



**TO:** Mayor Shaun Sipma  
Members of the City Council

**FROM:** Rick Feltner, Airport Director

**DATE:** May 17, 2021

**SUBJECT: MINOT AIRPORT PARKING FACILITIES MANAGEMENT AGREEMENT**

**I. RECOMMENDED ACTION**

1. Recommend approval of the parking management contract with LAZ Parking for management of the Airport’s parking lots; and
2. Recommend approval of parking equipment procurement/purchase; and
3. Authorize the Mayor to sign the agreement

**II. DEPARTMENT CONTACT PERSONS**

Rick Feltner, Airport Director 857-4724

**III. DESCRIPTION**

A. Background

REEF Parking Management is the current vendor for the Airport’s parking services. Their five-year contract expired December 31, 2020, and an additional 120-day holdover period was granted by City Council on December 7, 2020, resulting in an end date of May 31, 2021. During the holdover period, the Airport published a request for proposals (RFP) in an effort to better evaluate the new business climate as a result of the on-going pandemic and the current uncertainty in the aviation industry. As the Airport transitions to a concession-based parking management operation from a management-fee based operation, it will provide for an increase of non-aeronautical revenue.

The current parking and revenue control system (PARCS) has exceeded its useful life. The RFP directed proposers to submit implementation plans to improve the PARCS.

A mandatory pre-bid conference was held on March 31, 2021 for all interested proposers. Five proposals in total were received and accepted on April 21, 2021. The five proposals were received and ranked as follows:

1. LAZ Parking
2. Interflight
3. REEF Parking
4. Parking Concepts (PCI)
5. Propark

Due to the niche market of the parking industry, a high level of knowledge and expertise is required in order to run a successful parking operation. The parking management contract will ensure the most efficient management, staffing, use of technology to minimize staffing,

reliability of equipment, and procedures are utilized in the daily operations of the parking operations.

**B. Proposed Project**

To enter into an agreement with LAZ Parking to best serve the Minot International Airport in the generation of maximum revenue through the efficient use of staff and technology, reliable and first-class customer service, all of which will further the efforts of the Airport in maintaining and attracting airport parking customers.

**C. Consultant Selection**

A mandatory pre-bid conference was held on March 31, 2021 for all interested proposers. Five proposals in total were received and accepted on April 21, 2021. Upon initial review of all submissions, the top three proposals were reviewed and scored with the following criteria in mind:

Category	Points
Background of company and references	30
Implementation and staffing plan	30
Use of technology	25
Materiality of exceptions	10
Compliance with submitting forms and subm	5
Total	100

The comprehensive proposal submitted by LAZ Parking resulted in the highest score. In addition to the proposal score, the level of expertise and knowledge of the parking industry in particular to parking operations at airports exhibited by LAZ Parking will lead to the successful parking operations at the Minot International Airport.

**IV. IMPACT:**

**A. Strategic Impact:**

Proper functioning of the parking operations is a critical component of the operations of the airport, impacting the revenue generation, level of customer service, and overall experience for the traveling public.

**B. Service/Delivery Impact:**

Provide a first-class level of customer service that will further the efforts of the Airport in maintaining and attractive airport parking customers.

**C. Fiscal Impact:**

Generate the maximum annual net operating revenue through the efficient use of staff and technology and the most effective revenue control equipment and procedures. The proposed concession model provides an escalating Minimum Annual Guarantee (MAG) of \$750,000 beginning year 1, with additional revenues above the MAG to be paid to the airport. The projected revenue for 2022 is \$1.6 million, comparing favorably to 2020 and 2021 with parking revenues of \$900,277 and projected \$1,289,573 respectively.

The cost of this agreement and equipment is as follows:

<b>Project Costs</b>	
Hardware	\$ 278,755
Shipping	6,500
Services	15,050
Installation	41,359
Software	16,530
	<u>\$ 358,194</u>

**Project Funding**

The project will be funded with CARES money that was awarded to the airport in 2020. The reimbursement will be requested when the expenses are incurred.

**V. ALTERNATIVES**

Alt 1. City Council could recommend that this agreement not be executed and that the current operator be offered an additional extension to their contract. This would result in a delay to upgrading the outdated PARCS and potentially increase expenditures.

**VI. TIME CONSTRAINTS**

Council's timely approval of the recommendation will minimize any disruptions or lapses in the transition of parking operations.

**VII. LIST OF ATTACHMENTS**

- A. LAZ Parking Proposal
- B. Airport Parking Facilities Management Agreement
- C. 2021 BA – Airport Parking Equipment and Management Agreement