

Waiver of Procurement Process Memo

Tier 2

TO:

City Manager's Office

CC:

Chief Procurement Officer

FROM:

Brent Cagle

Aviation

This memo and supporting documentation constitutes a Tier 2 procurement waiver as follows:

Tier 2: Procurements of Services equal to or greater than \$50,000 and higher.

Department Directors may request a waiver of competitive solicitation process for procurements of services equal to or greater than \$50,000 and higher. Waivers in this threshold require completion of this waiver memo including all appropriate supporting documentation with submittal to and concurrence by the City's Chief Procurement Officer prior to review and final approval by the City Manager's Office. Concurrence and final approval in writing is required for this waiver to be effective. Waivers for expenditures totaling \$100,000 or more require Council approval.

Contract Description

Total Anticipated Spend

Management Agreement for our Consolidated

\$2,842,000.00

If anticipated expenditures are \$100,000+ please indicate anticipated date Council Approval will be requested:

December 10, 2018

Background

Description

MVI provides the maintenance and management of the consolidated rental car facility and remote rental car facility at Charlotte Douglas International Airport.

Waiver of Procurement Process Tier 2

Rationale

- Disruptive to RAC operations - For the past 4 years MVI has built a working rapport with our RAC business partners that has proven beneficial to the RACs and the airport. A transition to a new service provider would create a disruption in the flow of operations at the CONRAC which could negatively impact revenue generation and customer experience.
- Reallocation - The airport will be in the process of reallocating assigned premises for the RACs in the ready/return and QTA area of the CONRAC. We will be leaning heavily on the expertise and management of MVI during this process. The concern of diminishing operational efficiency during this process already exist. Transitioning to a new service provider would only add to this concern.
- Disruption to RAC business model - MVI was the preferred vendor for all of our RAC business partners. MVI has a national fueling agreement that they utilize to provide fuel to our RACs, nearly at cost. A disruption in this relationship could result in higher fuel prices for our RACs, which could result in higher cost to our customers.
- Ongoing roadway and tunnel construction - CLT is currently in the midst of a massive roadway and underground tunnel project, which will require changes to operations of the CONRAC. To consider a change of service provider during this period would prove to be detrimental to our ability to operate efficiently as well as provide the best customer service possible. Detrimental impacts of this nature would certainly impede on CLT's ability to generate considerable revenue.

Reason for Choosing the Selected Vendor

a. MVI Field services

b. MVI has been our maintenance and management provider since June 1, 2014.

- MVI has become uniquely familiar with the operational environment of our consolidated rental car facilities and remote service facility.

- MVI was the vendor of choice for our Rental Car concessionaires and has cultivated a excellent working relationship with them and our airport staff.

- Our Rental Car concessionaires rely heavily on the contractual relationship with MVI for their operational and business needs.

c. On February 20, 2014, the Aviation department issued a Request for Proposals for the maintenance and management of both the consolidated rental car facility and remote rental car facility.

d. An evaluation committee comprised of Aviation Department personnel and rental car representatives unanimously selected MVI Field Services for contract award based on MVI's management fee, depth of airport experience, and the strength of its leadership team.

d. There will be a future RFP at a more appropriate time.

Waiver of Procurement Process Tier 2

Spending and Term

- a. Approximately \$9.5 million has been spent with MVI to date.
- b. I anticipate \$14,000,000 to be spent with MVI for an additional 3 year term with 2 optional 1 year extensions.
- c. City Council approval will be required on or around December 2018.

Recommendation

Section 1.7.2 of the Citywide Procurement Policy (MFS 24) allows a Department Director to waive the requirement to issue an RFP for a formal solicitation of services when it is in the City's best interest to do so. The reasons stated above establish that a waiver is appropriate with respect to the services described above. Accordingly, this memorandum indicates that the **Aviation**

department will forego a new formal solicitation requirement, and recommends a **contract** with MVI Field Services

Department
Director

- Approve
- Deny

Chief Procurement Officer

- Approve
- Deny

City Manager's
Office

- Approve
- Deny

Signature

Signature

Signature

Full Name

Full Name

Full Name

Date

Date

Date