



CITY OF HOUSTON

Annise D. Parker

Mayor



George Bush Intercontinental ~ William P. Hobby ~ Ellington Airport

Mario C. Diaz
Director of Aviation

September 19, 2014

SUBJECT: Letter of Clarification No. 3

REFERENCE: Request for Proposals (RFP) for Retail Concessions for George Bush Intercontinental Airport
Solicitation Nos.: H08-IR1-2015-003; IAH Retail Package One
H08-IR2-2015-004; IAH Retail Package Two
H08-IR3-2015-005; IAH Retail Package Three

TO: All Prospective Respondents

This Letter of Clarification is issued to (I) replace pages in the solicitation document, (II) add attachments to the solicitation document, and (II) provide responses to questions received as noted:

I. To replace the following pages:

1. Please replace page 38, **Attachment A-1**, Map of Premises Locations with the **Attachment A-1 "Revised"**, page 38, Map of Premises Locations to include arrows pointing to correct locations.
2. Please replace page 98, **Exhibit XXI**, Premises Availability Schedule with the **Exhibit XXI "Revised"**, page 98, Premises Availability Schedule to include updated premises availability date.

II. To add the following attachments:

1. Please add **Attachment A-2, Map of Premises Locations – Automated Retail, Pages A-2 numbers 1-6.**
2. Please add **Attachment C-2, Enplanements-Passengers Destination by Terminal.**

III. To provide responses to the following questions:

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 the original published solicitation.

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

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.

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:

An ACDBE can not be a JV partner and win multiple packages at the same airport.

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, we are 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, electronics are permitted within the travel accessories category.

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:

Yes, a full range of bottled beverages (excluding alcoholic drinks) are acceptable.

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 any additional information be provided in regard to the likely international destinations?

Response:

IAH to date, has over 70 international destinations.

14. **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:

PDFs only are available at this time. Details of space are not available. Please prepare renderings for your proposed concepts of specific sizes. All is subject to HAS approval.

15. **Question:** For temporary locations are plans required? If yes, are as-built or CAD files available for these spaces?

Response:

No. Proposer submits as part of their transition plan.

16. **Question:** In IAH, 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 this RFP. Please propose your Automated Retail concept and sizing. All is subject to HAS approval. RFP requires a minimum of 6 units. See added Attachment A-2, Map of Premises Locations - Automated Retail.

17. Question If 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 submittal of your RFP.

18. Question: If a Proposer will be proposing as 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 review all forms in Exhibit VII and submit the form(s) that are applicable to your firm.

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 all of the Retail packages at IAH?

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 all three retail packages?

Response:

No. Please ask a specific question.

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 perform 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 all three retail packages?

Response:

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

24. Question: Support Spaces indicated in all IAH retail packages. Are support spaces for office or storage?

Response:

Proposer can propose space as required.

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

Response:

Currently percentage rent covers the cost of all space.

26. Question: Terminal Development Phasing Plan for all retail packages. It would be very helpful to have a chart indicating length of availability for retail concessions locations in all three packages. Will HAS please provide a more detailed phasing plan indicating availability and length of contract for each location

Response:

Only an estimation at this time. See <http://www.fly2houston.com/TDPlan> for Terminal D plan project definition and scope.

27. Question: AutoCAD/construction drawings. Existing full AutoCAD/construction drawings of each retail concession would be most helpful in developing appropriate renderings and floor plans for each retail concession location. Will HAS consider providing these immediately rather than 60 days after execution date, as indicated in the supplied concession agreement?

Response:

No. PDFs only are available at this time.

28. 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 met by the concessionaire?

Response:

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

29. Question: Section 4.16, Centralized Receiving, 4.16.1, All IAH retail packages. Is a rental or usage cost associated with use of the mandatory Central Receiving and Distribution Center?

Response:

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

30. Question: Section 4.16, Centralized Receiving, 4.16.1, All IAH retail packages. Is there a specific location and square footage assigned in the Central Receiving and Distribution Center for each retail package?

Response:

Please see response to Question No. 11.

31. Question: Section 4.16, Centralized Receiving, 4.16.1, All IAH retail packages. Is it the responsibility of the concessionaire or the third party contractor to distribute merchandise to individual stores/support areas from the Central Distribution and Distribution Center?

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.

32. Question: Section 1.0 Scope of Work, 1.12 Concepts, 1.12.9 News w/pre-packaged food (no plumbing). All IAH retail packages. Would a limited Grab and Go food offering be considered in all News/convenience concessions?

Response:

No, a limited Grab and Go food offering will not be considered.

33. Question: Section 1.0 Scope of Work, 1.2.2.4 Terminal D Redevelopment – West Side, 1.2.2.5 Terminal D Redevelopment – East Side, All IAH retail packages. Site maps indicated Terminal D retail concessions as being in a North, Central or South location. Are any of the available locations actually in the West or East side?

Response:

Terminal D includes Central, East and West. Please see Attachment A-1 in the original published solicitation.

34. Question: Section 1.0 Scope of Work, 1.22.7 Concept Automated Retail, IAH Retail Package 2 H08-IR2-2015-004. Please can you confirm the locations for automated vending machines

Response:

Please see response to Question No. 16.

35. Question: Attachment A-1 Terminal D Level 4 – Central, IAH Retail Package 1 H08-IR1-2015-003. What is the width of the facade/facia for retail unit TDR4?

Response:

TDR-4 is approximately 125 SF.

36. Question: Attachment A-1 Terminal C, Level 2 – North, IAH Retail Package 1 H08-IR1-2015-003. What is the width of the facade/facia for retail unit TCNR2?

Response:

TCNR-2 is an in-line unit of 1,930 SF. HAS will accept a smaller footprint.

37. Question: Section 5.0 Proposal Outline and Minimum Content Requirements, Section 6.0 Other Content Requirements, Section 1.0 Scope of Work, for all IAH 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:

- Exhibit IV - Certificate of Insurance for Services
- Exhibit XII: Attachment "A" – Performance Bond
- Exhibit XII: Attachment "B" – Irrevocable Standby Letter of Credit
- 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.

38. 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 Question No. 2.

39. 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.

40. 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.

41. 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.

42. 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 this RFP..

43. Question: In Exhibits XXI, Retail Packages 1, 2 and 3, the Premises Availability Schedule shows all spaces become available July 1, 2015 with exception of Space TAR-2 in Package 1 that becomes available upon contract execution. 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.

44. Question: For the proforma (Exhibit XIV), should each year be July to June 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.

45. 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/>.

46. 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>.

47. Question: Section 2.0 Uniform Instructions To Proposers, 2.20, for all three 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.

48. 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.

49. Question: Attachment A-1 IAH Retail Package Two, H08-IR2-2015-004 The retail concession TAR-4 is shown as being 998 Square Feet, but we understand the actual size is 720 Square Feet. Please confirm the correct size of this retail concession.

Response:

The correct size for TAR-4 is 994 SF. Please see Attachment A, Section 1.18.1 of the RFP.

50. 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%

51. 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.

52. Question: AutoCAD layout and cross-section plans for each of the spaces in Package 3?

Response:

PDFs only are available at this time.

53. Question: Photographs of each retail location

Response:

No photographs available. Tours of all locations were provided.

54. Question: A copy of the Tenant Criteria Manual in relation to the fit-out of the retail locations, in the event such document exists?

Response:

Please see: <http://www.fly2houston.com/0/3527992/0/0/>.

55. Question: We refer to the timetable provided in the RFP and in particular the contract commencement date of January 1st 2015. Given that the contract will only be signed after the December 10th City Council meeting, it is our strong view that there will not be adequate time to go through the administration of obtaining a Customs license before January 1st 2015. It will also be difficult to get any of our internal approvals for the tender on this basis. In addition, we believe this also puts the incumbent operator on a favourable bias since they already have a license in place and this would make any tender evaluation inequitable. In terms of clarification, can you confirm your understanding of this point, and that any proposal will necessarily include a transition plan and date of commencement (tba) after January 1st 2015 when customs approval is obtained? This may also necessitate changes to the draft contract which would indicate a date of 1st January 2015.

Response:

Please provide a transition plan that reflects the timing required to be successful.

56. Question: We understand the phasing throughout the contract period and there will be significant change in relation to Terminal D and the other terminals before the end of 10 years. We also understand that the timing of this is also uncertain. However in relation to the scoring of the Compensation to the City, it is likely that each of the proposers will use different assumptions in terms of the reduction and closure of different areas. For example, one proposer may assume that Terminal D is closed in year 6 and another in year 8. The Airport is aiming to obtain easily comparable tenders, but the above will likely result in very different financial figures - both in terms of the overall fee income for the airport in the period as well as operator profitability. In terms of clarification, we would request that the airport consider providing a "best estimate" of available passengers for each terminal and each year to be used for the financial model sheet? This would only be for evaluation purposes (not binding) but would ensure that the financial figures are more comparable across all proposers. Is this suggestion something the airport would consider?

Response:

Information requested is not available. Please use 6 years for all Terminal D locations.

57. Question: Can a breakdown of sales by main categories for the past 2 years, e.g. Tobacco/ Liquor/ Perfume and Cosmetics / Other be provided?

Response:

No.

58. Question: Please provide a breakdown of passengers by destination for each terminal for the past 2 years?

Response:

See added attachment "Passenger Destination" and visit:

<http://www.fly2houston.com/TrafficStats>.

59. Question: In the main Duty Free shop in Terminal D, there are two separate entrances. Is it permissible to break down the wall in between these two entrances to open up the shop?

Response:

Yes.

60. Question: After the redevelopment of United in Terminal B, we understand they will have their own concessions in that terminal. Does that mean that there will be no other Duty Free passengers available in Terminal B?

Response:

HAS anticipates that Duty-Free passengers will continue in Terminal B.

61. Question: In reference to TDDF-1, 295 sq. ft. area is it to be operated as an independent duty free outlet or can it be added to the TDDF-2 store? If not could you indicate where the entrance would be?

Response:

TDDF-1 is a stand alone unit. See attached revised page 38, Attachment A-1, Map of Premises Locations.

62. Question: Regarding the storefront West and South West walls of TDDF-2, facing the escalators and elevators, can these walls be removed to allow greater visibility into the retail area?

Response:

Yes.

63. Question: In reference to the elevators, how many are there, it is not clear from the drawing RFP?

Response:

Currently there is a bank of two elevators.

64. Question: Please provide all existing MEP detail drawings to the architectural drawings requested?

Response:

PDFs only are available at this time.

65. Question: Can you confirm current staffing levels for the existing Retail units that comprise Package 3?

Response:

No. Please provide staffing plan as requested in the RFPs.

66. Question: Can HAS advise if any other operator / concessionaire sells core duty free products, such as Perfume, Cosmetics, Liquor and/or Tobacco, in any of the Terminals relating to Retail Package 3?

Response:

Yes, products are available with the exception of liquor; however, not as duty free.

67. Question: Can you exactly what permissible use can be made of the Support Locations? Are these areas just to be used for storage / staff locker rooms?

Response:

Concessionaire determines Support Space usage that must be approved by HAS.

68. Question: Is the airport under any currently known regulations to hide Tobacco from view and display?

Response:

No.

69. Question: In terms of Customs, is it anticipated that the current delivery to gate regime for Tobacco and Liquor will continue?

Response:

Yes.

70. Question: We are requesting floor plans for: IAH Retail Package Three Solicitation No. HO8-IR3-2015-005

Response:

PDFs only are available at this time.

71. Question: The wording in 1.2.2.2 refers to United's development of the terminal B and after this "United will be responsible for the concession program in the Terminal B". Does this imply that Unit TBDDF-1 will no longer be in operation?

Response:

NO. Unit TBDF-1 will remain in operation.

72. Question: The West side of D terminal will be developed in phases. What gates will be included in the first phase?

Response:

The first phase includes D1, D2, D3, and D4.

73. Question: Under 1.2.2.4 indicates that foreign carriers from the west side Terminal D will be relocated to the new D1 Pier. Under the new D1 Pier (old Terminal C North), there are no Duty Free shops included. Is this correct?

Response:

This is outside of the scope of these RFPs.

74. Question: Following from the above question, under 1.2.2.5, it indicates that "foreign carriers in the east side of the existing Terminal D" will be relocated to "either the west side or the new D1 Pier". This is ambiguous and unclear and contradictory with 1.2.2.4. Since there are no Duty Free shops in the new D1 Pier this significantly affects whether we will have duty free shops available or not? Please clarify this in detail?

Response:

Please see response to Question No. 73.

75. Question: The reference in the Exhibit XX1 appears to be referring to all of the DF Package 3 being available 1 July 2015. However the Letter of Clarification issued by HAS indicates (answer no. 2) that the DF will be handed over for development within 90 days of approval from city council (anticipated January 2015). Can you clarify these differences?

Response:

See revised page 98, Exhibit XXI. It is anticipated DF will be handed over 90 days after contract execution.

76. Question: Attachment A-1 refers to TDDFI but this appears to be incorrectly referenced with an arrow in the wrong location. Please confirm?

Response:

See attached revised page 38, Attachment A-1, Map of Premises Locations.

77. Question: Sales by location in terminal D shows 3 locations - 401, 402, 403. Can you confirm where the current 402 location is?

Response:

Location 402 is not a part of the package.

78. Question: Given the short time frame for questions, and the complicated nature of the various movements between the terminals, will you kindly consider an extension to the questions period beyond 2nd September 2014 as it is likely that further clarifications will be required?

Response:

No.

79. Question: Again due to trying to get sufficient clarity on the planned construction and development, will you also consider an extension beyond 1st October 2014 to the Proposal Due Date?

Response:

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

80. Question: Clause 6.1.9 of the concession agreement requires the concessionaire to provide discounts to "volume purchasers". Please define what is meant by "volume purchasers"?

Response:

The Concessionaire may define "volume purchasers" and determine how discounts will be offered.

81. Question: Clause 6.1.9 of the concession agreement requires the concessionaire to provide discounts to "volume purchasers". Is the discount intended to apply to airport passengers who buy in bulk? If so, please confirm that the concessionaire can determine the volume level of particular purchases at which discounts will be offered?

Response:

Please see response to Question No. 80.

82. Question: Clauses 6.5.3 and 6.5.4 of the concession agreement provide that the City may procure a third party contractor to provide all receiving, delivery/ handling services for concessionaires and may require the concessionaire to pay the cost of such services. Please advise whether the City currently has engaged a third party contractor to provide such services and if so, the cost of such services. If not, please advise whether the City has any current intention to engage a third party contractor to provide such services in the future and the anticipated costs of such services?

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.

83. Question: Clause 4.4.1 of the concession agreement states that the concessionaire will be provided with office and storage space designated in Exhibit B, however this exhibit to the concession agreement has been left blank. Please advise the space to be provided for administrative and storage purposes?

Response:

Agreement is a sample and will be modified to reflect guidelines established in RFPs.

84. Question: Please advise what additional office and storage space is available and the rental rates for such spaces?

Response:

No additional storage space available from HAS at this time.

85. Question: Please confirm that the obligation in clause 6.2 to provide the Director with a full menu and prices for his approval with detailed descriptions of the products only applies to food and beverage products?

Response:

Section 6.2 applies to all concessions agreements.

- 86. Question:** Please explain what is meant by "safety impact positions" for the purposes of the drug policy compliance agreement obligations in section 12.3 of the concession agreement?
- Response:**
This is defined in Section 5.18 of Executive Order 1-31, available at <http://www.houstontx.gov/execorders.html>.
- 87. Question:** The indemnification provisions in clause 10 and 13.13 of the concession agreement are quite onerous. Would the City be agreeable to a cap on such clauses?
- Response:**
No. All concessions packages are to be the same.
- 88. Question:** Please advise what duties of the City will be regarded as material duties under the concession agreement for the purpose of termination by the concessionaire under clause 15.2?
- Response:**
The City's material duties is the City's grant to operate the concession.
- 89. Question:** Please advise what insurance cover HAS / the City has in place in respect of damage to the airport/ terminals and the policy limits of any such policies?
- Response:**
The City is self-insured for such events.
- 90. Question:** Would HAS / the City be agreeable to including an obligation on the City to maintain insurance on the airport and terminal buildings for the purposes of its repair obligations under the concession agreement?
- Response:**
Please see the response to Question No. 89.
- 91. Question:** On Page 33 of the Duty Free package, there is indicated a location TDDF1. However this does not appear to be pointing to the correct space on the Map. It is our belief that this should be referring to the blue area on the left of the top of the escalator (and is referring to the existing Jack Daniels unit). Can you please confirm this and re-issue the map if necessary?
- Response:**
See attached revised page 38, Attachment A-1, Map of Premises Locations.
- 92. Question:** RFP 4.16.1 RFP indicates that the City will be implementing and providing a Central receiving and Distribution Center, which will be subcontracted to a third party contractor. It is indicated that participation will be mandatory for proposers. Can you advise what costs will be applied in this regard and the charge basis, e.g. per pallet?
- Response:**
The costs of the Centralized Receiving Distribution Center will be paid by the Houston Airport System.
- 93. Question:** RFP 4.16.1 RFP indicates that the City will be implementing and providing a Central receiving and Distribution Center, which will be subcontracted to a third party contractor. It is indicated that participation will be mandatory for proposers. Can you advise when the Central Receiving and Distribution Centre will be in operation?
- 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.

94. Question: RFP 4.16.1 RFP indicates that the City will be implementing and providing a Central receiving and Distribution Center, which will be subcontracted to a third party contractor. It is indicated that participation will be mandatory for proposers. If after January 2105, what interim arrangements will operate?

Response:

Prior to the CRD, Concessionaire will operate under current storage space.

95. Question: We set out on attached file entitled "Unit Availability" our understanding of the availability periods for the relevant spaces in Terminals A, B, C, D. Can you confirm that our understandings are correct?

Response:

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

96. Question: We set out on attached file entitled "Unit Availability" our understanding of the availability periods for the relevant spaces in Terminals A, B, C, D. Can you also provide expected Departing Passenger numbers for each year, for each location, taking account of disruptions and transfers?

Response:

Information requested is not available.

97. Question: We set out on attached file entitled "Unit Availability" our understanding of the availability periods for the relevant spaces in Terminals A, B, C, D. The reference in the Exhibit XX1 appears to be referring to all of DF package 3 being available 1 July 2015 (not just terminal B DF1). However answer No. 2 in the Letter of Clarification states that the DF will be handed over for development within 90 days of approval from City Council (anticipated January 2015), i.e. around March 2015. Can you please clarify which date applies for (a) the handover of space; and, (b) the date when HAS expects each unit to commence operations?

Response:

See revised page 98, Exhibit XXI. It is anticipated DF will be handed over 90 days after contract execution.

98. Question: What provision is made for a Bonded warehouse space?

- Where is it located?
- What are associated costs?
- Will the Bonded warehouse be handled by the Central Receiving & Distribution Center?
- If so will there be separate charges applying to Bonded stocks?

Response:

Concessionaire is responsible for securing Bonded warehouse space and associated cost. Yes. Central Receiving will handle the Bonded Warehouse. No anticipated cost to Concessionaire at this time.

99. Question: Terminal C is designated for Specialty Retail in Attachment A, Page 32 Terminal C PAX Enplanements are shown as 376,144 – Attachment C-1 Revised Attachment E indicates 269,355 international PAX as United Airlines for FY 2015. Do these passengers depart from Gates C24 to C27 Terminal C North and therefore not pass Unit TCNR8?

Response:

Yes. Passengers departing from Gates C24 to C27 Terminal C North do not pass Unit TCNR8.

100. Question: Terminal C is designated for Specialty Retail in Attachment A, Page 32 Terminal C PAX Enplanements are shown as 376,144 – Attachment C-1 Revised Attachment E indicates 269,355 international PAX as United Airlines for FY 2015. Does this mean that the departing passengers passing Unit TCNR8 number 107,000 approximately?

Response:

Breakdown not available.

101. Question: Can you provide a breakdown of Terminal C PAX, to identify the numbers applicable to each of the South & North Terminals, preferably by gate, in order to assess numbers passing each of the Units, TCSR-4, TCSR-5 and TCNR-8?

Response:

Please see www.fly2houston.com Enplanements.

102. Question: Attachment B Revised shows Nuance Sales from Terminal D Main 401 as \$10,322,663 for FY 2014. Does this figure include Duty Free and Duty Paid Sale? If so, can you please show separate figures for each component?

Response:

Yes it does include Duty Free and Duty Paid Sale. Separate figures for each component are not available.

103. Question: Attachment C-1 Revised shows Terminal D International PAX as 1,017,065; do the above sales of \$ 10,322,663 relate only to International PAX?

Response:

No.

104. Question: Are there any local authority charges, or taxes of any kind, chargeable on the relevant units? If so, can you please provide details of all annual charges?

Response:

No local authority charges, or taxes of any kind, chargeable on the relevant units.

105. Question: Does the current Concession Operator absorb the Sales Tax on all Perfume & Confectionery Sales or only on Duty Free element?

Response:

Yes. Current operator absorbs sales tax on all perfume and confectionary sales.

106. Question: Are there any rental charges associated with Support areas, TCNRS in Terminal C North and TDRS-3 on D Apron?

Response:

No.

107. Question: Are Duty Free Sales permitted or currently provided in Terminal C, which has 279,000 International passengers?

Response:

No.

108. Question: The profile of Terminal D will change during the contract, and especially will likely suffer a drop in passengers when the west side is demolished. The RFP states that the MAG will be 85% of the previous year, but this will not be economic for an operator in that year. Does HAS accept the fact that there will need to be a passenger adjustment clause introduced in those particular years in any legal agreement?

Response:

Mag will be adjusted based on remaining locations.

109.Question: The store shapes provided in the pdf of Attachment 1 are tiny and become fuzzy when enlarged making it difficult to create store floor plans. Would HAS make available enlarged, higher definition store footprints?

Response:

PDFs only are available at this time.

110.Question: Terminal C currently has 376,144 international enplanements and, once the Terminal B North Pier is completed, Terminal C will have 11 gates of additional international enplanements. Item 1.22.1.3.1 on Attachment C currently prohibits duty free merchandise in locations TCSR-4 / 5 / 8. With no duty free store in Terminal C contemplated in HAS's RFP, servicing these international passengers in Terminals C and B North Pier, including the U.S. Customers requirement for gate delivery of purchases, would be extremely difficult. Will HAS permit one of the Terminal C stores to be a duty free store concept?

Response:

No.

111.Question: Will the terminal D stores be exempt from the required mid-term refurbishment described in Attachment A paragraph 1.6.1?

Response:

No. Terminal D stores are not exempt. The mid-term investment will be rolled into the buy back.

112.Question: Does / will HAS have any on-airport (cargo bay) warehouse space available and if so, what are the current rental rates.

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(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 solicitation(s).

If further clarification is needed regarding this solicitation(s), 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

ATTACHMENT A-1 "REVISED"
MAP OF PREMISES LOCATIONS - IAH RETAIL PACKAGE THREE
SOLICITATION NO.: H08-IR3-2015-005

TERMINAL D – LEVEL 4 – CENTRAL

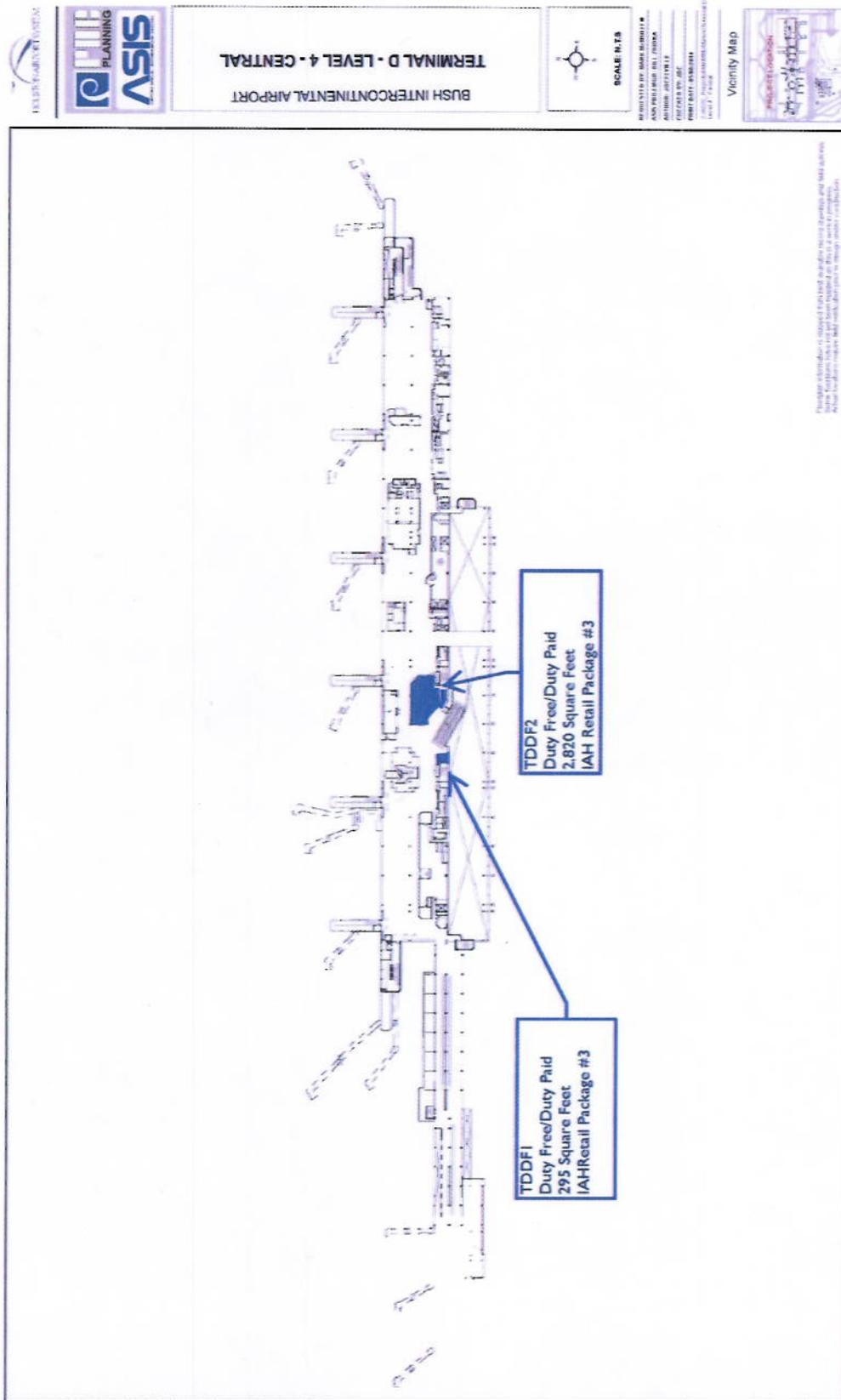


EXHIBIT XXI: "REVISED" PREMISES AVAILABILITY SCHEDULE
SOLICITATION NO.: H08-IR3-2015-005

PREMISES AVAILABILITY SCHEDULE

Packages

Premises Availability Dates

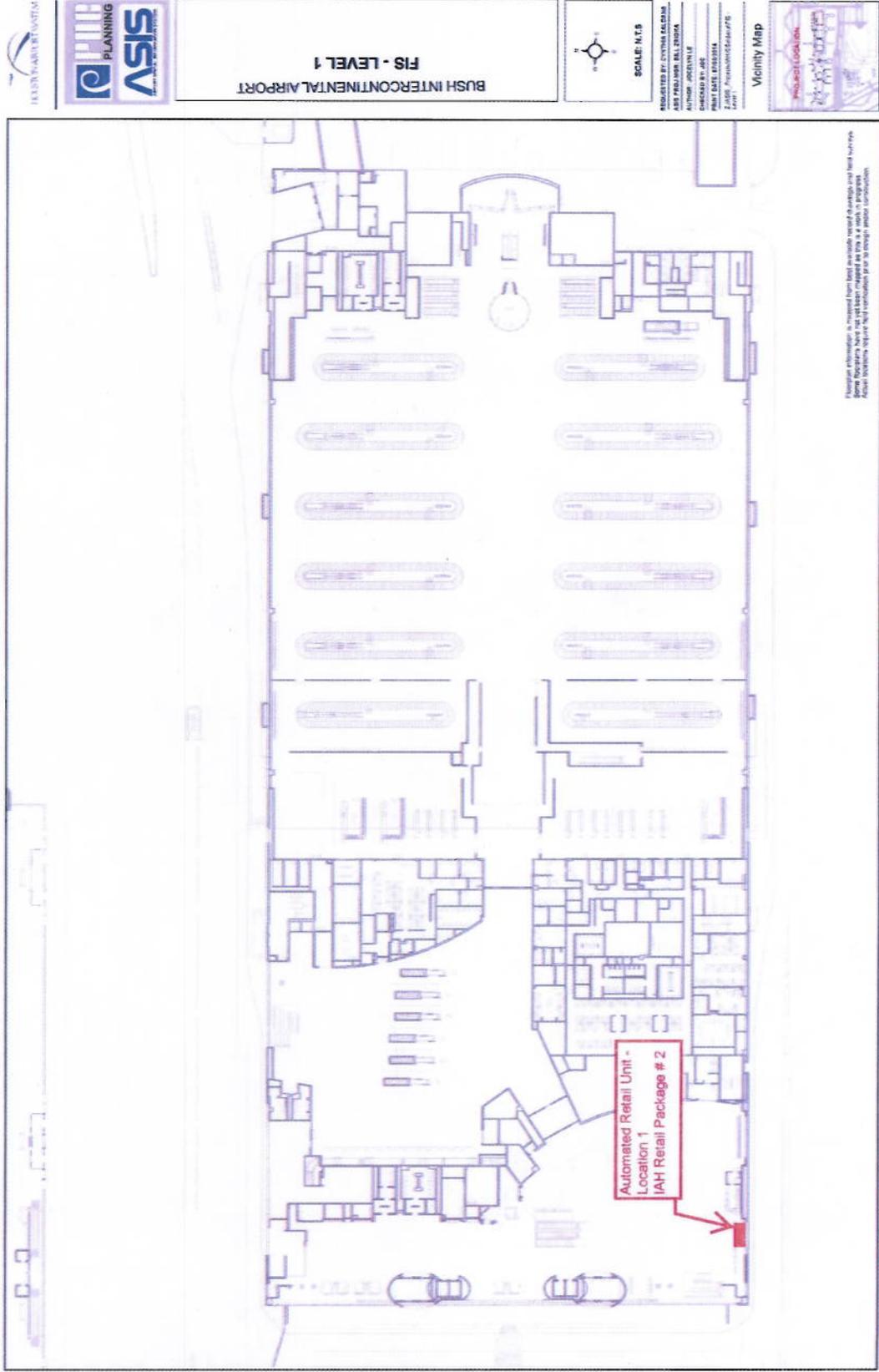
IAH Retail/Duty Free

IAH Retail/DF Package #3

90 days after contract
execution

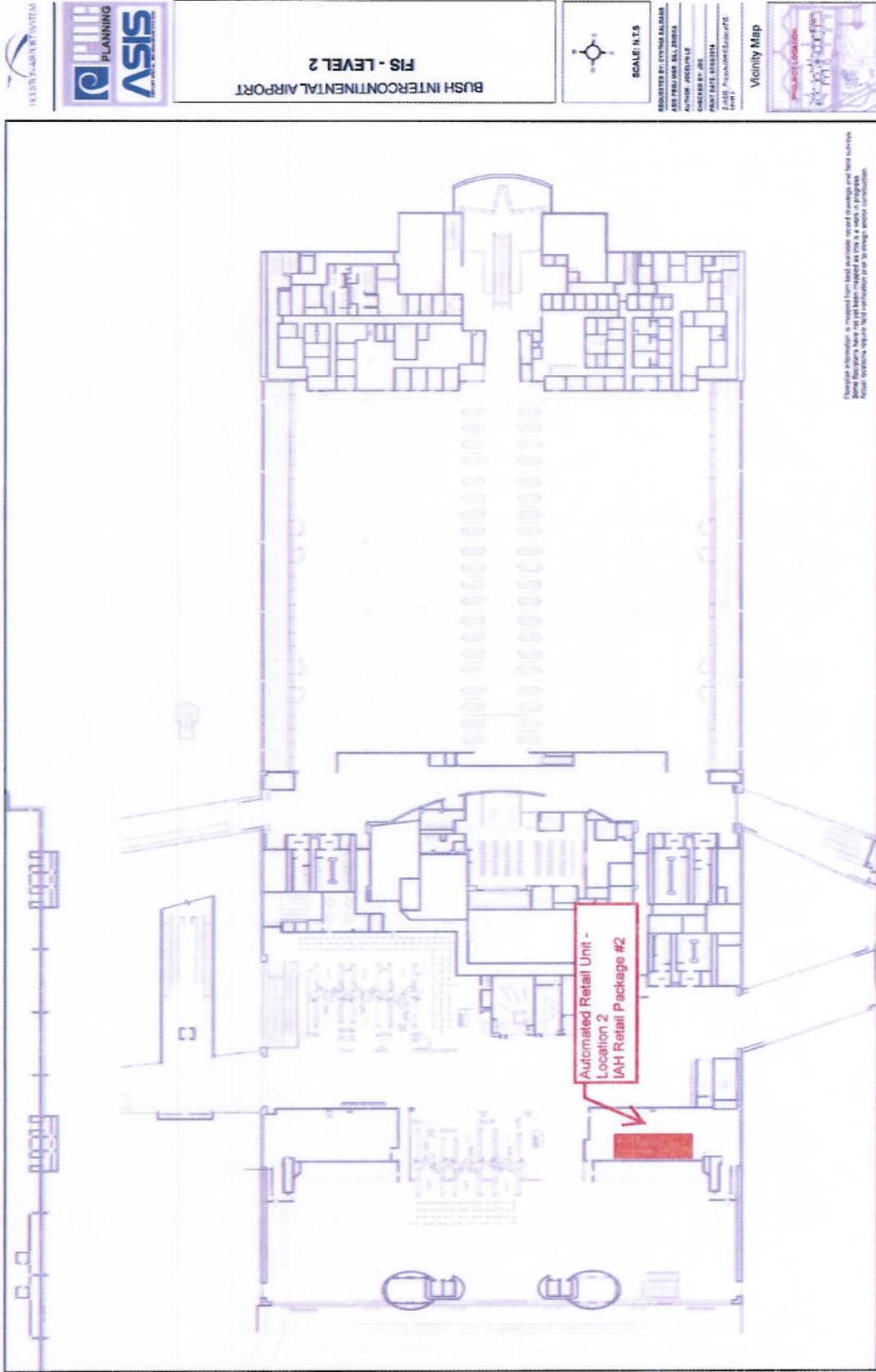
**ATTACHMENT A-2
 MAP OF PREMISES LOCATIONS – AUTOMATED RETAIL
 SOLICITATION NO.: H08-IR2-2015-004**

FIS – LEVEL 1



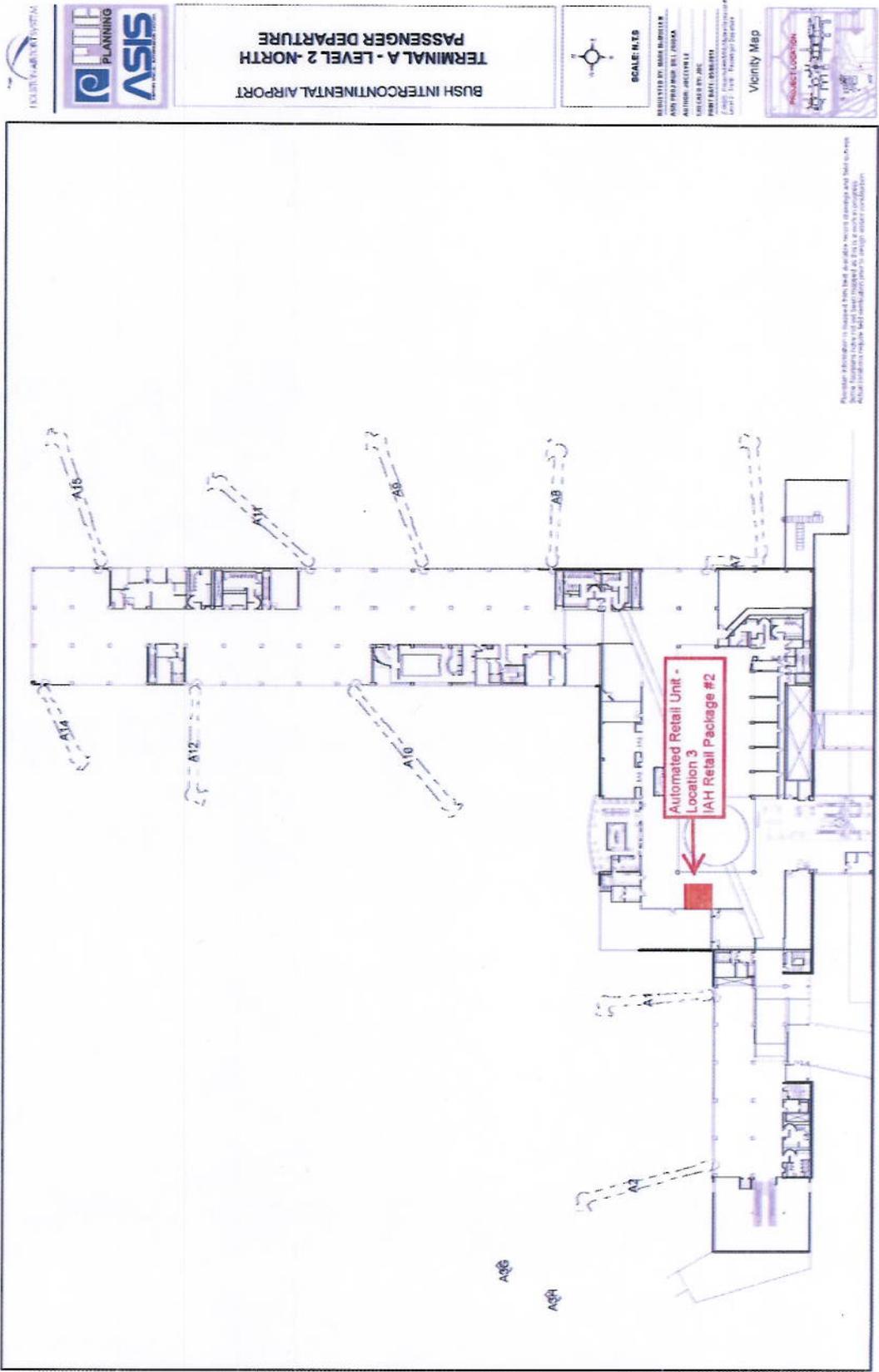
**ATTACHMENT A-2
 MAP OF PREMISES LOCATIONS – AUTOMATED RETAIL
 SOLICITATION NO.: H08-IR2-2015-004**

FIS – LEVEL 2



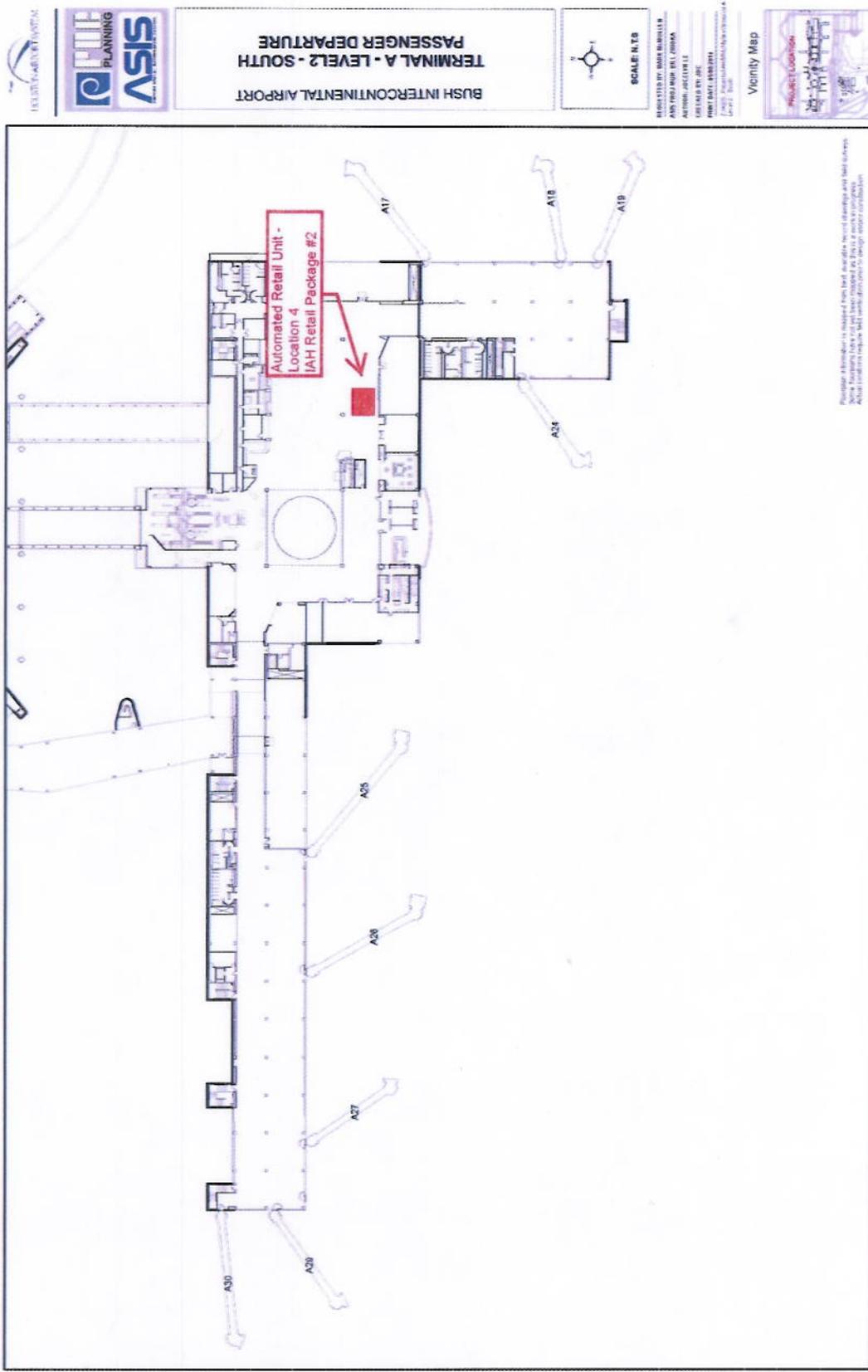
**ATTACHMENT A-2
 MAP OF PREMISES LOCATIONS – AUTOMATED RETAIL
 SOLICITATION NO.: H08-IR2-2015-004**

TERMINAL A – LEVEL 2 – NORTH – PASSENGER DEPARTURE



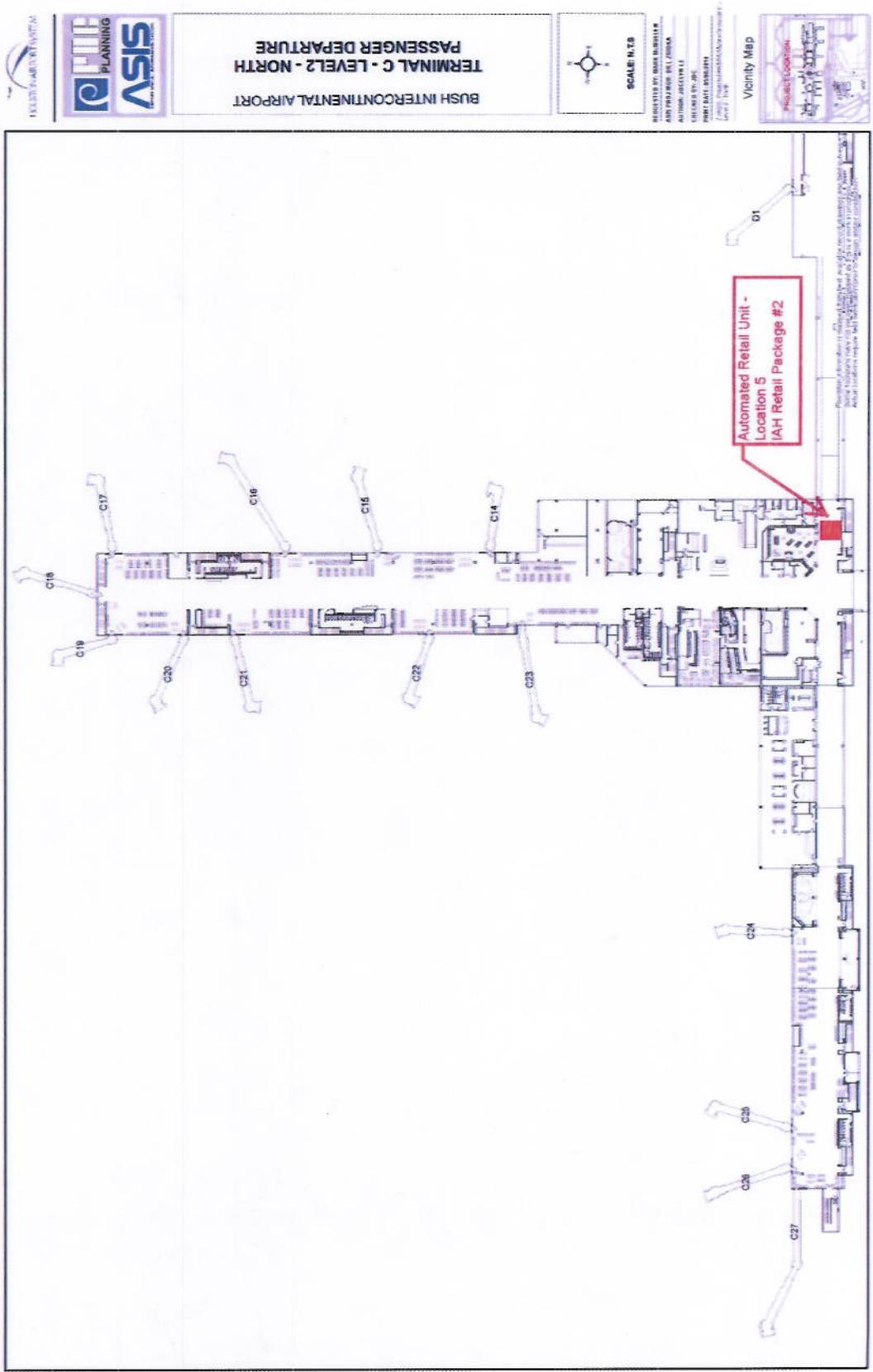
**ATTACHMENT A-2
 MAP OF PREMISES LOCATIONS – AUTOMATED RETAIL
 SOLICITATION NO.: H08-IR2-2015-004**

TERMINAL A – LEVEL 2 – SOUTH – PASSENGER DEPARTURE



**ATTACHMENT A-2
 MAP OF PREMISES LOCATIONS – AUTOMATED RETAIL
 SOLICITATION NO.: H08-IR2-2015-004**

TERMINAL C – LEVEL 2 – NORTH – PASSENGER DEPARTURE



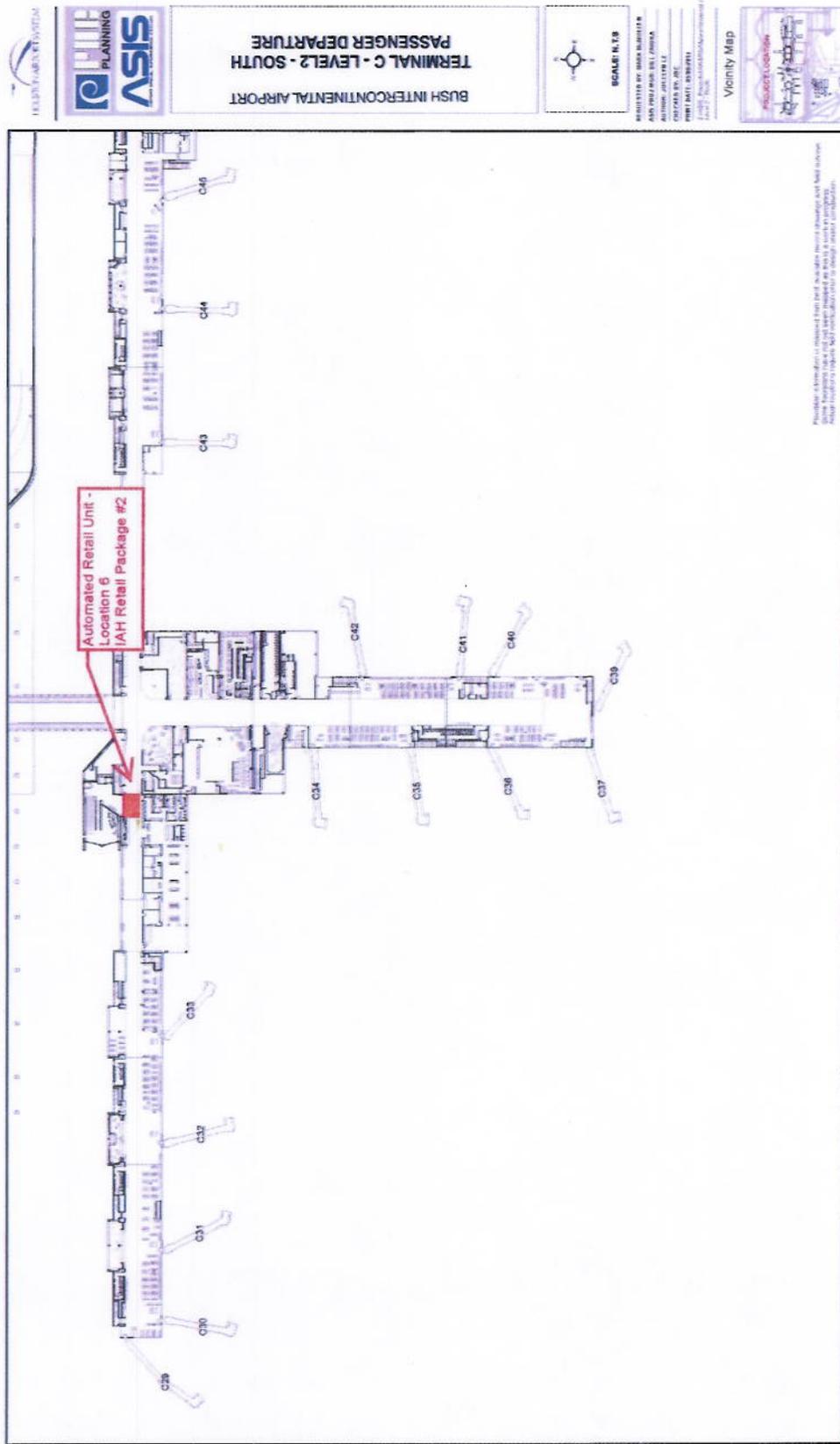




TERMINAL C - LEVEL 2 - NORTH
PASSENGER DEPARTURE
 BUSH INTERCONTINENTAL AIRPORT
 SCALE: N.T.S.
 REQUESTED BY: MARK BARNHILL
 ARCHITECT: PHIP PLANNING
 AUTHOR: JACQUELYN LE
 CHECKED BY: JBC
 PRINT DATE: 08/07/2014
 Level: 2 - Top
 Project Location

ATTACHMENT A-2
MAP OF PREMISES LOCATIONS – AUTOMATED RETAIL
SOLICITATION NO.: H08-IR2-2015-004

TERMINAL C – LEVEL 2 – SOUTH – PASSENGER DEPARTURE



**ATTACHMENT C-2:
ENPLANEMENTS - PASSENGERS DESTINATION BY TERMINAL
SOLICITATION NOS.: H08-IR1-2015-003, H08-IR2-2015-004, and H08-IR3-2015-0005**

CAMPUS	TERMINAL	REGION	2013	2014	Grand Total
IAH	Terminal A	0 USA	2741585	3078010	5819595
		1 US Territories	0	0	0
		2 Mexico	281	441	722
		3 Latin America	0	0	0
		4 Carribean (Non US)	0	0	0
		6 Canada	123470	126226	249696
		Terminal A Total		2865336	3204677
	Terminal B	0 USA	3636990	3365559	7002549
		2 Mexico	566216	564876	1131092
		4 Carribean (Non US)	1153	3695	4848
		6 Canada	58192	55080	113272
		Terminal B Total		4262551	3989210
	Terminal C	0 USA	6155659	6375566	12531225
		1 US Territories	33913	24670	58583
		2 Mexico	22839	58724	81563
		3 Latin America	69130	88457	157587
		4 Carribean (Non US)	1291	9293	10584
		5 Europe	16134	27104	43238
		6 Canada	158884	189049	347933
		7 Asia	258	0	258
		9 Africa	0	3195	3195
		Terminal C Total		6458108	6776058
	Terminal D	0 USA	86929	4186	91115
		1 US Territories	0	0	0
		10 Middle East	173987	178137	352124
		2 Mexico	106295	132131	238426
		3 Latin America	28900	27839	56739
		4 Carribean (Non US)	43	0	43
		5 Europe	481993	557114	1039107
		6 Canada	388	55	443
		7 Asia	38113	104203	142316
		9 Africa	16580	17424	34004
	Terminal D Total		933228	1021089	1954317
Terminal E	0 USA	2680576	2495337	5175913	
	1 US Territories	28603	39713	68316	
	2 Mexico	674484	667203	1341687	
	3 Latin America	1167621	1194056	2361677	
	4 Carribean (Non US)	113539	121768	235307	
	5 Europe	285796	298325	584121	
	6 Canada	142689	152048	294737	
	7 Asia	89880	101233	191113	
	9 Africa	53522	47725	101247	
	Terminal E Total		5236710	5117408	10354118
Terminal X	0 USA	270	289	559	
Terminal X Total		270	289	559	
IAH Total		19756203	20108731	39864934	
Grand Total		19756203	20108731	39864934	