



George Bush Intercontinental ~ William P. Hobby ~ Ellington Airport

September 19, 2014

SUBJECT: Letter of Clarification No. 3

REFERENCE: Request for Proposals (RFP) for Retail Concessions for William P. Hobby Airport
Solicitation Nos.: H08-HR1-2015-001
H08-HR2-2015-002

TO: All Prospective Respondents

This Letter of Clarification is issued to provide responses to the following questions as noted:

1. **Question:** Would you please provide the Lease Outline Drawings for each space in all of the retail packages that have been released in the RFPs?

Response:

See Attachment A-1 in original solicitation.

2. **Question:** Please specify which forms need to be completed and included by any sub-lessees included in the packages.

Response:

If it is a joint venture there are Schedules B, C, & D that need to be signed by each ACDBE sub-lessee. If it is not a joint venture only Schedules C & D need to be signed by each ACDBE sub-lessee.

3. **Question:** Are the "Financial Statements" referenced in Section 1.1.1.2 the same as those in Section 5.11.1? If so, are they to be provided in both places, or only in the separate sealed envelope as described in 1.1.1.2?

Response:

Yes. They are the same "Financial Statements" referenced in both sections. The "Financial Statements" should be submitted once in a sealed envelope as identified in the Proposal Outline and Minimum Content Requirements, Section 5.11.1.

4. **Question:** Is an ACDBE minority JV member excluded from participating and winning on multiple packages within the same RFP? For example, if a ACDBE certified firm owns 25% of the proposing JV and it is awarded package 1 in HOU, is that firm excluded from winning package 2 in HOU with a different prime?

Response:

An ACDBE can be a JV partner on a winning proposal and also a subconcessionaire, supplier, manufacturer on different packages at the same airport.

Council Members: Brenda Stardig Jerry Davis Ellen R. Cohen Dwight A. Boykins Dave Martin Richard Nguyen Oliver Pennington Edward Gonzalez
Robert Gallegos Mike Laster Larry V. Green Stephen C. Costello David W. Robinson Michael Kubosh C.O. "Brad" Bradford Jack Christie
Controller: Ronald C. Green

5. **Question:** The solicitation indicates in Exhibit XVIII Exclusive Subconcessionaire Agreements that it is forbidden to restrict subconcessionaires from also being a subconcessionaire in any other Proposer's proposal package. It does not speak about ACDBE partners that form a joint venture and as part of the joint venture are owners of the Proposer entity. Joint Venture partners have a very different relationship to a joint venture Proposer versus a subconcessionaire. Please confirm that it is permitted to have exclusive arrangements with joint venture partners, either ACDBE or Non-ACDBE if they are part of the ownership of the joint venture where such joint venture is the Proposer entity. These partners are not subconcessionaires.

Response:

A subconcessionaire (supplier, manufacturer, etc.) can not be restricted by the prime from participating on different packages with different primes.

In section 5.4.1.3 of the Solicitation, the instruction states: A description of the Proposer's plan for complying with the City's ACDBE goals. This section should include detailed information regarding the essential subconcessionaire the Proposer intends to use and should indicate the roles and responsibilities these firms will be assigned. Each Proposer must provide a letter from each essential subconcessionaire indicating that the firm concurs with the role and responsibility Proposer has described.

6. **Question:** Is HAS looking for a letter from subconcessionaires or are they looking for a letter from ACDBE participants? We expect to have ACDBE participants that are not subconcessionaires. Further we may have subconcessionaires that are not ACDBE participants.

Response:

No, HAS is looking for letters from ACDBE participants whether they are a subconcessionaire, manufacturer, supplier, etc.

7. **Question:** Does the Authority have a transition schedule or design schedule that proposers should follow? How many days are allowed for construction?

Response:

A transition plan is required from Proposer based on consideration of Exhibit XXI, Premises Availability Schedule. The plan must be approved by HAS.

8. **Question:** It is not clear whether the news/convenience locations are permitted to carry electronic accessories as we currently do in all of our news/convenience locations throughout the country. As this category has become an increasingly important sales category in our news/convenience locations, we wish to confirm that electronics are permitted within the travel accessories category.

Response:

Yes. As long as the electronic accessories complements the News/Convenience.

9. **Question:** In regard to news/convenience, Page 28 in section 1.12.9 and 1.12.10 and 1.12.12 indicates that cold bottled beverages are permitted. However, the draft lease in Exhibit A – Facilities and Approved concepts indicates that only cold bottled water is approved. The current concessions are permitted to sell a wide variety of bottled beverages. Please confirm that a full range of bottled beverages (excluding alcoholic drinks) are acceptable.

Response:

The draft lease will be revised to reflect a full range of bottled beverages (excluding alcoholic drinks).

10. Question: What is the anticipated cost of the centralized receiving?

Response:

The costs of the Centralized Receiving Distribution Center (CRD) will be paid by the Houston Airport System.

11. Question: Where exactly would centralized receiving be located in the airport?

Response:

Location will be outside of the terminal complex and provided at a later date.

12. Question: Is additional support space available next to the location of the centralized receiving?

Response:

No additional storage space available from HAS at this time.

13. Question: Can the Authority provide an estimate of the anticipated number of international enplanements at HOU?

Response:

Please visit <http://www.fly2houston.com/0/3526125/0/0/>

14. Question: Can any additional information be provided in regard to the likely international destinations?

Response:

Please visit <http://www.fly2houston.com/0/3526125/0/0/>.

15. Question: Are CAD files/ drawings available for each space in each RFP package? Or alternatively are line drawings to scale available that show details of the space such as pillars, electric or HVAC ducts?

Response:

No. PDF's only are available at this time.

16. Question: In HOU, in regard to the vending locations, where is it anticipated that the vending locations will be? How large are they?

Response:

No vending is included in these RFPs. Automated Retail must be proposed per guidelines established in RFPs. Locations will be determined at planning phase.

17. Question We will be forming a new business entity to propose on this RFP response. What is the expected response in regard to Exhibit VII – Drug Policy Compliance Declaration (both Attachment A and Attachment B)? Is Exhibit VII required to be submitted with the RFP response?

Response:

Please review all forms in Exhibit VII and submit the form(s) that are applicable to your firm with the RFP.

18. Question: If a Proposer is using an existing business entity on this RFP response, what is the expected response in regard to Exhibit VII – Drug Policy Compliance Declaration (attachment B)?

Response:

Please see response to Question No. 17.

- 19. Question:** Proposal Guarantee – The Solicitation requires a \$50,000 cashier's check as a good faith deposit for the proposal. As Proposers can only win one of the Retail packages, is one \$50,000 proposal deposit sufficient for both of the Retail packages at HOU

Response:

No. Multiple guarantees are required if multiple proposals are submitted.

- 20. Question:** Glossary of terms. Please can you provide a glossary of the defined terms used for in the RFP documents for both retail packages

Response:

No.

- 21. Question:** Glossary of terms. Is the term "Contractor" used interchangeably with the term "Proposer" throughout the RFP?

Response:

Yes.

- 22. Question:** Primary Proposer. Please confirm that a non ACDBE entity may apply as a primary Proposer and enter into a sublease with a joint venture, which meets the ACDBE participation goal.

Response:

Each of the members in a joint venture have to be doing a commercially useful function in order to get ACDBE credit.

- 23. Question:** Exhibits Notarization. Please confirm that Exhibits notarized in states other than Texas will be accepted and recognized as meeting the requirements set out in the RFP for both retail packages?

Response:

Yes, Exhibits notarized in states other than Texas will be accepted.

- 24. Question:** Support Spaces indicated in retail packages. Are the indicated support spaces intended for office or storage?

Response:

Proposer can propose space as required.

- 25. Question:** Support Spaces indicated in retail packages. Is there an associated rental cost for use of the allocated support spaces?

Response:

Currently percentage rent covers the cost of all space.

- 26. Question:** AutoCAD/construction drawings. Full AutoCAD/construction drawings of each retail concession would be very beneficial in preparing appropriate renderings and floor plans for each location. Can HAS provide these immediately rather than 60 days after the execution date, as indicated in the supplied concession agreement?

Response:

Please see response to No. 15.

- 27. Question:** Retail Concessions Utilities Available. Where "data" is shown as available for the retail concessions in the retail packages, please can you define what this means, and if there are any associated costs that have to be met by the concessionaire?

Response:

Data refers to the Ethernet cabling and phone. All cost associated with Data is the Concessionaire's responsibility.

28. **Question:** Section 4.16, Centralized Receiving, 4.16.1, for both retail packages. Are there rental or usage costs associated for use of the mandatory Central Receiving and Distribution Center?

Response:

Please see response to Question No. 10.

29. **Question:** Section 4.16, Centralized Receiving, 4.16.1 for both retail packages. What is the location and square footage available per retail package in the Central Receiving and Distribution Center?

Response:

Please see response to Question No. 11.

30. **Question:** Section 4.16, Centralized Receiving, 4.16.1 for both retail packages. Is it the responsibility of the concessionaire or the third party contractor to distribute goods to the stores or support areas?

Response:

HAS will sub-contract the management and operation of the CRD to a third party contractor and once a third party contractor is selected, operational requirements will be made available.

31. **Question:** Section 1.0 Scope of Work, 1.2.1 Enplanements and Sales History, for both retail packages. Please provide the total forecasted enplanements for the next five years.

Response:

Please visit <http://www.fly2houston.com/0/3526125/0/0/>.

32. **Question:** Section 1.0 Scope of Work, 1.22.6 Concept Automated Retail, HOU Retail Package 1 H08-HR1-2015-001. Please can you confirm the locations for automated vending machines.

Response:

Please see response to Question No. 16.

33. **Question:** Section 5.0 Proposal Outline and Minimum Content Requirements, Section 6.0 Other Content Requirements, Section 1.0 Scope of Work, for both retail packages. There are a number of Exhibits included in the RFP's that are not explicitly cited in the Outline and Minimum Content Requirements, Other Content Requirements and Scope Of Work (Attachment "A"), or Required Submittal Check Sheet (Exhibit XXII) sections. Please clarify whether the following Exhibits need to be submitted with the proposal:

- a. Exhibit IV - Certificate of Insurance for Services
- b. Exhibit XII: Attachment "A" – Performance Bond
- c. Exhibit XII: Attachment "B" – Irrevocable Standby Letter of Credit
- d. Exhibit XXI – Premises Availability Schedule

Response:

The Exhibits listed are not required submittals with the Proposal. Exhibit XXI is provided for informational purposes only. Exhibit IV and Exhibit XII will be requested from the Selected Proposer.

34. Question: Exhibit II- Attachment "B". Please confirm that the Proposer must complete and submit either Schedule B or Schedules C & D of Exhibit II, and not all three schedules that comprise the Exhibit?

Response:

Please see response to No. 2.

35. Question: Exhibit XVI: Could you please clarify the definition of a Non-Corporate Proposer?

Response:

A Proposer that is not a Corporation. A Non-Corporate Proposer does not need a corporate seal and must have form notarized.

36. Question: Exhibit XVII. Please confirm that the phrase "previous customers" includes Airports at which the Proposer has previously operated or currently operates? If not, please clarify what "previous customers" is intended to encompass.

Response:

Please provide previous clients/customers to be contacted for a reference check.

37. Question: Exhibit XVIII. Please confirm that the term "Subconcessionaires" as used in this Exhibit XVIII means third party subtenants that are not affiliates of the Proposer.

Response:

This includes subtenants and ACDBEs that will be used as manufacturers, suppliers, etc.

38. Question: Exhibit XVIII. Please clarify whether Exhibit XVIII relates to Subconcessionaires who are to be included in response to this RFP or any other RFP issued by the City contemporaneously herewith, or does Exhibit XVIII require signatures from all of the Proposer's current Subconcessionaires, including the ones at other airports.

Response:

No, this relates to subconcessionaires that will be used in response to this RFP.

39. Question: In Exhibit XXI both Package 1 and Package 2, the Premises Availability Schedule shows that the new spaces in the West Expansion area become available on May 1, 2015 and the balance of the spaces in each package become available May 23, 2015. Yet the RFPs indicate in the Procurement Timeline/Schedule that the Contract start date is estimated at January 1, 2015. In order to provide the successful Proposer the benefit of a full ten-year term, we request that the Authority make the term end ten years from the opening of the last permanent store in the package.

Response:

Ten- year term will begin January, 2016.

40. Question: For the proforma (Exhibit XIV), should each year be June to May beginning with 2015 or should each year be a calendar year with the first and last years prorated?

Response:

Proforma should reflect period July 1 through June 30, commencing on July 1, 2015.

41. Question: To keep the various proposers on equal footing when projecting sales for Proforma purposes (Exhibit XIV), can HAS provide the enplanement assumptions for each year of the ten -year proforma?

Response:

Please visit <http://www.fly2houston.com/0/3526125/0/0/>.

42. Question: This question has been asked previously, but is there any further information regarding Hobby International –Projected Enplanements, Volume forecast, and Destinations?

Response:

Please visit <http://www.fly2houston.com/0/3526125/0/0/>.

43. Question: We are requesting floor plans for : HOU Retail Package One Solicitation No. H08-HRI-2015-001.

Response:

Floor plans are not available for the individual locations.

44. Question: Exhibits Information and data population. Could all the exhibits be supplied in either word or excel format?

Response:

Exhibit I, Exhibit II, Exhibit X, Exhibit XIII thru Exhibit XX, and Exhibit XXII have been added as attachments under the RFP at: <http://www.fly2houston.com>. Exhibit III, Exhibit XII and Exhibit XXI will not be provided in Word Format. All other Exhibits are available at the City of Houston Strategic Procurement Forms website, <http://purchasing.houstontx.gov/forms.shtml>.

45. Question: Section 2.0 Uniform Instructions To Proposers, 2.20, for both retail packages. Please can you advise how you would want the required "Certificate of Registration" to be recorded in the formal response to each retail package?

Response:

Please provide a certificate of registration. This is required for all Proposer packages.

46. Question: Section 4.0 Special Terms and Conditions, 4.5.2 Event. Due to the volume and complexity of the information required in preparing the final submittal, we respectfully request that HAS extend the Proposal due date from October 1st to October 15th. If HAS considers a two-week extension excessive, will HAS consider at least a seven to ten day extension?

Response:

The proposals due dates have been extended from October 1, 2014 to Tuesday, October 28, 2014, by Letter of Clarification No. 2.

47. Question: Exhibit III – Compensation To City, Minimum Proposed Fees, for both retail packages. In this exhibit it states that you have to list the proposed fee rate(s) to the city during the term by category, revenue tiers, and/or location if applicable. Please clarify if this means "by merchandise category and/or revenue tiers and/or location". If this is incorrect, please clarify in more detail the statement shown.

Response:

Yes. See below example:

Merchandise by Category

	<u>RENT RATE</u>
World News	
Books	14%
News & Travel Accessories	14%
Gifts & Souvenirs	14%
Specialty Non Branded Retail	14%
Specialty Branded Retail	14%
Specialty Subcontracted	14%

Vended Electronics	14%
Vended Health & Sundries	14%
Limited Menu Coffee	14%

**Revenue
Tiers**

Sports Shop	<u>Sales Level</u>	<u>Percentage</u>
Licensed Merchandise	Sales 0.00 - 10,000	14%
Licensed Merchandise	Sales 10,001 - 15,000	15%
Licensed Merchandise	Sales 15,001 - 25,000	16%
Licensed Merchandise	Sales 25,000 and above	17%

48. **Question:** Exhibit XIV: Business Plan Form: Please advise if you have got to include the initial Capital Investment in Column Year 1 per store?

Response:

Yes, include the initial Capital Investment in Column Year 1 per Store.

49. **Question:** Would HAS please consider a lower percentage rent specifically for the RMU locations? This would enable proposers to invest in the build-out of higher quality units and propose a more creative and flexible concept offering thus ensuring sales are maximized throughout the term of the lease.

Response:

No. The requirements are as stated.

50. **Question:** Further to the information found in the HAS Tenant Improvement Manual, is design criteria for the RMU units available?

Response:

RMU criteria will be discussed at planning phase.

51. **Question:** What is the access, height and width restrictions, on the delivery of the RMU's?

Response:

Please see response to Question No. 50.

52. **Question:** Regarding the two 'new' RMU locations in the West Expansion Departures, specifically RMU-5 and RMU-6, will the electricity for the units be available in the floor?

Response:

Yes, electricity for the units will be available in the floor.

53. **Question:** Regarding the Centralized Receiving and Distribution program, is more information available at present such as: Will they deliver product to the concessionaires daily? Upon demand? Is there a cost to this delivery service?

Response:

HAS will sub-contract the management and operation of the CRD to a third party contractor and once a third party contractor is selected, operational requirements will be made available. The costs of the CRD, will be paid by the Houston Airport System.

54. Question: Are there any additional fees regarding the RMU program not stated in the Solicitation, i.e. electrical, trash removal, etc.

Response:

Not at this time.

55. Question: Is there an actual 'opening' date for the successful proposer for this solicitation?

Response:

Proposers must submit a transition plan. Required to be open by HOU estimated date of October 2015.

56. Question: In Package 2, Spaces SR-3 and SR-4 are adjacent and share an existing space that requires a subdivision of the existing space. Is it the proposer's option of how to subdivide the space or does HAS have a specific subdivision in mind. Is the 600 sq. ft. SR-3 electronics shop closest to RMU 3 and the SR-4 of 787 sq. ft. closest to RMU 4?

Response:

Proposer can determine how to subdivide the space. Per Attachment A, page 30 of the RFP:

Space SR-3 is identified as 600 SF and Space SR-4 is identified as 787 SF. SR-3 is closer to RMU 3 and SR-4 is closer to RMU 4.

57. Question: In regard to HOU Retail Package Two, spaces SR-2 and CR-3 are immediately adjacent to each other and both in the same package. May the two spaces be treated as one space with the news convenience to one side and the regional theme shop to the other?

Response:

No.

58. Question: In regard to HOU Retail Package Two, spaces SR-2 and CR-3 are immediately adjacent to each other and both in the same package. Or alternatively is a pass-through archway permitted? Or would a partial wall between the two shops that allow an easy flow through be permitted?

Response:

HAS will consider a pass-through archway or a partial wall between the 2 concepts as long as the 2 concepts are unique and have their own distinct design.

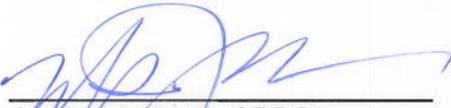
59. Question: In regard to HOU Retail Package Two, spaces SR-2 and CR-3 are immediately adjacent to each other and both in the same package. Would it be acceptable to have a central checkout where the two shops meet that handles sales from both spaces?

Response:

No.

When issued, Letter(s) of Clarification (LOC) shall automatically become part of the solicitation documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. LOC(s) will be incorporated into the Agreement as applicable. It is the responsibility of the respondent(s) to ensure that it has obtained all such letter(s). By submitting a Proposal on any of the projects, respondent(s) shall be deemed to have received all LOC(s) and to have incorporated them into the solicitation(s).

If further clarification is needed regarding either solicitation, please contact Elnora Williams, Sr. Procurement Specialist, via email (preferred method) at Elnora.Williams@houstontx.gov or 281/230-8024 (ph).



Justina J. Mann, CPPO
Chief Procurement Officer
Houston Airport System