



Rhode Island Airport Corporation

March 29, 2019

Request for Proposals No. 28841

**T. F. Green Airport
Food/Beverage Concession Program
and
Retail Concession Program (News/Gift/Specialty Retail)**

Introduction

Rhode Island Airport Corporation (RIAC), owner and operator of T. F. Green Airport (Airport), through this Request for Proposals (RFP) process is requesting proposals from qualified parties (Proposers) for the purpose of financing, designing, constructing, operating, and managing first-class, reasonably priced concessions at the Airport. RIAC is offering opportunities to propose the following:

- 1. Food/Beverage Concession Program, and/or
- 2. Retail Concession Program (News/Gift/Specialty Retail)

RIAC will allow Proposers to submit separate proposals for (1) a Food/Beverage Program only, (2) a Retail Program only, or (3) both Programs. Should Proposer elect to submit proposals for both programs, separate proposals for each program are not required. The successful Proposer(s) will be required to execute the Concession Agreement provided in **Attachment 1**. In the event of a conflict between any portion of this RFP and the Concession Agreement, the Concession Agreement will be the controlling document.

The focus of this solicitation is to update and enhance RIAC’s existing programs, while continuing to provide first-class amenities to the traveling public. To promote and continue to provide this level of first-class service, RIAC has established the following objectives for the Airport’s concession programs:

- 1. Improve the passenger travel experience and provide the highest level of customer service
- 2. Incorporate "open architecture", where capable, utilizing high-end finishes that capture the spirit of Rhode Island and the New England Region through creation of a "Sense of Place"
- 3. Provide creative design elements that foster a bright and open atmosphere
- 4. Provide a diversity of concepts and offerings
- 5. Provide seamless provision of amenities during transition
- 6. Update offerings based on changing passenger needs throughout the lease term
- 7. Optimize revenue

Schedule for Submission and Award

<u>Description</u>	<u>Estimated Timeframe</u>
RFP Issue Date	3/29/2019
Mandatory Pre-Proposal Meeting & Site Tour	4/11/2019
Questions Deadline	4/18/2019
Responses to Questions Deadline	4/25/2019
Proposal Due Date	5/9/2019
Interviews/Selection Process	05/21/2019 - 05/29/2019
Board of Directors Approval & Contract Execution	6/13/2019
Designs Finalized and Approved	12/1/2019
Existing Contracts Expire	6/30/2020

General Background

RIAC operates T.F. Green Airport, which is Rhode Island’s only certified Part 139 commercial carrier. The Airport is primarily an origin-destination airport. In recent years, approximately 99 percent of the passengers at the Airport either began or ended their journeys at the Airport. The Terminal has a capacity of nineteen (19) jet gates and two (2) commuter gates for a total of twenty-one (21) gates which extend to the north and south of the central Terminal area. Facilities for departing passengers are located on the second level where ticket counters, baggage checks, departure lounges and concessions (such as restaurants and news/gift stands) are located. From there, departing passengers take the concourse to the appropriate hold room and gate. Arriving international passengers utilize a Customs and Border Protection (CBP) facility which is

conveniently located on the first level of the Terminal. As of June 30, 2018, airlines serving the Airport lease approximately 80,000 square feet of exclusive and preferential use area and approximately 60,000 square feet of common use area. In CY 2018, approximately 62% of the enplanements boarded on the northern half of the concourse, and 38% of the enplaned passengers boarded on the southern half of the concourse. **Exhibit A & Exhibit B to the Concession Agreement** will depict the two concourses and individual concession locations. **Table 1** provides enplanement details for your consideration in developing your proposal(s).

Table 1
Enplanements

Month	Year		
	2018	2017	2016
January	148,452	125,878	128,066
February	151,608	121,543	125,041
March	169,221	152,513	150,446
April	194,510	157,788	158,309
May	192,063	158,331	158,270
June	191,979	161,324	156,458
July	202,727	180,460	162,942
August	202,148	190,676	169,667
September	170,666	161,165	151,982
October	190,862	196,345	165,427
November	177,079	188,054	153,501
December	156,662	175,889	146,840
Total	2,147,977	1,969,966	1,826,949

Current Concession Program(s) Information

HMSHost is the primary Food/Beverage Concessionaire and Paradis Lagardère is the primary Retail Concessionaire at T.F. Green Airport. These contracts expire June 30, 2020. As part of a Proposer(s) submission, it is critical to develop and demonstrate a detailed transition plan to ensure minimal impact to airport operations and passenger customer service. Additionally, there are eight (8) Independent Retail Concessionaires whose contracts also expire June 30, 2020. The square footage associated with these Independent Retail Concessions should be incorporated into the overall square footage requirements of any respective Retail and/or Food and Beverage proposal. RIAC encourages any Retail proposer to discuss opportunities with any of the current Independent Retail Concessionaires. The listing of all concessions including description and financial statistics can be found in **Table 2**.

Table 2
Concessions and Financial Statistics

Location	Concept Name	Concept Type	Current Size (Sq Ft.)	Gross Revenue	
				FYE 2018	FYE 2017
Pre-Security (Ticketing) Food and Beverage Concessions					
	Federal Tavern	Casual Dining and Bar	4,720	\$ 310,770	\$ 223,281
	Starbucks Café	Specialty coffee	1,960	716,940	579,318
Post Security (Concourse) Food and Beverage Concessions					
Food Court	Famous Famiglia	Quick Serve	637	551,212	350,695
Food Court	Johnny Rockets	Quick Serve	637	1,377,845	1,096,372
Food Court	Starbucks Café	Specialty Coffee	638	1,413,097	1,196,479
Food Court	Shipyards Brew Pub	Bar	638	725,166	465,261
Food Court	Seating		2,860	-	-
North	Dunkin' Donuts	Coffee	1,472	1,384,117	1,300,340
North	Providence Oyster Bar	Casual Dining	2,390	1,582,870	1,095,979
North	Beach Market/Dunkin Donuts	Quick Serve	22	240,198	230,208
North	Budweiser Bowtie	Casual Dining	1,987	2,718,522	2,274,629
South	Dunkin' Donuts	Coffee	334	941,389	745,660
South	Wolfgang Puck Express	Casual Dining	2,358	1,908,166	1,273,353
Total Food/Beverage Concessions			20,653	\$ 13,870,292	\$ 10,831,575
Post Security (Concourse) Retail Concessions					
North	Brooks Brothers	Specialty Retail	1,479	\$ 339,254	\$ 353,492
North	Ocean State Travel Mart	News/Sundries/Gifts	667	1,451,188	1,270,992
North	Only in Rhode Island	News/Sundries/Gifts	1,008	689,790	655,705
North	CNBC News	News/Sundries/Gifts	670	1,009,993	900,849
North	Heritage Booksellers	News/Sundries/Gifts	1,083	1,079,462	976,765
Food Court	Brighton	Specialty Retail	751	526,495	485,568
South	Federal Hill News	News/Sundries/Gifts	668	2,451,711	1,600,649
South	Explore! Rhode Island	News/Sundries/Gifts	668	Incl. in above	Incl. in above
South	Heritage Booksellers	News/Sundries/Gifts	668	Incl. in above	Incl. in above
South	Storage	News/Sundries/Gifts	417	-	-
Total Retail Concessions			8,079	\$ 7,547,893	\$ 6,244,020
Post Security Independent Concessions					
North	Candy Hangar	Candy/Confections	140	179,554	173,819
North	Gineva Murano Glass Jewelry	Gifts	84	234,189	181,012
North	Shades	Gifts	168	253,925	230,826
North	Atlas Vending	Arcade Games	190	17,003	14,656
North	Best Buy Kiosk	Automated Vending	36	136,712	104,255
South	Best Buy Kiosk	Automated Vending	36	113,393	68,587
South	International Shoppes	Duty Free	168	730,296	306,860
Food Court	PVD Shines*	Shoe Shine	144	72,411	67,379
Food Court	Healing Hands Massage*	Massage	48	33,553	35,994
Total Independent Concessions			1,014	\$ 1,771,036	\$ 1,183,388

* RIAC is requesting any proposals from Food & Beverage Proposers provide the square footage shown in any proposed layout for the food court area.

- (1) The Federal Tavern is currently located pre-security as a Food/Beverage location. RIAC is requesting Proposer(s) provide detailed concepts to convert this location into a post-security Food/Beverage location. RIAC may require up to 800 square feet of this location for a pre-security Non Food/Beverage or Retail concept. If this is required, the square footage of this location will be reduced prior to any design by the awardee.
- (2) Brighton is currently located post-security as a Retail location within the food court premises. RIAC is requesting Proposer(s) provide detailed concepts to convert this location into a post-security Food/Beverage location.
- (3) RIAC is requesting Proposer(s) provide detailed concepts for the food court area. RIAC would like this area to be open and inviting with the possibility of staging for live music.
- (4) Please note, an airport lounge is currently under construction and will open in March 2019. This lounge is located post security on the first level of the North concourse.
- (5) If possible, Food and Beverage locations at the far ends of each concourse should be considered.

Office and Storage Space

In addition to the permissible office and storage area within the Assigned Premises (as defined in Concession Agreement), RIAC requires the successful Proposer(s) to lease certain areas for office/storage space as shown in **Table 3**. It is mandatory that the Proposer(s) accept all of the spaces identified below for office/storage, and RIAC reserves the right to remove any or all of these spaces from consideration at any time during this process. Proposer(s) shall confirm as part of the proposal their commitment to lease these premises. Proposers are not limited to the space specified in Table 3. Proposers may request, as part of their submission, additional square footage for office/storage space. This office/storage area will be leased by RIAC to the concessionaire under the Concession Agreement (see Article IX.c.) on a cost per square foot basis based on the Signatory Airline rate. While this will change each year, last three fiscal years (2017, 2018, 2019, respectfully) costs per square foot were \$104.66, \$104.66, and \$107.94. The finishing and furnishings of the office space shall be at the sole cost of the successful Proposer(s). The successful Proposer(s) will also be solely responsible for all utility costs associated with this office/storage space. In the event that multiple concessionaires are selected as part of this process, RIAC shall determine which space(s) is/are allocated to each concessionaire.

Table 3
Office and Storage Space
Food/Beverage

Location/Description	Current Size (Sq Ft.)
Departure Level - Behind Common Use Ticket Counter	151
South Concourse near gate 1A	1,038
North Concourse near gates 17 & 18	1,034
Lower Level near stair 9	817
	3,040

Retail

Departure Level - Behind Jet Blue Ticket Counter	224
Duty Free Storage	192
Total	416

Term

The term of the agreement shall be for ten (10) years with one (1) mutually agreed upon five (5) year option term.

Pricing

As stipulated in Article VII of the Concession Agreement, prices for all items or services sold by Proposer(s) from the Assigned Premises shall be no greater than (1) manufacturer's suggested retail (pre-printed) price, or (2) the average street price plus up to ten percent (10%) as mutually agreed upon with RIAC of comparable items (size and quality) sold within a twenty-five (25) mile radius of T.F. Green Airport or (3) the highest price plus up to ten percent (10%) charged for the same or similar products (size and quality) sold at any of the approved Price Comparison Locations (PCL).

General Operating Standards

1. RIAC expects all concepts to be national brand names or local/regional concepts. National brand names or local/regional concepts distinguish themselves in the marketplace. They have customer recognition and loyalty, because name recognition provides customers with information about the quality and value of the food and beverage and retail products they are about to purchase. RIAC prefers no airport or proprietary brands. The definitions for branded and airport/proprietary concepts have been established in the 2018 ACI-NA Concessions Benchmarking Survey and are stated as follows:
 - a. National/International Brand - A brand that is marketed and distributed nationally or internationally;
 - b. Local/Regional Brand – A brand that is developed, distributed, and promoted within a defined geographical area; and
 - c. Airport Brand/Non Brand – A generic brand relative only to the airport.
2. Every concept must provide breakfast, lunch and dinner menu items unless otherwise agreed upon by RIAC. All concepts must serve breakfast items until 10:30 am or later.
3. For each national name brand and local/regional concept proposed, the quality of the offerings should be the same or of a higher standard than the offerings at the concept's street location.
4. For each local/regional concept proposed, whether through a sublease, joint venture or license agreement, the Proposer(s) must show the local/regional operator's level of involvement in the concept and the standards established to ensure the concept will be operated at T.F. Green Airport in the same manner as the street location.
5. Menus for all concepts must provide the calorie count of menu items.
6. All concepts providing quick serve and "To Go" menu items must provide environmentally friendly packaging that is easy to dispose of and can be easily carried aboard flights.
7. If appropriate, concept should have state-of-the-art projection and/or flat screen televisions featuring sports, special events and news programs all day.
8. Where feasible, seating areas should include power outlets for customers to charge electronic devices at their seats.
9. Proposer(s) are encouraged to use the latest technology to increase their ability to serve customers, in particular on the concourses where space is limited.
10. Each concession space is expected to be developed for revenue producing purposes, except areas provided for seating.
11. Each Proposer(s) will be responsible for providing all capital investments for each concept, including equipment, fixtures and furniture for seating areas designated within each unit.
12. Retail merchandise may be sold by the Concessionaire if it is directly related to the concept, i.e. logo wear and concept-specific merchandise. No more than five (5) percent of the space may be used for the sales of the related retail merchandise.
13. Concessionaires must offer the same promotions and discounts, and sell and accept gift cards and frequent buyer cards, offered in the concept's street location.
14. Concessionaires must keep up with food beverage and retail trends and change menus and offerings to reflect customer needs and preferences. All changes must have the prior written approval of RIAC.

Capital Investment

A minimum capital investment is required for this Agreement. The investment in the concepts should incorporate "open architecture", where capable, utilizing high-end finishes that capture the spirit of Rhode Island and the New England Region through creation of a "Sense of Place". Representative examples of the type of "open architecture" can be found at www.icrave.com/airports. The initial capital investment amount shall be sufficient to provide all necessary furnishings and equipment in each of the Assigned Premises to operate a first-class Program. All concepts should be redeveloped for both the Food/Beverage and Retail locations as defined in Article XI of the Concession Agreement and as shown on **Attachment 2** (to be completed by Proposer). Some locations can be subdivided into additional concepts.

Food & Beverage Program - a minimum capital investment is required for the Food and Beverage Concession Program in the amount of \$1,000/square feet (approximately \$21,600,000). At or about the mid-point of the term, but no later than January 1, 2026, Concessionaire will be required to complete a mid-term refurbishment to their premises. The minimum amount of the refurbishment shall be equal to the greater of (1) \$800,000 or (2) 1.0% of the gross sales for the first five (5) years of the term. If the Concession Agreement is extended for an additional five (5) year term, an additional refurbishment is required to be completed to their premises. The minimum amount of the refurbishment shall be equal to the greater of (1) \$1,000,000 or (2) 1.0% of the gross sales for the second five years of the term.

Retail Concession Program - a minimum capital investment is required for the Retail Concession Program in the amount of \$750/square feet (approximately \$6,100,000). At or about the mid-point of the term, but no later than January 1, 2026, Concessionaire will be required to complete a mid-term refurbishment to their premises. The minimum amount of the refurbishment shall be equal to the greater of (1) \$300,000 or (2) 1.0% of the gross sales for the first five years of the term. If the Concession Agreement is extended for an additional five (5) year term, an additional refurbishment is required to be completed to their premises. The minimum amount of the refurbishment shall be equal to the greater of (1) \$400,000 or (2) 1.0% of the gross sales for the second five years of the term.

Utilities

As stipulated in Article X of the Agreement, the Concessionaire is responsible for all utility and associated costs within the assigned premises including, but not limited to, heating, cooling, and electrical services. Utility services for each Assigned Premises shall be the sole responsibility of the successful Proposer, which shall install or cause to be installed, at its sole expense, the necessary equipment, meters, etc. to obtain electrical, telephone, and other utility services and to pay the service provider for said services.

Compensation

The successful Proposer(s) shall pay monthly to RIAC, the **GREATER** of the monthly pro-rated Minimum Annual Guarantee (MAG) or a percentage of the Concessionaire's monthly gross revenue (as defined in Paragraph 1.9 in the Concession Agreement).

Proposer(s) should propose a rental structure to RIAC in the form of a percentage rent based on the gross revenues for each year of the contract. Each proposal must indicate, on the enclosed **Attachment 3**, the percentage fees for the term of the Agreement. For purposes of the determination of concession rent payable by Concessionaire at any time during the term, the MAG will be equal to the greater of: 1) the minimum MAG per square foot as set forth in the table below, or 2) 85% of the prior year's total payments to RIAC. RIAC shall not accept a Proposal which contains a percentage rental structure below the minimum percentages as shown below. RIAC has established the first year's Minimum Annual Guarantee (MAG).

Minimal Percentage Fee Basis: RIAC has set the minimum acceptable percentage fee basis for this RFP as follows:

<u>Category</u>	<u>Minimum Percentage Fee</u>
<i>Food /Beverage Concession Program</i>	
I - Food & Non-Alcoholic Beverages	14% of Annual Gross Revenue
II - Alcoholic Beverages	18% of Annual Gross Revenue
III - Lottery	50% of Annual Gross Revenue
<i>Retail Concession Program</i>	
I - News/Sundries/Gifts	20% of Annual Gross Revenue
II - Specialty Retail	12% of Annual Gross Revenue
III - Lottery	50% of Annual Gross Revenue
IV - Duty Free	20% of Annual Gross Revenue

Minimal Annual Guarantee: RIAC has set the following Minimum Annual Guarantee (MAG) for the Food and Beverage and Retail Concession Programs as follows:

<u>Year</u>	<u>Minimum MAG/Sq. Ft.</u>
July 1, 2020 - June 30, 2021	\$ 120.10
July 1, 2021 - June 30, 2022	\$ 123.10
July 1, 2022 - June 30, 2023	\$ 126.18
July 1, 2023 - June 30, 2024	\$ 129.33
July 1, 2024 - June 30, 2025	\$ 132.57
July 1, 2025 - June 30, 2026	\$ 135.88
July 1, 2026 - June 30, 2027	\$ 139.28
July 1, 2027 - June 30, 2028	\$ 142.76
July 1, 2028 - June 30, 2029	\$ 146.33
July 1, 2029 - June 30, 2030	\$ 149.99
July 1, 2030 - June 30, 2031	\$ 153.74
July 1, 2031 - June 30, 2032	\$ 157.58
July 1, 2032 - June 30, 2033	\$ 161.52
July 1, 2033 - June 30, 2034	\$ 165.56
July 1, 2034 - June 30, 2035	\$ 169.70

In addition to the above described compensation, commencing on the effective date of the Concession Agreement, Concessionaire will establish a marketing fund of \$50,000 (Food/Beverage Concession Program) and/or \$25,000 (Retail Concession Program) to be used in the first lease year. Commencing the second lease year, Concessionaire shall expend 0.5% of Gross Revenues from the prior lease year for the marketing and promotion of the Concessionaire’s Food and Beverage and/or Retail Programs. Funds shall be spent on, but not limited to, loyalty programs, passenger demographic studies (not to exceed 25% of expenditures), coupons, in terminal advertising and any other unique program such as music programs as approved by RIAC.

Badging – The winning Proposer’s employees shall be badged according to RIAC’s policy located at www.pvdairport.com/corporate/badging.

Employees – Proposer(s) shall utilize as many permanent employees on any contract resulting from this RFP whenever possible. Proposer(s) shall utilize only workers that are skilled in the tasks to which they are

assigned and can provide the highest quality of performance and customer service consistently on a daily basis. A contractual commitment of dependable, steady service is required.

Employee Retention - Proposer(s) shall include an employee retention plan that details how the Proposer(s) and all subtenants will conduct interviews of all employees of incumbent concessionaires. Please see Paragraph 7.8 of the Concession Agreement.

Employee Parking - All employees working at the airport, and who must be badged, are permitted to purchase a parking card. The card currently costs employees \$35 per month which allows them to park in the Economy Parking Lot (Lot E). A free shuttle is available from Lot E to the Terminal.

Deliveries – All deliveries are made to RIAC's loading dock located off of Airport Road. The Concessionaire's badged employees receive the merchandise, perform self-inspection and transport the products to the terminal along designated exterior routes.

Airport Concessionaire Disadvantaged Business Enterprise (ACDBE) Requirements

The requirements of 49 CFR Part 23, regulations of the U.S. Department of Transportation, applies to this concession. It is the policy of RIAC to practice nondiscrimination based on race, color, sex, or national origin in the award and/or performance of this contract. All Proposers qualifying under this solicitation are encouraged to submit bids/proposals. Award of this concession will be conditioned upon satisfying the requirements of this RFP. These requirements apply to all concession firms and suppliers, including those who qualify as an ACDBE. **The goal for this contract is 0.20%. RIAC is requiring Proposers to make a good faith effort, as defined in Appendix A, 49 CFR Part 26, to document efforts to identify potential ACDBE's.** RIAC recommends Proposers contact the Minority Business Enterprise Compliance office (<http://odeo.ri.gov/offices/mbeco/>) to assist in those efforts.

The Proposer will be required to submit the following information: (1) the names and addresses of ACDBE firms and suppliers that will participate in the concession, (2) A description of the work that each ACDBE will perform; (3) The dollar amount of the participation of each ACDBE firm participating; (4) Written and signed documentation of commitment to use an ACDBE whose participation it submits to meet a contract goal; (5) Written and signed confirmation from the ACDBE that it is participating in the concession as provided in the prime concessionaire's commitment; and (6) If the contract goal is not met, evidence of good faith efforts.

Proposers are encouraged to review RIAC's ACDBE Plan which is available on the Airport website at <http://www.pvdairport.com/corporate/procurement>.

Only ACDBE firms that are currently certified by the State of Rhode Minority Business Enterprise Compliance office for the work described in their certification letter at the time of proposal for this RFP may be counted toward ACDBE participation goal. RIAC uses the Minority Business Enterprise Compliance office for RIAC's ACDBE Certification process. The Minority Business Enterprise Compliance office maintains a directory identifying all firms eligible to participate as ACDBE's and updates the directory at least annually. The directory lists the firm's name, address, phone number, and the type of work the firm has been certified to perform as an ACDBE. An updated directory may be obtained by:

Department of Administration
Minority Business Enterprise Compliance office
One Capitol Hill
Providence, Rhode Island 02908-5890
Website: www.mbe.ri.gov
Directory link: <http://www.mbe.ri.gov/entiredirectory.php>

According to 49 CFR Part 23.25, Proposers may meet their ACDBE participation commitment by applying any of the measures below:

1. 100% ACDBE Participation

The Proposer is solely owned and operated as a certified ACDBE firm in the State of Rhode Island.

2. Direct Ownership Percentage Participation

A percentage of the business is designated to be owned, operated and/or maintained by a certified ACDBE through a joint venture, partnership, sub-lease, management, licensee, operating and/or franchise agreement.

3. Percentage of Purchases and/or Leases of Goods/Services Participation

A percentage of the gross revenue that will be committed to the purchase of goods and services from ACDBE certified vendors. A directory of ACDBE's certified to provide goods and services may be obtained from the Minority Business Enterprise Compliance Office.

4. Demonstration of Good Faith Efforts

To be eligible to be awarded a concession that has a concession specific goal; **Proposers must make good faith efforts to meet the goal. A Proposer may do so either by obtaining enough ACDBE participation to meet the goal or by documenting that it made sufficient good faith efforts to do so. (23.25(e)(1)(iv)).** Examples of good faith efforts are found in Appendix A to 49 CFR Part 26 located in the U.S. Government Publishing Office website Electronic Code of Federal Regulations (<http://www.ecfr.gov/>).

RIAC will determine whether a concessionaire that has not met the concession specific goal has documented sufficient good faith efforts to be regarded as responsive.

Request for Proposal Requirements

RIAC requires the following components to be included in each proposal in order for it to be considered complete. The Selection Committee will evaluate and compare only those proposals that substantially conform to the terms and conditions of this RFP. Proposals should be:

1. Printed on 8 1/2" x 11" paper with the exception of renderings which may be printed on 11" x 17" paper
2. Sequentially numbered and tabbed as outlined below
3. Use no less than 12 font size with the exception of renderings
4. Spiral Bound

Proposing firm shall submit ten (10) printed copies and one (1) electronic thumb drive of the proposal in a PDF format. No other form of delivery (electronic/facsimile/etc.) is acceptable for this RFP. Proposals should be submitted to:

Office of Procurement
Rhode Island Airport Corporation
T. F. Green Airport
2000 Post Road
Warwick, RI 02886-1533

Attn: T. F. Green Concession Program – Contract No. 28841

The proposal must be submitted **no later than 2:00PM May 9, 2019 EDT**. Late submissions will not be accepted. In order to control the dissemination of information regarding this RFP, Firms interested in submitting proposals shall not make personal contact with any member of RIAC staff or Board of Directors regarding this RFP. Questions concerning this RFP should be directed, via email, to procurement@pvdairport.com no later than **4:00PM EDT, April 18, 2019**. RIAC will post any final addendums related to this RFP no later than end of day **April 23, 2019**. This addendum will be posted to RIAC's website (www.pvdairport.com/corporate/procurement) and the State of Rhode Island's Division of Purchasing website (www.purchasing.ri.gov/).

A **Mandatory pre-proposal meeting** and site tour is scheduled for **9:00AM EDT, April 11, 2019**. Interested parties must complete a visitor badge application by **4:00PM EDT, April 9, 2019** in order to attend this meeting. The visitor badge application is located at the end of this RFP.

RIAC accepts no financial responsibility for any costs incurred by a Proposer in responding to this RFP, participating in oral presentations, or meeting with RIAC prior to being awarded the contract. The proposals in response to this RFP become the property of RIAC and may be used by RIAC in any way it deems appropriate. All information submitted in response (proposals, records, contracts, and other public documents relating to this solicitation) to this RFP is deemed public and subject to disclosure unless a separate redacted public copy is submitted, regardless of whether the information is marked confidential/proprietary. Proposers are reminded that while trade secrets and other proprietary information in conjunction with this solicitation may not be subject to public disclosure, protections should be claimed by the Proposer(s) at the time of submission. Proposers may redact in the public copy any trade secrets or commercial or financial information which is of a privileged or confidential nature pursuant to the Access to Public Records Act (R.I. Gen. Laws § 38-2 et. seq.) and must specifically justify the exemption. If Proposer does not submit a redacted public copy, RIAC assumes that Proposer is not seeking confidential treatment for any of its information and thus, all information is subject to public disclosure.

By submitting a proposal, the Proposer certifies that it has fully read and understands the RFP, has full knowledge of the scope of work to be provided, and accepts the terms and conditions under which the services are to be performed. RIAC will be the sole judge in determining as equivalent products (if applicable).

RIAC reserves the right to interview some, all or none of the Proposers responding to this RFP based solely on its judgment as to the Proposer's proposal and capabilities. **The date for any such interviews is tentatively scheduled for the period of May 21, 2019 – May 29, 2019**. RIAC reserves the right to reject any and all submittals, to request and consider additional information from submitters, and to reject any and all submittals on any basis without disclosing the reason. No Proposer may withdraw their submittal for at least one hundred eighty (180) days after the time and date set for submission. RIAC reserves the right to waive any irregularities and technical defects. RIAC reserves the right to modify, amend or waive any provisions of this RFP, prior to the issuance of a contract.

Concession Agreement

RIAC's Concession Agreement is attached hereto and incorporated herein. RIAC requires the Proposer to execute this Concession Agreement and no changes to the Concession Agreement will be allowed. **RIAC strongly urges Proposers to fully read the Concession Agreement.**

Proposal Deposit

Companies submitting proposals shall provide a proposal deposit in the amount of fifty thousand dollars (\$50,000). The proposal deposit must be in the form of a certified check, a cashier's check, or a proposal bond in such form and substance acceptable to RIAC. Checks should be made payable to the Rhode Island Airport Corporation. If the successful Proposer(s) fails or refuses to execute the Concession Agreement, the sum of the proposal deposit will be retained by RIAC, not as a penalty, but as liquidity damages. The damages resulting from the failure to enter in to an executed Concession Agreement are difficult to ascertain, and the entire sum of the proposal deposit is a reasonable estimate of these damages. No interest will be paid to Proposer(s) on this proposal deposit. If a Proposer is notified that they were not selected, the proposal deposit will be returned. If a Proposer(s) is successful, the proposal deposit will be returned upon execution of the Concession Agreement and a performance guarantee will be required in accordance with Paragraph 13.15.

Submittal Criteria

All proposals meeting the minimum requirements will be reviewed by a Selection Committee from RIAC to determine the submissions reasonably susceptible of being selected for award and invited to enter into a competitive negotiation. The final proposal considered most advantageous to RIAC considering the Evaluation Criteria below and relative importance of each will be selected for award of a final contract. The decisions as to the process, timing, and selection will be based entirely on the judgment of RIAC's Selection Committee. The proposals must include the following tabbed information in order to be evaluated by the Selection Committee:

1. **Letter of Interest** – Proposer shall provide a signed cover letter of interest which includes Proposer's name, form of business entity (e.g. Corporation, Partnership, etc.), principal address, primary contact, including title, phone number and email address, and indicates Proposer's request for consideration. The letter of interest should clearly demonstrate the Proposer's interest in performing the services indicated in this RFP including whether submitting for the Food and Beverage Program, Retail Program, or both. The letter should also identify the composition of the Proposer's team, including any joint venture partners and subtenants, and identify the ACDBE partners participating in the proposal. The letter of interest should be signed by the Proposer's authorized representative.
2. **Qualifications, Capabilities, and Experience** - Proposer shall provide a detailed company history, highlighting the Proposer's and partners' qualifications, capabilities and experience.
 - a. Describe your business experience in the operation of Food and Beverage Concession Programs and/or Retail Concession Programs for both airport and non-airport facilities and what defines you as a leader in your industry.
 - i. Provide a listing of all Programs for up to seven (7) of the largest airport or non-airport locations. Proposer's experience should be for three (3) continuous years within the last five (5) years;
 - ii. At least one (1) of the Food and Beverage Programs must have generated at least ten million (\$10,000,000) in annual gross sales in one (1) of the three (3) years and at least one (1) of the Retail Programs must have generated at least seven million (\$7,000,000) in annual gross sales in one (1) of the three (3) years; and
 - iii. For each of the Programs, provide a listing of the location, name of facility, concepts at each facility, square footage for each type of concept, annual gross revenues of the past three (3) years, annual rent for the past three (3) years, contract dates, and complete details of the rent structure including percentage of rents for the different product groups (i.e. food/beverage, alcohol, gifts etc.).

- b. Provide a listing of any contracts that have been terminated or cancelled within the past three (3) years prior to the expiration of their contractual term. Additionally, provide a listing of any pending lawsuits or unresolved disputes for the termination of any Concession Program operated by you within the past three (3) years.
 - c. Provide the contact information for at least five (5) references as to your capability to execute an effective, customer friendly, Food and Beverage and/or Retail Concession Program.
 - d. Provide the current number of full-time and part-time employees, current training capabilities, size and structure of the corporate staff (accounting, human resources, etc.).
3. **Management and Operations Plans** – Proposer is to provide in sufficient detail to allow RIAC to evaluate how Proposer’s management and operations plan will achieve the goal of operating a high volume of food and beverage and/or retail operations. To perform this evaluation, RIAC requires the following information:
- a. Provide an Organizational Chart specific to T. F. Green Airport. Identify the pertinent experience of the persons who will be directly involved in the day-to-day operations and management of the facilities. The organizational chart should identify those with decision-making responsibilities. Identify the on-site managers and assistant manager with resumes attached. Specifically identify any locations where the proposed concession manager has managed one (1) or more of these types of programs.
 - b. Describe the staffing levels and schedule to illustrate coverage for a typical week showing the number of employees by concept, title and shift. If any location is to be subleased by Proposer, describe how the Proposer will ensure adequate staffing and coverage.
 - c. Provide emergency operations staffing procedures. Proposers should describe their procedure for handling emergency situations (i.e. security breach, weather, etc.). Emergencies can happen during the normal course of the day including but not limited to flight cancellations and diversions. Describe how the operation will adapt in order to supply product to each concept, call in extra staff, hold-over of existing staff, etc.
 - d. Describe the processes and systems in place to minimize the risk of theft/shrinkage with particular emphasis on controls for cash transactions.
4. **Proposed Concepts, Brands, and Menus** – Proposer(s) must submit relevant information in sufficient detail to clearly define the proposed concepts, brands, and menus for the Assigned Premises.
- a. Describe the rationale and justification for selecting the proposed concepts/brands and how the proposed concepts/brands will enhance the applicable Program, appeal (aesthetics) to the traveling public, and maximize non-airline revenue to RIAC.
 - b. If available, provide photos of other locations where these concepts have been successful. Include photos of store exterior, interior, signage, applicable menus, or any other visual information that would effectively communicate the concept.
 - c. Submit data showing how these concepts have succeeded elsewhere and demonstrate the marketing strategies and techniques to be used to promote the concepts.
 - d. Describe any franchised or licensed brands/concepts to be proposed as part of your submission. Include a letter from the franchiser/licensor expressly granting the Proposer the right to utilize the concept/brand.
 - e. If a Proposer desires to sell brand-related merchandise from a food and beverage concept, describe the merchandise to be offered and its relevance to the food concepts.
 - f. Submit proposed menus, offerings, and pricing for each of the concepts. Specifically for the Food and Beverage program, provide the following:
 - i. Proposed menu and pricing including an explanation of how the proposed menu and price points will appeal to the Airport’s user;

- ii. How will the concepts adapt to changing food and beverage trends and menu life cycles. Describe how the concept will meet the passenger request for healthy food choices, special dietary needs (vegetarian, vegan, gluten-free etc.) and locally produced products; and
 - iii. Address the ability of the menus to include lunch, dinner, and breakfast (if applicable), differing portion sizes, children's options, senior citizens and employee discounts.
 - g. For the Retail Program, proposals should:
 - i. Provide a complete listing of all products and services to be offered including the breadth of the product line by concept. Describe how the products will be chosen and how the space will be configured to allow maximum exposure of products while maintaining efficient flow for customers and luggage; and
 - ii. Describe how branded products will be incorporated into any concept(s)
5. **Design and Quality of Improvements** – RIAC seeks designs that are high quality (first-class) from a visual and materials standpoint, contemporary, promote a sense of “open architecture” (where applicable) and capture the spirit of Rhode Island and the New England Region through creation of a “Sense of Place”. RIAC is requesting special attention be made by any Proposer with respect to (1) converting the Brighton concept to a food and beverage location and (2) converting the Federal Tavern into a post-security food and beverage location. Proposers must:
- a. Submit narrative and rendering/layout designs to facilitate the evaluation of the quality and design of the proposed improvements. Sketches or photographs of existing or similar concepts will be accepted on 11” x 17” formats only.
 - b. The architectural renderings, layout plans and narratives are intended to communicate both technical information and the design concepts, as well as to provide an experiential sense of the finished scheme. Renderings and plans should provide a complete understanding of:
 - i. Site plan identifying passenger/customer flow;
 - ii. Overall design;
 - iii. Color schemes;
 - iv. Furniture, fixtures, and finishes;
 - v. Examples or written description of how the design integrates a “Sense of Place”; and
 - vi. Number of customers that each concept is capable of accommodating in peak periods.
 - c. Include material listing and material boards that demonstrate the image, quality, durability and colors of the various materials to be used for each concept.
 - d. Proposals must show how support space and logistics were incorporated in the design of the space to prevent users of the Airport from seeing “back of the house” activities (i.e. trash, storage, cleaning supplies).
6. **Financial Proposal and Capital Investment** – In addition to Attachment 2, proposer(s) must provide pro forma operating statements for each of the concepts proposed including projected gross sales and operating expenses for years one (1) through five (5) of the Concession Agreement.
7. **Staffing and Customer Service** – The recruitment, training, evaluation and retention of quality employees is critical to the success of each concept.
- a. Proposer shall provide a Human Resources’ plan detailing how the company will staff, maintain, and service the concepts.

- b. A staffing plan for each concept is to be included as part of your submission. Include the staffing schedule for each concept including proposed hours of operations. Detail the differences in responsibilities and duties for each management and staff level (i.e., general managers, store manager, assistant manager, shift supervisors, etc.).
 - c. Describe your plan to attract, hire, train and retain staff to the levels indicated above. Pay particular attention in describing the employee transition plan (if applicable), retention plan, and any unique training or incentive programs you offer to the employees. Include detailed information about your intended compensation levels and employee benefits structures, including, but not limited to, how you intend to compensate any full time employees. Firms should provide sufficient detail for RIAC to determine whether you plan to provide a sustainable wage.
 - d. Provide a detailed description of the customer service management approach and systems to be used. Explain how you will monitor customer satisfaction and report, pro-actively, those findings to RIAC. Provide any specific programs to be used at T. F. Green Airport (i.e. mystery shopper) to monitor customer service and the time-frame and concepts where those programs will be utilized.
 - e. Describe any “real-time” monitoring/metrics that RIAC staff will have access to throughout the term of the agreement. This may include real-time access to sales performance at each of the applicable concepts.
 - f. Describe any initiatives your firm designed/implemented to minimize the operational impact on the environment, and to reduce or eliminate the consumption of single-use plastics such as plastic bags and straws, and well as plastic cups, bottles, utensils, etc.
8. **Sales & Marketing Plan** – RIAC requires operators to execute marketing/promotional programs and financial discount programs at each of the applicable concepts as a means of assisting with maximizing the effectiveness and awareness of those concepts. Successful Proposer(s) will be required to expend one half (1/2) of one (1) percent (0.5%) of Gross Revenues towards a sales and marketing plan. At a minimum, Proposers shall detail the following:
- a. Provide examples of the promotions and other marketing initiatives to be used and how the performance of the promotions will be communicated to RIAC.
 - b. Detail how promotional activities will be developed to take advantage of holiday, seasonal, and peak periods.
 - c. Detail how promotions and other marketing initiatives will drive new sales and increase passenger spending.
 - d. Describe how the Proposer will perform demographic and market studies (subject to a cap of twenty-five percent (25%) of the sales and marketing expenditure plan) and report those to RIAC.
9. **Implementation and Transition Plan** - The redevelopment of the Concession Programs will require significant logistical and operational skills of the Proposer(s). Therefore, Proposer(s) need to explain to RIAC how they will address the transition and implementation plan for new concepts. Specifically;
- a. Identify your plan for implementing and management of the process from design through construction for each of the concepts, including any “back-room” modifications.
 - b. Describe your communication plan to employees and passengers throughout the construction and/or concept turnover phase.
 - c. With respect to the Food and Beverage concepts, describe how you plan to limit the impact to customers including the potential of utilizing temporary space or structures.
 - d. Provide any references where you have had related experience.

10. **ACDBE Commitment and Compliance Plan** – As previously stated, Proposers are required to demonstrate their commitment to utilizing Rhode Island certified ACDBE's.
11. **Financial Information** – (The following shall be submitted in a separate envelope marked as "Confidential"). Proposer must clearly demonstrate the financial capability to undertake these Concession programs.
 - a. Proposers should provide the latest two (2) full years of financial statements, including balance sheet, income statement, and statement of cash flow prepared in accordance with generally accepted accounting principles (GAAP) and audited by an independent certified public accountant.
 - b. RIAC will require a Performance Guarantee of \$900,000 for the Food and Beverage Concession Program and \$450,000 for the Retail Concession Program, payable to RIAC upon execution of the Concession Agreement. To ensure that the successful Proposer will be able to furnish the required guarantee at the time of execution of the Concession Agreement, Proposers(s) shall provide with a proposal letter from a surety company indicating that the Proposer(s) has been approved for the guarantee in the amount indicated above.
 - c. Proposal Deposit shall be included in the envelope.

Evaluation Criteria – Final weightings will be updated prior to issuance

Each responsible Proposer who submit proposals determined in writing to be reasonably susceptible of being selected for award may be invited to participate in a competitive negotiation pursuant to R.I.G.L §37-2-19. When determining which proposals are reasonably susceptible of being selected for award, and evaluating negotiated proposals, the Selection Committee will consider the following criteria and related weighting:

• Design and Quality of Improvements	25%
• Financial Proposal and Capital Investment Plan	20%
• Proposed Concepts, Brands, Offerings and Menus	20%
• Qualifications, Capabilities, Experience, and Management & Operations Plans	15%
• Staffing, Customer Service, and Sales/Marketing Plans	10%
• Implementation and Transition Plan	5%
• ACDBE (DBE) Commitment and Compliance Plan	<u>5%</u>
	100%

RIAC will make every effort to administer the RFP process in accordance with the terms and dates discussed in this solicitation. However, RIAC reserves the right to modify the process, evaluation criteria weighting, and dates as deemed necessary at its sole discretion. RIAC will be seeking proposals that yield the greatest benefits to the public in the level of service, types and variety of concepts, and financial return to RIAC. During the review of the proposals, RIAC or the Selection Committee may:

- Conduct reference checks, and rely on or consider any relevant information from such cited reference or from any other sources in the evaluation of proposals;
- Seek clarification of a proposal or additional information from any and all Proposers and consider the same in the evaluation of proposals;
- Waive any requests for requirements if such waiver is in the best interest of RIAC;
- Request interviews or presentations with any, some or all Proposers to clarify any questions or considerations based on the information included in the proposals.

Additional Requirements

Campaign Finance Compliance

Every person or business entity providing goods or services at a cost of \$5,000 cumulated value is required to file an affidavit regarding political campaign contributions with the RI State Board of Elections even if no reportable contributions have been made (RI General Law 17-27). Forms may be obtained at Board of Elections, Campaign Finance Division, 50 Branch Avenue, Providence, RI 02904, (401-222-2056).

Major State Decision-Maker

Does any Rhode Island "Major State Decision-Maker", as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a \$5,000 or greater cash interest in this business?

For purposes of this question, "Major State Decision-Maker" means:

- (i) All general officers; and all executive or administrative head or heads of any state executive agency enumerated in R.I.G.L § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of president, senior vice president, general counsel, director, executive director, deputy director, assistant director, executive counsel or chief of staff;
- (ii) All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff; and
- (iii) All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

If your answer is "Yes", please identify the Major State Decision-Maker, specify the nature of their ownership interest, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §36-14-16, 17 and 18.

Title VI Solicitation Notice

RIAC, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 USC §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

