ISSUANCE OF A REQUEST FOR PROPOSALS TO OPERATE AN
ON-DEMAND AIRPORT-BASED SHUTTLE BUS CONCESSION
HONOLULU INTERNATIONAL AIRPORT
TAX MAP KEY, (1) 1-1-03: Portion of 1

The Department of Transportation (DOT) proposes to offer an On-Demand Airport-Based Shuttle Bus Concession at the Honolulu International Airport (HNL) to service all locations on the Island of O‘ahu. The following contains a description and summary of some of the major terms and conditions that the DOT anticipates incorporating into the Concession Agreement (“Agreement”):

PURPOSE:

To award the Agreement to the qualified Concessionaire submitting the best proposal.

LEGAL REFERENCE:

Chapter 102, Hawaii Revised Statutes, as amended.

Section 102-2(b) provides in part, “The bidding requirements of subsection (a) shall not apply to concessions or space on public property set aside for the following purposes:

(1) For operation of ground transportation services and parking lot operations at airports, except for motor vehicle rental operations under chapter 437D;...”

LOCATION:

Honolulu International Airport - Terminal Building Complex.

ZONING:

Land Use: Urban
County: Industrial (I-2)
LAND STATUS:

Section 5(a), Hawaii Admission Act –Non-Ceded  
DHHL 30% entitlement lands Yes   No   X

CHAPTER 343, HRS – ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a) Environmental Impact Statement Rules of the Department of Health, State of Hawai‘i, this disposition is exempt from the requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, Hawai‘i Revised Statues, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #1, Comprehensive Exemption List for the State of Hawai‘i, Department of Transportation, dated November 2000, as approved by the Environmental Quality Council. Exemption Class #1 covers operations, repairs, or maintenance of existing structures, facilities, equipment, or topographical features involving negligible or no expansion or change of use beyond that previously existing.

TERM:

Five (5) years.

PREMISES:

At Commencement of the Agreement.

1. Passenger Service Space.

   a. Diamond Head Domestic, Building No. 339, Space No. 110A, containing an area of approximately 76 square feet and Space No. 110C, containing an area of approximately 211 square feet as shown on Exhibit B-1 dated April 2016.

   b. Diamond Head Extension, Building No. 341 Space No. 105A, containing an area of approximately 114 square feet as shown on Exhibit B-2 dated April 2016.

   c. Interisland Terminal Complex, Building No. 310 Space No. 132, containing an area of approximately 291 square feet as shown on Exhibit B-3 April 2016.
2. **Bus Parking and Passenger Pick up/Drop off**

   a. Space No. 610-199D, containing an area of approximately 575 square feet as shown on Exhibit C-1 dated April 2016.

   b. Space Nos. 610-191A, B, C, and D, each containing an area of approximately 410 square feet as shown on Exhibit C-2 dated April 2016.

   c. Space No. 610-193F, containing an area of approximately 1,188 square feet as shown on Exhibit C-3 dated April 2016.

   d. Space No. 610-912E, containing an area of approximately 351 square feet, and Space No. 610-198L, containing an area of approximately 388 square feet as shown on Exhibit D dated April 2016.

The actual passenger service space and bus parking and passenger pickup/drop off may change due to operational requirements of the airport or by mutual agreement between the concessionaire and the DOTA.

**CONCESSION FEE:**

**Annual Concession Fee.** The total annual Concession Fee shall be the greater of the following:

   a. **Minimum Annual Guaranteed Fee.** The minimum annual guaranteed fee (MAG) for the first year of the term of the Concession, as set forth in the Concessionaire’s Proposal; or

   b. **Percentage Fee.** For each year of the term of this Concession Agreement, the percentage fee shall be fifteen per cent (15%) of the Concessionaire’s annual gross receipts generated from, related or attributable to, or connected with the operation of the concession.

   c. **Concession Fee in Subsequent Years.**

      1. **MAG.** For each successive year of the concession agreement, the MAG shall be 85% of the Concession Fee paid and payable in the prior year.

      2. **Concession Fee.** The concession fee in subsequent years of the Concession Agreement shall be the greater of the appropriate year MAG
or fifteen percent (15%) of the Concessionaire’s appropriate year gross receipts.

**IMPROVEMENTS:**

The Concessionaire will be required to construct any improvements contained in the Proposal or required for the operation of the concession. Such construction, if any, is required to be in accordance with DOT and county building standards.

**BASIS OF AWARD:**

The DOT will score the proposals based on the following criteria:

A. Qualified Proposer’s Prior Successful Experience
   Financial References and Capabilities 25%

B. Quality and Content of Proposed Concession Operation
   (including services areas), Management and Administration,
   And additional ideas offered 25%

C. Minimum Annual Guaranteed Fee for the First
   Year of the Concession 20%

C. Itemized List Consisting of Makeup of Proposer’s
   Concession Vehicle Fleet 10%

D. Quality and Content of Proposed Airport Shuttle
   Service for Disabled Individuals 10%

E. Quality and Content of Administrative and
   Fiscal Procedures and Processes 10%

**REMARKS:**

The On-Demand Airport-Based Shuttle Bus Concession at Honolulu International Airport shall provide service from the Airport to all areas of the island of O‘ahu. The On-Demand Airport-Based Shuttle Bus Concession provide a valuable service to the traveling public by providing an alternative to private vehicles, rental cars and taxis as a means of getting to and from the airport.
RECOMMENDATION:

That the Board authorize the call for proposals and issuance of a new On-Demand Airport-Based Shuttle Bus Concession as hereinabove outlined, subject to (1) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (2) review and approval of the Department of the Attorney General as to the agreement form and content.

Respectfully submitted,

FORD N. FUCHIGAMI
Director of Transportation

APPROVED FOR SUBMITTAL:

SUZANNE D. CASE
Chairperson and Member