

RFP 4-10-C002
MARKETING, LEASING AND MANAGEMENT OF THE FOOD SERVICE AND
RETAIL CONCESSIONS AT RONALD REAGAN WASHINGTON AND
WASHINGTON DULLES INTERNATIONAL AIRPORTS

Responses to Questions Received as of March 19, 2010

Q1: Can I lease one retail space to open the store at Dulles and Reagan Airports?

A1: This solicitation is for the marketing, leasing and management of the entire food service and retail concession program at both Airports. Leasing of just one individual retail space is not permitted under these contracts. Individual unit leases will be handled by the company(ies) that is/are awarded these contracts

Q2: Section III, B - RFP Schedule shows that the Proposer Interviews are to be held the week of May 24th. This is also the week that the International Council of Shopping Centers hold it annual leasing Conference. Is it possible to change this schedule?

A2: The Authority does not intend to change the dates. Interviews are scheduled to occur sometime during the week of May 24 through May 28, 2010. The ICSC conference is scheduled to conclude on May 25, 2010 so there should be minimal overlap.

Q3: Please provide further updates on sublease status-specifically for those that appear to be expired. Are AutoCAD drawings available?

A3: Updated lease status information for both Airports is contained in the revised Exhibits H and I which are included in Amendment 2.

Leases that had expiration dates in 2009 are now on a month-to-month basis. The Selected Offeror(s) will be expected to enter into temporary revocable license agreements (in lieu of a longer-term permanent lease) with all of the Authority's existing food service and retail concession operators with lease expiration dates within 180 days (6 months) of the commencement of the Operating Period of the Contracts until such time as the applicable individual spaces are redeveloped with a food service or retail concept under a longer-term lease. The length of the terms of these temporary revocable license agreements shall vary and be subject to the prior approval of the Authority.

All available AutoCAD drawings will be made available on CD-ROM to registered planholders upon specific written request to Rosa Minus via email: rosa.minus@mwa.com. All requests must include a valid FedEx account number for shipping purposes and must be received no later than April 5, 2010.

Q4: Are the 2009 sales and revenue numbers available? What are the most current extras that are being charged to the Subtenants? Please provide information on the news and gift categories. What products are in which category and what is the sales split?

A4: The 2009 sales and revenue figures for both Airports are included in **Attachment 1** to this document.

The incumbent fee manager collected the following additional payments from Concession Operators in 2009.

Type of Fee	Dulles (CY2009)	National (CY2009)
Marketing Fund	\$268,567	\$326,451
Common Area Maintenance	\$386,525	\$945,228
Logistical Support	\$692,852	\$419,222

Food service tenants are billed directly for utilities.

Additional information regarding the news and gift categories is not available.

- Q5:** Can the LDBE requirement be satisfied via procurement i.e., products services, versus the partnership or joint venture type arrangement?
- A5:** The LDBE requirement can only be satisfied by performing a portion or all of the **management** of the concession program. Procurement of products from LDBE vendors will not be considered part of the management function of the Contract. For specific management functions required under the Contract that may have the potential for LDBE participation, please refer to **Article IV, Section 4.3, Scope of Operations, E. Operational Management** of the Contracts provided as Attachments 1 and 2 to the RFP, excluding any services whose direct costs may be directly passed on to tenants or paid by the Authority. The operational management functions described in the Scope of Operations are not the only type of services that may be counted toward LDBE participation, but provide examples of the type of meaningful participation that the Authority is seeking in the management of the concession program.
- Q6:** Is the LDBE able to operate concessions?
- A6:** No. In order to be counted towards the LDBE participation requirement, an LDBE must perform a meaningful role in the management of the concession program at the Airport(s). Operation of a concession by the LDBE that is the LDBE for management purposes would be considered a conflict of interest and is therefore prohibited.
- Q7:** Will MWAA consider the cumulative experience of individuals, whose experience when combined meet or exceed the experience requirements of the RFP?
- A7:** No. At least one of the individuals on the team with a majority equity stake in the team, would need to meet the minimum experience requirements.
- Q8:** If a group of individuals not associated with any particular company, pool their experience and skills to form a Local Joint Venture & LDBE company, will their combined experience be considered compliant with the requirement of this RFP?
- A8:** If the business entity formed is making the offer pursuant to the RFP, the business entity must comply with the experience requirements stated in the RFP to be considered. Although, the experience of the individuals associated with the business entity is a factor when viewing the management team, their combined years of experience cannot be used to comply with the experience requirements for the Offeror as stated in the RFP. Also see answer to question 7.

Q9: Please provide a description of the distribution and delivery system at DCA and IAD and a copy of the contract with Genco, ALM, and other companies that provide distribution and delivery services at the airports. Also provide the current distribution and delivery fees that are charged to tenants and other costs if any that are charged to the manager.

A9: Retail concession deliveries at National are handled by a delivery contractor, Genco Distribution Systems, Inc. (Genco). Genco operates the warehouse/distribution facility under contract to the Authority's existing concession program fee manager. A copy of the contract with Genco is not available. Genco occupies a warehouse/distribution facility located at the south end of the airport that is approximately 5,000 square feet. This 5,000 square foot facility is divided among the retail tenants and space is allocated based on the total square footage of their store. The process implemented by Genco at National is primarily a cross-docking service. The retail tenants' goods are received from the vendors, sorted, placed on Genco's vehicles, and delivered to the retail concessionaires. There are no retail storage spaces in the terminal. Genco does not handle food service deliveries at DCA, which are brought directly to the loading docks at the terminal building. The food service deliveries are screened at the loading dock at National and then handled directly by the tenants.

Food service concession deliveries at Dulles are handled by a delivery contractor, ALM. ALM occupies a major portion of a distribution facility on airport property, under contract to the Authority's existing concession program fee manager. A copy of the contract with ALM is not available. The commissary located on airport property is approximately 7,500 square feet. The process implemented by ALM at Dulles is a cross-docking service. Goods are received from the vendors, sorted, placed on ALM's trucks, and delivered directly to the concourses. With the exception of a bookstore, ALM does not handle the retail deliveries at Dulles. Retail deliveries at Dulles are handled directly by the tenants, including deliveries via overnight couriers, deliveries to the terminal by badged drivers or with escorts, or by meeting a delivery at the loading dock.

Refer to the answer to Question 4 for the delivery and distribution fees charged to tenants.

Q10: Please provide a list of lease renewals and replacements that are currently in progress at DCA and IAD. Also provide the schedule for completing those leases and anticipated turnover dates.

A10: Refer to revised Exhibits H and I which are included in Amendment Two.

Q11: Please provide a list of spaces that are being reconfigured or reprogrammed to different uses than those shown in the lease plans provided with the RFP.

A11: At Dulles, space BC-01 (previously TripTel) and space BC-02 (previously Capital Bouquet) located on the Main Terminal Baggage Claim Level are being combined into a food market.

Q12: Please provide the names of the operator or lessee for each space listed on exhibits H and I.

A12: Refer to **Attachment 2** to this document.

Q13: Please identify the ACDBE tenants on exhibits H and I and provide the percentage of ACDBE participation for each location.

A13: Refer to **Attachment 2** to this document.

- Q14:** Please provide a breakdown of tenant extra charges such as CAM, Taxes, Insurance, Marketing, Customer Service Training, Utilities, Distribution & Delivery, Trash, and Grand Opening for DCA and IAD.
- A14:** Refer to the answer to Question 4.
- Q15:** Please provide a plan and square footage for the management office at DCA and IAD. Are the management offices furnished?
- A15:** Refer to **Attachment 3** to this document. The management offices must be furnished by the selected Offeror(s).
- Q16:** Does MWAA provide parking for the Managers staff? What is the charge, if any?
- A16:** Parking is available for the Fee Manager. The current charge at National is \$220.00 per year and is subject to change. The current charge at Dulles is \$385.00 per year and is also subject to change.
- Q17:** Once lease terms are finalized between a prospective tenant and the Manager what is the process to get a lease approved by MWAA? How long does the lease approval process generally take?
- A17:** The Fee Manager submits the lease to the Authority's Manager of Revenue Development for review. Barring unforeseen problems, the lease approval process is typically completed within 30 to 45 days.
- Q18:** What are the details of the plan approval process at MWAA? How long does it generally take for a tenant to complete the process?
- A18:** The details of the plan approval process can be found in the Authority's Design Manual located on the Authority's website. Depending on the project, lease execution to construction completion generally takes up to 9 months.
- Q19:** Please provide a copy of the form lease that is currently used at DCA and IAD.
- A19:** This lease cannot be provided.
- Q20:** Please provide 2009 sales by unit and enplanements for DCA and IAD.
- A20:** Refer to **Attachments 1 and 4** to this document.
- Q21:** Please provide the total uncollected rent or bad debt for CY 2008 and CY 2009 for DCA and IAD
- A21:** Neither Dulles or National had any uncollected rent or bad debt for 2008 or 2009.

- Q22:** The RFP states...it will provide the Selected Offeror with space for operation of a central commissary at each airport... Where is this space located? How big is it? Is this space separate and apart from tenant storage provided?
- A22:** Refer to the answer to Question 9 for information regarding the commissary facilities. At National, the storage provided in the commissary is the only storage provided for retail tenants. There are additional storage units available at National for the food service tenants totaling approximately 5,450 square feet as detailed in Exhibit C to the RFP. In addition to the temporary commissary storage available for food service tenants at Dulles, there are approximately 25,290 square feet of storage units allocated to the food service and retail tenants at Dulles as shown in the revised Exhibit D which is included in Amendment 2.
- Q23:** Please identify the 24 hour locations that are currently in operation at DCA and IAD.
- A23:** At National, Faber News and Dunkin Donuts are the 24-hour locations. At Dulles, the following units stay open on a 24-hour basis: Faber News, Concourse D7; Stellar News, Arrivals Level; Guava Java, Main Terminal; Starbucks, Main Terminal; and Dunkin Donuts, Concourse E. Dunkin Donuts, Guava Java, and Starbucks voluntarily stay open for 24 hours. The Faber News and Stellar News units are required to stay open per their lease agreements. These locations are subject to change.
- Q24:** Please provide information on leases that are pending and anticipated to be in place prior to the effective date of the new management contracts.
- A24:** Refer to the answer to Question 10.
- Q25:** There are a number of locations on the floor plans designated as "future." Are there pending leases for all of these locations?
- A25:** No. These locations do not have leases pending
- Q26:** What are the current balances of rent receivables for each airport? What are the history balances of rent receivables for the past three years for each airport?
- A26:** Please see the answer to Question 21.
- Q27:** Please provide calendar year 2009 sales and rents for each location for each airport.
- A27:** Refer to the answer to Question 4.
- Q28:** Please provide calendar year 2009 enplanements by airline and concourse for each airport.
- A28:** Refer to **Attachment 4** to this document.

- Q29:** Is rent payable for storage locations considered part of "Total Gross Rental Payment"?
- A29:** Rent that is payable for storage units within the terminal buildings is considered part of the "Total Gross Rental Payment." Storage areas included as part of the logistics program are not included in the calculation of the "Total Gross Rental Payment."
- Q30:** Section 1 Part E: With regard to the extension options, may these be made mutual so they can also be exercisable by the Contractor (provided that the Contractor is not then in default)? May the Contractor have the right to decline the option if exercised by MWAA?
- A30:** No. The extension options are not mutual. No. The Contractor will not have the right to decline the option if exercised by the Authority.
- Q31:** Section 2 Part C: May an Offeror propose additional inline, kiosk and RMU concession locations as part of its proposal?
- A31:** The Offeror may propose additional locations with the understanding that the proposed locations may not be accepted and all locations must be approved in advance by the Authority.
- Q32:** Section 3 Part C: Will the Authority extend the time period in which the Selected Offeror has to execute and deliver the Management Contract, proof of insurance and performance guarantee to 30 business days?
- A32:** No.
- Q33:** Section 3 Part E.1: How long does the LDBE certification process take once a complete application is filed? Will the Authority be able to have the time to make the certification decision from the due date of proposals to the date of Management Contract execution?
- A33:** The LDBE certification process will take approximately 30 days. As long as the LDBE has submitted a complete certification application before the Proposal Due Date, as required in the RFP, it is the Authority's opinion that there will be sufficient time for the LDBE to become certified prior to contract execution.
- Q34:** Section 5 Part C: Please clarify the Authority's intent on accepting proposals which are received after the deadline. What is meant by it being in "the Authority's best interest to accept the offer"?
- A34:** The section below, taken from the Authority's Contracting Manual, states the guidelines regarding the timely submission of proposals.

6.2.11 Timely Submission of Proposals

The solicitation will prescribe the manner in which offerors are to prepare and submit their proposals.

Offerors are responsible for proposal preparation and timely submission. If a proposal, or response to a BAFO, is received after the time set for opening, it is considered late and shall not be considered by the Contracting Officer, unless it arrives before the award is made and one of the following conditions exists:

- (1) It was sent by registered or certified mail not later than the fifth calendar day prior to the date specified for the receipt of proposals;

- (2) It was sent by overnight express delivery service in time to have arrived prior to the date and time specified for receipt of proposals;
- (3) It was sent by mail or by overnight express delivery service (or fax if authorized) and it is determined that the late receipt was due solely to mishandling by the Airports Authority after receipt;
- (4) It was received on the day proposals were due but after the appointed time, but proposals were not yet opened and the Manager, Procurement and Contracts Department determines it is needed to promote adequate competition and that no impropriety occurred; and that acceptance of the proposal could not reasonably be prejudicial to the process;
- (5) It is the only proposal received; or
- (6) Other circumstances exist which justify a decision by the Manager, Procurement and Contracts Department to include the proposal with those being evaluated for possible contract award.

The only acceptable evidence to establish date of mailing of a late proposal is the U.S. Postal Service postmark on the wrapper or on the original receipt from the U.S. Postal Service or positive proof of when it was turned over to an overnight express mail service. If the postmarks are not legible, the proposal is deemed to have been mailed late, if it arrives late.

The Procurement and Contracts Department date/time clock in the Plans Room shall be maintained to reflect the correct date and time for proposal receipt purposes. Proposals shall be stamped-in and initialed by the person accepting them upon receipt. The date and time printed by the time clock shall determine the official time of receipt. Proposals received prior to the time of opening shall be kept unopened in a secure place.

Proposals that are determined unacceptable because they are late will be returned unopened to the offeror.

These rules concerning timeliness of receipt of proposals are established to protect the integrity of the competitive system.

Q35: Section 5 Part H.3: The RFP purports to allow proposals to be submitted for both Airports. However, in this Section it states that an Offeror may not be a prime contractor on more than one proposal. Please clarify what is meant by prime contractor.

A35: If an Offeror intends to submit an offer as a prime for both airports, this is allowed and should be done under the cover of one proposal and will be considered as such. A prime contractor is the lead contractor for an Offeror or a joint venture partner of a joint venture Offeror.

Q36: Section 5 Part N.2.b.: With regard to the proposal of new RMU designs, please clarify whether the existing RMU design criteria should be used or whether new criteria can or should be proposed?

A36: The existing kiosk and RMU design criteria should be used for all RMU designs.

Q37: Sections 5 Part N.2.f./5 Part N.4.a.: Will storage space rents be included in Total Gross Rental Payment and, in turn, included in the Management Fee?

A37: Refer to the answer to Question 29.

Q38: Section 5 Part N.4.a.: The Selected Contractor currently has five days between the time percentage rent is due from tenants and the time the Authority's portion shall be turned over to the Authority. To allow sufficient time to calculate and confirm percentage rent due, which cannot be calculated until tenant sales reports are received on the 15th of each month, could the Authority please consider

moving the date for remittance of rent from the 20th to the 25th of the month, or require the remittance of rent due within 5 business days from the 15th? In addition, please confirm that the requirement to collect all rent due by the 10th of each month excludes percentage rent, since it cannot be calculated until after sales are reported by the 15th of each month.

- A38:** The Authority will not change the dates provided in the RFP.
- Q39:** Section 5 Part N.6.b.: Should a single Contractor be awarded both the Dulles and National contracts, may the Contractor have the flexibility to designate the same Construction Manager for both locations (on the basis that during busy periods additional supporting resources would be provided)?
- A39:** The Contractor would have the flexibility to designate one Construction Manager provided that should the Authority deem it necessary, the Contractor would need to provide an additional Construction Manager for either Airport upon request.
- Q40:** Section 7 Part A.: Please provide the weight that each evaluation criterion will hold in the scoring process (e.g., Financial Offer; Development and Implementation Plan; Property Management Marketing Advertising and Promotion; Background Experience and Financial Capability of Firm; and Proposed Management and Key Staff).
- A40:** The weights for the evaluation criterion are as follows: Financial Offer – 25%, Development and Implementation – 20%, Property Management, Marketing, Advertising and Promotion – 20%, Background, Experience and Financial Capability of Firm – 20% and Proposed Management and Key Staff – 15%.
- Q41:** Attachment 6 Part 01.F.: Please define “principal.”
- A41:** A principal is a controlling officer or authority within an organization that is responsible for making business decisions and has the authority to enter into business agreements on behalf of an organization.
- Q42:** Please confirm that the cost of construction barricades can be passed through by the Contractor to the concession operators. Is there any design criteria for the barricades? If the barricades are owned by the Contractor, will the barricade graphics program be at the discretion of the Contractor?
- A42:** The cost of construction barricades may be passed through by the Contractor to the concession operators. The Authority does not have specific design criteria for barricades, however before a barricade is installed, the concession operator must submit a drawing depicting the exact structure and location of the barricade and the content and placement of the graphic for review by the Authority's engineering and concession staff.

Attachments

- Attachment 1 – 2009 Sales and Rent Data for National and Dulles
- Attachment 2 – Concession Operator and ACDBE Information for National and Dulles
- Attachment 3 – Management Office Plans for National and Dulles
- Attachment 4 – 2009 Enplanements for National and Dulles