

The Authority has prepared two versions of responses to questions received. This version features cross-outs and notes additions and deletions, where applicable. An additional copy of this document demonstrates how the sections of the RFP should look based on these new changes.

1. For Retail Specialty Spaces A102 and A128, would the Authority consider proprietary nameplate concepts that include local, regional, and national branded products within the space? Or must the concept be a nameplate that is already established on the street?

- a. **RESPONSE:** Please see RFP page 63, item 4. This section says, in part: "... *Note that the Authority does not favor the use of proprietary brands, and to the greatest extent possible, except for convenience locations, prefers brands that are either local, regional, or national of nature. Therefore, you must justify using any proprietary concepts, except for convenience locations, which shall be subject to the Authority's approval.*" The Authority prefers storefront brands that exist on the street, but will equally consider proprietary brands, subject to the same review that will be given to all concession locations.

2. Due Date

In consideration of the size and scope of the RFP, current operating, and market conditions, we ask that the Authority extend the Proposal due date approximately 6 weeks, to no later than April 21, 2022.

The scope of the RFP is significant, requesting design, development, and capitalization of 20 separate and distinct concepts, totaling over 16,500 square feet.

The RFP requires a great deal of detailed information, above and beyond the industry standard, that will require additional resources to prepare – at a time when resources across the organization remain thinly stretched.

Airport Concessionaires are still reeling from the impacts of the Covid virus, and emergence of multiple variants that continue to create uncertainty:

- Debt repayment
- rigorous safety protocols and shifting regulatory requirements that consume resources
- labor shortages across all disciplines – including those who develop and support proposal responses

An extension will benefit the Authority by allowing prospective proposers to develop the robust response this RFP calls for.

- a. **RESPONSE:** Due to construction schedule constraints, the time it will take to gain contract approval, and the time for you to design and build out units, the schedule is fixed. No extension will be granted.

However, the Authority realizes that for a respondent to prepare a strong proposal, in light of other factors, that the following submittal requirements are being modified:

Page 61, Item 3: Experience of the Proposer:

- (a) Change ~~3 to 5 examples~~ to **2 or 3 examples** of programs you have operated in the past five (5) years.
- (b) <NO CHANGE>
- (c) Provide names of subtenants only if they are involved in this Proposal.
- (d) Provide highlights of no less than one (1) successful turnaround. This remains a significant opportunity for you to highlight your firm's strengths. You now need to provide information on one (1) successful turnaround, but you may consider adding more if what you did was substantially different in each case.
- (e) Provide a brief corporate history and a timeline highlighting corporate growth/acquisitions only if relevant to the corporate strength or experience needed for this concession program-to allow you to meet minimum requirements.
- (f) Provide an example of no less than **one (1)** marketing program with all relevant attachments. Include a tabular list of other airports in which you operate and what unique marketing efforts you have undertaken for that concession program.
- (g) Replace the first sentence with: Provide at least one (1) example of a quality management program you have utilized.
- (h) <NO CHANGE>
- (i) <NO CHANGE>
- (j) <NO CHANGE>

Page 62, Item 4: Store Concepts Vision:

Section 4.1 Proposer Vision for the Development

- 1) <NO CHANGE> The Concept Narrative is important. It does not require or involve visuals of any sort, but why you chose different brands or operators may be a substantive point of differentiation between your Proposal and others.
- 2) <NO CHANGE>
- 3) <NO CHANGE>. This section does not require drawings if you can provide photographs of the concepts. If pictures are unavailable, the Authority does not require an entire architectural section, with narratives on the selection of materials, etc. Paint a word picture of how the location will look, along with a simple drawing of how your words will fit in the physical space provided. An external architect will almost assuredly not be necessary to complete this, although your choice of drawer/designer is, of course, up to you. Internal layouts may be hand-drawn sketches showing planned locations for important features (bar, counters, tables, cash wrap, displays, etc.) You may also use drawings from previous submittals to other potential

business partners, noting where (if at all) you expect differences might occur.

- 4) **Item 4.1.4 is changed to read as follows:** The Authority does not favor the use of proprietary brands. To the greatest extent possible, except for convenience locations, prefers brands that are either local, regional, or national in nature. Therefore, you must justify using any proprietary concepts, except for convenience locations, which shall be subject to the Authority's approval. The types of units and brands proposed will impact the evaluation of your Proposal.
- 5) <NO CHANGE>
- 6) Through this section, we offer potential operators the opportunity to change the phasing of the opening of concession units based on their perception of enplanement growth, etc. If you do not wish to change the proposed phasing, please respond to this section with <NO CHANGE>. If you suggest changes to the schedule, the remaining information provides important points of potential differentiation between proposals.

Section 4.2 Merchandise Information

Section 4.2 is changes as followed (red type signifies a change): For each unit, Proposers are directed to submit information regarding **EITHER** the expected top 10 items sold in that location, based on projected sales in dollars, **OR** the top 10 items sold in that location based on the projected quantity of the item sold. **It is not necessary to provide both types of information for each store. You may mix and match, reporting, for example, the top 10 items based on dollars of sales in Store A, C, D, and F, and the top 10 items based on quantity sold in Stores, B, E, and G.** The merchandise lists/menus **for these items only** must include product types and brand names, size, if applicable, and price or expected quantity that will be sold, as appropriate. ~~Menus highlighting the items expected to be offered in food service units are welcome.~~ Please note that all prices must adhere to the Airport's pricing policy as stated in Section 8.2 of the Agreement.

Page 65, Item 5: Management and Operations Plan:

Section 5.1 Staffing Plan

- a) < NO CHANGE >
- b) DELETED
- c) **Section 5.1.c is changes as followed** For your company's overall operations, prepare a table with the job titles/classifications, number of employees in each class during a peak month, number of employees in each category during a slow month, and **Provide** brief descriptions of the roles and responsibilities of each staff position at GRR.
- d) < NO CHANGE >
- e) < NO CHANGE >
- f) < NO CHANGE >

- g) DELETED
- h) DELETED
- i) DELETED
- j) DELETED
- k) < NO CHANGE >

Section 5.2 Facility Maintenance, Sanitation, and Operations Plan

- a) < NO CHANGE >
- b) < NO CHANGE >
- c) Provide details of your maintenance monitoring program to ensure that stores remain in a “First-Class Manner” during the term of the Agreement. Sanitation plans should include both permanent installations and moveable equipment. Proposer’s plan must include anything inside units as well as in Common Areas
- d) < NO CHANGE >
- e) DELETED
- f) DELETED
- g) DELETED
- h) Delete the term “~~and Creative Spaces~~” from the end of this section.

Section 5.3 Property Management Plan

- 1. < NO CHANGE >
- 2. < NO CHANGE >
- 3. < NO CHANGE >
- 4. < NO CHANGE >
- 5. DELETED
- 6. Provide information on any sales or customer service training programs you will implement. Include details of the content (or a syllabus) and the frequency. Will your company (or a member of your joint venture, if appropriate) provide the training, or will you utilize a third-party trainer? If you are using a third-party provider, please provide details of your selected company, or, if you have not selected one as of the date of your submittal, specify which firms you have spoken with or which you have asked for proposals regarding provision of sales and/or customer service training.
 - How will you test the results of your training program to ensure that it has the desired impacts? What will you do if your training program is not improving on the level of customer service?
- 7. < NO CHANGE >
- 8. DELETED
- 9. **OPTIONAL:** Briefly describe any motivation programs or incentives Proposer would use to keep its employees, particularly in these times of labor shortages. ADD: “**Note that a strong program or good incentives may be a point of differentiation among proposers.**”
- 10. DELETED
- 11. DELETED

Section 5.4 Sales Reporting Requirements

Delete entire section and substitute the following: **If you have a preferred format for monthly sales reporting forms to report sales to the Authority, please provide a copy for Authority consideration. Based upon submittals and other factors, the Authority will provide the monthly reporting forms to the selected Proposer prior to the initiation of reporting requirements. If you do not wish to submit a format, please state N/A for this section.**

Section 5.5 Draft Lease Review

< NO CHANGE > Please note that **completing this section is imperative to keep to the very tight construction schedule.**

Page 68, Item 6: Customer Service, Marketing and Promotions Plan:

Proposer shall submit ~~information regarding the concession development's~~ proposed customer service, marketing, and promotional plans. Provide sufficient detail so that the Authority can see that the program will be effectively promoted, and airport customers will be well-served. **Explain why you believe your program is superior to others.**

- ~~1. Briefly discuss your overall marketing concept for GRR.~~
- ~~2. Demonstrate your understanding of local and national markets, and those trends will be leveraged in your concession program.~~
- ~~3. List all forms of advertisement and promotional programs you plan to implement.~~
- ~~4. Specifically, address any plans you might propose for seasonal promotions.~~
- ~~5. Provide information on services that you will provide to customers in your self-operated stores and customer monitoring activities you will undertake.~~
- ~~6. Discuss your customer complaint/comment response policies (note that the Authority is to be provided with copies of all customer complaints within five calendar days of when the Grantee receives them). Each complaint should be accompanied by an explanation of how you are responding. If the complaint identifies a systemic problem, what is your plan to correct the issue?~~
- ~~7. List specific market research tools and methods you intend to utilize to help improve concession performance and the guest experience.~~

~~Provide a brief (one page) narrative of any unique or creative approach you will bring to any aspect of the operation and management of this concession program.~~

~~In addition, Describe how you will address travelers with unique needs, such as families with small children, senior citizens, and people with disabilities.~~

Please limit your response to Item 6 to no more than thirty (30) pages, not including appendices and exhibits.

Page 69, Item 7: References < NO CHANGE >

Page 70, Item 8: Airport Concession Disadvantaged Business Enterprise Program. < NO CHANGE >

Page 72, Item 9: Conflict of Interest/Business Ethics < NO CHANGE >

Page 72, Item 10: Required Forms/Certifications/Licenses < NO CHANGE >

Page 72, Item 11: Financial Proposal

11.1 Financial Background

To ensure that the Authority understands the financial capabilities of the Proposer and to accurately compare the Proposals received, the Authority requires the following corporate and financial information for the Proposer.

1. A statement advising whether the Proposer is a sole proprietorship, partnership, corporation, limited liability company, joint venture, or other business entity.
 - If a sole proprietorship, state the individual's name who has been doing business and their experience in managing and operating food service or retail shops at airports or elsewhere.
 - If a partnership, state the full name, address, and other occupation (if any) of every partner; whether they will be participating in the GRR concession program on a full time or part-time basis; whether each partner is a general or limited partner; their experience in managing and operating food service or retail programs; and the proportionate share of the business owned by each partner.
 - If a joint venture or limited liability company, state the names of the firms and individuals (if any) participating in the joint venture or limited liability company and the principal officers in each firm or names of the members of the limited liability company, including their experience in managing and operating Retail program; and the proportionate share of the business owned by each joint venturer, or the number of shares held by each member of the limited liability company.
 - If a corporation, state each corporate officer's full name and title and the corporation's experience in managing and operating Retail programs. State of incorporation is to be included.
2. Proposers shall provide complete financial statements in electronic format only. These statements must be certified by an independent CPA and include a balance sheet, income statement, and statement of cash flows, prepared following generally accepted accounting principles (GAAP, for the most recent ~~two (2)~~ complete fiscal years. Footnote disclosures must accompany the financial statements.
 - If Proposer intends to organize as a partnership, LLP, or joint venture, then the above-referenced financial information of each general partner, LLP member, or joint-venturer must be submitted. Individuals required to provide financial

information must submit the ~~three~~ **two (2)** most recent personal tax returns and a current net worth statement.

- Owners of small, closely held corporations must submit a personal financial statement current within three months from the submittal date, as well as ~~three~~ **two (2)** years of tax statements.
- Owners of small, closely held corporations, partnerships, and those proposing as individuals must include a statement about Proposer's willingness and ability to provide a personal guarantee in trade or bank references.
- If the Proposer is a newly formed entity, and the Authority must rely on the financial capacity of an affiliated company, e.g., Parent Corporation, in determining Proposer's financial ability to perform, the related company must execute a Bid Bond document (which is substantially like Form 6) for the Proposer to be considered for award of the Contract.

11.3 Pro Forma

Using the Pro Forma Statement (Form 9), the Proposer must provide **a single** Pro Forma income statement that discloses the Proposer's projected gross sales and expenses for all locations being proposed **for the first full year of operation, for the fifth full year of operation, and for the tenth full year of operation.** ~~Prepare a separate proforma for each location and~~ **This should be** a "roll-up" that combines all individual shops into a single Pro Forma. The Pro Formas will be evaluated in terms of reasonableness, the viability of the proposed operation, the financial offer, and the Proposer's ability to fund the program's continued operation.

Proposer must identify and explain, in writing, the specific assumptions under which Proposer has developed projections. Detail comparable sales on which the projections were based, including the size and location of all comparables. Proposers must also substantiate assumption variances not recognized as industry standards. Attach information, annotate, and cross-reference the proforma with said information and explain the methods that you utilized to estimate the various expense lines. Pro Formas lacking this information will be considered non-responsive.

As part of the submittal of its financial offer, in addition to the paper copy of its Pro Forma, Proposer shall also submit an electronic copy of it, in Excel format, on the same thumb drive which contains the Financial Proposal. A failure to submit this electronic copy of the Pro Forma will result in disqualification from further consideration as a non-responsive proposal. Please do not password protect your submittals. If there is a difference between paper and electronic copy, the paper copy will govern.

END OF RESPONSE TO QUESTION 2

3. Section 2.4 – Passenger Profiles

Are there any updates to the unique passenger characteristic groups? The analysis was completed in 2019, almost 3 years ago. Also, post-pandemic profiles may have changed since 2019.

- b. **RESPONSE:** GRIAA realizes that many aspects of travel have changed as a result of the COVID-19 pandemic. We also believe that they will continue to change until the pandemic is managed, in whatever manner will successfully curb the spread of this virulent virus. Therefore, there is no benefit to redoing this study at this time, while traveler (and employee) behavior is still in flux. We provided the 2019 study as an example only, not as a definition of the current types of passengers at GRR. Please use your experiences at other similar airports to loosely define passenger types you have observed as necessary for use within any parts of your plan and Proposal.

4. Section 4.3

Item 2 – Bid Bond: Would the Authority accept a cashier’s check, payable to the Authority, in lieu of a Bid Bond or Letter of Credit?

- c. **RESPONSE:** Proposer may file an alternative form of security for \$25,000. Such alternative form of security may be in the form of a money order, a certified check, cashier’s check, or an irrevocable letter of credit issued to the Gerald R. Ford International Airport Authority.

Form 6 (page 97) calls for a \$50,000 Bid Bond. Please clarify the amount of the required Bid Bond.

- d. **RESPONSE:** Bid Bond shall be in the amount of \$25,000.

Item 12 – Disclosure of Litigation: This item is exceptionally broad, and in some instances impossible to disclose.

1. For example, the first paragraph calls for “disclosure of any litigation, arbitration, investigations and any other similar actions”. The next paragraph calls for case numbers and related information that would not apply to an ‘investigation’. **If it is not applicable, as in your example, just say that it is N/A.**
2. For example, third paragraph calls for disclosure of “any threatened litigation, arbitration, or any other similar actions...” including such for employees.

What constitutes any other similar actions? **For example, labor actions might be a similar action that can negatively impact the future standing of the company. Use your best judgment to thoroughly respond to the question.**

Further, it is not possible for an employer to know, or ask, about such matters of every one of our employees.

We suggest that you add language that limits such disclosures to matters relevant to the Proposer’s performance and ability to perform, such as:

- those known
- those not subject to non-disclosure agreements or otherwise cannot legally be disclosed (certain employee related matters for example)
- those material to this business
- those material to the Proposer’s ability to perform in accordance with this Proposal

RESPONSE: The first paragraph of Item 12 reads as follows (emphasis and editing added):

Proposer will provide describing any litigation, arbitration, investigations, or any other similar actions that the Proposer and/or any related companies engaged in the business of airport concessions, and/or the principals, the directors, and employees of the same, have been involved in during the last five (5) years **relating to your Proposer’s projects. Personal issues that do not relate to the business of building, operating, or managing one or more concession units in any airport, should not be disclosed.**

Note that the 3rd paragraph refers to actions that has occurred during the preceding two (2) years. However, GFIAA recognizes that the verbiage may have been unclear, and therefore, the third paragraph of Item 12- Disclosure of Litigation is changed as follows:

Further, disclose any ~~threatened~~ litigation, arbitration, investigations, **labor actions, or any other similar actions occurrences** that the Proposer and/or any related companies engaged in the business of airport concessions, and/or the principals, the directors, and employees of the same, that has occurred during

the preceding two (2) years, to the extent they are relevant to the Proposers and/or related companies ability to perform on this Contract if it is awarded to the Proposer, and will cause a negative impact in any manner. Please provide a description of such matter(s) in sufficient detail to allow the Authority to fully determine and evaluate the nature of such dispute and impact of any of these occurrences. Regarding employees, the information sought relates to any employee filing a suit against Proposer or related companies due to an injury on the job, breach of Contract, violation of civil rights or other such major incident. Disclose no less than the existence, location, and nature of the issue at hand if disclosure is barred. The Authority's attorneys will determine the information needed by the Authority and work with Proposer's attorneys to obtain it with proper respect for privacy and non-disclosure agreements. Personal issues need not be disclosed unless they may materially impact on your Proposal or Proposer's ability to perform.

The Authority will review the reason and timing of the action before determining if the Proposer can be considered for this concession opportunity. Failure to provide the litigation information may disqualify your Proposal.

6. Section 5.1 – Automatic Disqualification

2. Please define the fifth point "Failure to disclose an investigation." What kind of investigations fall under this requirement? Keeping in mind the concerns noted above regarding relevance, known instances, legality, etc.

RESPONSE: This entire section involves the disclosure of any event or situation, or occurrence that might impact Proposer's ability to fulfill its commitments as made in its response to the RFP. So, too, should the requirements of this question be considered in that light. The following is added after the word investigation: "(the term investigations in this case shall mean are any action, research, interviewing, records review, audit, evidence gathering, and the like that you are aware of being undertaken by any client, former client, potential client, plaintiff's attorney, or governmental agency at any level (federal, state, county, city, town) which results may materially impact Proposer's ability to carry out every promise made within its response to the RFP.)"