



Pinellas County

Staff Report

File #: 18-1044A, **Version:** 1

Subject:

Eighth and Ninth Amendments to the agreement with Stellar Partners, Inc. for airport duty free services and gift shop concessions.

Recommended Action:

Approval and execution of the Eighth and Ninth Amendments (extension) with Stellar Partners, Inc. for duty free services and gift shop concessions at the St. Pete-Clearwater International Airport (Airport).

Contract no. 990-0302-P (RG); in the revenue amount of \$224,000.00 for a total contract revenue value of \$1,629,628.00. Authorize Chairman to sign and Clerk of the Court to attest.

Strategic Plan:

Deliver First Class Services to the Public and Our Customers

5.1 Maximize partner relationships and public outreach

5.2 Be responsible stewards of the public's resources

5.3 Ensure effective and efficient delivery of county services and support

5.4 Strive to exceed customer expectations.

Summary:

This contract provides for the operation of two types of concessions-an airport duty free and an airport gift shop including newsstand and retail.

The Eighth amendment is related to the duty free concession and the Ninth amendment is related to the gift shop. Both Amendments provide for a month-to-month extension, effective August 1, 2018 to allow for the continuation of services while completing the solicitation process for a new contract. The agreement may be cancelled by either party with a sixty (60) day notice.

It is anticipated a new concession agreement will be presented for Board consideration in early 2019.

Background Information:

This agreement was originally approved by the Board of County Commissioners on June 14, 2000 with an estimated annual revenue of \$241,000. Since the inception of the agreement, there have been seven (7) amendments related to the duty free and eight (8) amendments related to the gift shop.

Historically, the generated net revenues to the Airport have been lower than originally anticipated mainly due to the fluctuation in passenger traffic. During the years when passenger traffic did not reach a specific count, as stipulated in the agreement, the fees due to the Airport were limited only to the annual rent for square footage, which totaled \$26,000.00.

However, since 2010, airport passenger traffic has steadily increased. During the past five (5) years specifically there has been a consecutive double digit growth. As a result, generated net sales in 2017 were approximately \$224,000, a thirty-two percent (32%) increase when compared to the prior year.

Fiscal Impact:

Original estimated contract revenue value not to exceed \$4,097,000.00

To date actual contract revenue value not to exceed \$1,405,628.00

Extension period estimated annual revenue not to exceed \$224,000.00

- Duty Free - \$36,000.00
- Gift Shop- \$188,000.00

Revised contract value not to exceed \$1,629,628.00

Generated revenues are deposited into the Airport Gift Shop and Duty Free Concessions account.

Staff Member Responsible:

Tom Jewsbury, Director, St. Pete-Clearwater International Airport

Joe Lauro, Director, Purchasing

Partners:

N/A

Attachments:

Eighth Amendment

Ninth Amendment