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
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
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
Key RFP Content

Areas of Evaluation, continued

3. Design, Materials & Investment
   o Demonstrate Concept Design
   o Address Durability, Sustainability
   o Anticipated Investment

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

- 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

*for illustrative purposes only!
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

*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

*for illustrative purposes only!
Proforma Elements*

The Bottom Line
- Realistic Profit
- Realistic debt/retiring of debt

<table>
<thead>
<tr>
<th>Total Operating Expenses</th>
<th>$ 34,465</th>
<th>22976.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA *</td>
<td>$ (34,315)</td>
<td>-22876.5%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>$ (88)</td>
<td>-58.9%</td>
</tr>
<tr>
<td>Interest &amp; Taxes (other than Employment taxes)</td>
<td>$ (3)</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>$ (34,406)</td>
<td>-22937.4%</td>
</tr>
<tr>
<td>Initial Lease Term (Years)</td>
<td>15</td>
<td></td>
</tr>
</tbody>
</table>

* 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

**Project Kickoff Meeting**
1. Project Team Introductions, Roles, Contacts and contact information.
2. Overview of SAN total program processes, requirements, key documents, processes, expectations. (Start to Closeout)
3. Review next steps (Establish Design concept; Approval of Design concept; 30% 60% 90% Permit)

**DRC + AA 30% Design Review**
Confirm project meets and provides Design Criteria, Technical Design Criteria, and Sample Boards, Project Schedule and Project Budget.

**Concept Design Lock**
60% submissions are for F&Bs only for MEP review.

**60%**
Submit to plan check.

**90%**

**Critical Preparation**

**100%**

**Obtain Permit**
1. Unit site survey - confirm LOD
2. Confirm all POCs per Utility Matrix
3. Unit acceptance / turnover letter
4. Badging

**Pre-Con Meeting**
Satisfy Pre-Con Checklist requirements to allow SAN to issue Notice To Proceed (NTP) – start construction

**Construction**
As-built documentation

**Stock/Train**

**Open/Trade Day**

**Punchlist**

**Closeout**
Closeout Checklist to be completed and signed off including: Certified Costs and Record Drawings
BREAK - 5 Minutes

Next: How to Use PlanetBids for Submittal
“Using PlanetBids to Submit”

Ria Diaz, Director of Client Services, PlanetBids, Vendor, supporting SAN
San Diego County Regional Airport Authority

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Agenda

Vendor Portal
- Vendor Registration
- Bid Opportunities
- My Contracts
- Certified Vendors
- News and Events
- Help Center
- Log In

Vendor Registration
- How to Register
- Managing Your Profile
- Local Business Certification

Bid Opportunities

Closing
- Summary
- Questions and Answers

Search for Projects
- Navigating a Project
- Submitting an Offer
- Results
How to Register - Free!

- Navigate to the San Diego Airport Vendor Portal
  [https://pbsystem.planetbids.com/portal/16725/portal-home](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

- 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!