

Demystifying the Concessions RFP



Proposal Process for Airport Opportunities

October 2022

RFP Issuance Update

Updates to Issuance Timing via Email Send List and newT1.com

- Base RFP Nearly Complete
- Updated Concessions Lease Nearly Complete
- Build-Out Cost Metrics Compiled at Peer Airports
- Proforma Analysis Confirmed Market Feedback
- Effort Underway to Address Profitability
- Review of Multi-Unit Packages Prior to Issuance
- Likely Combination of Strategies - Future Build-out of Units, Space Reduction

Today's Program

Key Must- Know Elements of an RFP Response

1. *Key Content of the RFP and Required Submittals*
2. *Using the Provided Proforma Template*
3. *Navigating the Tenant Improvement Process at SAN*
-- 5 Minute Break --
4. *Using PlanetBids: Demonstration of SAN's Submittal System*

“Key RFP Content”

Deanna Zachrisson, Director, Revenue
Generation & Partnership Development, SAN



San Diego County Regional Airport Authority

Small Business Opportunities

RFP Units:
One Name
Two Name

Key RFP Content

Important Opportunity Information

- *Historical Sales Performance Data*
- *Airline Market Shares*
- *Passenger Forecast Data (Enplanements)*
- *Standards of Operations*
- *Terminal 1 Facility Details*
- *Key Business Terms*
- *Shell Space Conditions*
- *Responsibilities as a proposer*



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Small Business Opportunities

RFP Units:
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Key RFP Content

Business Requirements

- *Minimum Experience*
- *Security Deposit*
- *Financial Offer (Term/Mag/Rent)*
- *Basic Build-out Requirements*
- *Street Pricing*
- *Airport Standard Lease Agreement*
- *Airport Labor Policies*
- *Non-Discrimination Assurances*
- *Airport Concessions Disadvantaged Business Enterprise Program (ACDBE)*



Key RFP Content

Areas of Evaluation

1. The Proposer

- *Background/Experience*
- *Financial Capability*
- *Company Structure*
- *Reference Operations*

2. Concept Development

- *Concept Details - Menus, Pricing & More*
- *Rationale for SAN/Airport Environment*
- *Possible Alternatives*



San Diego County Regional Airport Authority

Small Business Opportunities

RFP Units:
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Key RFP Content

Areas of Evaluation, continued

3. Design, Materials & Investment

- *Demonstrate Concept Design*
- *Address Durability, Sustainability*
- *Anticipated Investment*

4. Management, Operations & Customer Service

- *Demonstrate Superior Operational Expertise*
- *Understanding of Unique Airport Requirements (Flexibility, adaptability)*
- *Commitment to Customer Service, Staffing and Good Employment Practices*



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Key RFP Content

Areas of Evaluation, continued

5. Environmental Sustainability

- *Commitment to Sustainability Goals*
- *Demonstrate Partnership in Airport Programs*
- *Above-and-beyond Sustainability Plans*

6. Small Veteran and Minority-Owned Business

- *Owned/Operated by Small Business*
- *Possible ACDBE Participation*
- *Brand Licensing with Small Business*
- *Commitment to Product Sourcing*
- *Possible Small Business Mentoring*



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Small Business Opportunities

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One Name
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Key RFP Content

Areas of Evaluation, continued

7. Financial Offer

- *Sales Projections*
- *Rent Offer to the Airport - Tiered or Category Rent*
- *Demonstrate Reasonableness in Proforma*



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Small Business Opportunities

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Key RFP Content

"The Small Print"

- *Reservation of Right to Award/Not Award*
- *Due Diligence*
- *Indemnity*
- *Public Disclosure of Proposals*
- *Right to Investigate*
- *Right to Withdraw*
- *Right to Modify Conditions*
- *Competitive Integrity/Non-Collusion*
- *Protest Procedures*



San Diego County Regional Airport Authority

Small Business Opportunities

RFP Units:
One Name
Two Name

Key RFP Content

Submittal Instructions

Each Area of Evaluation Requires:

- Narrative Response (One PDF Document)
- Exhibit Responses (Separate PDF and/or Excel)
 - Renderings
 - Plans
 - Proforma
- Submitted Electronically via PlanetBids by Deadline Date/Time of Submittal

“Preparing a Proforma”

Alan Gluck, Sr. Aviation Commercial Manager, ICF
Consultant, supporting SAN

Proforma Elements*

EXHIBIT 14: CONCESSIONAIRE PRO FORMA	
San Diego International Airport	
Package X	
Proposing Entity:	A Model Operator, LLC
Package Number:	F-1
Location Number:	T1.2.P.505
Location Name:	Fry, Baby, Fry
Estimated investment per square foot:	\$ 24
Projected Initial Capital Investment:	\$ 1,325
Projected Midterm Investment:	\$ 464
Annual CPI Adjustment	2.0%
Annual Enplanement Growth	3.0%

Enter only positive numbers in cells, except depreciation & amortization. Percent (%) of sales will calculate automatically, unless otherwise specified.
Please include zeros (0) in input cells, if necessary.

**for illustrative purposes only!*

- Proforma will show the entire term by year
- Grey boxes are preset or auto-calculations
- You enter only info in the blue boxes
- Enplanement forecast provided
- Multiple unit packages require proforma for each unit, rolling up into proforma for the entire package
- Alternative concepts require alternative proformas

Proforma Elements*

- Must estimate your own sales forecast
- Rent structure options include increasing tiers, category rent, or flat rent structure
- Enter your own proposed rent percentages based on your own rent structure
 - Pro forma will allow for multiple types of concession fee structures

	(\$)	% of Sales
Sales for Concession Unit		
<i>Food & Non Alcoholic Bev</i>	\$ 100	66.7%
<i>Beer, Wine, Canned Alcoholic Beverages</i>	\$ 50	33.3%
Total Concession Sales	\$ 150	
Concession Fee, Paid to Airport		
a) Minimum Monthly Guarantee (MMG) OR		
b) Percentage of Gross Receipts by Category	Rent %	
<i>Food & Non Alcoholic Bev</i>	12.0%	
<i>Beer, Wine, Canned Alcoholic Beverages</i>	15.0%	
Sum of Percentage Rent		
Concession Fee -Greater of MAG or Percentage	\$ 20	13.0%

**for illustrative purposes only!*

Proforma Elements*

- Must estimate labor costs, costs of goods sold, and other variable costs
- Some known Airport operating costs will be hard coded at current values
- There's room at the bottom to enter any additional operating expenses

	(\$)	% of Sales
Operating Expenses		
Employee Payroll - Employees and Management, including Program Managers	\$ 14	9.3%
Payroll Taxes	\$ 15	10.0%
Employee Benefits	\$ 16	10.7%
Total Payroll and Related Expenses	\$ 45	30.0%
Merchandise Purchases	\$ 5	3.3%
Franchise/License/Brand Fees Paid	\$ 5	3.3%
Repairs and Maintenance	\$ 5	3.3%
Office and storage expenses (other than space included in the package @\$50.42/sf/year))	\$ 5	3.3%
Possessory Interest Tax need the rate	\$ 5	3.3%
Insurance	\$ 5	3.3%
Credit card fees	\$ 5	3.3%
Licenses and permits	\$ 5	3.3%
Administrative & General	\$ 5	3.3%
CRDC Delivery Fees (estimated at 1.5% of sales)	\$ 2	1.5%
Promotion Fee (.25% of sales up to \$12,500 per year)	\$ 0	0.3%
Trash Pick-Up (0.41% of sales)	\$ 1	0.4%
Trash Hauling (0.01% of sales)	\$ 0	0.1%
Pest Control (\$1.44/sf/year)	\$ 1,908	1272.0%
Hood Cleaning (@ average of range)	\$ 5	3.3%
Grease Interceptor (@ 2% of sales)	\$ 3	2.0%
Common Area Maintenance Fee per SF per month: \$2.00	\$ 32,436	21624.0%
a) [Insert other unit-specific opex description, if applicable]		0.0%
b) [Insert other unit-specific opex description, if applicable]		0.0%
c) [Insert other unit-specific opex description, if applicable]		0.0%
d) [Insert other unit-specific opex description, if applicable]		0.0%
e) [Insert other unit-specific opex description, if applicable]		0.0%

**for illustrative purposes only!*

Proforma Elements*

The Bottom Line

- Realistic Profit
- Realistic debt/retiring of debt

Total Operating Expenses	\$	34,465	22976.5%
EBITDA *	\$	(34,315)	-22876.5%
Depreciation & Amortization	\$	(88)	-58.9%
Interest & Taxes (other than Employment taxes)	\$	(3)	-2.0%
Operating Profit	\$	(34,406)	-22937.4%
Initial Lease Term (Years)	15		

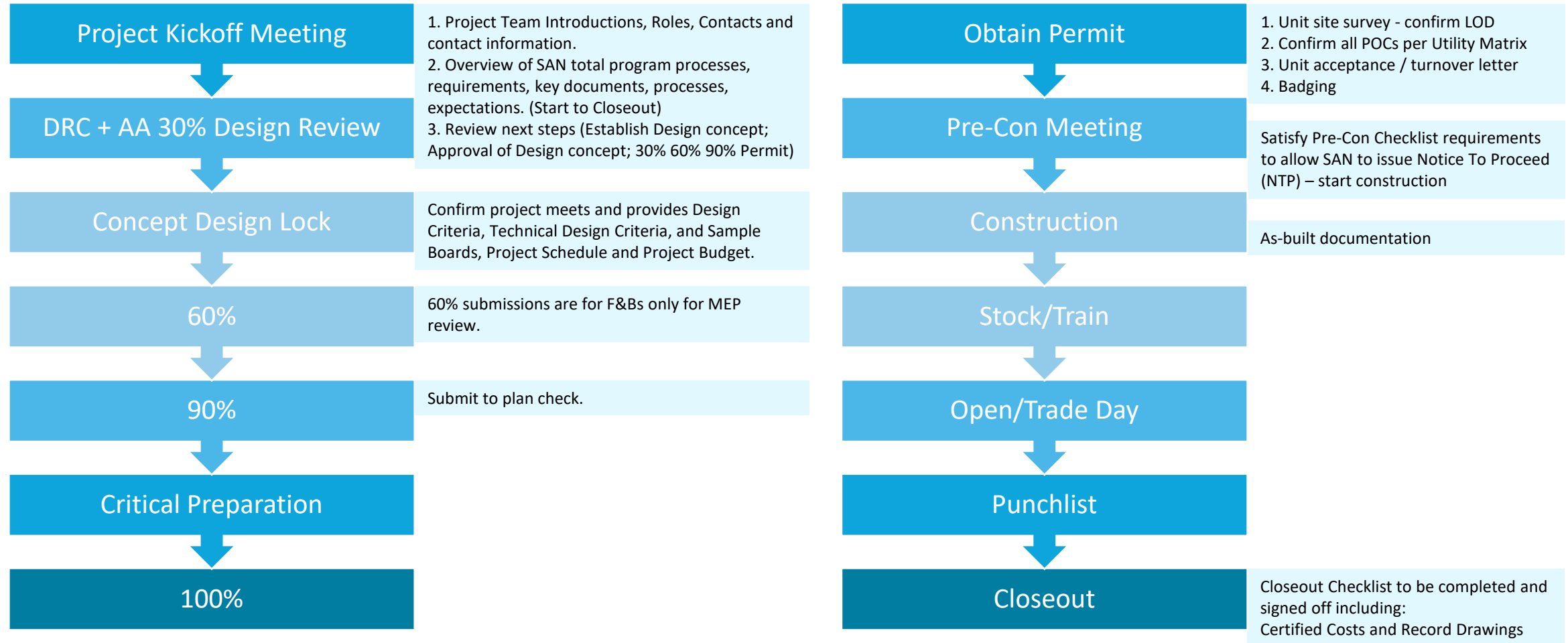
* EBITDA = Earnings before Interest, Taxes, Depreciation and Amortization

**for illustrative purposes only!*

“Navigating the TI Process”

Anthony Hedayat, Concessions Program Design Manager,
A2H DesignBuild, Inc., Consultant, supporting SAN

Roadmap to Success



BREAK - 5 Minutes

Next: How to Use PlanetBids for Submittal

“Using PlanetBids to Submit”

Ria Diaz, Director of Client Services, PlanetBids,
Vendor, supporting SAN



PLANETBIDS

San Diego County Regional Airport Authority

818-992-1771

SUPPORT@PLANETBIDS.COM

Agenda



Vendor Portal

Vendor Registration
Bid Opportunities

My Contracts

Certified Vendors

News and Events

Help Center

Log In



Searching for Projects
Navigating a Project
Submitting an Offer
Results



Vendor Registration

How to Register

Managing Your Profile

Local Business Certification



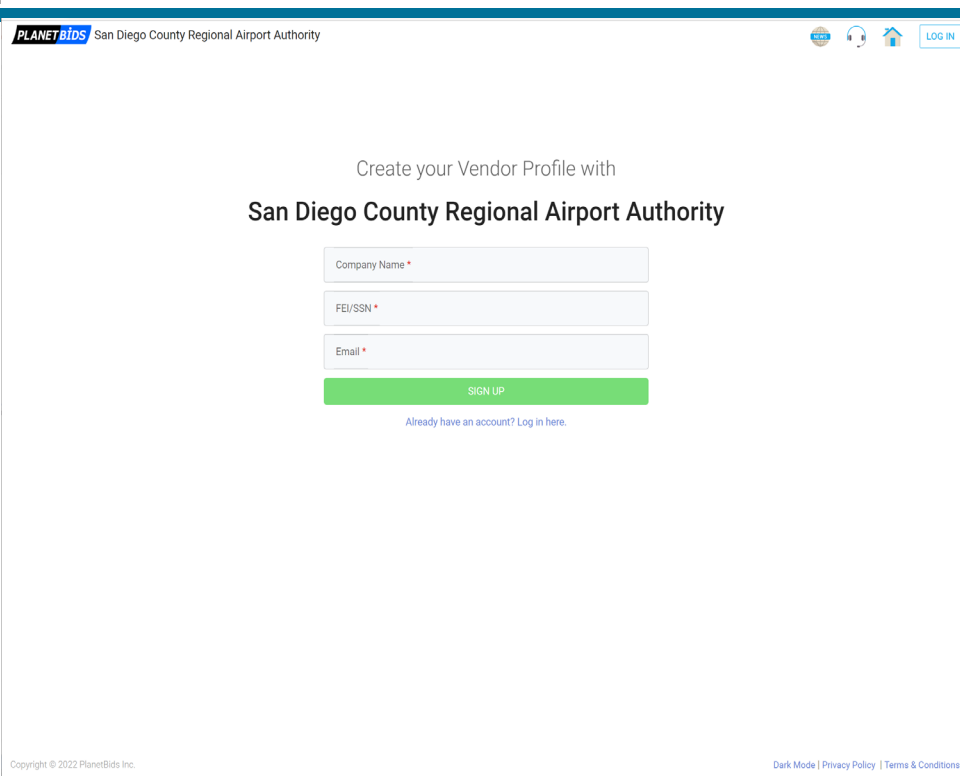
Closing

Summary

Questions and Answers

Bid
Opportunities





How to Register - Free!

- ✓ Navigate to the San Diego Airport Vendor Portal
<https://pbsystem.planetbids.com/portal/16725/portal-home>
- ✓ Bookmark San Diego Airport Vendor Portal
- ✓ News and Events- read the latest notice from SD Airport!
- ✓ Help Center – FAQs, Ticket Support and Phone Number.
- ✓ Register as a Vendor to receive automatic bid alerts!
- ✓ Get Certified as a Local Business!

Bid Opportunities

Keyword Bid Type Categories Stage

Department Due Date From Due Date To Clear

Found 415 bids

Posted	Project Title	Invitation #	Due Date	Remaining	Stage	Format
09/28/2022	Facilities Maintenance, Repair and Operation (MRO) S...	412634FC	10/28/2022 02:00pm	7 days	Bidding	Electronic
10/03/2022	On-Call IT Network Services	412632FC	10/31/2022 02:00pm	10 days	Bidding	Electronic
10/11/2022	On-Call Runway Rubber Removal Services	412649FC	11/08/2022 02:00pm	18 days	Bidding	Electronic
10/19/2022	Internal Audit Software Services	412637FC	11/16/2022 02:00pm	26 days	Bidding	Electronic
10/14/2022	Safety Shoe Services	412675FC	11/16/2022 02:00pm	26 days	Bidding	Electronic
09/09/2022	Investment Advisory Service	412618FC	10/12/2022 02:00pm		Closed	Electronic
08/18/2022	On-Call Industrial Hygiene Service	412600FC	10/06/2022 02:00pm		Closed	Electronic
08/23/2022	Quieter Home Program Phase 12 Group 3	412625FC	09/22/2022 02:00pm		Closed	Electronic
08/04/2022	On-Call Pavement Repair Services	412597FC	09/21/2022 02:00pm		Closed	Electronic
08/08/2022	General Legal Services	412595FC	09/14/2022 02:00pm		Closed	Electronic
08/01/2022	Fire Extinguisher Maintenance Services	412621FC	09/08/2022 02:00pm		Award Pending	Electronic
08/03/2022	On-Call Temporary Staffing Services	412549FC	09/07/2022 02:00pm		Closed	Electronic
07/29/2022	Fire Protection System Maintenance Services	412608FC	09/06/2022 02:00pm		Award Pending	Electronic
07/05/2022	Hardware and Supplies for Airside Maintenance	412569FC	07/28/2022 02:00pm		Awarded	Electronic
07/13/2022	Toyota Forklift Model 9FBM30T	412588FC	07/27/2022 02:00pm		Awarded	Electronic
06/21/2022	Quieter Home Program Phase 12 Group 2	412574FC	07/21/2022 02:00pm		Awarded	Electronic
05/24/2022	Hosted Cloud-Based System and Support Service	412552FC	07/13/2022 02:00pm		Canceled	Electronic
06/17/2022	Cohesity Backup Solutions Hardware and Support Ser...	412562FC	07/11/2022 02:00pm		Awarded	Electronic
05/27/2022	Professional Seasonal Decoration Services	412553	06/24/2022 02:00pm		Awarded	Electronic
05/20/2022	On-Call Low Voltage and Fiber Optic Installation and R...	412524FC	06/17/2022 02:00pm		Awarded	Electronic
05/16/2022	Window Covering Cleaning and Repair Services	412516FC	06/15/2022 02:00pm		Canceled	Electronic
05/25/2022	Maintenance Chemical Supplies	412559FC	06/10/2022 02:00pm		Awarded	Electronic
05/06/2022	Rental Car Center Shuttle Operations	412535FC	06/08/2022 02:00pm		Awarded	Electronic
05/06/2022	Airport Shuttle Operations	412534FC	06/08/2022 02:00pm		Awarded	Electronic

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< Back to Bid Search

On-Call Runway Rubber Removal Services 412649FC

Bid Information Documents Addenda/Emails Prospective Bidders Bid Results Awards

Bid Detail

Project Title On-Call Runway Rubber Removal Services
Invitation # 412649FC
Bid Posting Date 10/11/2022 11:49 AM (PDT)
Project Stage Bidding
Bid Due Date 11/08/2022 2:00 PM (PDT)
Response Format Electronic

Project Type RFP (Request for Proposal)
Response Types Response File
Type of Award Lump Sum
Categories 237990 - Other Heavy and Civil Engineering Construction
238000 - Specialty Trade Contractors

License Requirements

Department Procurement
Address P.O. Box 82776
San Diego, California
County San Diego

Bid Valid
Liquidated Damages
Estimated Bid Value
Start/Delivery Date
Project Duration

Pre-Bid Meeting Information

Pre-Bid Meeting Yes - Not Mandatory
Pre-Bid Meeting Date 10/25/2022 10:00 AM (PDT)
Pre-Bid Meeting Location Online / Dial-In Meeting: zoom.us/join Zoom Meeting ID: 895 9130 9660 Password: 619616 Direct access link: https://us06web.zoom.us/j/89591309660?pwd=aktTlWJlM3FRZ2ZlZ3pDc0FhT09Zd09 Download RFP for dial-in number options.

Online Q&A

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PLANETBIDS

Bid Opportunities

- ✓ Search to find projects
- ✓ Review each tab on the project
 - Become and Manage Prospective Bidder Information
 - Pre-Bid Meeting RSVP
 - Download Documents
 - Acknowledge Addenda
 - View Emails
 - Submit and View Released Q&A

- ✓ Submit offers electronically by selecting Place eBid
 - Save offer as Draft
 - Sealed Submission- **Don't wait to the last minute!**
 - Edit Submission -if there is time!
 - Print Receipt



Let's take a look!

QUESTIONS?



Thank You!