

AGENDA REPORT

Resolution: Approval of the Business Terms and Conditions to be Incorporated into the Request for Proposals for Food & Beverage Concessions Opportunities at Oakland International Airport Covering 23,000± Square Feet in Sixteen Locations to be Offered in Four Packages for a Term of Almost 11 Years; These Concessions Generated \$45.5 Million in Gross Sales Revenue in Calendar Year 2017. **(Aviation)**

MEETING DATE: 4/12/2018

AMOUNT: \$6.2 Million in Rental Earned by the Port in Calendar Year 2017 - Revenue

PARTIES INVOLVED: Potential Proposers Include: Multinational and Regional Prime Concessionaires, ACDBE Operators, Restaurateurs with Local Concepts, and Small Business Food & Beverage Operators

SUBMITTED BY: Bryant L. Francis C.M., Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

Aviation Staff requests the Board's approval of the proposed business terms and conditions to be incorporated into the Request for Proposals for Food & Beverage Concessions Opportunities ("2018 F&B RFP") at Oakland International Airport. The 2018 F&B RFP will offer all existing food and beverage locations in Terminals 1 and 2 covering 23,000± square feet in sixteen locations. We propose to offer four packages: two larger packages with approximately equal size and number of units expected to be bid on by prime concessionaires, plus two single, independent units to be offered to small businesses. The proposed term of each contract would commence February 1, 2019 and extend for ten years plus eleven months and expire on December 31, 2029. As information, in Calendar Year 2017, the existing food and beverage concessions generated \$45.5 million in gross sales revenue and earned the Port rental revenue of \$6.2 million.

BACKGROUND

Airport Concessions Industry

Operating concessions in an airport environment is a challenging effort that also can be financially rewarding. Most airport concession operations in the United States are dominated by a few multinational corporations: Areas USA (Elior Group, France), Fraport USA Inc. (Germany),

HMSHost (Autogrill S.p.A., Italy), Hudson Group (Dufry AG, Switzerland), Paradies Lagardere (France), SSP America (England) and Westfield (Australia), and by national/regional companies: Concessions International LLC, Delaware North Companies, High Flying Foods, Hojeij Branded Foods, OTG and Pacific Gateway. These “prime concessionaires” or concessions developers enter into long-term contracts with airports for food, beverage, retail and duty free stores. Some prime concessionaires directly operate units, or they may enter into joint venture partnerships or subleases with Airport Concessions Disadvantaged Business Enterprises (ACDBEs), and small and/or local businesses.

A limited number of airports (local example is San Francisco International Airport) negotiate and enter into contracts directly with retailers and food and beverage operators to run stores and restaurants; such operations require airports to employ a larger property management staff.

Concessions at OAK

In 2005, the Board adopted its first Concessions Policy¹ which states in part: “Competitive proposals will be used for those concession or customer service privileges where type of service, volume of business to be generated, quality of services or products, and demonstrated capability and depth of management can be clearly differentiated among several operators.” Specifically, food and beverage, news, gifts, and specialty retail concession opportunities are included in the Policy. In 2006, with:

- ➔ The anticipated opening of the new Terminal 2 Extension (“T2X”; Gates 26 through 32); and,
- ➔ The pending expiration of the existing single-operator, food, beverage and retail concession agreement with CA1 (owned by Delaware North Companies) for all units in Terminal 1 (“T1”) and Terminal 2 (“T2R”; Gates 20 through 25),

the Port issued a series of RFPs for all concessions locations that resulted in the following long-term contracts with a concurrent expiration date of May 31, 2018:

- Andale Management Group, Inc. operating Andale Café – full service bar and restaurant in T2X.
- Gotham Foods Two LLC operating Firewood Café – quick-serve restaurant in T2R.
- Host International, Inc. operating² or subleasing³:
 - Fifteen news/gifts/retail units located throughout T1, T2R and T2X;
 - Five bar/restaurants;
 - Four specialty coffee outlets;
 - Two multi-concepts/food courts; and
 - One quick-serve restaurant.

¹ Resolution No. 05-079: Policy for Awarding Concession and Customer Service Privileges in the Terminal Buildings at Oakland International Airport, adopted March 15, 2003.

² Operated Units: Auntie Anne’s, Chili’s, CPK ASAP, Eight Bar, Fenton’s, Heinholds First & Last Chance, Max’s, Pyramid Ale House, and Starbucks (4 locations).

³ Subtenant Units: Burger King, Gordon Biersch, Jamba Juice, Silver Dragon Café, and Subway.

- Taste, Inc. operating Vino Volo – wine bar in T2R.
- Youth Employment Partnership (YEP) operating two Training Grounds coffee locations in pre-security T1 and T2R (due to operational/revenue issues, in 2014, the Port allowed YEP to close the T1 location).

In 2014, to resolve certain issues between the Port and Host, and to accommodate a corporate break-up of Host's food and beverage operations from its retail business, the following occurred:

- The Host contract was amended to delete all retail units.
- A new contract with World Duty Free Group (WDFG) covering Host's former retail units was approved by the Board with an extended expiration date of May 31, 2021. WDFG is owned by Dufry AG and operated by Hudson Group.
- The contract with Vino Volo was extended to May 31, 2021.

All remaining food and beverage contracts – covering Andale Café, Firewood Café, Host-operated and subleased units, and Training Grounds – will expire May 31, 2018⁴.

ANALYSIS

Consistent with the 2005 Concession Policy, and as reaffirmed in the 2016 Concession Policy Update⁵, Aviation Staff embarked on the process to develop the business terms and conditions for a new food and beverage concessions program at the Airport, and then to release a competitive Request for Proposals ("2018 F&B RFP") with the goal of bringing the best restaurants, bars, coffee, quick-serve, and grab-and-go offerings to the traveling public, tenants and other users of the Airport.

With significant staff research and input from aviation expert consultants, initial draft business terms and conditions were developed and presented to the Board. Subsequently, in two Open House/Community Outreach events, these draft business terms and conditions were shared with local restaurant, vendor and supplier businesses and the airport concessions industry. Questions, comments and feedback were received during and after the Outreach events and the business terms and conditions were further refined for further review and concurrence by the Board. Staff then shared the revised business terms and conditions at the 2018 Airport Revenue News Conference and Exhibition⁶ held in Orlando, Florida March 12 through 15, 2018 where it was generally well-received by many of the 750 registered participants representing 70± airports and the more than 300 business partners who attended.

The following Staff-recommended business terms and conditions for the 2018 Food & Beverage Concessions Opportunities Request for Proposals are:

⁴ Prior to their May 31, 2018 expiration date, Staff will be presenting to the Board for its approval, extension agreements for Andale, Gotham Foods and Host; YEP has chosen to allow its agreement to expire.

⁵ Resolution No. 16-144: A Restatement, Affirmation and Update to the Board's Policy of Awarding Concession and Customer Service Privileges at the Terminal Complex at Oakland International Airport adopted December 15, 2016.

⁶ The annual ARN conference is the largest gathering of airport decision-makers and concession executives, and showcases the foremost brands, concepts and operators in the food and beverage, retail, technology and customer service industries.

I. Basic Terms:

1. Four Packages – See Attachment “A” – Terminal Map with Units Identified
 1. Two multi-unit packages for Prime Operators with approximately equal number of spaces/square footage spread throughout T1, T2R and T2X.
 2. Two Independent Units located in high traffic areas of T1 and T2R that are reserved for Small Businesses.
 3. Prime Operators may prepare and present proposals for Packages 1 and 2; however, a single Prime Operator will not be awarded both packages. Should a single Prime Operator receive from the evaluation process the highest score on both Packages 1 and 2, that Prime Operator will choose which of the two Packages it wishes to operate. Staff will then recommend to the Board the award of the other package to the second highest scoring Prime Operator for that other package.
 4. Each Independent Unit will be awarded to two separate Small Businesses.
 5. Term = 10 years + 11 Months, occupancy for transition/construction as of February 1, 2019; primary term commences January 1, 2020
 6. Initial Capital Investment = \$600 per square foot
 7. Mid-term Capital Investment = \$150 per square foot
 8. Marketing Fund = 0.5% of Gross Sales

II. Recommended Concepts & Packages: Attachment “B” is a table that defines the units and details assigned to each package. Note that Staff does not recommend any specific national and/or local concepts or brands for any packages or units.

III. Rental Structure: All rental rates are calculated for each unit (not per package).

A. Percent Rental Rates:

1. 8% First \$1,000,000 in Gross Revenues; plus
2. 10% Gross Revenues from \$1,000,001 to \$2,000,000; plus
3. 12% Gross Revenues in excess of \$2,000,001; plus
4. 15% Alcoholic Beverages

B. Minimum Annual Guarantee (MAG)

1. Post Security, Units < 1,000 SF = \$250/SF
2. Post Security, Units 1,000 to 5,000 SF = \$200/SF
3. Post Security, Units > 5,000 SF = \$100/SF
4. Pre-Security, Both units = \$75/SF

C. Pricing Policy = Street + 10%

D. Benefits Fee = +3% (Not attributable to MAG)

IV. Labor and Employment Requirements: In addition to MAPLA and Living Wage requirements covered elsewhere in this Agenda Report, successful proposers must adhere to the following:

- A. Labor Peace Rule: Pursuant to Resolution No. 17-35 (May 18, 2017) the Board adopted the Labor Peace Rule for all concessions operating in the Terminal Complex.
- B. Use of Local Workforce Development Partners to Assist with Hiring: The Port encourages partnering with local workforce development agencies to promote maximum employment participation by residents from the communities most impacted by Airport operations and who face barriers to employment.
- C. Airport Concession Disadvantaged Business Enterprise (ACDBE) Program: The Port is currently administering a race neutral ACDBE Program and as such is not establishing a contract-specific goal for this concession opportunity. The Port is committed to maximum ACDBE participation, and will review the Proposer's plan to accomplish this. The overall goal is 20.26% for federal fiscal years 2018-2020, and the Port expects to meet and hopes to exceed its ACDBE participation goals entirely through race-neutral means.

Any business that is certified by the CUCP (California Unified Certification Program) as an ACDBE can fulfill the Port's race-neutral goal. Specifically, examples of ACDBE businesses that could partner with the Proposers:

- 1. Restaurant & Fast Food Franchisees/Operators
- 2. Food Suppliers
- 3. Janitorial Services
- 4. Insurance Carrier

V. Experience & Qualifications:

- A. Each Proposer for Packages 1 and/or 2, or its majority partner, shall have significant experience operating in an airport environment. At a minimum, Proposer must have operated:
 - 1. In a food and beverage concession in at least three airports;
 - 2. In those airports for three continuous years within the last five years; and,
 - 3. At least one of these operations must have generated at least \$5 million in annual gross sales in at least one of those three years.
 - 4. Businesses without this experience and minimum qualifications are encouraged to partner with an entity(ies) with such experience.
- B. Each Proposer for an Independent Unit (Packages 3 and 4) shall have significant experience operating a food and beverage business and meet the following minimum requirements:
 - 1. Be a "Small Business" defined as a firm with not more than \$15 million gross receipts average operating a food and beverage operation in the preceding three years (not more than \$45 million total over the three-year time frame).

2. May be an ACDBE.
3. Not required to be a local business.
4. Airport experience preferred.

VI. Proposal Evaluation Criteria: Staff has developed similar but separate evaluation criteria for the Prime Concessionaire Packages 1 and 2 (Attachment “C”) and for the Independent Small Business Packages 3 and 4 (Attachment “D”).

BUDGET & STAFFING

The proposed action does not have any budget or staffing impact. At the conclusion of the 2018 F&B RFP process, Staff will recommend to the Board the apparent highest scoring proposals for award of the concessions contracts and corresponding financial and staffing implications.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters included in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port’s Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Goal: Grow Net Revenues
- Goal: Improve Customer Service
- Goal: Modernize and Maintain Infrastructure
- Serve Our Community

LIVING WAGE

Living wage requirements, in accordance with the Port’s Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the “Living Wage Regulations”), do not apply because the requested action is not an agreement, contract, lease, or request to provide financial assistance within the meaning of the Living Wage Regulations.

SUSTAINABILITY

The 2018 F&B RFP includes requirements for proposers to develop an operation plan that includes an approach to sustainability, conservation, composting and recycling. Specific details will be included in the agenda reports for the award of the Food & Beverage Concessions Opportunities.

ENVIRONMENTAL

This project has been determined to be categorically exempt from the California Environmental Quality Act (CEQA) Guidelines pursuant to Section 15301, Existing Facilities, which exempts the

operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. Approving the business terms and conditions for the 2018 Food & Beverage Concessions Opportunities Request for Proposals does not change the use of the existing facility (operating concessions) and is therefore categorically exempt under CEQA. No further environmental review is required.

GENERAL PLAN

This action does not change the use of any existing facility, make alterations to an existing facility, or create a new facility; therefore, a General Plan conformity determination pursuant to Section 727 of the City of Oakland Charter is not required.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

The Owner Controlled Insurance Program (OCIP) does not apply to the matters addressed by this Agenda Report as they are not capital improvement construction projects.

OPTIONS

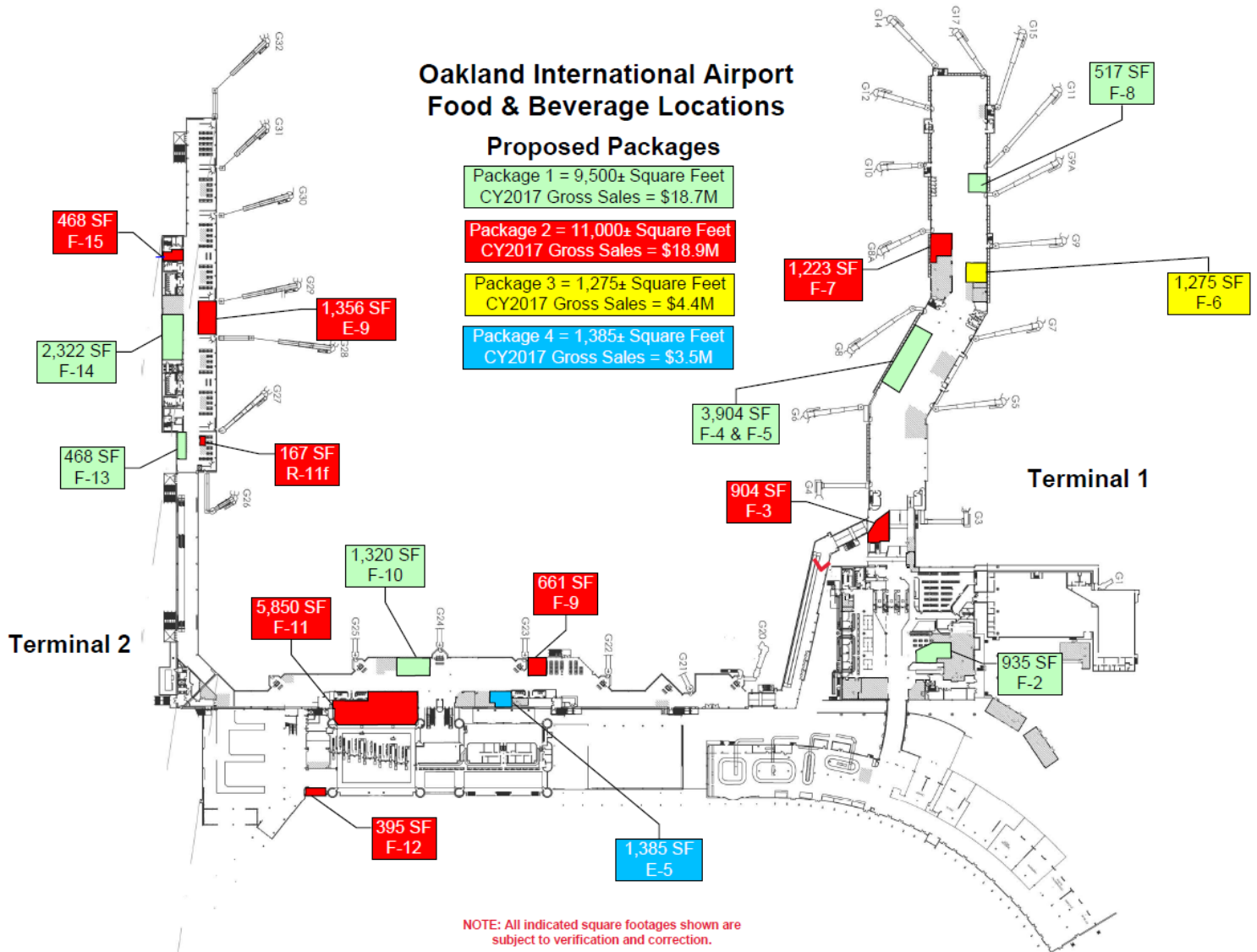
1. Approve the business terms and conditions for the 2018 Food & Beverage Concessions Opportunities Request for Proposals ("2018 F&B RFP") as outlined in the ANALYSIS section above and in Attachments "A", "B", "C" and "D" of the Agenda Report. This is Staff's recommendation.
2. Do not approve some or all of Staff's recommended business terms and conditions for the 2018 F&B RFP, but instruct Staff to develop an alternative set of business terms and conditions.
3. Reject Staff's recommended business terms and conditions for the 2018 F&B RFP and allow the existing food and beverage concessionaires' contracts to expire, which would (i) eliminate almost all restaurants and bars in the Airport, (ii) result in a decrease in Port annual rental revenue in excess of \$5.5 million, and (iii) significantly and negatively impact the passenger experience.

RECOMMENDATION

It is recommended that the Board pass a resolution approving the business terms and conditions for the 2018 Food & Beverage Concessions Opportunities Request for Proposals as outlined in the ANALYSIS section above and in Attachments "A", "B", "C" and "D" of the Agenda Report, subject to approval by the Port Attorney as to form and legality.

Attachment "A"

Terminal Map with Packages and Units Identified



Attachment “B”

Details of Units and Concepts Proposed for Each Package

PACKAGES 1 & 2 – Prime Concessionaire		Food & Beverage Service			Square Feet*	
Proposed Concept Category	Unit*	Food – All Day	Alcohol	Coffee	Pkg. 1	Pkg. 2
<u>Pre-Security</u>						
Café/Bar & Coffee	F-2	Yes	Yes	Yes	935	-
Café/Bar & Coffee	F-12	Yes	Yes	Yes	-	397
					935	397
<u>Terminal 1</u>						
Coffee with Food	F-3	Yes	Yes	Yes	-	904
Restaurant, Lounge or Fast Casual	F-4/5	Yes	Yes	Yes	3,904	-
Fast Casual	F-7	Yes	Yes	Optional	-	1,223
Coffee with Food	F-8	Yes	Optional	Yes	517	-
					4,421	2,782
<u>Terminal 2</u>						
Coffee with Food	F-9	Yes	Optional	Yes	661	
Fast Casual	F-10	Yes	Yes	Optional	1,320	
Fast Casual, Quick Serve & Seating or Restaurant/Lounge	F-11	Yes	Yes	Yes	-	5,850
To-Go Pre-Packaged	R-11f	Yes	No	Optional	-	167
Coffee with Food	F-13	Yes	Optional	Yes	468	-
Restaurant, Lounge & To Go	F-14	Yes	Yes	Optional	-	2,322
Fast Casual	E-9	Yes	Yes	Optional	1,356	-
Coffee with Food	F-15	Yes	Optional	Yes	-	468
					4,387	8,807
Total Square Feet Per Packages 1 & 2 =					9,743	11,986
PACKAGES 3 & 4 – Independent Units		Food & Beverage Service			Square Feet*	
Proposed Concept Category	Unit*	Food – All Day	Alcohol	Coffee	Pkg. 3	Pkg. 4
<u>Terminal 1</u>						
Fast Casual	F-6	Yes	Yes	Optional	1,275	
<u>Terminal 2</u>						
Fast Casual	E-5	Yes	Yes	Optional		1,385
Total Square Feet Per Packages 3 & 4 =					1,275	1,385
<p>*As part of the development of Tenant Design Standards, Unit Numbers and Unit Square Feet may be revised in the final version of the 2018 F&B RFP.</p>						

Attachment “C”

Evaluation Criteria for the Prime Concessionaire Packages 1 and 2

All responsive Proposals for Packages 1 and 2 will be evaluated using the following Evaluation Criteria. The Evaluation Criteria will be evaluated for the Proposer and all Partners of the Proposer, including Joint Venture Partners and/or Subtenants, if any. The components of each Evaluation Criterion are not of equal value or decision weight and are not listed in order of importance.

1. Proposed Concept(s) and Menu(s) (0 to 30 points)

- a. Proposed concepts and reasons for choosing concept(s) for each Concession Unit and each concept's appropriateness to the Airport and passengers, also considering the Airport's location in the San Francisco Bay Area.
- b. Proposed menu for each concept and range of price points, including variety of menu offerings for all meal parts of the day, including value-meals for families traveling with children and travelers on a limited budget.
- c. Similarity of menu proposed for each concept to menu found at concept's off-airport location. If the concept(s) is not found off-airport, then menu will be compared to similar concept(s) off-airport.
- d. If concept is licensed or franchised, copies of license and/or franchise agreements, or letters of intent from concept owners, must be included.
- e. Variety of food and beverage concepts.
- f. Mix of local/regional concepts and national concepts, especially concepts reflective of the San Francisco Bay Area.
- g. Balance between full service, fast casual and quick serve concepts.
- h. Consideration for alternate concepts*, if necessary.
- i. Favorability of Concession Unit locations assigned/offered to Joint Venture Partners and/or Subtenants.

2. Design and Quality of Tenant Capital Improvements, Including Construction Phasing Plan (0 to 25 points)

- a. Interior and exterior design of each Concession Unit – creative and innovative designs clearly identifying concept and a San Francisco Bay Area sense of place, including Concession Units with multiple concepts.
- b. Design of interior layout of each Concession Unit – consideration for customer queues, width of aisles, number and location of POS points, location of *To Go* refrigeration units, size and location of seating areas (where applicable), etc.
- c. Quality of construction materials, furniture, fixtures and equipment.

*The 2018 F&B RFP includes two “Independent Units” (Packages 3 and 4) to be offered concurrently to two Small Businesses. To minimize potential adverse competition between an Independent Unit and units in Packages 1 and/or 2, the Port is requesting that Proposals include “alternative concepts” that may be substituted and/or switched to alternative locations so that the same/similar concepts are not located in close proximity.

- d. Approach to sustainability and conservation.
- e. Compliance with Tenant Design Standards.
- f. Visual quality of existing food and beverage programs at other airports and/or large-scale public and private facilities.
- g. Proposed construction phasing plan for each Concession Unit, considering the Airport's desire to redevelop the Concession Units as quickly as possible, minimize disruption to customer service and maximize sales.

3. Management, Marketing and Operations Plans (0 to 25 points)

a. Management Plan

- i. Experience and qualifications of on-site team and general manager.
- ii. Weekly staffing plan for each Concession Unit.
- iii. Recruiting and training programs, including approach and plan to partner with local workforce development partners on outreach, recruitment, referral and placement of residents from communities impacted by the Airport and who face barriers to employment.
- iv. Employee incentives for retaining and motivating staff, including leadership and career advancement opportunities, and employee recognition programs.
- v. Customer service programs and methods to continuously monitor customer service to ensure high standards are maintained.
- vi. Policy for handling customer complaints.
- vii. Policy for handling emergency situations; e.g., flight delays resulting in higher number of passengers in the Airport for longer periods of time that may extend operating hours into the late evening or early morning hours; and require stock replenishment.

b. Marketing Plan

- i. Use of social media to promote concepts.
- ii. Promotions and discounts attributed to customer loyalty programs, Airport and Proposer's employees, military, etc.

c. Operations Plan

- i. Use of technology to improve customer service.
- ii. Approach to sustainability, conservation, compositing and recycling.
- iii. Proposed product delivery plan to Airport and each Concession Unit.
- iv. Facility and equipment maintenance plan, which includes normal repairs and maintenance, frequency of cleaning, grease and trash removal, jetting of lines, and equipment maintenance and replacement plan.
- v. Physical security of unit, inventory and cash controls.
- vi. For concepts licensed or franchised, participation of concept owner in the operations of each applicable Concession Unit.

- vii. Roles and responsibilities of each Joint Venture, ACDBE, DBE and SBE Partner, if any, in the day-to-day operations of each Concession Unit and plan to maximize ACDBE/DBE and SBE participation.

4. Experience and Qualifications of Proposer and Each Proposer's Partner(s) (Joint Venture Partners and/or Subtenants), if any (0 to 10 points)

- a. With airport food and beverage programs.
- b. In food and beverage industry.
- c. With proposed concept(s).
- d. Operating multiple units.
- e. Managing a variety of concepts.
- f. Managing subtenants, if any.
- g. History of sales performance and rents paid at other airports/facilities.
- h. Verification of references.

5. Proposed Business Plan (0 to 10 points)

- a. For each lease year, and in the aggregate, assumptions supporting financial projections for each concept.
 - i. Projected Gross Sales, Sales per Square Foot, and Sales per Enplanement
 - ii. Projected Rent Revenues
 - iii. Pro Forma Financial Statements
- b. Documentation demonstrating Proposer's and Proposer's Partners (Joint Venture Partners and/or Subtenants, if any) financial capability to fund internally and/or finance proposed/required Capital Investment, such as audited financial statements and/or letters of intent from financial institutions.

Attachment “D”

Evaluation Criteria for the Independent Small Business Packages 3 and 4

All responsive Proposals for Packages 3 and 4 will be evaluated using the following Evaluation Criteria. The Evaluation Criteria will be evaluated for the Proposer and all Partners of the Proposer, if any. The components of each Evaluation Criterion are not of equal value or decision weight and are not listed in order of importance.

1. Proposed Concept(s) and Menu(s) (0 to 30 points)

- a. Proposed concept and reasons for choosing concept for the Independent Concession Unit and the concept's appropriateness to the Airport and passengers, also considering the Airport's location in the San Francisco Bay Area.
- b. Proposed menu for the concept and range of price points, including variety of menu offerings for all meal parts of the day, including value-meals for families traveling with children and travelers on a limited budget.
- c. Similarity of menu proposed for the concept to menu found at concept's off-airport location. If the concept is not found off-airport, then menu will be compared to similar concept off-airport.
- d. If concept is licensed or franchised, copies of license and/or franchise agreements, or letters of intent from concept owners, must be included.
- e. Explanation of how local/regional concept or national concept would be reflective of the San Francisco Bay Area.

2. Design and Quality of Tenant Capital Improvements, Including Construction Phasing Plan (0 to 25 points)

- a. Interior and exterior design of the Independent Concession Unit – creative and innovative designs clearly identifying concept and a San Francisco Bay Area sense of place.
- b. Design of interior layout of the Independent Concession Unit – consideration for customer queues, width of aisles, number and location of POS points, location of To Go refrigeration units, size and location of seating areas (if applicable), etc.
- c. Quality of construction materials, furniture, fixtures and equipment.
- d. Approach to sustainability and conservation.
- e. Compliance with Tenant Design Standards.
- f. Visual quality of existing food and beverage programs at other airports and/or large-scale public and private facilities.
- g. Proposed construction phasing plan for the Independent Concession Unit, considering the Airport's desire to redevelop the Concession Units as quickly as possible, minimize disruption to customer service and maximize sales.

3. Management, Marketing and Operations Plans (0 to 25 points)

- a. Management Plan
 - i. Experience and qualifications of on-site team and general manager.
 - ii. Weekly staffing plan for the Independent Concession Unit.

- iii. Recruiting and training programs, including approach and plan to partner with local workforce development partners on outreach, recruitment, referral and placement of residents from communities impacted by the Airport and who face barriers to employment.
 - iv. Employee incentives for retaining and motivating staff, including leadership and career advancement opportunities, and employee recognition programs.
 - v. Customer service programs and methods to continuously monitor customer service to ensure high standards are maintained.
 - vi. Policy for handling customer complaints.
 - vii. Policy for handling emergency situations; e.g., flight delays resulting in higher number of passengers in the Airport for longer periods of time that may extend operating hours into the late evening or early morning hours; and require stock replenishment.
- b. Marketing Plan
 - i. Use of social media to promote concept.
 - ii. Promotions and discounts attributed to customer loyalty programs, Airport and Proposer's employees, military, etc.
- c. Operations Plan
 - i. Use of technology to improve customer service.
 - ii. Approach to sustainability, conservation, compositing and recycling.
 - iii. Proposed product delivery plan to Airport and the Independent Concession Unit.
 - iv. Facility and equipment maintenance plan, which includes normal repairs and maintenance, frequency of cleaning, grease and trash removal, jetting of lines, and equipment maintenance and replacement plan.
 - v. Physical security of the Independent Unit, inventory and cash controls.
 - vi. For licensed or franchised unit, participation of concept owner in the operations of the Independent Concession Unit.

4. Experience and Qualifications of Proposer and Each Proposer's Partner(s), if any (0 to 10 points)

- a. With airport food and beverage programs.
- b. In food and beverage industry.
- c. With proposed concept.
- d. Operating multiple units (e.g., on- and off-airport locations).
- e. History of sales performance and rents paid at other airports/facilities.
- f. Verification of references.

5. Proposed Business Plan (0 to 10 points)

- a. For each lease year, and in the aggregate, assumptions supporting financial projections for the Independent Unit.

- i. Projected Gross Sales, Sales per Square Foot, and Sales per Enplanement
- ii. Projected Rent Revenues
- iii. Pro Forma Financial Statements

Documentation demonstrating Proposer's and Proposer's Partners, if any, financial capability to fund internally and/or finance proposed/required Capital Investment, such as audited financial statements and/or letters of intent from financial institutions.