Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

ISSUANCE OF AN ON-DEMAND AIRPORT-BASED SHUTTLE BUS CONCESSION, AT KAHALUI AIRPORT  

The Department of Transportation (DOT) proposes to offer an On-Demand Airport-Based Shuttle Bus Concession at the Kahului Airport on the Island of Maui. 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 Concession Agreement to a qualified Concessionaire submitting the highest bid to exclusively operate the Concession at the Kahului Airport.

LEGAL REFERENCE:

Chapter 102, Hawaii Revised Statutes, as amended.

LOCATION:

Kahului Airport

PREMISES:

Dispatch and Passenger Service Space, Building 322, Baggage Claim, Space No. 124, containing an area of approximately 45 square feet, as shown on the attached Exhibit B dated January 2013, attached hereto.

ZONING:

State Land Use: Urban
County of Maui: Airport
TAX MAP KEY:

2nd Division - 3-8-01: 19 (Portion) Kahului

LAND STATUS:

Kahului - Section 5(a), Hawaii Admission Act
DHHL 30% entitlement lands: No

TERM:

Five years commencing on August 1, 2013, and ending July 31, 2018.

CONCESSION FEE:

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

1. Minimum Annual Guaranteed Fee. The minimum annual guaranteed fee (MAG) for the first year of the Concession Agreement shall be, as set forth in the Concessionaire’s Bid Proposal and thereafter, for each year of the Concession Agreement term, it shall be 85% of the Annual Fee (the greater of the MAG or percentage fee) received by the State for the preceding Agreement year; or

2. Percentage Fee. For each year of the term of this Concession Agreement, the percentage fee shall be ten percent (10%) of the Concessionaire’s annual gross receipts generated from, related or attributable to, or connected with the operation of the Concession.

UPSET FEE:

The minimum annual guaranteed fee for the first year shall not be less than Fifty Thousand Dollars ($50,000.00).

BASIS OF AWARD:

The award of the Agreement will be to the highest responsible bidder, based upon the minimum annual guaranteed fee bid for the first (1st) year of the term of the Agreement.

REMARKS:

The On-Demand Airport-Based Shuttle Bus Concession at Kahului Airport provides a valuable service to the traveling public by providing an additional option 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 sealed bid tenders and issuance of a new On-Demand Airport-Based Shuttle Bus Concession subject to: (1) the terms and conditions hereinabove outlined; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) the review and approval of the Department of the Attorney General.

Respectfully submitted,

GLENN M. OKIMOTO, Ph.D.
Director of Transportation

APPROVED FOR SUBMITTAL:

WILLIAM J. AILA, Jr.
Chairperson and Member