City of Phoenix

Report

Agenda Date: 6/14/2023, **Item No.** 117

Expedited Screening, Queuing, and Enrollment Services Contract - Request for Award (Ordinance S-49873)

Request to authorize the City Manager, or his designee, to enter into a contract with AlClear, LLC, dba Clear, to provide a third-party trusted traveler program for expedited screening, queuing, and enrollment services at Phoenix Sky Harbor International Airport. Further request to authorize the City Treasurer to accept all funds related to this item.

Summary

To improve passenger flow through the security screening process, many airports have included expedited identity verification services in their concessions program. The Aviation Department believes that providing expedited screening, queuing, and enrollment services to passengers at Phoenix Sky Harbor International Airport (PHX) will improve the guest experience by reducing the security checkpoint wait time for passengers enrolled in these services.

Clear offers a subscription service that allows travelers to expedite through the security checkpoint and proceed directly to physical screening via their touchless biometric verification technology to validate traveler identity and credentials. Aviation contracted with Clear in 2018 to provide identity verification services at PHX and the current lease is set to expire on Aug. 31, 2023. Clear is the only Transportation Security Administration (TSA) authorized provider for verification screening services. In December 2022, TSA also authorized an agreement with Clear to begin enrolling travelers in the TSA Pre-Check trusted traveler program.

Procurement Information

In accordance with City of Phoenix Administrative Regulation 3.10, standard competition was waived as a result of an approved Determination Memo based on the following reason: Special Circumstances without Competition as Clear is the only provider authorized to conduct expedited traveler verification. The Aviation Department also issued a Request for Information (RFI 23-027) to determine interest and program information. AlClear, LLC was the sole respondent.

Contract Term

The contract will begin on or about Sept. 1, 2023, for a three-year term with one, two-year option to extend, which may be exercised at the sole discretion of the Aviation Director.

Financial Impact

The estimated annual revenue to the City will be the greater of a Minimum Annual Guarantee (MAG) or 12 percent of gross sales. MAG for the first year will be $500,000. The MAG will be adjusted annually thereafter at 85 percent of the prior year's annual rent or the MAG for the first lease year, whichever is greater. The minimum estimated revenue to the City will be $2.5 million for the five-year aggregate term.

Concurrence/Previous Council Action

City Council previously approved:
Lease Agreement 146676 (Ordinance S-43997) on Oct. 18, 2017;
The Phoenix Aviation Advisory Board recommended approval of this item on May 18, 2023 by a vote of 7-0.

Location

Phoenix Sky Harbor International Airport - 2485 E. Buckeye Road
Council District: 8

Responsible Department

This item is submitted by Deputy City Manager Mario Paniagua and the Aviation Department.