



## AGENDA MEMORANDUM

First Reading Item for the City Council Meeting of July 9, 2013  
Second Reading Item for the City Council Meeting of July 16, 2013

**DATE:** June 27, 2013  
**TO:** Ronald L. Olson, City Manager  
**FROM:** Fred Segundo, Director of Aviation  
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Authorize a five – year agreement with Tailwind CRP, LLC for operation of food and beverage concession at Corpus Christi International Airport and terminate existing lease with Game Time

### **CAPTION:**

Authorizing the City Manager, or designee, to terminate the Lease Agreement between the City of Corpus Christi and Amarillo Sports Services, Inc. dba Game Time Food and Beverage Services, Inc. ("Game Time") and execute an Airport Facilities Lease and Concession Agreement ("Lease") with Tailwind CRP, LLC ("Tailwind") for the operation of a food and beverage concession at the Corpus Christi International Airport ("Airport"), in consideration of the greater of an annual minimum rental fee or a sum equal to twelve percent (12%) of all food, sundries and non-alcoholic beverages gross revenues and sixteen percent (16%) of all alcoholic beverages gross revenues, for a term of five (5) years.

### **PURPOSE:**

Staff is recommending the termination of the existing lease with Game Time and approval of a five year lease agreement with Tailwind for operation of three venues at the Airport. The new agreement would provide for a full restaurant/bar venue as well as coffee and snack shops. It is Staff's position that the new venues would provide travelers and customers with a positive and enjoyable experience while at the Airport.

### **BACKGROUND AND FINDINGS:**

The current concessionaire, Game Time, is in the eighth year of a ten-year concessionaire agreement. Airport Staff and the President of Game Time have had extensive discussion during the course of this year and have mutually agreed that Game Time would transition out of its operations at the Airport. The transition is consistent with Game Time's business plan and would also allow the Airport to incorporate the food and beverage concession into the overall marketing and re-branding of the Airport.

In anticipation of the transition, the Airport and the City's Procurement Staff issued a Request for Proposal for operation of the non-exclusive food and beverage concession at the Airport. The RFP was released April 1, 2013 and was advertised in key publications. In addition, Airport Staff contacted several restaurateurs and caterers in the community to advise them of the

upcoming bid and business opportunity. A pre-proposal meeting was held at the Airport and 11 prospective bidders attended. They were provided a tour of the terminal as well as a question and answer session to facilitate bids. Ultimately, three bids were received from Oakwells, Subway and Tailwind.

Evaluation of the bids was conducted by a Selection Committee consisting of the Airport Board's Business Development Sub-Committee, the Assistant Director of Aviation, and the Airport's Finance and Administration Manager. Each member evaluated each proposal in depth in accordance with the criteria outlined in the RFP. The Selection Committee rated each firm in each category and the following matrix shows the median scores of each firm for each category. Following is the criteria and scores

- Experience and Qualifications of Proposer
- Management Plan for the Operation
- Financial Projections and Initial MAG
- Menu/Marketing Plan/Branding
- Facility Utilization
- Operating multiple venues
- Transition Plan
- Facility Concept and Investment

### Food & Beverage Concessions Proposal Review Decision Matrix

Reviewer	Oakwells	Subway	Tailwind
Reviewer 1	252	31	262.5
Reviewer 2	263	0	262
Reviewer 3	231.25	82	233
Reviewer 4	285	201	270
Reviewer 5	264.5	194	277
Reviewer 6	379	278.5	379
<b>Score</b>	<b><u>1674.75</u></b>	<b><u>786.50</u></b>	<b><u>1683.50</u></b>

Tailwind was selected as the highest scoring and most responsive proposal. Tailwind operates at eight regional airports including Amarillo, Texas. In addition, they are eager to work with the City, Chamber of Commerce and other local organizations to promote the Airport as well as provide an extensive catering menu for parties wanting to utilize the Airport facilities for events. Tailwind also is committed to "buy local" where possible and hire local staff.

#### **ALTERNATIVES:**

No viable alternative exists except for the continuation with the current concessionaire.

#### **OTHER CONSIDERATIONS:**

Not Applicable

**CONFORMITY TO CITY POLICY:**

This project complies with City Privatization Initiatives and City procurement and contracting policies.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Legal  
Purchasing  
Finance

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year: 2012-2013</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$85,200	\$585,000	\$672,200
Encumbered / Expended Amount				
This item ( <i>additional revenue</i> )				
BALANCE		\$85,200	\$585,000	\$672,200

Fund(s): Airport Fund - 4610

**Comments:** None

**RECOMMENDATION:**

Staff requests approval of agreement as submitted.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Tailwind CRP, LLC - Lease Agreement  
Presentation  
Certification of Funds