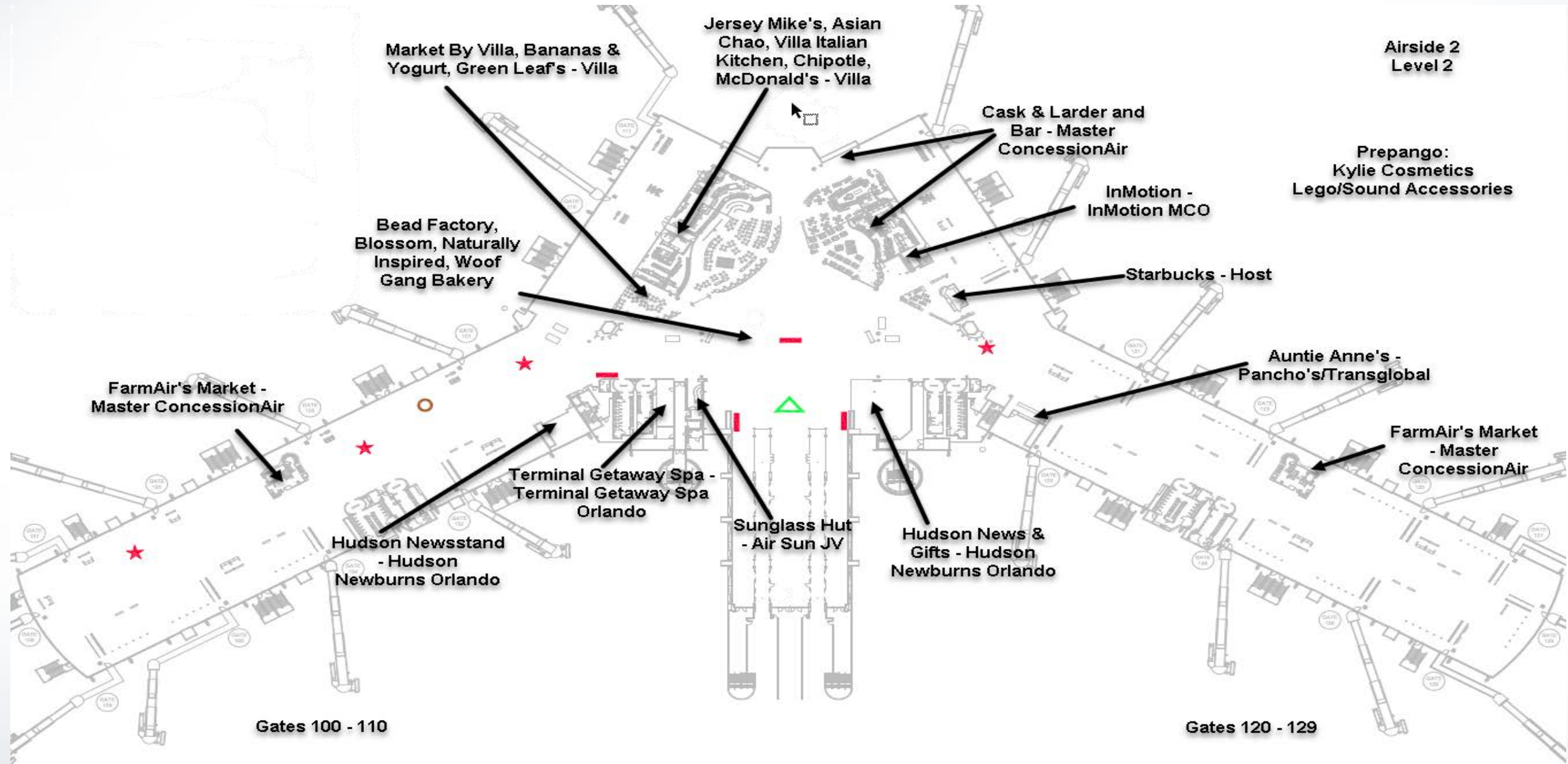
# LANDSIDE EAST HALL



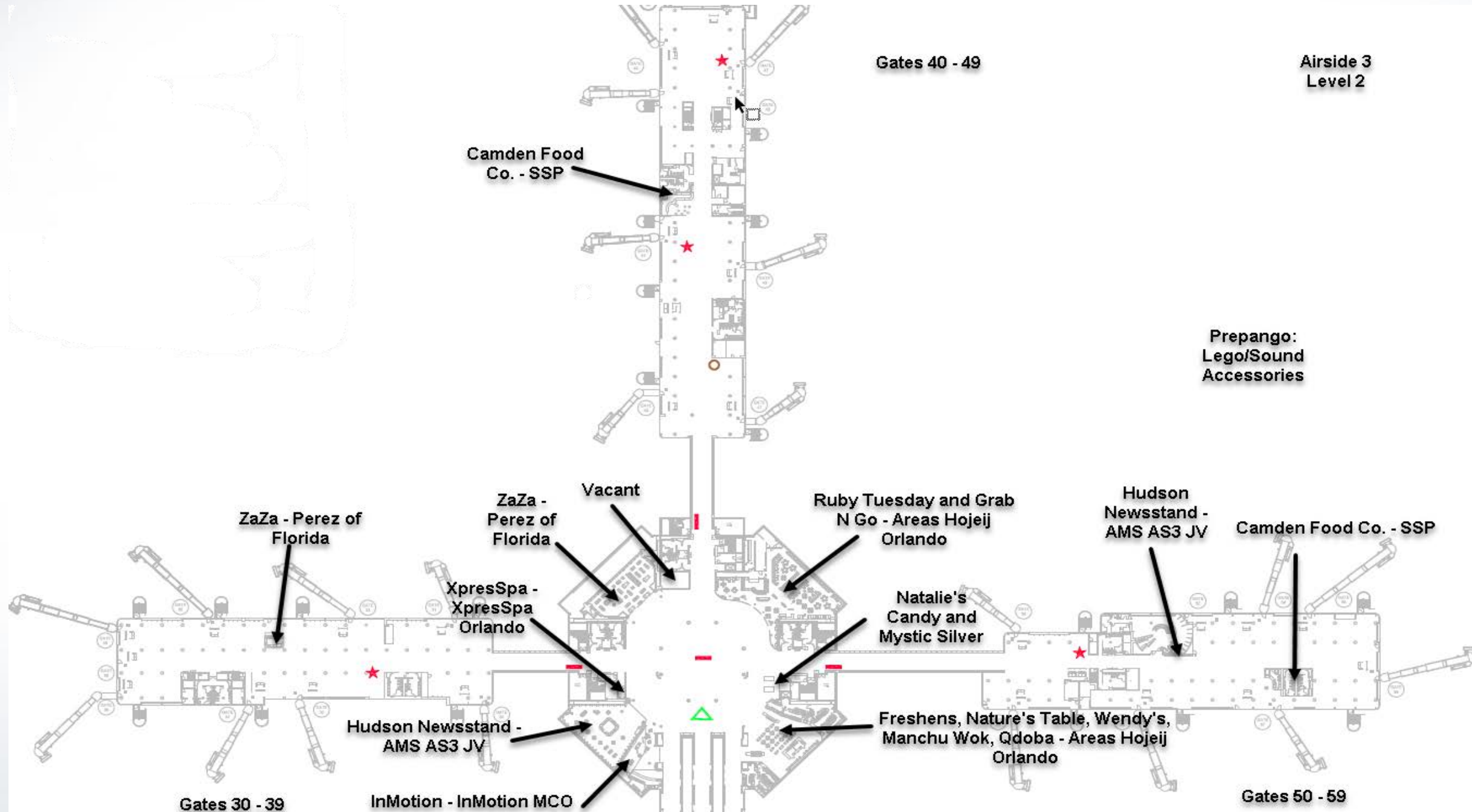
# AIRSIDE 1



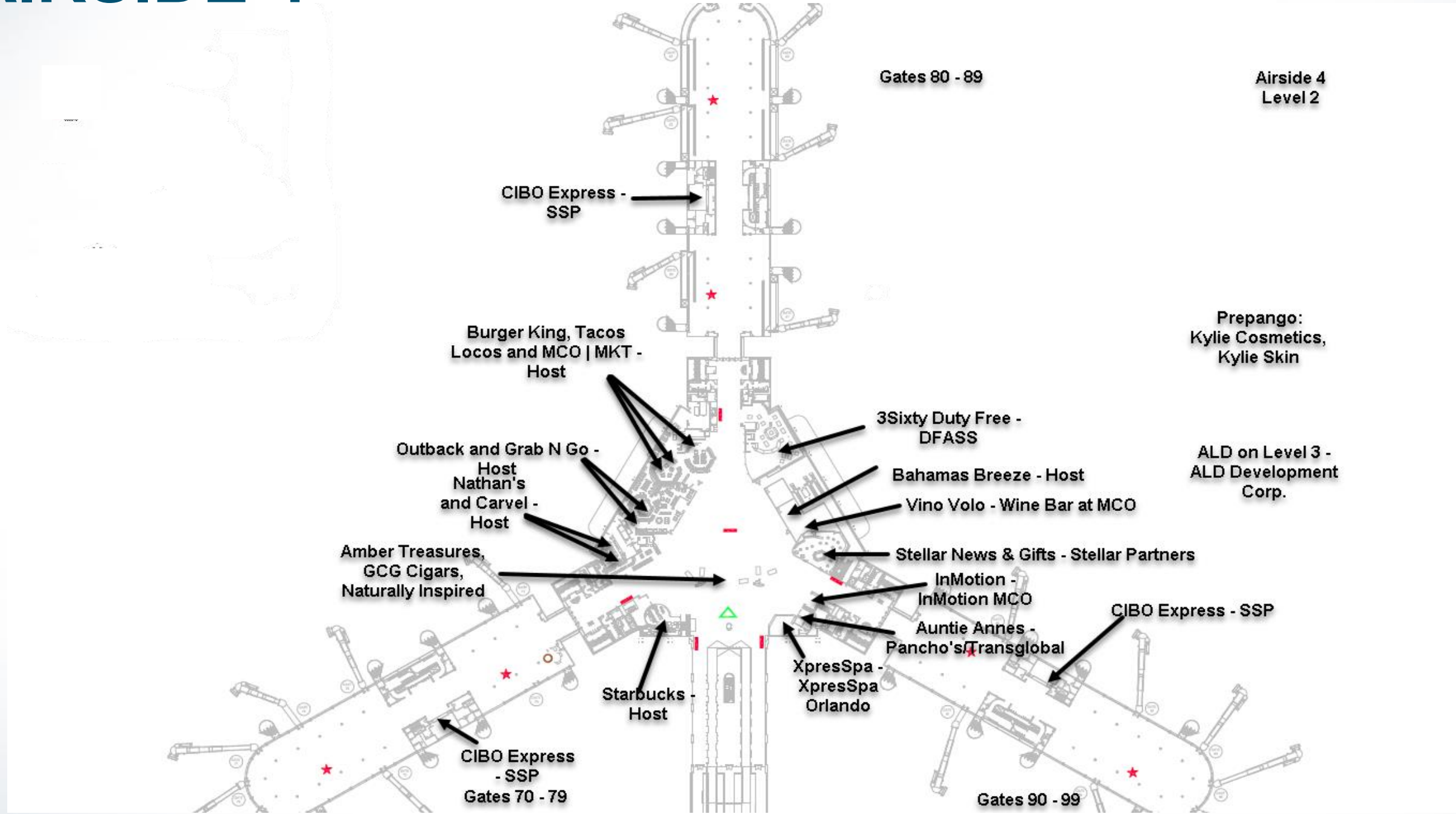
# AIRSIDE 2



# AIRSIDE 3



# AIRSIDE 4



# FOOD & BEVERAGE CONCESSIONS - OPEN

Landside			
Chick-Fil-A	City Pub	Dunkin Donuts	McDonald's
Macaroni Grill	Moe's	Panda Express	Sbarro's
Starbucks Evenings			
Airside 1			
Burger King	La Madeleine	Le Grand Comptoir	On the Border
Starbuck's	Urban Crave	ZaZa's	
Airside 2			
Asian Chao	Auntie Anne's	Banana's	Cask & Larder
Chipotle	Farm Air Markets (2)	Green Leaf's	Jersey Mike's
McDonald's	Starbucks	Market by Villa	Villa Italian Kitchen
Airside 3			
Camden Markets (2)	Freshen's	Manchu Wok	Nature's Table
Qdoba	Ruby Tuesday Bar	Wendy's	ZaZa's (2)
Airside 4			
Auntie Anne's	Bahama Breeze	Burger King	Cibo's (2)
MKT	Nathan's	Outback	Starbuck's
Tacos Locos			

# FOOD & BEVERAGE CONCESSIONS - CLOSED

Landside			
Auntie Anne's/Cinnabon	Carvel	Chili's	Firehouse Subs
Starbuck's (2)			
Airside 1			
Cold Stone Creamery	Famous Famiglia		
Airside 3			
Ruby Tuesday Restaurant			
Airside 4			
MKT	Cibo's (1)		



# RETAIL CONCESSIONS - OPEN

Landside					
Brookstone	Cariloha	InMotion	Johnston & Murphy	LIDS	Natalie's Candy
Naturally Inspired	Oakley	Ron Jon's	Skechers	Sound Balance	Swarovski
The Neighborhood	This Socks!	TUMI	Sea World	Universal Studios (2)	Magic of Disney
Hudson News	Orlando Market				
Airside 1					
Bead Factory	Hudson News (2)	SOHO	3Sixty Duty Free	This Socks & Co.	
Airside 2					
Bead Factory	Blossom	In Motion	Naturally Inspired	Natalie's Candy	Sunglass Hut
Hudson News (2)					
Airside 3					
Hudson News (2)	InMotion	Mystic Silver	Natalie's Candy		
Airside 4					
Amber Treasures	GCG Cigars	In Motion	Orlando Market	Stellar News	3Sixty Duty Free

# RETAIL CONCESSIONS - CLOSED

Landside					
Desigual	Mango	Samsonite	Sol Shades	Magic of Disney	

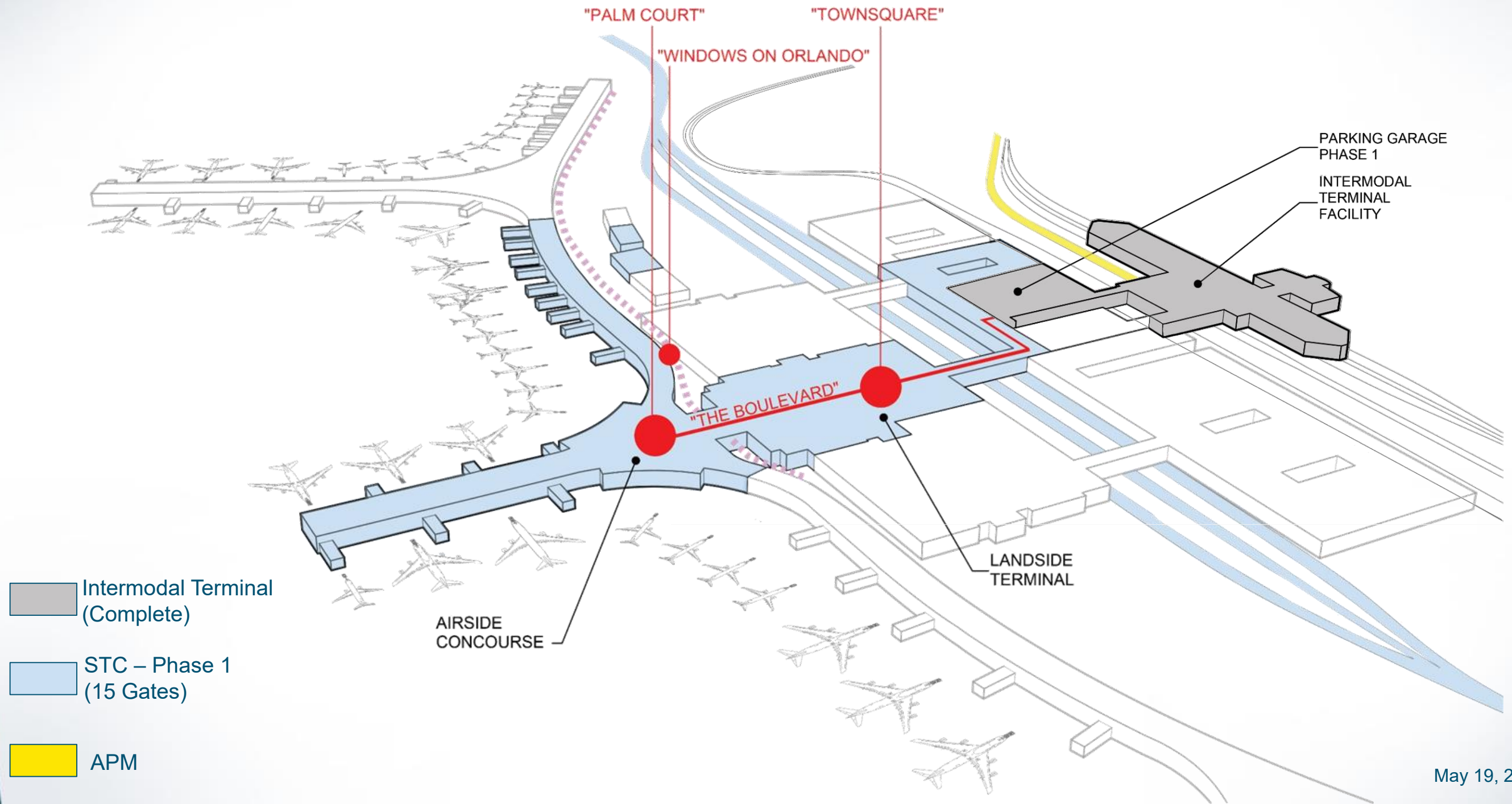
# SERVICE CONCESSIONS - OPEN

All Terminals
900 MHz
Advertising
Mail Safe
AT&T Cingular Wireless
CLEAR
Ready Credit
Smarte Carte
Sprint Wireless
T-Mobile
Truist
Verizon Wireless
Airside 1
The Club at MCO
Airside 2
Terminal Getaway Spa
Airside 4
The Club at MCO

# SERVICE CONCESSIONS - CLOSED

Landside
XpresSpa
Airside 1
XpresSpa
Airside 3
XpresSpa
Airside 4
XpresSpa

# SOUTH AIRPORT COMPLEX



# STC FOOD & BEVERAGE CONCESSIONS

Package	Unit	Location	Concept	Restaurant / Retail
<b>Food &amp; Beverage Package 1 HOST PHE LDL MCO FB, LLC</b>	<b>GTF</b>	GTF Bridge	Market with Coffee	Foxtail Coffee Co. (lite)
	<b>LS-E</b>	Landside - Bag Claim	Coffee / Bakery	Starbucks
	<b>K</b>	Airside - Palm Court	Gourmet Coffee	Starbucks
	<b>N-1</b>	Airside - Palm Court	Snack or Dessert	Auntie Anne's
	<b>N-2</b>	Airside - Palm Court	Quick Service Burger	Shake Shack
	<b>N-3</b>	Airside - Palm Court - Level 4	Bar with Food	PGA Tour Grill
	<b>Q</b>	Airside - West Concourse	Bar with Food	Orange County Brewers
<b>Food &amp; Beverage Package 2 DELAWARE NORTH MCO STC F&amp;B, LLC</b>	<b>LS-B</b>	Landside - Ticketing	Coffee / Bakery	Harvest and Grounds
	<b>LS-C</b>	Landside - Ticketing	Snack	Raw Juice
	<b>A</b>	Airside - Palm Court	Casual Dining	Summer House Orlando
	<b>A-3</b>	Airside - Palm Court - Level 4		
	<b>M-2</b>	Airside - Palm Court	Quick Service Salads & Wraps	Greenbeat
	<b>M-3</b>	Airside - Palm Court	Quick Service Pizza/Pasta	DeSano Pizzeria
	<b>T</b>	Airside - North Concourse	Deli	Cucina & Co.
<b>Food &amp; Beverage Package 3 ORLANDO HOSPITALITY AIRPORT PARTNERS, LLC</b>	<b>LS-F</b>	Landside - Bag Claim	Café/Deli	Barnie's Coffee & Tea Co.
	<b>I</b>	Airside - Palm Court	Bar with Food	Wine Bar George
	<b>F</b>	Airside - Palm Court	Gourmet Market	Provisions by Cask & Larder
	<b>W</b>	Airside - Palm Court	Bakery & Café	Olde Hearth Bread Co.
	<b>S</b>	Airside - North Concourse	Diner	Sunshine Diner by Chef Art Smith
	<b>U</b>	Airside - North Concourse	Bar with Snacks	Orlando Brewing Bar & Bites
	<b>G</b>	Airside - Palm Court	Gourmet Market / Bar with Food	Cask & Larder Bar & Bites

# STC RETAIL CONCESSIONS

Package	Unit	Location	Concept	Restaurant / Retail
Retail Package 1 PARADIES LAGARDERE @ MCO, LLC	LS-D	Landside - Bag Claim	News & Sundries	Gatlin Trade
	J	Airside - Palm Court	Jewelry and Accessories	Sunglass Hut and Brighton
	M-4	Airside - Palm Court	News Stand	Trip Advisor
Retail Package 2 THE MARSHALL RETAIL GROUP, LLC	LS-A	Landside - Ticketing	News & Sundries	The Scoop
	R	Airside - North Concourse	Newsstand with coffee/bakery	Main Streets Market w/ Einstein Bros. Bagels and Caribou Coffee Bar
	P	Airside - West Concourse	News with Coffee	Replenish & Nespresso
	C	Airside - Palm Court	News and Gifts	City Arts Market
Walt Disney Parks & Resorts, LLC	H, H-3	Airside – Palm Court	Theme Retail	Walt Disney World
Universal City Development Partners, LTD	D, D-3	Airside – Palm Court	Theme Retail	Universal Studios
Sea World Park & Entertainment, LLC	L	Airside – Palm Court	Theme Retail	Sea World
The DFASS Group Orlando, LLC	B	Airside – Palm Court	Duty Free	3Sixty Duty Free

# GROUND TRANSPORTATION FACILITY

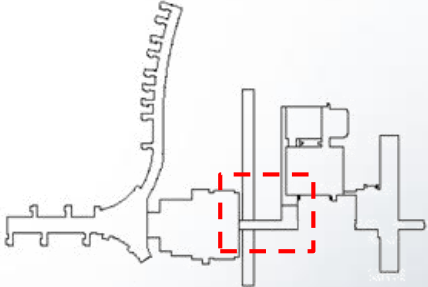
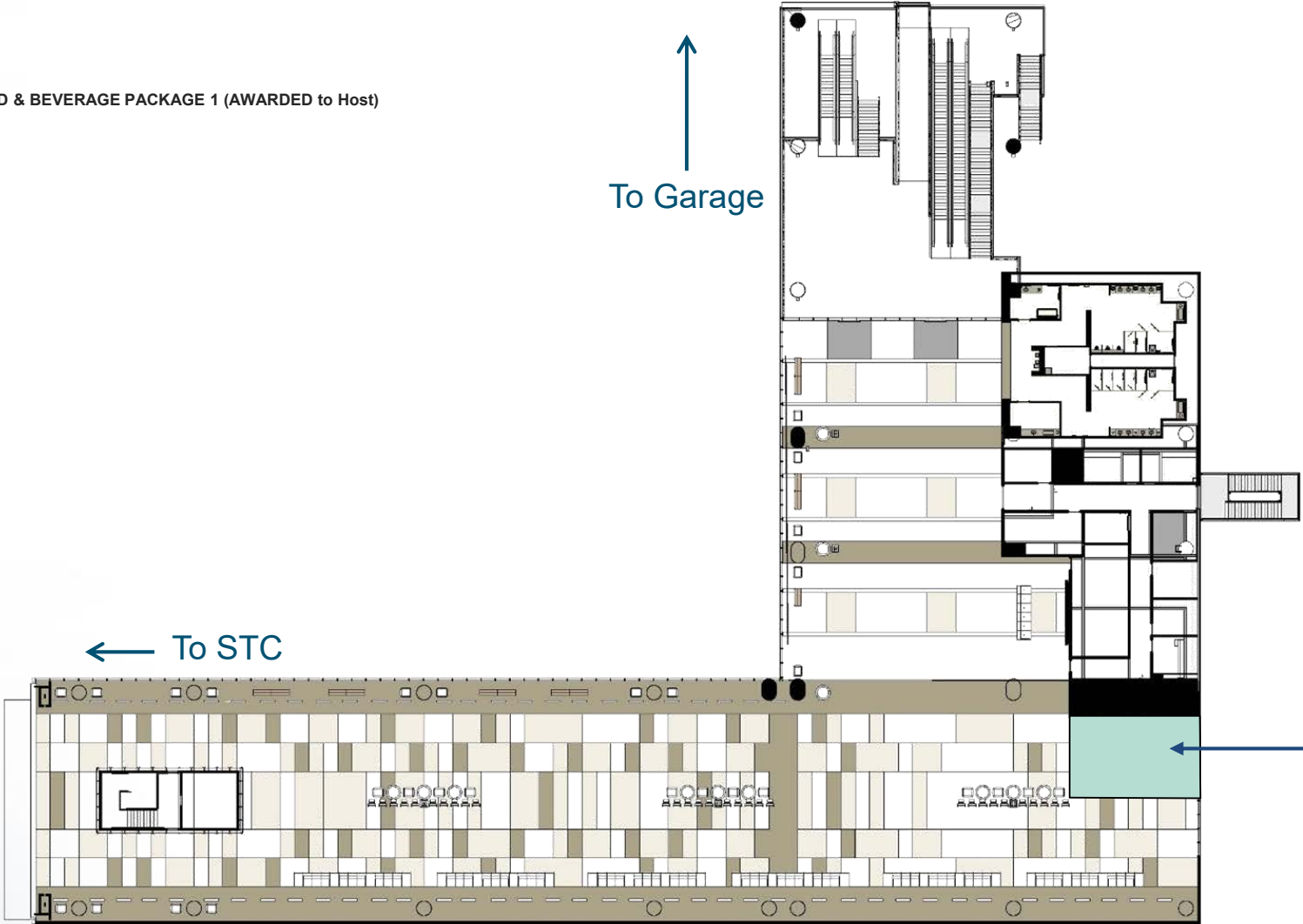
- Connects the South Landside Building, Intermodal Terminal Facility (ITF), APM and Parking Garages



GTF  
Foxtail Coffee Co. (lite)  
930 SF

LEGEND

FOOD & BEVERAGE PACKAGE 1 (AWARDED to Host)



All SF is approximate and subject to change.



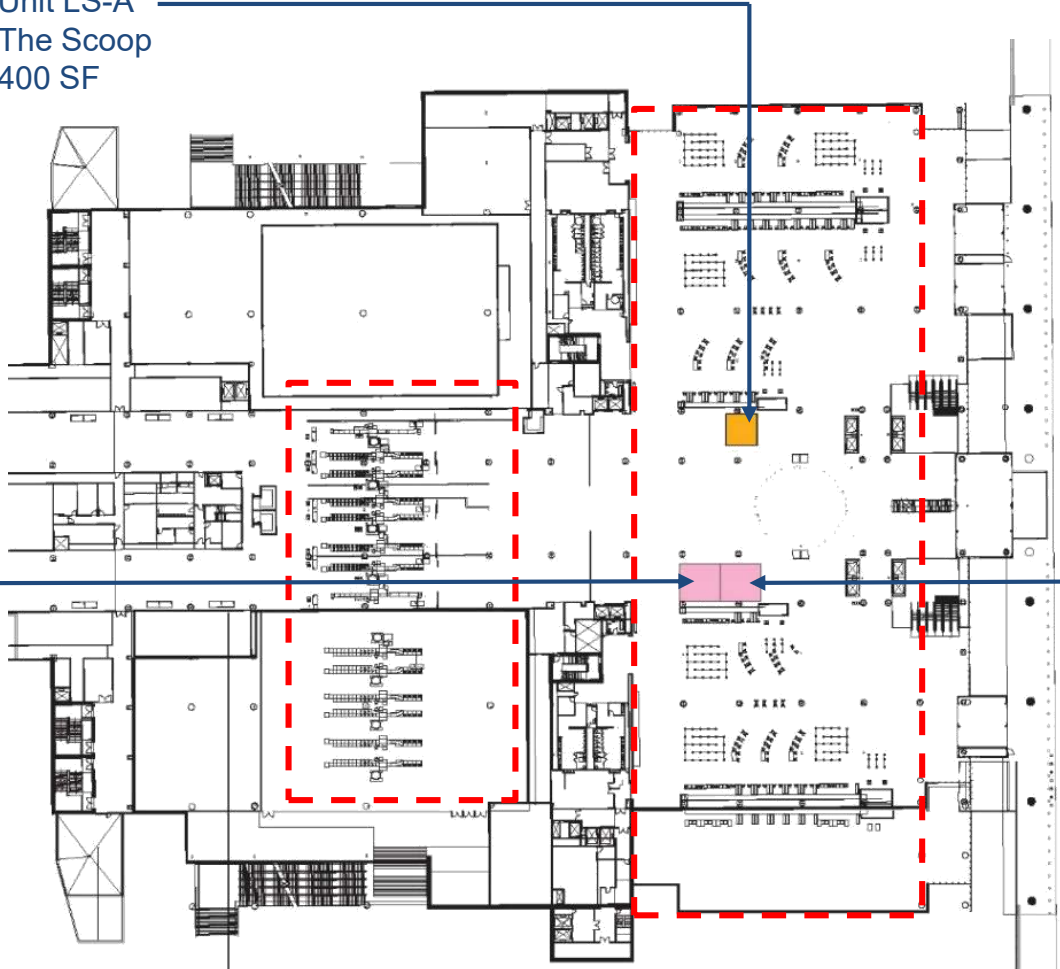
# LANDSIDE – LEVEL 2 – TICKET HALL AND CHECKPOINT

### LEGEND

- FOOD & BEVERAGE PACKAGE 2 (AWARDED to Delaware North)
- RETAIL PACKAGE 2 (AWARDED to Marshall Group)



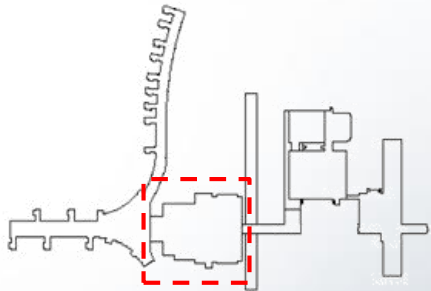
Unit LS-A  
The Scoop  
400 SF



Unit LS-C  
Raw Juice  
624 SF



Unit LS-B  
Harvest and Grounds  
624 SF



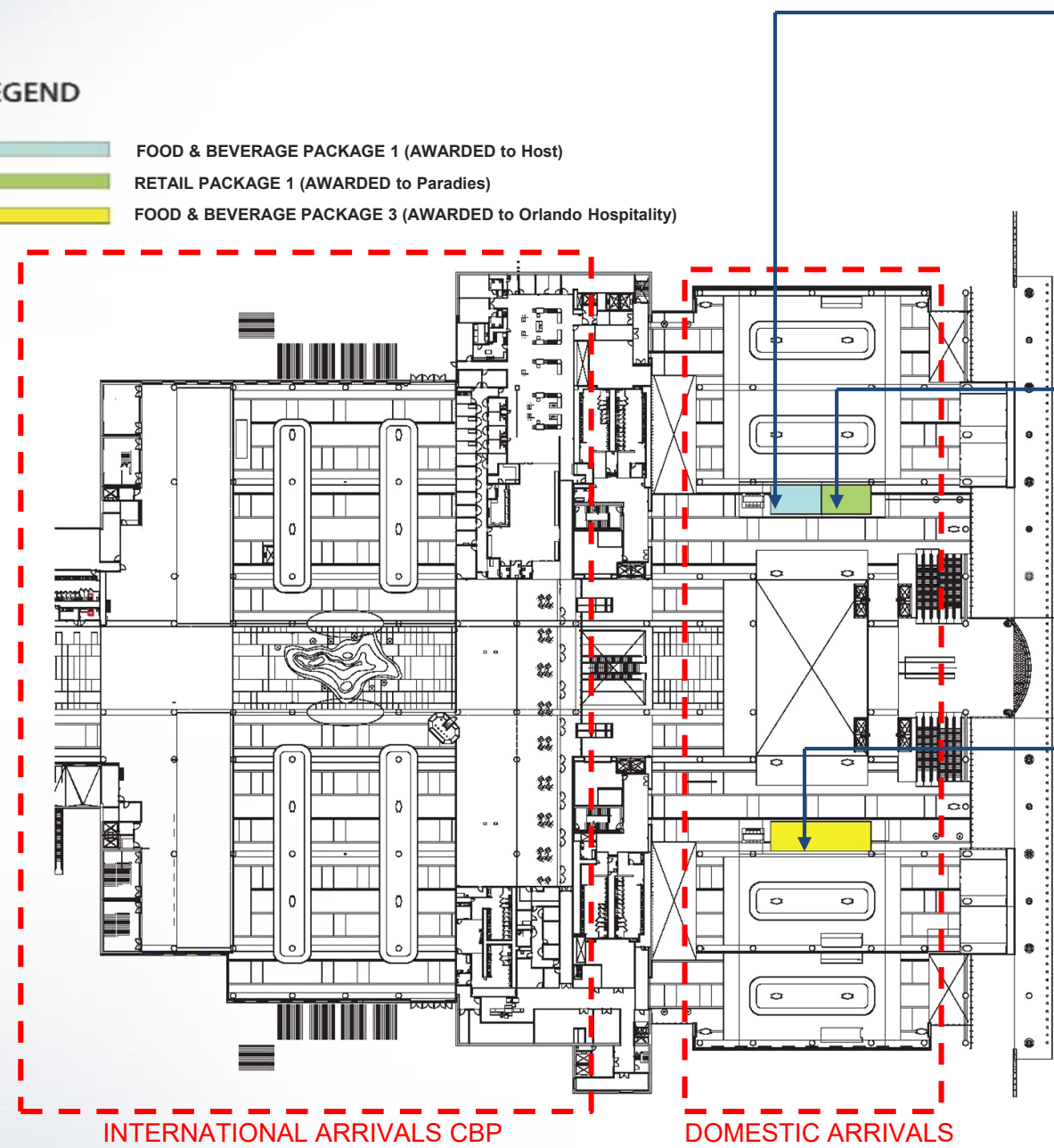
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May 19, 2021

# LANDSIDE – LEVEL 6 – CBP AND DOMESTIC BAG CLAIM

## LEGEND

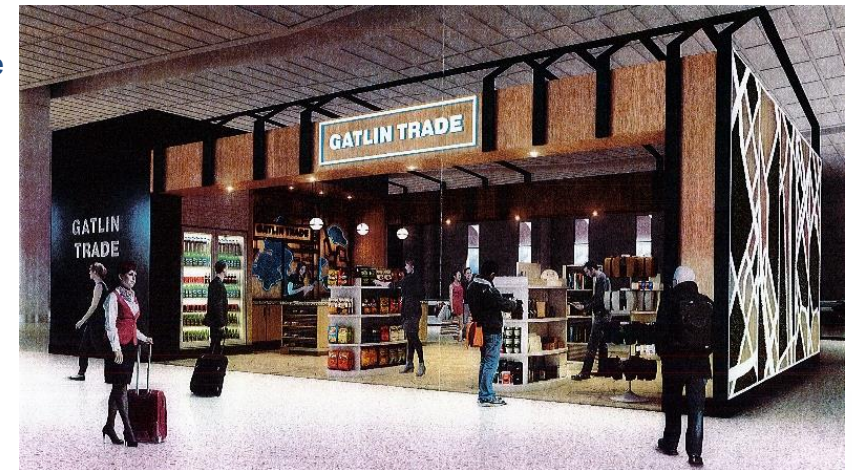
- FOOD & BEVERAGE PACKAGE 1 (AWARDED to Host)
- RETAIL PACKAGE 1 (AWARDED to Paradies)
- FOOD & BEVERAGE PACKAGE 3 (AWARDED to Orlando Hospitality)



Unit LS-E  
Starbucks  
680 SF



Unit LS-D  
Gatlin Trade  
680 SF



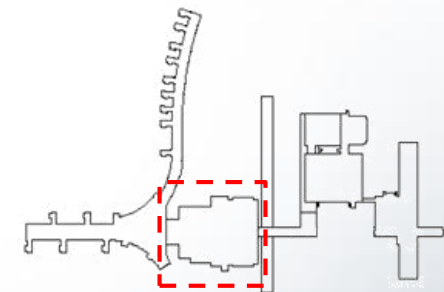
Unit LS-F  
Barnie's Coffee & Tea Co.  
1,360 SF



INTERNATIONAL ARRIVALS CBP

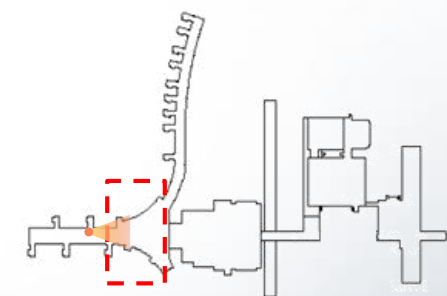
DOMESTIC ARRIVALS

All SF is approximate and subject to change.



May 19, 2021

# AIRSIDE TERMINAL – LEVEL 2 – PALM COURT



May 19, 2021

# LEVEL 2 – PALM COURT

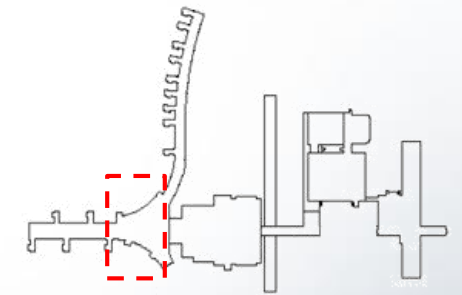
## LEGEND

- FOOD & BEVERAGE PACKAGE 1 (AWARDED to Host)
- RETAIL PACKAGE 1 (AWARDED to Paradies)
- FOOD & BEVERAGE PACKAGE 2 (AWARDED to Delaware North)
- RETAIL PACKAGE 2 (AWARDED to Marshall Group)
- FOOD & BEVERAGE PACKAGE 3 (AWARDED to Orlando Hospitality)
- THEMED RETAIL

- Unit B  
3Sixty Duty Free  
5,958 SF
- Unit A  
Summer House Orlando  
1,377 SF
- Unit I  
Wine Bar George  
1,062 SF
- Unit L  
SeaWorld
- Unit M-2  
Greenbeat  
1,218 SF
- Unit M-3  
DeSano Pizzeria  
1,170 SF
- Unit M-4  
Trip Advisor  
616 SF



- Unit C  
City Arts Market  
1,496 SF
- Unit D  
Universal Studios
- Unit G  
Cask & Larder Bar & Bites  
1,925 SF
- Unit F  
Provisions by Cask & Larder  
1,324 SF
- Unit H  
Walt Disney World
- Unit K  
Starbucks  
1,393 SF
- Unit J  
Sunglass Hut & Brighton  
1,250 SF
- Unit N-2  
Shake Shack  
3,273 SF
- Unit N-1  
Auntie Anne's  
947 SF
- Unit W  
Olde Hearth Bread Co.  
2,865 SF



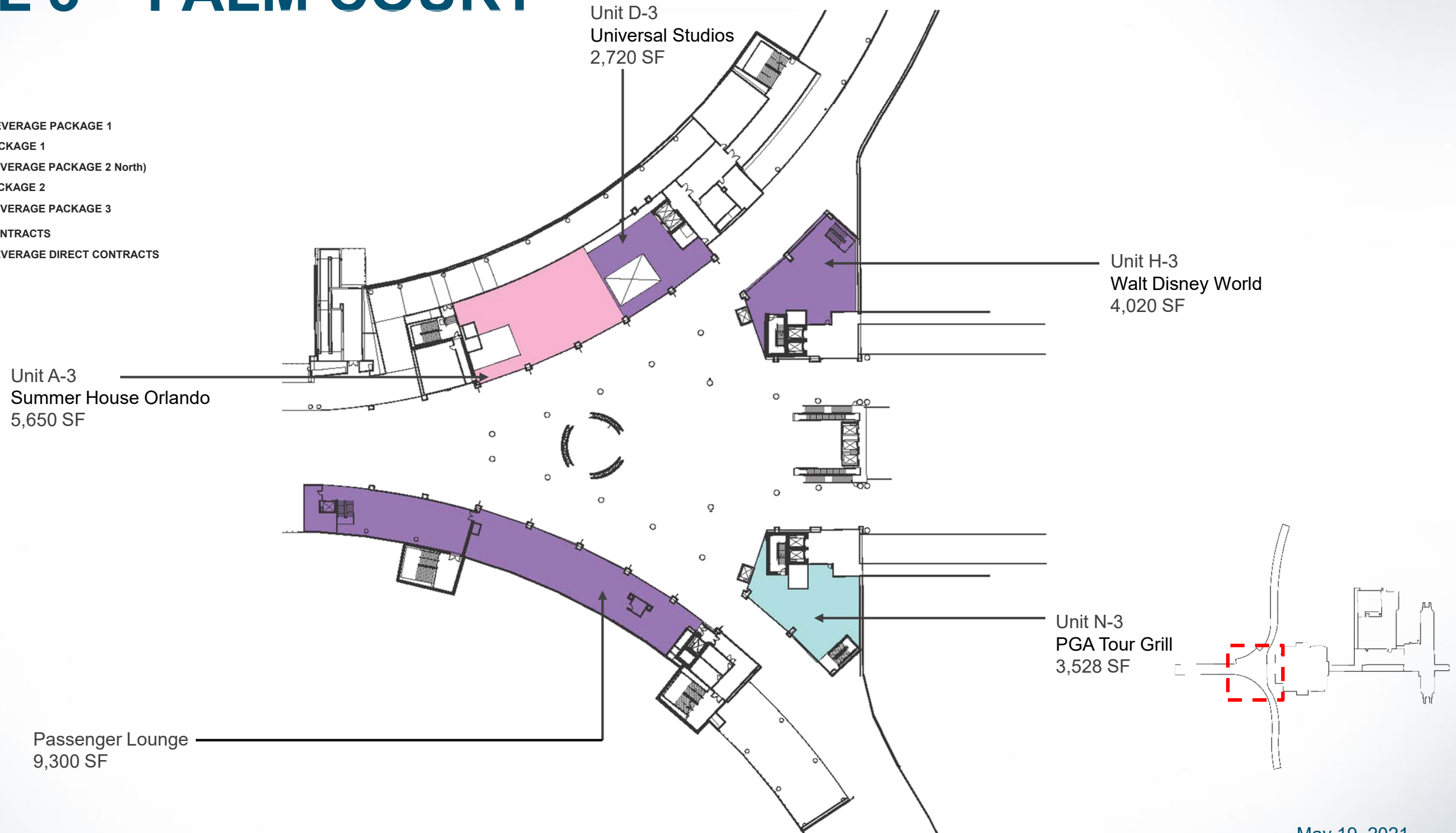
All SF is approximate and subject to change.

May 19, 2021

# LEVEL 3 – PALM COURT

## LEGEND

- FOOD & BEVERAGE PACKAGE 1
- RETAIL PACKAGE 1
- FOOD & BEVERAGE PACKAGE 2 (North)
- RETAIL PACKAGE 2
- FOOD & BEVERAGE PACKAGE 3
- DIRECT CONTRACTS
- FOOD & BEVERAGE DIRECT CONTRACTS



# AIRSIDE - LEVEL 2 – WEST CONCOURSE

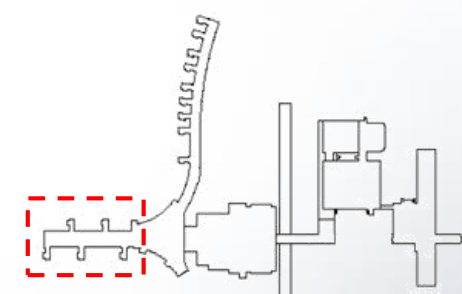
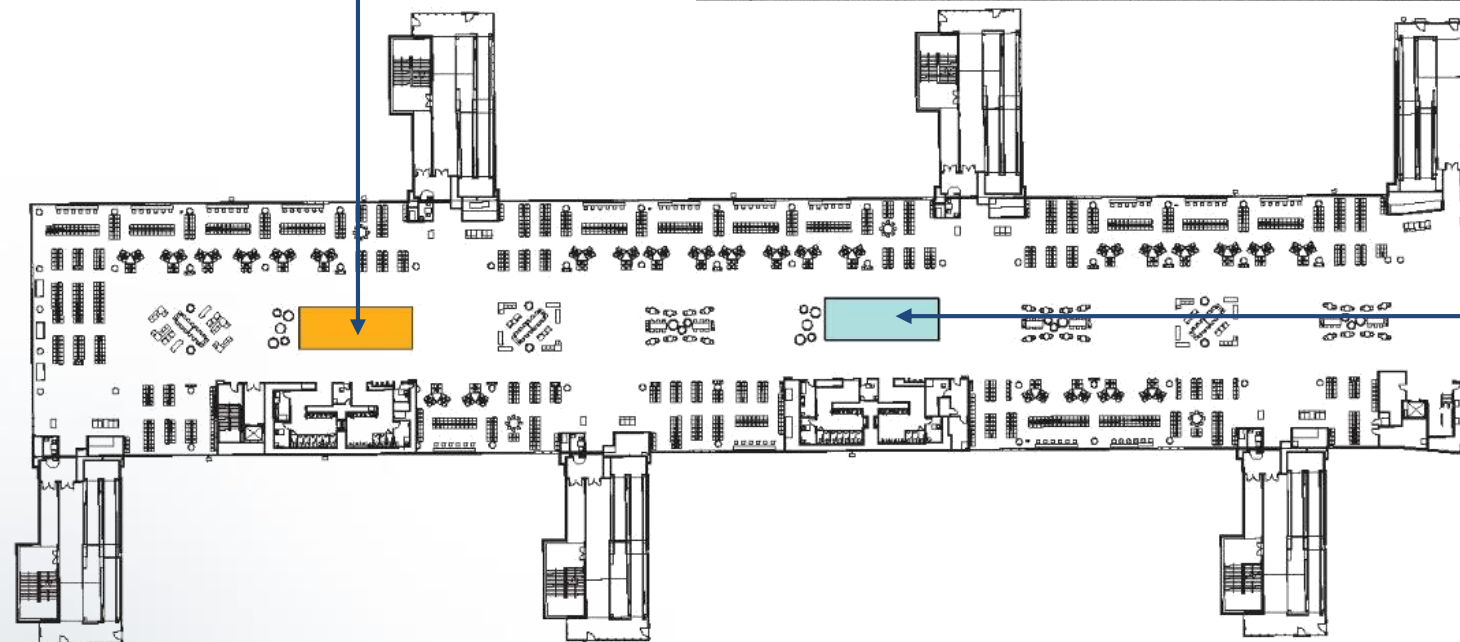
## LEGEND

- FOOD & BEVERAGE PACKAGE 1 (AWARDED to Host)
- RETAIL PACKAGE 2 (AWARDED to Marshall Group)

Unit P  
Replenish & Nespresso  
1,100 SF



Unit Q  
Orange County Brewers  
1,100 SF



All SF is approximate and subject to change.

May 19, 2021

# AIRSIDE - LEVEL 2 – NORTH CONCOURSE

## LEGEND

- FOOD & BEVERAGE PACKAGE 2 (AWARDED to Delaware North)
- RETAIL PACKAGE 2 (AWARDED to Marshall Group)
- FOOD & BEVERAGE PACKAGE 3 (AWARDED to Orlando Hospitality)



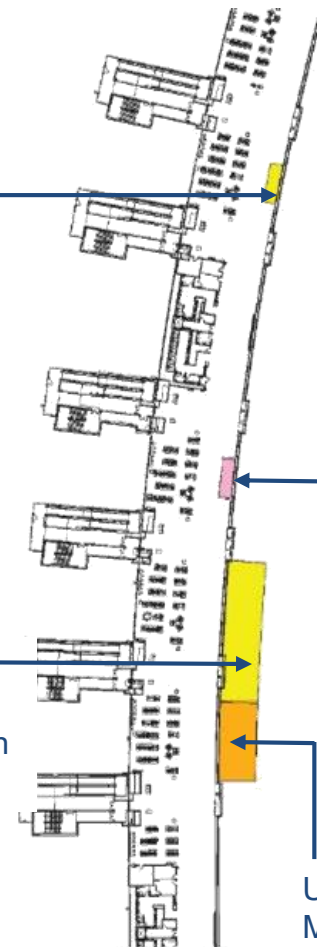
Unit U  
Orlando Brewing  
Bar & Bites  
320 SF



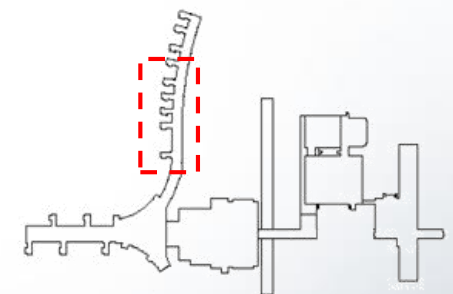
Unit T  
Cucina & Co.  
320 SF



Unit S  
Sunshine Diner  
by Chef Art Smith  
3,535 SF



Unit R  
Main Street Market  
2,000 SF



All SF is approximate and subject to change.

May 19, 2021

# Rental Automobile Concessions (RAC)





# NTC ON-SITE RAC CONCESSIONS

Concessionaire	Location	Concept
Avis Budget Car Rental, LLC	LS 1-A, LS1-B	Avis
	LS 1-A, LS1-B	Budget
	LS 1-A, LS1-B	Payless
Enterprise Leasing Co. of Orlando	LS 1-A, LS1-B	Enterprise
	LS 1-A, LS1-B	Alamo
	LS 1-A, LS1-B	National
The Hertz Corporation	LS 1-A, LS1-B	Hertz
	LS 1-A, LS1-B	Dollar
	LS 1-A, LS1-B	Thrifty
Sixt Rent A Car, LLC	LS 1-A, LS1-B	Sixt

# NTC ON-SITE RAC FEE TYPES

- Minimum Annual Privilege Fee
- 10% of Gross Receipts
- Counter and Queue Fee
- Quick Turn Around Fee
- Ready/Return Fee
- Customer Facility Charge (CFC)
- Maintenance Building and Parking Fees

# NTC ON-SITE RAC FEES PAID TO GOAA

	2019	2020
Total Cars Rented	2,834,008	2,775,414
Total Gross Revenue	\$721,604,194	\$713,637,959
Counter and Queue S.F.	41,270	41,270

# Concessionaire Relief Packages



# Almost \$85 Million Total Relief to be Provided

	Adopted May 2020 Resolution	Adopted August 2020 Resolution	Adopted March 2021 Resolution	CRRSA Pass through	Total
Concessions	10,381,327	20,958,384	19,175,716	2,016,000	52,531,427
RAC	10,365,766	18,836,831		3,244,599	32,447,196
<b>Total</b>	<b>\$20,747,093</b>	<b>\$39,795,215</b>	<b>\$19,175,716</b>	<b>\$5,260,599</b>	<b>\$84,978,623</b>



# Future Federal Relief

# FEDERAL RELIEF FOR AIRPORT CONCESSIONS

- Additional relief is authorized by American Rescue Plan Act of 2021 (ARPA)
- FAA has not issued guidance on how relief is to be allocated.

A photograph of the Orlando International Airport. The prominent feature is the tall, cylindrical air traffic control tower on the left. In the background, the large terminal building is visible. A multi-level highway bridge spans across the middle ground. The foreground consists of a grassy area with a small pond that reflects the tower and the sky. The sky is clear and blue.

# Questions?





## CONSENT AGENDA ITEMS



# PROCUREMENTS



# CHIEF EXECUTIVE OFFICER'S REPORT



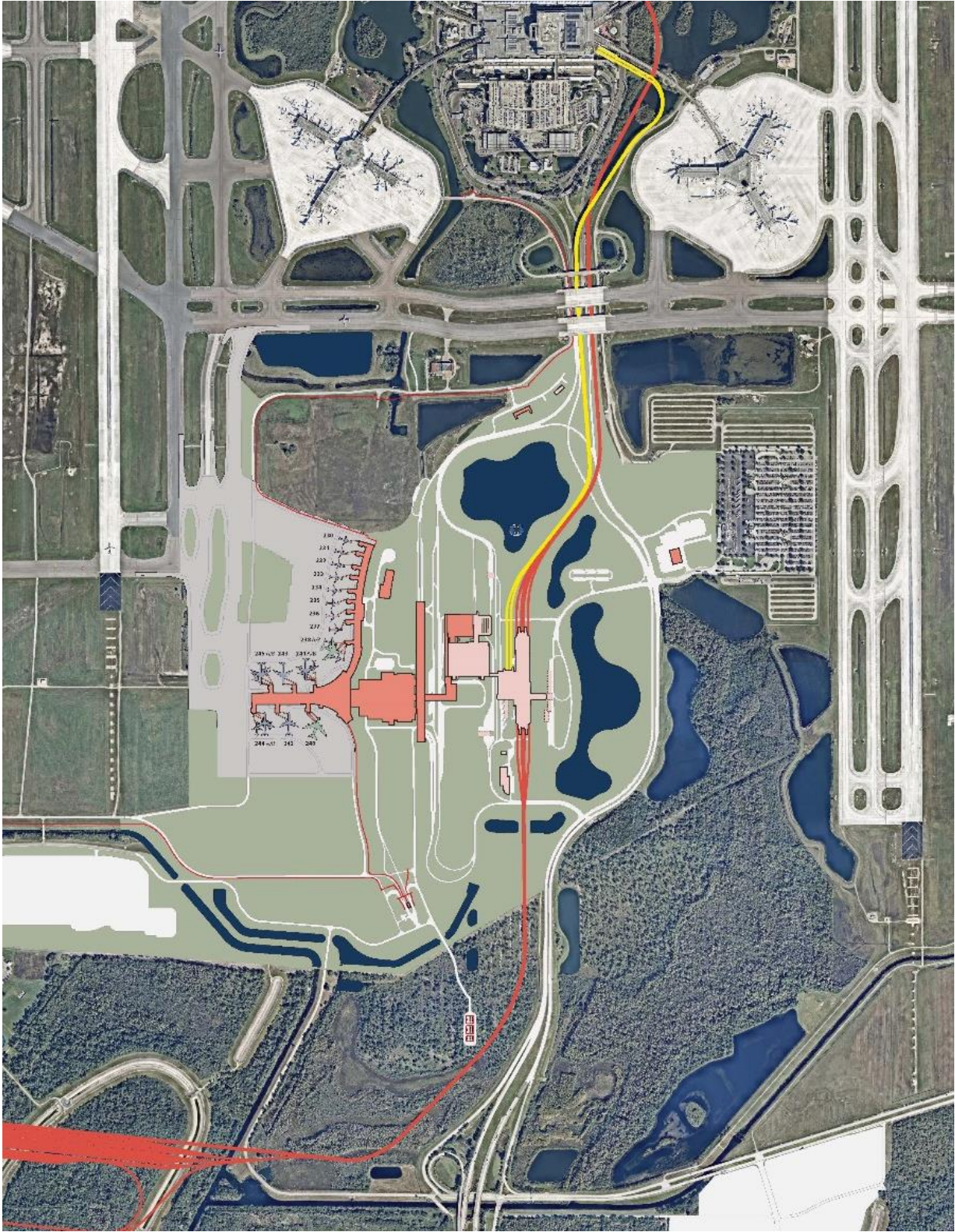
## **NEW BUSINESS ITEMS**



## **NEW BUSINESS ITEMS A**

# **South Terminal C, Phase 1 Orlando International Airport**

# South Terminal C Site Map



# BACKGROUND

On March 19, 2017, the Aviation Authority's Finance Committee approved the award of a Construction Management at Risk (CM@R) Entity Services for South Terminal C, Phase 1, Agreement to Hensel Phelps Construction.

On October 10, 2018, the Aviation Authority Board approved Addendum No. 16 to the Construction Management at Risk (CM@R) Entity Services for South Terminal C, Phase 1, Agreement with Hensel Phelps Construction, for BP No. S00168, South Terminal C, Phase 1, Airside Terminal Interiors, Finishes and Specialties (GMP No. 6-S.4) at the Orlando International Airport, for a total negotiated GMP amount of \$59,922,390.

Since 2018, the Aviation Authority Board has approved Amendment Nos. 1 through 10, resulting in a revised GMP amount of \$62,165,539.

# ISSUES

Amendment No. 11 increases the Owner Contingency to provide funding for design bulletins and contingency requests for the South Terminal C Program.

There is no impact to the program schedule as work will be completed by February 2022.

With the approval of Amendment No. 11, the revised GMP amount will be \$63,232,891.



## **SMALL BUSINESS PARTICIPATION**

The proposed GMP Amendment to BP No. S00168 does not have any impact on the small business participation.

## **FISCAL IMPACT/FUNDING**

Fiscal impact is \$1,067,352.

Funding is from Passenger Facility Charges to the extent eligible and General Airport Revenue Bonds.

# RECOMMENDED ACTION

It is respectfully requested that the Aviation Authority Board resolve to accept the recommendation of the Construction Committee to:

- Approve Amendment No. 11 to Addendum No. 16 to the Construction Management at Risk (CM@R) Entity Services for BP No. S00168, South Terminal C, Phase 1, Airside Terminal Interiors, Finishes and Specialties (GMP No. 6-S.4) for a total negotiated GMP Amendment amount of \$1,067,352, which includes \$1,000,000 for Owner Contingency, \$7,042 for Performance and Payment Bond, and \$60,310 for the CM@R's Fee (6.031%), resulting in a revised GMP amount of \$63,232,891, with funding from Passenger Facility Charges to the extent eligible and General Airport Revenue Bonds; and
- Authorize an Aviation Authority Officer or the Chief Executive Officer to execute the necessary documents following satisfactory review by legal counsel.

**Questions?**



## **NEW BUSINESS ITEM B**

**Recommendation of the Concessions/Procurement Committee to Award Purchasing Invitation for Bids (IFB) 93174-21, Lock Shop Supplies to Accredited Lock Supply Co.**

# BACKGROUND

On March 30, 2021, Purchasing Invitation for Bids (IFB) was released for various Lock Shop Supplies (Supplies) for utilization by the Access Control Department for the repair, replacement and upgrades to the door lock systems for the Aviation Authority's facilities. The IFB included a total of 56 items consisting of door locks, lever handsets, key blanks, lock cores, lock trim, panic hardware and padlocks.

The award of IFB 93174-21 will result in a Blanket Purchase Agreement (BPA) for a 12-month period effective June 1, 2021 through May 31, 2022, and will replace prior BPA No. 92357, which expired on April 30, 2021.

# ISSUES

On April 15, 2021, the following bids were received and reviewed:

<u>Company Name</u>	<u>Total Twelve (12) Month Bid Price</u>
Accredited Lock Supply Co.	\$423,317.75
Southern Lock & Supply	\$433,720.50
DH Pace Company, Inc.	\$451,811.45

For a bidder to be found responsive to the IFB, the bidders must include all costs associated with delivery to the Aviation Authority in their unit prices; that alternate products would not be considered; that all items must be bid; and that a certificate must be provided from the manufacturer stating that the company is authorized to sell the products unless the bidder is the manufacturer.

# ISSUES

Based thereon, all three bidders were determined to be responsible and responsive.

On May 3, 2021, the Concessions/Procurement Committee recommended award of Purchasing Invitation for Bids 93174-21 to Accredited Lock Supply Co. as the low, responsible and responsive bidder.

## **SMALL BUSINESS PARTICIPATION**

The Small Business Development Department has reviewed the requirements for this IFB and has determined that it does not lend itself to Minority and Women Business Enterprise (MWBE), Local Developing Business (LDB), or Veteran Business Enterprise (VBE) participation.

## **FISCAL IMPACT/FUNDING**

The 12-month value for IFB 93174-21 is for the not-to-exceed amount of \$423,317.75. The actual amount spent will be based upon the quantities ordered at the agreed upon unit prices for the items listed.

Funding required in current and subsequent fiscal years will be allocated from the Operations and Maintenance Fund, as approved through the budget process and when funds become available.



# RECOMMENDED ACTION

It is respectfully requested that the Aviation Authority Board resolve to accept the recommendation of the Concessions/Procurement Committee to:

- Award Purchasing Invitation for Bid 93174-21, Lock Shop Supplies, to Accredited Lock Supply Co. as the low, responsible and responsive Bidder;
- Authorize funding from the Operations and Maintenance Fund in the not-to-exceed amount of \$423,317.75; and
- Authorize the Purchasing Department to issue the necessary documents, following satisfactory review by legal counsel.

# Questions?



## **NEW BUSINESS ITEM C**

**Approve Amendment No. 1, First Renewal Option for  
Purchasing Contract 18-18,  
Vehicle and Equipment Maintenance Services with  
First Vehicle Services, Inc. (FVS)**

# BACKGROUND

Purchasing Contract 18-18, Vehicle and Equipment Maintenance Services with First Vehicle Services, Inc. requires that FVS furnish all labor, supervision, materials and supplies, equipment, uniforms and all other items necessary or proper for, or incidental to, performing vehicle and equipment maintenance services at the Orlando International Airport and Orlando Executive Airport in accordance with the Contract documents.

- The initial term of this Purchasing Contract term was for 36 months.
- Commenced on September 1, 2018, with the Aviation Authority having options to renew the Contract for one additional period of three years.

# ISSUES

- The Initial Term is due to expire on August 31, 2021.
- The First Renewal Option is from September 1, 2021 through August 31, 2024. Based on the information known at this time, FVS has performed satisfactorily during the initial term.
- On May 3, 2021, the Concessions/Procurement Committee approved Staff's recommendation to approve Amendment No. 1, First Renewal Option, to the Purchasing Contract with FVS through August 31, 2024.
- The three-year value, for the First Renewal Option, is a total not-to-exceed amount of \$10,020,851.16. A Consumer Price Index (CPI) increase of 1.6%, based on CPI-W published index and the Contract documents, is included for the second and third year of the three-year renewal term.
- The actual amount paid to the contractor is based on actual work requested, performed, and approved by the Aviation Authority.

# SMALL BUSINESS PARTICIPATION

- This Contract includes a Minority and Women Business Enterprise (MWBE) and a Local Developing Business (LDB) participation goal of 13% for MWBE and 15% for LDB.
- The Small Business Development Department certifies that the Contract is in good standing as it relates to MWBE/LDB participation.

## FISCAL IMPACT/FUNDING

- The three-year fiscal impact of the proposed First Renewal Option is not-to-exceed \$10,020,851.16.
- Funds expected to be spent in the current fiscal year are within budget.
- Funding will be allocated from the Operations and Maintenance Fund.

## RECOMMENDED ACTION

It is respectfully requested that the Aviation Authority Board resolve to approve the Concessions/Procurement Committee's recommendation to:

- Approve Amendment No. 1, First Renewal Option for Purchasing Contract 18-18, Vehicle and Equipment Maintenance Services, with First Vehicle Services, Inc.
- Authorize funding from the Operations and Maintenance Fund in the not-to-exceed amount of \$10,020,851.16.
- Authorize an Aviation Authority Officer or the Chief Executive Officer to execute the necessary documents following satisfactory review by legal counsel.

# Questions?





## **NEW BUSINESS ITEM D**

**South Terminal Complex  
GOAA – OUC Comprehensive Partnership  
Final Agreements**

# GOAA-OUC Comprehensive Partnership

## Overview

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The South Terminal Airport Complex at Orlando International Airport provides for a world-class aviation facility supported by state-of-the-art utility infrastructure.

GOAA has engaged with OUC in order to explore the opportunity for developing a partnership that capitalizes on their expertise in delivering and managing these essential utility services.



# GOAA-OUC Comprehensive Partnership

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## Background

On September 22, 2017 the Greater Orlando Aviation Authority (“GOAA”) and the Orlando Utilities Commission (“OUC”) entered into an Interlocal Agreement (“Agreement”). The Agreement recognized the strengths of both parties and outlines the structure to capitalize on the partnership.

On October 10, 2018, the Authority Board approved a Letter of Intent (“LOI”) between the Authority and OUC to negotiate a series of agreements. On June 19, 2019, the Authority Board approved the Global Agreement which contains the terms and conditions of the associated agreements and on August 16, 2019, the Global Agreement was fully executed.

# GOAA-OUC Comprehensive Partnership

## Issues: Associated New Agreements

- The Chilled Water Service Agreement for the Central Energy Plant (CEP)
- The Back-Up Generation Facility Service Agreement for the Emergency Power Generator (EPG) plant
- The Access and Use License Agreement
- Ancillary Services Agreement
- The Amended and Restated Global Agreement



# GOAA-OUC Comprehensive Partnership

## STC Central Energy Plant - Chilled Water

GOAA is completing the construction of 10,395 tons of chilled water capacity for the new South Terminal expansions.

OUC will have the responsibility to acquire and manage all maintenance contracts associated with the operation of the facilities.

OUC will staff the chilled water plant with trained chilled water operators 24 hours per day 7 days a week. The on-site chilled water operators will also be trained to triage any back-up emergency electrical generation issues.

The 24/7 level of operation will provide the highest level of service possible to GOAA.



# GOAA-OUC Comprehensive Partnership

## Backup Generation and 12.4 kilovolt Emergency Distribution System

GOAA is completing the construction of 28 megawatts of backup electrical generation and associated 12.4 kV emergency distribution systems for the new South Terminal Complex.

OUC also brings a unique skill set related to the backup generation. They own and operate major power generation facilities located at the Stanton Energy Center, located less than 5 miles from the Orlando International Airport. Highly trained power generation technicians will be dispatched as required and present for all generator testing.

Trained personnel at this high distribution voltage is a unique skill set and one that would be hard for GOAA to acquire and maintain. OUC maintains 12.4 kV distribution systems throughout their service area and is well positioned to service this equipment. This level of support would be very difficult for any other provider to deliver.



# GOAA-OUC Comprehensive Partnership

## Sustainability Initiatives

### Solar Energy

OUC brought to GOAA their reputation as a pioneer in the floating solar concept and proposed a partnership in developing this innovative application at Orlando International Airport.

The Installation, Operation, Maintenance and Access License Agreement for the “Floating Solar Array”, located just north of the Intermodal Transportation Facility, was approved by the Authority Board on August 21, 2019.

GOAA and OUC completed the design and construction of this 123-kilowatt solar facility at no cost to GOAA in December 2020.



# GOAA-OUC Comprehensive Partnership

## Electric Vehicle Charging Stations

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In review of the terms for OUC to provide electric vehicle charging stations in the North Terminal and South Terminal parking garage, the Authority staff and OUC staff mutually agreed that the Authority can procure, install, and operate electrical vehicle charging stations at a more economical cost, both in purchasing and maintaining the equipment.

As such, GOAA and OUC have agreed to remove the electric vehicle charging station language from the Global Agreement.



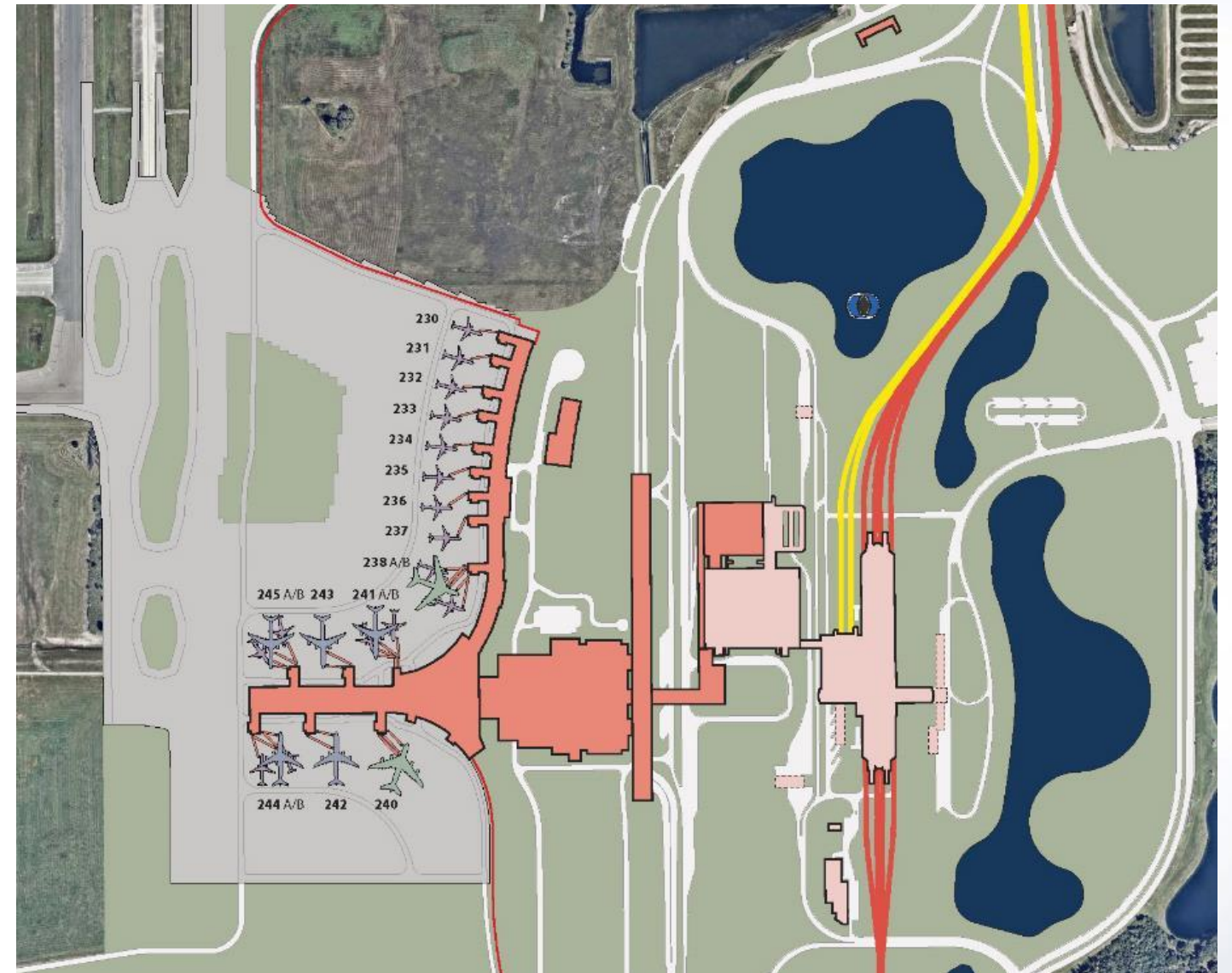


# GOAA-OUC Comprehensive Partnership

## Access and Use License Agreement

The Authority shall grant to OUC a non-exclusive license for the access and use of the CEP Building, portions of the EPG Building, the 12KV System, and over the Fiber Optic License Property.

The Authority has made available to OUC conduit from the intersection of Wetherbee Road and Boggy Creek to the STC for purpose of OUC pulling its own fiber to provide internet service to its equipment in the CEP Building and EPG Building.



# GOAA-OUC Comprehensive Partnership Ancillary Services Agreement

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The Authority is responsible for the maintenance of the CEP Building and the EPG Building, including landscape, hardscape, structural, roof membrane, windows, doors, fire alarm, plumbing systems, electrical and lighting systems and Authority fiber to the Authority closet.

OUC shall be responsible for janitorial services, including trash removal, and cleaning of the entire CEP Building and the portions the EPG building that it occupies.



# **GOAA-OUC Comprehensive Partnership**

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## **Global Agreement - Terms of the Agreement**

- Purchase Price: \$54,983,191
- Term :20 Years
- OUC is Purchasing and Maintaining Equipment for the Term
  - Capital Charge (Recovery of Investment)
  - Capacity Charge (Maintenance and Labor for Operations)
  - Consumption Charge- (Chilled Water Only/Utilities)
- Agreement Termination Considerations
  - After ninth year for convenience
  - Changes in law impacting operation
  - Expansion of either CEP or EPG and Parties cannot agree upon terms for expansion
  - Material default in the maintenance and operation of the facilities

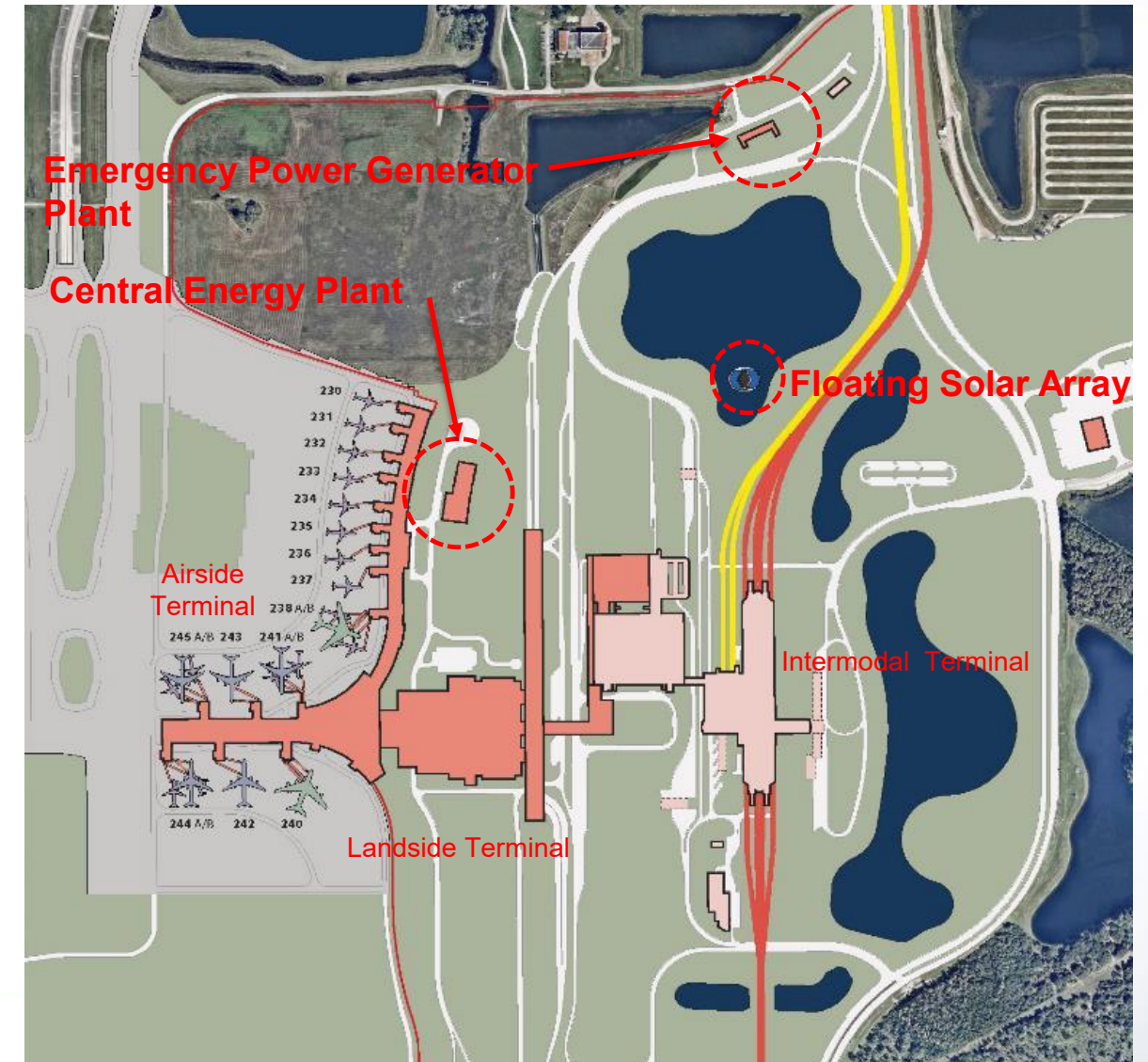
# GOAA-OUC Comprehensive Partnership

## Amended and Restated Global Agreement Changes

Deletion of the Electrical Vehicle Charging Station portion of the Global Agreement.

The addition of the guaranteed thirty (30) minute response time to a primary power outage.

The Amended and Restated Global Agreement contains a Condition Precedent which requires OUC acceptance of liquidated damages provisions in the Chilled Water Service Agreement and the Emergency Electrical Generator Back-Up Facility Service Agreement that addresses the financial impact to GOAA in the event of failure in the operation and maintenance of these essential utilities.



# GOAA-OUC Comprehensive Partnership

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## Fiscal Impact - Original

The **original** fiscal impact analysis to GOAA was performed in 2019 dollars, did not include escalation assumptions and considered the four primary Project operations: the Central Energy Plant, the Emergency Power Generator plant, the Solar Array, and the Electric Vehicle Charging stations:

- OUC Owned and Operated one year premium in 2019 dollars = \$295,000
- OUC Owned and Operated 20 year premium in 2019 dollars = \$5,900,000

The new proposed agreements remove Electric Vehicle Charging Stations because GOAA can procure, install, and operate electrical vehicle charging stations at a more economical cost. The Solar Array is already completed on time and on budget.

# GOAA-OUC Comprehensive Partnership

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## Fiscal impact- Revised

The two remaining Projects considered for further fiscal impact analysis were:

1. STC Central Energy Plant (CEP)
2. STC Emergency Power Generator Plant (EPG)

These facilities generate estimated costs over the 20 year term of the agreement as follows (Assuming CPI of 2% annually):

- GOAA owned and operated - \$216,661,904
- OUC owned and operated - \$219,425,299

The estimated difference in cost of \$2,763,395 is the risk premium over the term of the agreement.

# GOAA-OUC Comprehensive Partnership

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## The Why:

This agreement shifts the risk of operating these facilities from GOAA to OUC, providing substantial benefits to GOAA including:

- Expertise in the operation and maintenance of complex and high voltage utility systems
- An OUC 24/7 operational staff presence at the Airport site
- Equipment maintenance costs
- Reduced financial risk consideration to GOAA through liquidated damages in the event of a performance shortfall from these essential utilities.
- Payments to OUC subordinate to all other obligations of the Authority

# GOAA-OUC Comprehensive Partnership Recommendation

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It is respectfully requested that the Aviation Authority Board:

- Approve the Amended and Restated Global Agreement, the Chilled Water Service Agreement, the Back-Up Generation Facility Service Agreement, the Access and Use License Agreement and that certain Ancillary Services Agreement, all by and between the Greater Orlando Aviation Authority and the Orlando Utilities Commission.
- Obtain consent from the City of Orlando as to the grant of access license.
- Authorize an Aviation Authority Officer or the Chief Executive Officer to execute the Amended and Restated Global Agreement, the Chilled Water Service Agreement, the Back-Up Generation Facility Service Agreement, the Access and Use License Agreement and that certain Ancillary Services Agreement, subject to final review by legal counsel.
- All subject to approval by the Orlando Utilities Commission Board, at its next meeting.



**Questions?**



## **NEW BUSINESS ITEM E**

**Recommendation to Authorize Mediated Resolution  
with Hertz Corporation**

# BACKGROUND

- On May 22, 2020, Hertz Corporation and its subsidiary, DTG Corporation (a/k/a Thrifty Car Rental) filed for bankruptcy in Delaware. Pending at that time was an offer of the waiver of certain fees to On-Site Rental Automobile Companies authorized by the Aviation Authority Board on May 20, 2020.
- The Hertz bankruptcy has proceeded and its emergence from bankruptcy is expected in the near future. As part of its emergence from bankruptcy, Hertz is seeking bankruptcy court authority to assume both the Hertz and DTG contracts.

# ISSUES

- There is a dispute between Hertz and the Aviation Authority regarding the outstanding amount due under the contracts that must be satisfied in order to assume the contracts in bankruptcy.
- The key issue in this dispute is whether Hertz took the appropriate and necessary steps to avail itself of the fee waiver opportunity authorized on May 20, 2020.
- The dispute has been raised before the bankruptcy court and a mediation of this dispute resulted in a tentative settlement pending Aviation Authority Board approval.
- The mediation session was held on May 12, 2021. Following discussions with Hertz and due diligence by staff, the amount in controversy, which GOAA has the right to claim, is approximately \$4.0 million.

# ISSUES

- The Aviation Authority and Hertz will frame the legal issues for the court as two mutually exclusive options with no middle ground.
  - Either Hertz pays the Aviation Authority approximately \$4.0 million or
  - Hertz pays nothing.
- Negotiations resulted in a tentative settlement of \$2.5 million. This amount is approximately 63% of the amount the Aviation Authority's claim.
- After considering our legal position and managing our risk of loss, Legal Counsel and Staff recommend Board approval of this settlement to resolve the dispute at minimal additional cost to finalize the claim.

# FISCAL IMPACT

The Aviation Authority would receive \$2.5 million; however, it would give up its right to approximately \$1.5 million subject to dispute. On the other hand, the Aviation Authority would eliminate the risk of losing its claim altogether.

# RECOMMENDED ACTION

It is respectfully requested that the Aviation Authority Board resolve to:

- Authorize a tentative mediation settlement of \$2.5 million subject to court approval; and
- Staff and Counsel also request that the Aviation Authority Board authorize the Chief Executive officer to enter into further agreements to facilitate the settlement, if approved by the court, in a form approved by counsel and the court.

**Questions?**





# **AVIATION AUTHORITY BOARD MEETING**

**MAY 19, 2021**