



Broward County

Legislation Text

File #: 20-2013, Version: 1

Broward County Commission Regular Meeting

Director's Name: Mark Gale

Department: Aviation

Division: Business

Information

Requested Action

MOTION TO APPROVE First Amendment To Self-Service Baggage Cart Concession Agreement Between Broward County and Smarte Carte, Inc., to extend the term for a period of three years with two one-year optional extension terms; and authorize the Mayor and Clerk to execute.

Why Action is Necessary

In accordance with Chapter 26.4 of the Broward County Administrative Code, Concession Agreements require Broward County Board of County Commissioners ("Board") approval.

What Action Accomplishes

Extends the term of the current Self-Service Baggage Cart Concession Agreement ("Agreement") between Broward County ("County") and Smarte Carte, Inc. ("Smarte Carte") and increases the maximum allowable domestic rental fee at Broward County's Fort Lauderdale-Hollywood International Airport ("FLL").

Is this Action Goal Related

No

Previous Action Taken

None.

Summary Explanation/Background

THE AVIATION DEPARTMENT RECOMMENDS APPROVAL OF THE ABOVE MOTION.

This action extends the term of the current Agreement between the County and Smarte Carte and increases the maximum allowable domestic cart rental fee at FLL.

The Office of Economic and Small Business Development ("OESBD") established a 21% Airport Concession Disadvantaged Business Enterprise ("ACDBE") participation Goal for this Agreement. Smarte Carte committed to 21% ACDBE participation. To date, Smarte Carte's ACDBE attainment is 16.47% (Exhibit 3).

On April 28, 2015 (Item No. 52), the Board approved Request for Proposals ("RFP") No. 20150428-0-AV-01 for Self-Service Baggage Cart Concession at FLL. Only two firms submitted a proposal in response to the RFP; Smarte Carte and Bagport America.

On November 10, 2015 (Item No. 58), the Board approved the Agreement between the County and Smarte Carte to provide for a non-exclusive self-service baggage cart concession at FLL for a five-year term commencing on December 1, 2015 and terminating on November 30, 2020.

Since the Agreement award, Smarte Carte has acquired all of Bagport's operations in the United States, which at the time was their only major competitor. There is no other comparable service currently available. Self-service baggage carts are an essential passenger service at FLL.

Smarte Carte provides 800 carts and 42 Cart Management Units ("CMU's") within the terminals, the parking garages, and the Rental Car Facility at FLL. The current Agreement allows Smarte Carte to charge passengers a maximum of \$5 use fee per cart and pay the County 10% gross revenue from cart rentals in domestic arrival and all departure areas. There is no cart fee in the Federal Inspection Station ("FIS") Facility and in return, the County reimburses Smarte Carte \$1.10 per cart taken in the FIS Facility.

Broward County Aviation Department ("BCAD") has researched the industry and was unable to find any other self-service baggage cart operators in the United States that would meet the County's current operational requirements. The current operator has all of the necessary equipment on-site to enable them to continue to provide the current service level to the traveling public as passenger traffic increases without any significant capital expenditures or interruption of service.

On October 8, 2020, a negotiation meeting was held to discuss the proposed First Amendment to the Agreement between the County and Smarte Carte. The proposed First Amendment will provide for the continuation of the non-exclusive self-service baggage cart concession at FLL, extending the current term for a period of three years with two one-year renewal options and increasing the maximum domestic cart rental rate from \$5 to \$6 use fee per cart. Smarte Carte has posted a security deposit in the amount of \$50,000.

The proposed First Amendment allows BCAD to extend the current Agreement so FLL can maintain this service without interruption. Smarte Carte has met the minimum capital investment requirement required in the Agreement.

In accordance with U.S. Department of Transportation federal regulations governing the ACDBE Program, BCAD has requested approval from the Federal Aviation Administration ("FAA") for the First Amendment. Approval from the FAA is anticipated before Board approval of this action.

The proposed First Amendment has been reviewed and approved as to form by the Office of the County Attorney.

Source of Additional Information

Mark E. Gale, A.A.E, CEO/Director of Aviation, (954) 359-6199

Fiscal Impact

Fiscal Impact/Cost Summary

The estimated cost to BCAD for the proposed First Amendment is \$3,645,000 over the entire term of the Agreement.