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COMMISSION

AGENDA MEMORANDUM Item No. 8c

ACTION ITEM Date of Meeting December 13, 2022

DATE November 14, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Dawn Hunter, Director, Aviation Commercial Management

Khalia Moore, Senior Manager, Airport Dining and Retail

SUBJECT: Competitive Exemption for the Tenant Marketing Fund

Amount of this request: \$ 0

Total estimated project cost: \$ 0

ACTION REQUESTED

Request Commissioners to determine a competitive exemption is appropriate from procurement activities, including purchasing and services, related to the advertising services associated with the Airport Dining and Retail tenants under the Airport Dining and Retail (ADR) Tenant Marketing Fund, for a period not to exceed ten (10) years.

EXECUTIVE SUMMARY

In 2005, the Port of Seattle (Port) and its ADR tenants established a joint marketing program and associated fund for the purpose of promoting the quality and variety of products, locations, and services available from ADR Tenants. Moreover, it promotes brand identity for tenants and the entire ADR program.

The ADR Tenant Marketing Fund was established to increase awareness of the ADR locations and promote brand identity for the entire ADR program. The program is funded by the concessionaires at the Airport who contribute one half of one percent (0.5%) of monthly gross sales, not to exceed \$24,000 per agreement year. For leases signed in 2016 and beyond, the marketing fee is capped at \$30,000.

The ADR Tenant Marketing Fund is managed by the ADR Tenants through a marketing fund group that is comprised of a member of all ADR Tenants. Annually, the group approves a budget and meets on a quarterly basis. ADR Staff, on behalf of the tenants, ensures the budget is followed and all needed procurements necessary to complete the business of the Marketing Fund are facilitated.

Template revised January 10, 2019.

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Meeting Date: December 13, 2022

JUSTIFICATION

In accordance with RCW 53.19.020, Commissioners may determine contracts or groups of contracts may be exempted from the competitive solicitation process if Commissioners determine a competitive process is not appropriate or cost effective. Advertising purchases and services associated with the ADR Tenant Marketing Fund are contracts, or group of contracts, Staff recommend to exempt from the competitive solicitation process due to the unique nature of the tenant marketing fund and its collaborative management with ADR tenants.

There are no attachments to this memo.

Template revised June 27, 2019 (Diversity in Contracting).