



CITY OF HOUSTON

Annise D. Parker

Mayor



HOUSTON AIRPORT SYSTEM

Mario C. Diaz
Director of Aviation

George Bush Intercontinental ~ William P. Hobby ~ Ellington Airport

October 22, 2014

SUBJECT: Letter of Clarification No. 5

REFERENCE: Request for Proposals (RFP) Food and Beverage/Specialty Coffee for George Bush Intercontinental Airport
Solicitation Nos. H21-IFB1-2015-006; Food and Beverage Package One
H21-IFB2-2015-007; Food and Beverage Package Two
H21-ISC1-2015-008; Specialty Coffee Package One
H21-ISC2-2015-009; Specialty Coffee Package Two

TO: All Prospective Respondents

This Letter of Clarification (LOC) is issued for the following reasons to (I) replace pages in the solicitation document and (II) provide responses to questions received.

I. Replace the following pages:

1. Food and Beverage/Specialty Coffee replace Proposal Outline and Minimum Content Requirements marked "**Revised 10/22/2014**".
2. Food and Beverage Package One replace Attachment A, Pages 30, 34 and 38 marked "**Revised 10/22/2014**".
3. Food and Beverage Package Two replace Attachment A, Pages 33 and 37 marked "**Revised 10/22/2014**".
4. Replace Exhibit I, Offer and Submittal marked "**Revised 10/22/2014**".
5. Replace Exhibit XV, Proposer Contact Directory Form marked "**Revised 10/22/2014**".
6. Replace Exhibit XXII Required Proposal Submittal Check Sheet marked "**Revised 10/22/2014**".

II. Provide responses to the following questions:

1. **Question:** When proposing with subtenant(s) can you specify which exhibits the subtenant should complete for the proposal submission?
Response:
Please review each form and provide signatures as required.
2. **Question:** In spaces where there is a shared demising wall where the locations are in separate packages can you specify which space (package) will be responsible for the shared demising wall?

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

Response:

TANF-1, TANF-2, TASF-1, TASF-2 and TDF-3 responsibility belongs to Food & Beverage Package One. TANF-3, TASF-4 and TASF-3 responsibility belongs to Food & Beverage Package Two.

3. **Question:** I am working on the coffee package RFP and do not see how rent is calculated for the spaces for a business plan / proposal. Can you help me with this or point me to the RFP and page it is located?

Response:

Rental fees are addressed in Article VIII of the sample agreement.

4. **Question:** Are you looking for a Proforma per store or are can we provide an overall one (Exhibit XIV)?

Response:

A Proforma per store is required.

5. **Question:** Can you please provide the Exhibit XIV (and all appropriate others) in an Excel format?

Response:

Please see Letter of Clarification No. 3, Section II. Exhibits are posted in Word Format on the Houston Airport System's website at www.fly2houston.com

6. **Question:** Exhibit I- Offer and Submittal states in part "PROPOSER WARRANTS THAT NO PERSON OR SELLING AGENCY HAS BEEN EMPLOYED OR RETAINED TO SOLICIT OR SECURE THIS CONTRACT UPON AN AGREEMENT OR UNDERSTANDING FOR A COMMISSION, PERCENTAGE, BROKERAGE OR CONTINGENT FEE, EXCEPTING BONA FIDE EMPLOYEES." Does the language above extend to City of Houston registered lobbyists which are representing proposers?

Response:

No. The quoted language is standard City language for all solicitations and will continue to be. Proposers are prohibited from retaining agents for the express purpose of contacting City officials regarding contracts subject to the quoted language, where such contact poses a threat of the exertion of improper influence to obtain government contracts. Proposers may hire lobbyists. Proposers are reminded that this solicitation is within the no-contact period as defined in the City's Procurement Manual. All communication regarding this solicitation must occur through the Houston Airport System Supply Chain Management Office.

7. **Question:** F&B Pkg. 1, Can your offer more definition around the safety impact positions? (i.e. Is a person who uses a knife that has the opportunity of doing damage to the traveling public considered to be a safety impact position or is the focus more on persons who drive vehicles?)

Response:

"Safety impact positions" are defined in Executive Order No. 1-31, Mayor's Drug Detection and Deterrence Procedures for Contractors: <http://www.houstontx.gov/execorders/1-31.pdf>.

8. **Question:** F&B Pkg.1, Will every restaurant be required to have a temporary food offering?

Response:

Yes.

9. **Question:** F&B Pkg. 1, Will construction be allowed to begin on a project prior to the June 30, 2015 date if we operate that location currently, or know that it is being closed prior to that date? Would construction be allowed on the commissary areas prior to that date?

Response:

Yes, and yes.

10. **Question:** F&B Pkg. 1, Is a list or map of where the existing grease interceptors are available? Does the airport have any size requirements for new grease interceptors?

Response:

No list or map is available. Grease interceptor requirements are determined by City Code. Please refer to [www.https://library.municode.com/index.aspx?clientId=10123](https://library.municode.com/index.aspx?clientId=10123).

11. **Question:** F&B Pkg. 1, With regard to the RFP, should both the Proposer and all of our potential subtenants and joint venture partners complete each of the RFP exhibits? For example, should we require our subtenant to complete the Labor Relations Plan Form as part of our proposal? Also, if possible (should you explain that our potential subtenants and joint venture partners need to complete certain exhibits and not others) please provide a list of identifying which party must complete each exhibit.

Response:

Please review each form and provide signatures as required. The Labor Relations Form should be completed by the proposer and if applicable the joint venture partners.

12. **Question:** It appears that the total enplanements have decreased annually since 2011. Can you provide an explanation why this has occurred? The enplanements in Terminal B have consistently decreased since 2010 – 2013? Can you provide an explanation as to why this has occurred?

Response:

Terminal B was under construction to build the new Terminal B South terminal. During that time (2010-2013) flights were relocated to Terminal A North and Terminal D. Terminal B South is now full open and boasts 18 more gates than prior to construction.

13. **Question:** Section 6.2.3 The detailed menu submission and review requirements in Section 6.2.3 may create resource challenges for concessionaires and authority. Brands and local restaurants have many required specifications that may not be well documented for submission and are also non-negotiable for the operators. Submitting and reviewing menu item data that cannot be changed would therefore require substantial resources. Also, Concessionaires may need to engineer street-side menu items for production in considerably smaller kitchens adhering to faster production times to meet the needs of time-sensitive travelers. Capturing that detail and submitting menus and prices 30 days prior to opening would be a challenge. These requirements may impact creativity and speed to market. Given these considerations, where the Director may make a price/product decision in his/her sole discretion, may that be deleted, or modified to provide for "reasonable discretion in consultation with Concessionaire"? Similarly, may the Director's determination of comparable locations be "as reasonably" determined?

Response:

Regarding the required submission of all menus/items to, this is a mandatory requirement. This step is necessary to keep our commitment to the traveling public to stay at "street plus 10%" and to ensure integrity with product placement and not infringement as it pertains to other concessionaires. Regarding the 30 days stated above, 6.2.3 of the Concessions Food Beverage Agreement provides: "At least sixty (60) days prior to the date of beneficial occupancy of each Facility, Concessionaire shall submit to the Director for his written approval, an initial proposed menu for each Facility together with proposed prices for each item based upon prices of similar items at the Comparable Locations..." Regarding the Director's sole discretion on price/product decisions, 6.2.3 of the Concessions Food Beverage Agreement provides: "...However, absent reasonable cause, the Director will not disapprove of products that meet the specifications of the franchisors of Nationally Branded foods and beverages. Should the Director disapprove of some or all of the proposed products and/or corresponding prices, Concessionaire and Director shall make a good faith effort to reach agreement regarding sale of those disapproved products and/or corresponding prices in the Facilities..."

14. **Question:** Section 6.2.4 Regarding price or product adjustments, to align pricing with brands and local restaurants on the street, could this be modified to say: "by providing economic justification or new comp prices? This will allow concessionaires to be at the right premium to the street. Also, where the Director may make price/product adjustments in his/her sole discretion, may that be deleted, or modified to provide for "reasonable discretion in consultation with Concessionaire"?

Response:

No change.

15. **Question:** Section 6.2.5 Could liquidated damages be assessed if there is a failure to cure after a reasonable cure period? Errors documented "per occurrence: could be a challenge and the assessment of damages for small errors could increase quickly and at a rate out of proportion to the pricing error.

Response:

Pricing adjustments are by mutual agreement between the Director and the Concessionaire, and are addressed in Section 6.2.4 of the sample agreement.

16. **Question:** Can you please provide the Word document version of Checklist-Exhibit 22 for Food & Beverage and Coffee Packages. Per clarification #4, Labor relations was added to this lost but only provided in PDF.

Response:

Exhibit XXII will be provided in Word Format at www.fly2houston.com.

17. **Question:** Section 6.1.9 (discount for employees and volume purchasers) Discount must be offered to "volume purchasers." What/whom does "volume purchasers" refers to?

Response:

Concessionaire may define volume purchases and determine how discounts will be offered.

18. **Question:** In addendum 3, the concept description for TCNF-1 & TDF-2 was altered to 'National Brand Casual Dining with Bar.' Does this change imply that the airport/HAS is no longer open to receiving proposals for prominent local/regional brands in these spaces?

Response:

RFP language revised: Food and Beverage Package One, Section 1.12.6, Page 30. Section 1.18, Page 34, TCNF-1 and TDF-2, Section 1.22.6, Page 38. Food and Beverage Package Two, Section 1.18, Page 33, TANF-4, TBF-7, Sections 1.22.3 and 1.22.3.1.1, Page 37.

19. Question: Which equipment listed below could we assume will remain with the spaces at the termination of the existing contract. To accommodate the airport's concessions needs, would the following equipment be available for use throughout the transition phase?

- Walk in Coolers,
- Exhaust hoods,
- Dishwashing tables,
- Dishwasher,
- Three compartment sinks,
- Serving counters and equipment built into the counters such as, sneeze guards, hot wells, cold pans and heat lamps?
- Preparation sinks,
- Hand sinks,
- Stoves,
- Griddles,
- Fryers,
- Ovens

Response:

Structurally attached equipment should still be intact, however that being said it may not be in adequate shape. Example (vent hood, walk-in coolers). Removable or non structurally attached equipment can be removed by exiting concessionaire. The selected proposer may negotiate purchase of equipment from existing operator if existing operator is amenable.

20. Question: In Exhibit XVII: References, you ask for a list of previous customers. Who would you consider a "previous customer" for a restaurant company?

Response:

Airports, malls, hotels, ports, authorities, municipalities, turnpikes, stadiums, resorts.

21. Question: Does a nationally branded chicken concept that is open Monday thru Saturday (closed Sunday) satisfy the requirements for spaces TASF-2 and TCSF-4?

Response:

HAS will accept a proposed concept if such concept could provide economic justification that it will yield same or better results as competing brands.

22. Question: Can you clarify the definition of the word "daily" as stated in the concept description in terms of the offering of goods/services to the customer?

Response:

365 days a year HAS approved hours of operation.

23. Question: Will the party that has been awarded the above-referenced contracts be permitted to pay the current percentage rent during the transition period?

Response:

No. The new agreement percentage fees proposed by the selected party become effective with the new agreement.

24. Question: The request for audited financials and ACDBE participation is a conflict and could be considered discriminatory. IF you fit under the financial requirements of an ACDBE there is no reason to have audited financial statements. No financial institutions will have such a requirement of a company of that size. Please consider deleting this request for businesses under a certain annual sales amount (such as the ACDBE annual sales amount)?

Response:

No change. 49 Code of Federal Regulations requires various documents to verify eligibility. The audited financials are required documents for the verification process mandated by the Federal Aviation Administration.

25. Question: In addition to the Audited Financials the RFP requests copies of the last two years tax returns. Does this need to include all schedules or simply the first two pages?

Response:

Please see Section 5.0, Proposal Outline and Minimum Content Requirements.

26. Question: The RFP requests that the "selected proposers" must have a performance bond in place once selected. For the purpose of the response, does the Performance Bond described in Exhibit XII: Attachment A, have to be in place at the time of submission? Or does the proposer simply have to say that the proposer is agreeing to get the bond in place once selected?

Response:

Proposer shall submit Exhibit XX, Proof of Insurance and Bonding Capacity with Proposal. Exhibit XII, Attachment "A" Performance Bond will be requested from the selected proposer.

27. Question: Is each individual on the selection committee going to score every section of the proposal?

Response:

Please see Section 7.0, Evaluation and Selection Process.

When issued, Letter(s) of Clarification shall automatically become a part of the solicitation documents and shall supersede any previous specification(s) and/or provision(s) in conflict with Letter(s) of Clarification. LOC(s) will be incorporated into the Agreement(s) 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 these solicitations, respondent(s) shall be deemed to have received all LOC(s) and to have incorporated them into this proposal(s).

If further clarification is needed regarding this solicitation, please contact Julia Boutte, Sr. Procurement Specialist, via email (preferred method) at Julia.boutte@houstontx.gov or via phone (281)230-8090.



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

PROPOSAL OUTLINE AND MINIMUM CONTENT REQUIREMENTS
SOLICITATION NO.: H21- -2015- "REVISED 10/22/2014"

5.11 FINANCIAL CAPABILITY OF PROPOSER

5.11.1 Submit your company's audited annual financial statements, in accordance with and as defined in the Financial Accounting Standards Board (FASB) regulation(s) for the past two years. In addition, include your and Dunn & Bradstreet Report or Federal Tax Forms filed with the Internal Revenue Service (IRS) for the past two years.

5.12 ACDBE PLAN

5.12.1 Proposer shall submit a proposed ACDBE Plan using **EXHIBIT II**, Airport Concessions Disadvantaged Business Enterprise (ACDBE) forms.

5.13 LABOR RELATIONS PLAN

5.13.1 Proposer shall submit Labor Relations Plan Form (**EXHIBIT XXIII**)

5.14 TRANSITION PLAN

5.14.1 Proposer shall submit Transition Plan per ATTACHMENT A, Scope of Work, Section 1.15.

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ATTACHMENT A "REVISED 10/22/2014"
SCOPE OF WORK – IAH FOOD AND BEVERAGE PACKAGE TWO
SOLICITATION NO.: H21-IFB2-2015-007

1.18 IAH FOOD AND BEVERAGE PACKAGE 2

Unit No.	Unit SF	Location	Concepts	Utilities Available	Utilities Needed	Area Finish / Comments
TAF-1	2,480	Terminal A	National, Regional Quick Service – Deli/Sandwich	Elec, Gas, Data, Plumbing, venting	N/A	Existing facility
TANF-3	760	Terminal A North	Nationally Branded, Quick Service/Ethnic	Elec, Gas, Data, Plumbing, Venting	N/A	Existing facility
TANS	4,000	Terminal A North Food Court Seating	Food Court Seating	Elec	N/A	Existing FC Seating
TANF-4	2,446	Terminal A North	National, Regional or Local Casual Dining with Bar	Elec, Gas, Data, Plumbing, Venting	N/A	Existing facility
TASF-3	900	Terminal A South	Nationally Branded, Quick Service - Hamburger	Elec, Gas, Data, Plumbing, Venting	N/A	Existing facility
TASF-4	700	Terminal A South	Nationally Branded, Quick Service/Ethnic	Elec, Gas, Data, Plumbing, Venting	N/A	Existing facility
TAS	4,000	Terminal A South Food Court Seating	Food Court Seating	Elec	N/A	Existing FC Seating
TASF-6	615	Terminal A South	National, Regional or Local Bar with Food	Elec, Data, Plumbing	N/A	Existing facility
TBF-5	750	Terminal B	Quick Service Healthy/ Salad	Elec, Gas, Data, Plumbing, Venting	N/A	Existing facility
TBF-6	625	Terminal B	National, Regional Quick Service – Deli/Sandwich	Elec, Gas, Data, Plumbing, Venting	N/A	Existing facility
TBS	5,425	Terminal B Food Court Seating	Food Court Seating	Elec	N/A	Existing FC Seating
TBF-7	3,200	Terminal B	National, Regional or Local Casual Dining with Bar	Elec, Gas, Data, Plumbing, Venting	N/A	Existing facility
Unit No.	Unit SF		Concepts			Area Finish /

ATTACHMENT A “REVISED 10/22/2014”
SCOPE OF WORK – IAH FOOD AND BEVERAGE PACKAGE TWO
SOLICITATION NO.: H21-IFB2-2015-007

1.22.2.1 Concept Specifications

1.22.2.1.1 National or Regional brand quick service restaurant providing ethnic cuisine.

1.22.2.2 Desired Menu/Concept Requirements

1.22.2.2.1 Menu shall include freshly prepared breakfast, lunch, and dinner menu options, and an assortment of beverages.

1.22.2.2.2 Food shall be prepared as ordered.

1.22.2.2.3 Food shall be available in convenient “to go” packaging.

1.22.2.2.4 Restaurant shall also offer salads and sides.

1.22.2.2.5 Menu offerings shall be of high quality and offer good value to the customers.

1.22.3 Concept: National, Regional or Local Casual Dining with Bar

<u>Unit No.</u>	<u>Unit SF</u>	<u>Location</u>	<u>Utilities Available</u>	<u>Utilities Needed</u>	<u>Comments</u>
TANF-4	2,446	Terminal A North	Elec, Gas, Data, Plumbing, Venting	N/A	Existing Facility
TBF-7	3,200	Terminal B	Elec, Gas, Data, Plumbing, Venting	N/A	Existing Facility

1.22.3.1 Concept Specifications

1.22.3.1.1 National, regional or local brand casual dining restaurant with a kitchen and full bar offering table service.

1.22.3.2 Desired Menu/Concept Requirements

1.22.3.2.1 Menu shall include freshly prepared breakfast, lunch, dinner menu options, and an assortment of beverage options. Featured items shall be that of a typical casual dining establishment, with entrees, sandwiches, sides, salads (including entrée salads), soups, and desserts.

1.22.3.2.2 Full alcoholic beverage service.

1.22.3.2.3 May have walk-up counter for take-away orders.

1.22.3.2.4 Food shall be prepared as ordered.

1.22.3.2.5 Food shall be available in convenient “to go” packaging.

1.22.3.2.6 Menu offerings shall be of high quality and offer good value to the customers.

1.22.4 Concept: Nationally Branded, Quick Service – Hamburger

<u>Unit No.</u>	<u>Unit SF</u>	<u>Location</u>	<u>Utilities Available</u>	<u>Utilities Needed</u>	<u>Comments</u>
TASF-3	900	Terminal A South	Elec, Gas, Data, Plumbing, Venting	N/A	Existing Facility

1.22.4.1 Concept Specifications

1.22.4.1.1 National brand quick service restaurant specializing in hamburgers.

EXHIBIT I – OFFER AND SUBMITTAL
SOLICITATION NO.: H21-IFB_-2015-00_ “REVISED 10/22/2014”

NOTE: PROPOSAL MUST BE SIGNED AND NOTORIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED AND THE **APPLIED PERCENTAGE OF GROSS SALES** CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.

"THE RESPONDENT WARRANTS THAT NO PERSON OR SELLING AGENCY HAS BEEN EMPLOYED OR RETAINED TO SOLICIT OR SECURE THIS CONTRACT UPON AN AGREEMENT OR UNDERSTANDING FOR A COMMISSION, PERCENTAGE, BROKERAGE, OR CONTINGENT FEE, EXCEPTING BONA FIDE EMPLOYEES. FOR BREACH OR VIOLATION OF THIS WARRANTY, THE CITY SHALL HAVE THE RIGHT TO ANNUL THIS AGREEMENT WITHOUT LIABILITY OR, AT ITS DISCRETION, TO DEDUCT FROM THE CONTRACT PRICES OR CONSIDERATION, OR OTHERWISE RECOVER THE FULL AMOUNT OF SUCH COMMISSION, PERCENTAGE, BROKERAGE OR CONTINGENT FEE."

Respectfully Submitted:

(Print or Type Name of Contractor – Full Company Name)

City of Houston Vendor No. (If already doing business with City): _____

Federal Identification Number: _____

By: _____
(Signature of Authorized Officer or Agent)

Printed Name: _____

Title: _____

Date: _____

Address of Contractor: _____
Street Address or P.O. Box

City – State – Zip Code

Telephone No. of Contractor: (____) _____

Signature, Name and title of Affiant: _____

(Notary Public in and for)

_____ County, Texas

My Commission Expires: _____ day of _____ 20_____