



## Legislation Details (With Text)

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**Title:** Approve the First Amendment to Baggage Cart Concession Agreement between City of Fresno and Flight Services & Systems, Inc., to extend the current agreement for self-service baggage cart business at Fresno Yosemite International Airport. (Council District 4)

**Sponsors:** Airports Department

**Indexes:**

**Code sections:**

**Attachments:** 1. 01-31-19 Flight Services & Systems First Amendment to Concession Agreement.pdf

Date	Ver.	Action By	Action	Result
1/31/2019	1	City Council	approved	

## REPORT TO THE CITY COUNCIL

**January 31, 2019**

**FROM:** KEVIN R. MEIKLE, Director of Aviation  
Airports Department

### SUBJECT

Approve the First Amendment to Baggage Cart Concession Agreement between City of Fresno and Flight Services & Systems, Inc., to extend the current agreement for self-service baggage cart business at Fresno Yosemite International Airport. (Council District 4)

### RECOMMENDATION

Staff recommends Council authorize the Director of Aviation to execute the First Amendment to Concession Agreement (Amendment) with Flight Services & Systems, Inc. (FS&S), an Ohio Corporation, to continue providing self-service baggage cart system at Fresno Yosemite International Airport (FAT).

### EXECUTIVE SUMMARY

The Amendment will enable FS&S to continue providing an upgraded self-service baggage cart system as a service to the traveling public at FAT. The extended term of the Agreement is for an additional five years with one five-year option.

## BACKGROUND

Baggage carts are a basic airport amenity expected by the traveling public. These carts provide a safe and convenient method to transport baggage from the parking lot or curbside to the ticketing counter for departing customers, and from baggage claim to vehicles for arriving customers.

In August 2017, Airports Department solicited a Request for Letters of Interest from companies to operate Baggage Cart concessions, publishing the request on industry websites. Airports received two qualified replies and chose FS&S as the most responsive company.

The Amendment requires FS&S to install two (2) new complete baggage cart vending machines at the Airport. The five dollars (\$5.00) charge for use of a cart and twenty-five cent (\$0.25) refund for returned baggage carts will remain unchanged. The no-cost baggage cart service for arriving international customers, which is consistent throughout the industry, will also remain unchanged. However, the number of baggage carts provided in the Federal Inspection Station (FIS) may adjust based on need.

The Agreement has been reviewed and approved as to form by the City Attorney's office.

## ENVIRONMENTAL FINDINGS

This amendment is not a "project" as defined by the California Environmental Quality Act Guidelines Section 15378.

## LOCAL PREFERENCE

Local preference was not implemented because this is an amendment to an existing agreement.

## FISCAL IMPACT

There is no impact to the General Fund from this item. The minimum annual revenue from this Agreement will be a concession fee of 10% of gross revenues or a Minimum Annual Guarantee equivalent to two thousand fifty five dollars and sixty cents (\$2,055.60), whichever is greater. Total revenue for the initial five-year term is estimated to be a minimum of eleven thousand dollars (\$11,000) with additional \$11,000 during 5 year option period for a total of \$22,000 during 10 year term. The Airports Department will pay FS&S a flat amount of \$50,000 annually (based on average number of carts used) for the FIS operation. Payment for FIS operation will be made in twelve (12) equal installments to FS&S. Total to be paid during initial 5 year term is \$250,000 with additional \$250,000 during 5 year option period for a total of \$500,000 during 10 year term.

The Airports Department expenditure for the baggage cart operation in the FIS is part of the Airports Department FY19 adopted budget and will be included in future budgets. All revenues for the baggage cart concession operation will be deposited into the Airport Enterprise Fund and contribute to the operation and maintenance of FAT.

Attachment:

- Flight Services & Systems First Amendment to Concession Agreement