

Memorandum



DATE October 5, 2007

TO Members of the Finance, Audit and Accountability Committee
Councilmembers Mitchell Rasansky, Chair; Jerry Allen, Vice Chair;
Dr. Elba Garcia, Vonciel Jones Hill, Angela Hunt, Ron Natinsky and
David Neumann

SUBJECT Airport Advertising Concession Contract

This memorandum is in response to questions raised at the September 24, 2007 Finance, Audit, and Accountability Committee meeting regarding the Airport Advertising Concession Contract.

Question: Over the five-year contract period with JCDecaux Airport, Inc. (JCD), what are their total gross sales and payments to the City for each contract year?

Response: The chart below reflects the requested information:

Contract Year	Gross Sales	Payments to the City
6/01/2001 – 5/31/2002	\$1,171,074	\$1,500,000
6/01/2002 – 5/31/2003	\$1,267,598	\$1,125,000
6/01/2003 – 5/31/2004	\$ 996,575	\$1,125,000
6/01/2004 – 5/31/2005	\$ 846,837	\$1,500,000
6/01/2005 – 5/31/2006	\$1,404,368	\$1,500,000
Total Five Years	\$5,686,452	\$6,750,000

Question: Have we considered the cost of performing the service in-house?

Response: The Director of Aviation consulted the Austin Bergstrom Airport's (ABIA) Director of Aviation to discuss their experience with an in-house operation. ABIA elected to do an in-house advertising program as a means of limiting in-terminal advertising in the interest of maintaining the ambiance of the architectural and artwork.

Their annual gross revenues are an estimated \$600K and they utilize about 1.5 FTE for a cost of about \$100K. Based on Austin's experience and the fact that our projected revenues for the JCD proposal approach \$2 million, staff's recommendation is that the concession business model is superior in our circumstance.

Question: How does existing (2007) scoring criteria compare with the criteria used for the previous RFP (2001)?

Response: The chart below represents the scoring criteria evaluated for each advertising RFP.

Scoring Criteria	2001 RFP	2007 RFP
Financial Projections: MAG, Percentage, Gross Revenues & Reasonableness	30%	40%
Experience and Capability; Demonstrated Experience, Sales Track Record	20%	20%
DBE Program; DBE Plan, Historical Involvement, Program Viability	20%	10%
Financial Strength to Deliver the Plan and Pay the MAG; Quality of Financials, References	15%	15%
Quality of the Advertising Plan; Quality of Marketing Plan, Reasonableness of Management Plan, Quality & Quantity of Fixtures, Clarity of the Plan.	15%	15%

Question: How did reduction in MAG for years 2 & 3 affect the payments received? Was there a "catch up" provision?

Response: Following the events of 9/11/2001, JCD requested a reduction in the year 2 MAG with such reduction being recovered in years 3, 4, and 5. Council passed Resolution #021653 May 22, 2002, approving this request which did not change the Total Minimum Guarantee of \$7,500,000 over a five-year term. The amendment was not executed by JCD.

A second request was made by JCD to reduce the MAG in years 2 and 3. April 9, 2003, Council approved by Supplemental Agreement No. 1 to reduce the MAG for years 2 and 3 which in effect reduced the original five-year contract Total Minimum Annual Guarantee from \$7,500,00 to \$6,750,000. This agreement was executed by JCD and did not provide for "catch up" payments.

Question: Please provide the Airport's DBE Goals and Accomplishments

Response: A copy of the FY05/06 Airport Concession Disadvantaged Business Enterprise Accomplishment annual report to the Federal Aviation Administration (FAA) is attached (Attachment 1- page 5)

Question: What is the ethnic composition of JCD?

Response: The City would be entering into an agreement with JCDecaux Airport, Inc. The ethnic composition is indicated below:

Ethnic Composition	Number
Black Female	7
Black Male	11
Hispanic Female	8
White Female	48
White Male	77
Other Female	1
Other Male	12

Also included is the ethnic composition breakdown for JCDecaux North America, Inc., the parent company of JCDecaux Airport, Inc. (Attachment 2, page 9).

Question: Please provide the ownership information (including names of all owners and percent ownership) for the three MWBE companies that JCD is proposing to partner with for this contract. What is the extent of the minority participation relating to "mailings" service for this contract?

Response: Under the current proposal, JCD has entered into a Joint Venture partnership with the Elizabeth Younger Agency (EYA) to provide local advertising sales. EYA is currently a certified DBE who meets the federal DBE requirements. Their application to the North Central Texas Regional Certification Agency is pending approval.

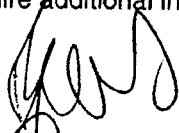
Regretfully, the response given at the committee meeting for MWBE participation was given in error. The scope of this contract does not include a mailing service component to meet the DBE or GFE goal requirements as stated in the committee meeting. The GFE staff contacted JCD to explain the city's GFE plan and goals. They emphasized the importance of ensuring that Good Faith Effort is made with regards to securing the participation of local MWBEs. The GFE group provided a revised MWBE list to JCD, which includes: Focus Group, Alpha Business Images, Consumer Marketing Insights, KStrategies, PROTERRA Advertising, Puente-Brancato Enterprises, Cinco Media Communications, Garza Communications, and BWC Photo Imaging. These locally-owned MWBEs have extensive experience in public relations, advertising and promotions.

Question: How did the companies receive notification about the RFP? Who was notified?

Response: As part of the proposal process, 22 notices were sent electronically through the City's online procurement system. The system allows vendors to register for commodities in areas of interest that often appear to be outside the scope of the procurement. In an effort to secure more proposals, notifications were sent by the Business Development and Procurement Services ResourceLINK Team to 30 chambers of commerce, and 3 advocacy groups (i.e. DFW Minority Business Council and Women's Business Council – Southwest). In addition, direct contacts were made with all airport advertising companies, of which a majority attended the pre-proposal conference.

We have also provided the list reflecting the current Advertising concessionaire at each airport shown in our September 24th briefing.

Should you require additional information, please let me know.



Ramon F. Miguez, P.E.
Assistant City Manager

CC: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Tom Perkins, Jr., City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Judge Jay Robinson
Ryan S. Evans, First Assistant City Manager
Charles W. Daniels, Assistant City Manager
Jill A Jordan, P.E., Assistant City Manager
A.C. Gonzalez, Assistant City Manager
Dave Cook, Chief Financial Officer
Chandra Marshall-Henson, Assistant to the City Manager
Ade Williams, Director of Business Development and Procurement Services
Daniel T. Weber, Director of Aviation
Kimberly Tolbert, Assistant Director of Aviation



CITY OF DALLAS

March 22, 2007

Mr. Michael A. Gonzales
Manager, Civil Rights Staff
United States Department of Transportation
Federal Aviation Administration
Southwest Region Headquarters, ASW – 9
2601 Meacham Blvd.
Fort Worth, TX 76193-0009

Re: Dallas Love Field – Airport Concession Disadvantaged Business Enterprise (ACDBE) : FY 05 – 06 ACDBE Accomplishments

Dear Mr. Gonzales:

As required by the Department of Transportation (DOT) 49 CFR, Part 23, attached is the FY 05 – 06 Uniform Report of ACDBE Participation at Dallas Love Field. The FY 05 – 06 Airport Concession Disadvantaged Business Enterprise (ACDBE) accomplishment is 38.38% for Non-Car Rental ACDBE participation, which exceeds the goal of 22.55% and 23.02% for Car Rental ACDBE participation, which exceeds the goal of 18.27%.

Please contact Mr. Robert Miville, Contract Compliance Manager, at (214) 670-6087 should you require additional information regarding the attached report.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kimberly Tolbert'.

Kimberly Tolbert, DBELO
Assistant Director of Aviation – Finance & Administration
City of Dallas
Dallas Love Field

Attachment

- c: Daniel T. Weber, A.A.E., Director of Aviation, Dallas Love Field
Terry Mitchell, Assistant Director of Aviation, Dallas Love Field
Rosetta Robinson, External Program Manager, ASW-9C, FAA
Robert Miville, Contract Compliance Manager, Dallas Love Field

UNIFORM REPORT OF ACDBE PARTICIPATION

Please refer to the instructions sheet for directions on filling out this form

1. Name and address of Recipient: City of Dallas, Department of Aviation 8008 Cedar Springs, LB16, Dallas Texas 75235		Phone No. (214) 670-6087 Fax No. (214) 670-6051				
2. Contact Information: Preparer's Name: Robert Miville, Contract Compliance Manager email address: robert.miville@dallascityhall.com		3a. Federal fiscal year in which reporting period falls: FY 2006 (Oct. 1, 2005 to Sep. 30, 2006)				
3b. Date This Report Submitted: March 20, 2007		3c. Report due March 1				
4. Current Non-Car Rental ACDBE Goal: 0 %		Race Neutral Goal: 22.55 %				
ACDBE OVERALL Goal: 22.55 %		Race Conscious Goal: 0 %				
A Total Dollars (Everyone)	B Total Number (Everyone)	C Total to ACDBEs (dollars) [E+F]	D Total to ACDBEs (number)	E Total to ACDBEs - Race Conscious (dollars)	F Total to ACDBEs - Race Neutral (dollars)	G Percentage of total dollars to ACDBEs [C/A]
6. NON-CAR RENTAL CUMULATIVE ACDBE PARTICIPATION						
Prime Concessions	9	\$8,271,658	2	0	\$8,271,658	29.35%
Subconcessions	1	\$2,485,298	1	0	\$2,485,298	100.00%
Management Contracts						
Goods and Services	5	\$1,642,346	5	0	\$1,642,346	100.00%
Total Non-Car Rental Cumulative ACDBE Participation	15	\$12,398,302	8	0	\$12,398,302	38.38%
A Total Dollars (Everyone)	B Total Number (Everyone)	C Total to ACDBEs (dollars) [E+F]	D Total to ACDBEs (number)	E Total to ACDBEs - Race Conscious (dollars)	F Total to ACDBEs - Race Neutral (dollars)	G Percentage of total dollars to ACDBEs [C/A]
6. NON-CAR RENTAL NEW ACDBE PARTICIPATION THIS PERIOD						
Prime Concessions						
Subconcessions						
Management Contracts						
Goods and Services						
Total Non-Car Rental New ACDBE Participation						

NO NEW PARTICIPATION

7. Current Car Rental ACDBE Goal:	Race Conscious Goal 0		Race Neutral Goal 18.27		ACDBE OVERALL Goal 18.27		% ACDBEs [C/A]
	A	B	C	D	E	F	
8. CAR RENTAL CUMULATIVE ACDBE PARTICIPATION	Total Dollars (Everyone)	Total Number (Everyone)	Total to ACDBEs (dollars) [E+F]	Total to ACDBEs (number)	Total to ACDBEs - Race Conscious (dollars)	Total to ACDBEs - Race Neutral (dollars)	Percentage of total dollars to ACDBEs
Prime Concessions	\$44,496,033	9	\$0	0	\$0	\$0	0.00%
Subconcessions	\$0	0	\$0	0	\$0	\$0	0.00%
Goods and Services	\$25,517,652	56	\$16,113,989	10	\$0	\$16,113,989	63.15%
Total Car Rental Cumulative ACDBE Participation	\$70,013,685	65	\$16,113,989	10	\$0	\$16,113,989	23.02%

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9. CAR RENTAL NEW ACDBE PARTICIPATION THIS PERIOD	Race Conscious Goal 0		Race Neutral Goal 18.27		ACDBE OVERALL Goal 18.27		% ACDBEs [C/A]
	A	B	C	D	E	F	
10. CUMULATIVE ACDBE PARTICIPATION BY RACE/GENDER	Total Dollars (Everyone)	Total Number (Everyone)	Total to ACDBEs (dollars) [E+F]	Total to ACDBEs (number)	Total to ACDBEs - Race Conscious (dollars)	Total to ACDBEs - Race Neutral (dollars)	Percentage of total dollars to ACDBEs
Prime Concessions							
Subconcessions							
Goods and Services							
Total Car Rental New ACDBE Participation This Period							

NO NEW PARTICIPATION

10. CUMULATIVE ACDBE PARTICIPATION BY RACE/GENDER	Race Conscious Goal 0		Race Neutral Goal 18.27		ACDBE OVERALL Goal 18.27		% ACDBEs [C/A]
	A	B	C	D	E	F	
10. CUMULATIVE ACDBE PARTICIPATION BY RACE/GENDER	Black Americans (numbers & dollars)	Hispanic Americans (numbers & dollars)	Asian-Pacific Americans (numbers & dollars)	Asian - Indian Americans (numbers & dollars)	Native Americans (numbers & dollars)	Non-Minority Women (numbers & dollars)	Other (i.e. not of any other group listed here) (numbers & dollars)
Car Rental	7	1				1	\$338
Non-Car Rental	5	2	1				
Total Cumulative ACDBE Participation by Race/Gender							
TOTALS (A+B+C+D+E+F+G)							

11 For each ACDBE firm that is participating, please fill out the attached Report of Certified ACDBE Firm or list the following information for each ACDBE firm participating in your program during the period of this report: (1) Firm name, (2) Type of business, (3) Beginning and expiration dates of agreement, including options to renew, (4) Dates that material amendments have been or will be made to agreement (if known), and (5) Estimated gross receipts for the firm during this reporting period.

FIRM NAME	DBE TYPE	TYPE OF BUSINESS	BEGINNING DATE	ENDING DATE	RENEWALS	AMENDMENTS	ESTIMATED GROSS RECEIPTS
NON-CAR RENTAL ACDBE PARTICIPATION BOX 8: C & D							
Dallas Love Field Joint Venture	Hispanic	Food & Beverage	7/1/1996	6/30/2011	0	0	\$8,013,182
McDonalds	Black	Food & Beverage	7/1/1996	6/30/2011	0	0	\$2,485,298
EBJ Associates	Black	Retail	7/1/1996	6/30/2011	0	0	\$586,446
Multiplex, Inc.	Black	Retail	7/1/1996	6/30/2011	0	0	\$877,410
Hamilton & Associates	Black	ATM Machines	N/A - Subcontractor of Goods & Services to Cardtronics				\$36,000
Domain Enterprises dba The King Group	Black	Advertising	N/A - Subcontractor of Goods & Services to Cardtronics				\$42,000
Love Shines, Inc.	Asian	Shoe Shine	5/1/1997	1/1/2007	0	0	\$258,476
GTO Automotive	Hispanic	Automotive	N/A - Subcontractor of Goods & Services to PCA (Parking Co.)				\$480
TOTAL NON-CAR RENTAL ACDBE PARTICIPATION BOX 8C							

FIRM NAME	DBE TYPE	TYPE OF BUSINESS	BEGINNING DATE	ENDING DATE	RENEWALS	AMENDMENTS	ESTIMATED GROSS RECEIPTS
CAR RENTAL ACDBE PARTICIPATION BOX 8: C & D							
Jazfam Associates	Woman	Wrecker Service	N/A - Subcontractor of Goods & Services to Budget				\$1,151.28
Lemon's Wrecker Service	Black	Auto Repair	N/A - Subcontractor of Goods & Services to Avis				\$533.50
Premier Auto Body & Paint	Black	Fleet Purchases	N/A - Subcontractor of Goods & Services to Budget				\$738.40
Santa Monica Ford/Avis/Bud/Hertz	Black	Auto Supply	N/A - Subcontractor of Goods & Services to Hertz, Avis, Budget				\$16,108,340.54
Trade World Intercontinental	Black	Auto Supply	N/A - Subcontractor of Goods & Services to Hertz				\$726.09
#15587		Auto Wash	N/A - Subcontractor of Goods & Services to Alamo				\$338.00
Drews Power Wash	Hispanic	Auto Repair	N/A - Subcontractor of Goods & Services to National				\$110.00
Joe Griffin Body Shop	Black	Auto Transport	N/A - Subcontractor of Goods & Services to Alamo				\$395.00
Mississippi Auto Camers	Black	Auto Supply	N/A - Subcontractor of Goods & Services to National				\$1,500.00
Pearson Auto	Black	Auto Supply	N/A - Subcontractor of Goods & Services to Alamo				\$156.00
TOTAL CAR RENTAL ACDBE PARTICIPATION BOX 8C							



**CITY OF DALLAS
ETHNIC WORKFORCE COMPOSITION REPORT**

(Note: Please use the Tab button, mouse or arrows to move from one section to the next. Please DO NOT use the "Enter" key.)

Name of Firm: JCDecaux North America, Inc.

Address: 3 Park Avenue, 33rd Floor

New York, NY 10016

Telephone Number: 646 - 834 - 1300 Ext. direct line

Email Address: bernard.parisot@jcdecauxna.com

Employee Classification	Total No. Employees		White		Black		Hispanic		Other	
	Male	Female	M	F	M	F	M	F	M	F
EXAMPLE	15	12	7	4	4	4	3	2	1	2
Administrative/Managerial	22	11	22	10	0	1	0	0	0	0
Professional	56	40	42	29	1	4	8	6	5	1
Technical	13	0	1	0	4	0	2	0	6	0
Office/Clerical	7	13	3	9	0	2	3	2	1	0
Skilled	5	0	5	0	0	0	0	0	0	0
Semiskilled	0	0	0	0	0	0	0	0	0	0
Unskilled	36	0	4	0	6	0	26	0	0	0
Seasonal	0	0	0	0	0	0	0	0	0	0
Totals:	139	64	77	48	11	7	39	8	12	1

Intentional misrepresentation could result in criminal prosecution.

Officer's Signature

Bernard Parisot

Typed or Printed Name

co- Chief Executive Officer

Title

June 11, 2007

Date

Airport Advertising Concession Current Comparative Airport Financials

Airport	2006 PAX	Concessionaire	MAG	Percentage of Sales	Payments
Houston Airport System	25,638,092	JCDecaux Airport	\$2,200,000	70%	\$3,090,000
Seattle	29,979,097	Clear Channel Airport	\$3,750,000	70%	1 st Year of Contract
Dallas Love Field	6,874,717	JCDecaux Proposal	\$1,300,000	65/70%	Current Proposal
DFW	60,226,138	Clear Channel Airport	\$5,160,000	61.5%	\$6,220,523
Chicago Midway	18,680,663	Clear Channel Airport	\$1,000,000	60%	\$1,504,924
San Diego	17,481,942	Action Sports Media	\$1,000,000	60%	Currently on month to month
Orange County	9,613,540	JCDecaux Airport	\$760,000	58%	\$1,392,000
Memphis	11,176,460	JCDecaux Airport	\$450,000	55%	\$450,000
Cincinnati	16,244,962	Corey Media Services	\$765,000	50%	1 st Year of Contract
Cleveland Hopkins	11,321,050	Clear Channel/Interspace	\$900,000	50%	1 st Year of Contract