



Request for Proposals

Terminal 1 Food and Beverage Concession Leases

City and County of San Francisco
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Airport Commission

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December 2017



**San Francisco
International
Airport**

**Terminal 1 Food and Beverage Concession Leases Request for Proposals
SCHEDULE****All times are San Francisco Time**

<u>ACTIVITY</u>	<u>DATE / TIME / LOCATION</u>
Informational Conference:	Wednesday, January 24, 2018 10:00 a.m. <i>and</i> 1:30 p.m. Aviation Museum and Library International Terminal Departures Level San Francisco International Airport
Deadline for submission of questions or requests for clarification:	Friday, February 9, 2018 2:00:00 p.m.
Request for Proposals Web Portal Open for Submittals at: http://www.flysfo.com/business-at-sfo/current-opportunities	Wednesday, April 25, 2018 2:00:00 p.m.
Submittal Deadline:	Wednesday, May 2, 2018 2:00:00 p.m.
Proposal Submittal Location:	San Francisco International Airport Request for Proposals Web Portal
Proposal Bond Submittal Location:	Revenue Development and Management 575 North McDonnell Road, Suite 3-329 San Francisco International Airport San Francisco, CA 94128* Attn: Leo Fermin Chief Business and Finance Officer <u>*Please note - the United States Postal Service (USPS) does not deliver to this address. Use an alternative delivery service or method.</u>
Estimated Concession Award Date:	August 2018

This schedule is subject to change at the sole discretion of the Airport.

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PART I – CONCESSION OPPORTUNITY

Please note that the terms of this Concession Opportunity, including the provisions relating to rent, lease term, deposit, insurance, and operational and merchandise requirements, are described in more detail in the Lease included as Part IX – Lease.

1. Introduction

This Request for Proposals (this “**RFP**”) and the Informational Conference are intended to inform interested parties about the competitive selection process for this Concession Opportunity at the San Francisco International Airport (“**SFO**” or the “**Airport**”). It is anticipated that the selection process will take several months, culminating with the Airport Commission’s award of nine separate food and beverage leases.

Definitions of keys terms used in this RFP are detailed in **Appendix A**.

2. Airport Concession Program

The San Francisco Bay Area evokes colorful images for tourists and business travelers – the Golden Gate Bridge, fine restaurants, elegant hotels, world class and cutting edge retail, the Museum of Modern Art, sail boats on the Bay, the Palace of Fine Arts, wine country, Stanford University, beautiful natural surroundings, and Alcatraz Island. SFO is often the first and last impression travelers have of San Francisco.

The Airport continually seeks new concessions to maximize goods and services available to passengers and to reflect the unique offerings and flavors of the San Francisco Bay Area region. The Airport Commission is committed to the participation of local owners featuring local concepts in its concession opportunities. SFO’s food and beverage program is largely local, featuring fresh ingredients and enticing restaurateurs. The retail program provides a thoughtful mix of both local flavor and national and international brands. Traveler services include ATMs throughout the terminals, spas, a travel agency and baggage storage operation, showers, and a medical clinic. Further amenities include an Airport Museum, a dynamic art collection throughout the terminals, free WiFi, yoga rooms and laptop workstations.

3. Description of the Lease

In participating in this selection process, each Proposer will be seeking to operate a concession at the Airport pursuant to the Lease (see Part IX). The Lease describes the business and operational requirements of this Concession Opportunity, including the premises, rent, lease term, deposit, insurance requirements, nondiscrimination requirements, and other important provisions.

The Airport Commission strongly encourages each Proposer to review the Lease carefully. The Airport Commission reserves the right to revise the form of the Lease prior to its execution to (a) reflect the Concession Opportunity developed pursuant to this RFP, (b) incorporate any City requirements adopted or deemed applicable after

the drafting of such Lease, and (c) incorporate any other non-material provisions desired by the Airport Commission.

4. Summary of Lease Terms

- a. Term. The base term for all Leases is approximately ten (10) years, plus a period of up to one hundred fifty (150) days for construction of tenant improvements.
- b. Permitted Use. The non-exclusive sale of food and beverage items for immediate consumption, as more particularly described on Exhibit B of the Lease. The successful Proposer shall operate the Premises in strict conformity with the Permitted Use requirements of the Lease.
- c. Rent. For each year of the Lease, the base rent shall be the greater of the Minimum Annual Guarantee ("MAG") or the sum of the percentage rent structured as follows:

For Leases 1, 2, 3, 5, 6, and 7:

- 8% of Gross Revenues achieved up to and including \$500,000.00; plus
- 10% of Gross Revenues achieved from \$500,000.01 up to and including \$1,000,000.00; plus
- 12% of Gross Revenues achieved over \$1,000,000.00.

For Leases 4, 8, and 9:

- 8% of Gross Revenues achieved up to and including \$1,500,000.00; plus
- 10% of Gross Revenues achieved from \$1,500,000.01 up to and including \$2,000,000.00; plus
- 12% of Gross Revenues achieved over \$2,000,000.00.

The MAG for the first year of the Lease shall be as follows:

- Lease 1 – \$365,000.00
- Lease 2 – \$365,000.00
- Lease 3 – \$475,000.00
- Lease 4 – \$600,000.00
- Lease 5 – \$310,000.00
- Lease 6 – \$385,000.00
- Lease 7 – \$240,000.00
- Lease 8 – \$475,000.00
- Lease 9 – \$620,000.00

The MAG is adjusted annually pursuant to Section 4 of the Lease.

Additional rent includes a promotional charge, utilities and taxes. Office and storage spaces are available for a fee under a separate permit with the Airport.

- d. Deposit Amount. During the life of the Lease, the successful Proposer is required to maintain a deposit calculated at **one-half (1/2) of the MAG**, as may be adjusted pursuant to the Lease.
- e. Minimum Investment Amount. **One Thousand Dollars (\$1,000.00)** per square foot of the Premises, or an amount sufficient to meet the Airport's design standards.

Proposers should pursue professional advice on the cost of retail construction in the San Francisco area and, in particular, in an airport. The design must be in compliance with San Francisco International Airport Tenant Guidelines and approved by the Airport Design Review Committee. Based upon unaudited reports from tenants, recent concession build-outs have ranged from approximately Four Hundred Fifty Dollars (\$450) to One Thousand Two Hundred Dollars (\$1,200) per square foot.

5. Premises (Drawings are included in Part IX – Lease)

Lease 1 – Approximately 1,191 sq. ft.

Lease 2 – Approximately 1,163 sq. ft.

Lease 3 – Approximately 1,600 sq. ft.

Lease 4 – Approximately 2,944 sq. ft.

Lease 5 – Approximately 1,278 sq. ft.

Lease 6 – Approximately 781 sq. ft.

Lease 7 – Approximately 724 sq. ft.

Lease 8 – Approximately 2,115 sq. ft.

Lease 9 – Approximately 2,982 sq. ft.

An adjustment to the MAG will not be made should the final square footage differ from that published hereunder.

6. Airport Concession Disadvantaged Business Enterprise Program

The Airport Commission is committed to the participation of small businesses, including certified Airport Concession Disadvantaged Business Enterprises (**ACDBEs**) as primes, joint-ventures, and/or sublessees in its concessions, including this Concession Opportunity. The Airport has established an ACDBE program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 23. It is the policy of SFO to ensure that ACDBEs, as defined in Part 23, have an equal opportunity to receive and participate in concession opportunities. SFO has established an overall ACDBE participation goal of 11.4%. In order to be counted toward the Airport's overall **ACDBE** goal a small business must be certified

as an ACDBE at time of award by a certifying agency within the California Unified Certification Program (**CUCP**), in accordance with 49 CFR Part 23.

An ACDBE is defined as a "concession that is a for-profit small business concern that is: (1) at least 51% owned by one or more individuals who are both socially and economically disadvantaged...." and (2) "whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it."

The Airport's ACDBE program is overseen by the Airport's Small Business Affairs Office (SBAO). SBAO serves as an advocate and information disseminator for small and disadvantaged businesses, and initiates policies and activities to maximize their participation in Airport opportunities. Additional information may be obtained by calling the Airport Small Business Affairs Office at (650) 821-5021 or at <http://www.flysfo.com/business-at-sfo/small-business-affairs-office> .

7. Limitation of Total Airport Leases

The Airport Commission has established a policy limiting the number of current leases, both food/beverage and retail, held by any one individual or entity to **eight (8)**. For the purposes of this policy, "individual" or "entity" means *any* level of ownership in a lease of an Airport tenant. Proposals received from an entity or individual holding eight leases as of the Submittal Deadline will be rejected. *Sublease agreements under the Duty Free contract are excluded from this policy*

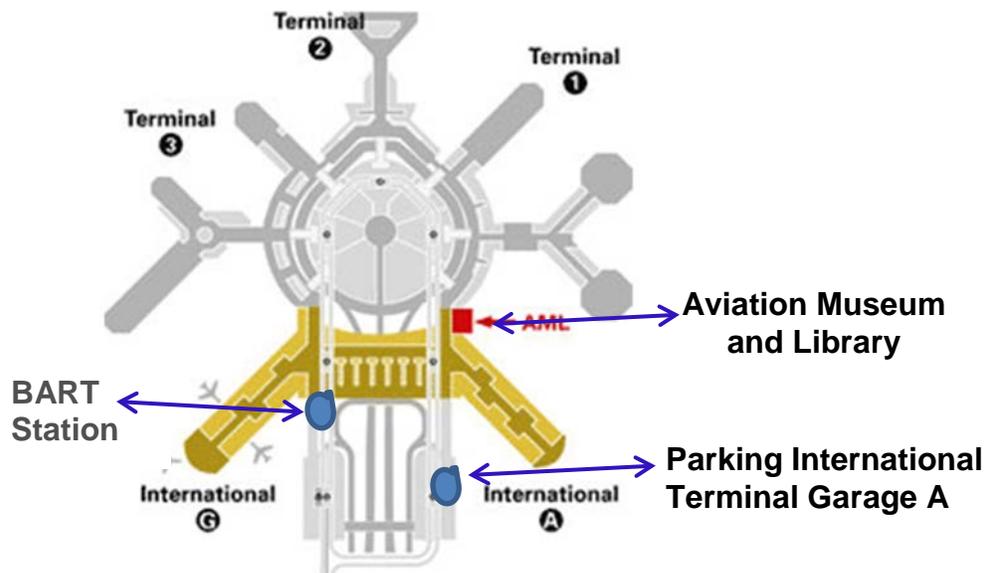
PART II – INSTRUCTIONS TO PROPOSERS

1. Informational Conference

Proposers are encouraged to attend the Informational Conference where questions regarding this RFP will be addressed and any new information will be provided. The Informational Conference will be held at the date, time and location specified on the Schedule.

The Airport will keep a record of all parties who attend the Informational Conference, which information may be posted or made publicly available. Questions raised at the Informational Conference may be answered orally, provided, however, that any oral response will not alter the specifications, terms or conditions of the RFP. Substantive questions and requests for clarification must be submitted in writing as specified in Part II.2 below.

***Directions to Informational Conference:**



Directions to Aviation Museum and Library:

<http://www.flysfo.com/museum/aviation-museum-library/hours-directions>

By BART

Visit www.BART.gov for schedule. The BART station at SFO is in the International Terminal, Departures Level (Level 3). Exit the Bart station and cross the Main Hall past the airline ticket counters toward Boarding Area A. Just before the security checkpoint entrance at Boarding Area A, turn to the left and proceed a few steps to the Aviation Museum and Library entrance.

By Car

From Highway 101 North or South, take the airport exit. You can park in either the International Garages A or the Domestic Garage. Proceed to International Terminal, Departures Level (this is Level 3 in the International Terminal) by AirTrain to the International Terminal A station or by foot. At the entrance to Boarding Area A, just before the security check point, turn to the left and proceed a few steps to the Aviation Museum and Library entrance.

For additional information on ground transportation to SFO, please visit <http://www.flysfo.com/to-from/overview>

From Within the Airport

Proceed to the International Terminal Departures Level (Level 3). The museum is before and to the left of the security checkpoint entrance for Boarding Area A.

Contact Information

Telephone: 650.821.9900 (or 1-9900 on any airport courtesy telephone)

2. Deadline for Questions/Clarifications Concerning the RFP

Any questions or requests for clarification of the RFP, whether submitted before or after the Informational Conference, must be in writing, and any substantive replies will be issued through a Questions and Answers document posted on-line at <http://www.flysfo.com/business-at-sfo/current-opportunities> .

No questions or requests for clarification will be accepted after the deadline specified on the Schedule. Questions and requests for clarification of the RFP must be directed to:

Tomasi Toki
Principal Property Manager
Email: tomasi.toki@flysfso.com
Facsimile: (650) 821-4519
Mail: Revenue Development and Management
575 North McDonnell Road, Suite 3-329
San Francisco, CA 94128

3. Time and Place for Submission of Proposals

In order to qualify for this RFP, a Proposer must submit an electronic Proposal and an original Proposal Bond at the locations specified and prior to the deadlines set forth in subsections (a) and (b) below.

(a) Electronic Proposal. Proposals must be received through the Airport's Request for Proposals Web Portal (RFP Web Portal) prior to the Submittal Deadline specified on the Schedule. The Airport will only accept Proposals that have been submitted through the RFP Web Portal. The Airport will not accept Proposals submitted by other means, including by hand, delivery service, mail, fax or email. The RFP Web Portal will open on the date and time specified on the Schedule and will close on the Submittal Deadline specified on the Schedule.

(b) Original Proposal Bond. An **original** Proposal Bond must be received at the Proposal Bond Submittal Location specified on the Schedule prior to the Submittal Deadline specified on the Schedule. The Airport will not accept Proposal Bonds submitted by fax or email or through the RFP Web Portal. The outside of the envelope containing the Proposal Bond should identify the Proposer and be labeled as "**Lease Name and Number**".

With the exception of the original Proposal Bond, no materials will be returned.

If the Proposal Bond is not an original, the Proposal will be rejected. If a Proposer submits a timely Proposal and a late Proposal Bond, the Proposal will be rejected.

PART III – SUBMISSION REQUIREMENTS

1. Proposal Format

The Proposal shall be prepared (without variance) in the format described below.

All files must be submitted in Portable Document Format (.pdf). No individual file can exceed two (2) Gigabytes (GB). Please follow the directions found at the Airport's RFP Web Portal for further details. One video of no longer than ninety (90) seconds may be included, but is not required. If a video is submitted it must be in Movie Picture Expert Group Layer 4 (.mp4) format.

Electronic files should be loaded as separate files for each document comprising the Proposal, not one long file. Each file should be generally organized using the numbered sections of the Required Proposal Content, below, as well as separate files for each of the required Submittal Forms.

Do not add any pictures, narrative or information other than what is requested.

2. Proposal Content (Please Read Carefully)

In order for your Proposal to be deemed responsive to this RFP, it must be complete, accurate, and contain all of the information requested below. Omission, inaccuracy, misstatement or failure to submit any or all of the items required by this RFP may be cause for rejection of the Proposal.

REQUIRED PROPOSAL CONTENT:

1: Cover Letter

Each Proposer must submit a letter of introduction and executive summary of the Proposal. The letter must be signed by a person authorized by the proposing firm to obligate the firm to perform the commitments contained in the Proposal. Submission of the letter will constitute a representation by the Proposer that the Proposer is willing and able to perform the commitments contained in the Proposal.

2: Table of Contents

3: Statement of Minimum Qualifications (use Submittal A, attached)

The Statement of Minimum Qualifications is required to establish that the Proposer is responsible and meets the Minimum Qualifications of this RFP as set forth below. The Statement of Minimum Qualifications must be accompanied by the supporting documentation specified in the attached Submittal A, including three (3) reference letters.

The Minimum Qualifications for this Concession Opportunity are:**For Leases 1, 2, 3, 4, 5, 6, 7, 8, and 9:**

- a. Proposer must have a minimum of three (3) years within the past five (5) years (“**qualifying years**”) in the ownership or management of a restaurant (“**qualifying business**”).
- b. Proposer may be a newly-formed entity (e.g., limited liability companies, joint ventures, corporations) provided that such newly-formed entity is duly organized and validly existing prior to the Submittal Deadline and the Airport is satisfied that the Proposer is qualified as follows: each of the principals (e.g., LLC members, joint venture partners, corporation shareholders) who own an aggregate of 51% or more of Proposer must satisfy the minimum qualification requirements. For example, if the newly-formed entity is:
 - i. a limited liability company comprised of two members, owning 51% and 49% respectively, the entity will be deemed qualified if the 51% member satisfies the minimum qualification requirements; or
 - ii. a limited liability company comprised of three members, owning 40%, 35%, and 25% respectively, the company will be deemed qualified if two of the three members each satisfy the minimum qualification requirements; or
 - iii. owned 50/50, then each principal must satisfy the minimum qualification requirements.

The Airport must be satisfied that the party(ies) satisfying the minimum qualification requirements will be in control of the proposing entity. Newly-formed entities cannot meet this RFP’s minimum qualifications through a sublease agreement.

c. For Leases 1, 2, 3, 5, 6, and 7:

Proposer’s qualifying business must have achieved gross sales of at least One Million Dollars (\$1,000,000.00) per qualifying year from a single restaurant location.

For Leases 4, 8, and 9:

Proposer’s qualifying business must have achieved gross sales of at least Two Million Dollars (\$2,000,000.00) per qualifying year from a single restaurant location.

For purposes of determining whether a Proposer has the desired business experience, Airport Commission staff will consider (a) the nature of the Proposer’s management experience, which is managing the operation of a qualifying business on a full-time basis (i.e. at least 40 hours a week), or (b) the nature of the Proposer’s ownership of a qualifying business, the level of control enjoyed by the

Proposer, and whether the Proposer's ownership interest is active (such as managing general partner) or passive (such as limited partner).

4: Statement of Ability to Comply with Governmental Requirements (use Submittal B, attached)

The successful Proposer will be required to enter into the Lease, which sets forth standard terms and conditions of the Airport Commission, including those required by applicable local, state, and federal law. Many of the codes referenced herein, including the San Francisco Charter and the San Francisco Administrative Code, are available online at <http://www.municode.com>.

As part of its Proposal, each Proposer must submit an executed Statement of Ability to Comply with Governmental Requirements demonstrating that it has reviewed and understands the San Francisco ordinances and other governmental provisions referenced in this RFP and the Lease and that there is nothing impeding its ability to comply with such requirements should it be awarded the Lease.

5: Proposal Description (use Submittal C, attached)

Proposer must provide information responsive to the Evaluation Criteria set forth in Submittal C, detailing Proposer's concept, design intention and capital investment, customer service and quality control, and business plan. This section shall be no greater than 40 pages.

6: Financial Pro Forma (use Submittal D, attached)

The Financial Pro Forma must be completed and submitted using the format presented in Submittal D showing five years of projected sales, revenue to the Airport, expenses, and net income. The Financial Pro Forma should demonstrate an understanding of the proposed Lease and will be considered for its reasonableness, the viability of the proposed operation and financial offer, and the ability to fund continuing operations from the cash flow generated by the operation.

If multiple locations are included in the proposed Lease, a Financial Pro Forma must be included for each individual location and a Summary Financial Pro Forma must be included which totals all the individual locations.

7: Proposal Bond (use Submittal E attached)

Proposer must submit a Proposal Bond in the following amount for each Lease:

Lease 1 – \$37,000.00

Lease 2 – \$37,000.00

Lease 3 – \$48,000.00

Lease 4 – \$60,000.00

Lease 5 – \$35,000.00

Lease 6 – \$38,000.00

Lease 7 – \$35,000.00

Lease 8 – \$47,000.00

Lease 9 – \$62,000.00

The Proposal Bond must be an **original** and may be in the form of a Surety Bond or a Letter of Credit, samples of which are included in Submittal E. If the Proposal Bond requirement is for less than \$250,000, the Proposal Bond may also be in the form of a cashier's check. Proposals that do not include an **original** Proposal Bond in the form of a surety bond, letter of credit or, if under \$250,000, a cashier's check, will be rejected.

The Proposal Bond must be valid for a minimum of **six months** after the Submittal Deadline.

The Proposal Bond will be held to guarantee execution of the Lease. The Proposal Bond or the cash proceeds thereof will be retained by the Airport Commission as liquidated damages in the event the successful Proposer fails to execute the Lease. With the consent of the Airport Director, the Proposal Bond may be amended to serve as the deposit under the Lease. The Proposal Bond of an unsuccessful Proposer will be returned within a reasonable period of time following award of the Lease or rejection of the Proposal. Proposers submitting cashier's checks must submit a "Return of Funds" request form which can be found at: <https://sfoconnect.com/forms-documents>.

8: Statement of Commitment to Labor Harmony (use Submittal F, attached)

Proposer must execute and submit written acknowledgement that it has reviewed and understands Airport Commission's labor peace/card check rule and agrees to join the Airport Restaurant Employers Council, using the form attached as Submittal F.

PART IV– EVALUATION AND AWARD PROCESS

1. Proposal Evaluation Process

To participate in the RFP process, each Proposer must submit its Proposal prior to the Submittal Deadline through the RFP Web Portal and submit its Proposal Bond prior to the Submittal Deadline at the Proposal Bond Submittal Location.

Each Proposal will first be reviewed by staff to ensure: (1) that the Proposal is responsive to the RFP (includes all of the required submittals and reflects the Concession Opportunity); and (2) that the Proposer is responsible (meets the Minimum Qualifications defined in Part III.2, as shown through its Statement of Minimum Qualifications and supporting documentation). If a Proposal is deemed non-responsive or the Proposer is deemed non-responsible, the Proposal will be rejected.

If the Proposal is deemed responsive and the Proposer is deemed responsible, the Proposal will then be reviewed and evaluated by an evaluation panel against the Evaluation Criteria set forth in Submittal C.

2. Oral Interview

Staff may elect to invite responsive and responsible Proposers, or a short list of the highest ranking responsive and responsible Proposers, to an oral interview. The interview will consist of standard questions asked of each of the invited Proposers. Evaluation panelists will then have an opportunity to revise their scores before submitting a final score.

3. Lease Award

Following the panel's evaluation of the Proposals, the panel's final scores will be presented to the Airport Commission, which retains the authority to select the successful Proposer. Please note that certain concession leases also require approval from the San Francisco Board of Supervisors and the Mayor, each acting in their sole discretion.

The Airport intends to award the Lease to the firm that it considers to be the highest-ranked, most responsive and responsible Proposer. If the selected Proposer fails execute the Lease within the period of time determined by the Airport, the Commission, in its sole discretion, may elect to award the Lease to the next highest ranked Proposer. The selection of any Proposal shall not imply acceptance by the City of all terms of the Proposal.

4. Protest of Non-responsiveness or Non-Responsibility Determination

Within five business days of the City's issuance of a notice of non-responsiveness and/or non-responsibility, any firm that has submitted a Proposal and believes that the City has incorrectly determined that its Proposal is non-responsive or that it is non-responsible may submit a written notice of protest. Such notice of protest must be received by the City on or before the fifth business day following the City's issuance of the notice.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

5. Protest of Award

Within five business days of the City's issuance of a notice of the results of the RFP, any responsible Proposer that has submitted a responsive Proposal and believes that the City has incorrectly selected another Proposer for award may submit a written notice of protest. Such notice of protest must be received by the City on or before the fifth business day after the City's issuance of the results of the RFP.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

6. Delivery of Protests

All protests must be received by the due date specified above. If a protest is mailed, the protestor bears the risk of non-delivery within the deadlines. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests must be in writing and delivered to the Submittal Location stated on the Schedule. Protests made orally (e.g., by telephone) will not be considered.

PART V – RFP GENERAL INFORMATION

1. Internet Access and Paper Copies of RFP Documents

A number of websites are referenced in this RFP and certain forms which are required from the successful Proposer are available at those websites. In an effort to be environmentally responsible, it is the City's intent to limit paper documents where possible. If you do not have access to websites identified in this RFP, please contact the Airport's Revenue Development and Management Office for assistance. Paper copies may be provided and, in some cases, ten cents per page may be charged.

2. Errors and Omissions in RFP

Proposers are responsible for reviewing all portions of this RFP. Proposers are to promptly notify the Airport's Revenue Development and Management Office, in writing, if the Proposer discovers any ambiguity, discrepancy, omission, or other error in the RFP. Any such notification should be made no later than five business days prior to the Submittal Deadline.

3. Objections to RFP Terms

Should a Proposer object on any ground to any provision or legal requirements set forth in this RFP, the Proposer must, not more than 10 calendar days after the RFP is issued, provide written notice to the Airport's Revenue Development and Management Office setting forth with specificity the grounds for the objection. The failure of a Proposer to object in the manner set forth in this paragraph shall constitute a complete and irrevocable waiver of such objection.

4. Modifications to RFP

The Airport Commission may modify the RFP, prior to the Submittal Deadline, by issuing an addendum or addenda, which will be posted on-line at <http://www.flysfo.com/business-at-sfo/current-opportunities>. The Airport Commission will make reasonable efforts to notify Proposers in a timely manner of modifications to the RFP.

Notwithstanding this provision, the Proposer is responsible for ensuring that its Proposal reflects any and all addenda issued by the Airport Commission prior to the Submittal Deadline regardless of when the Proposal is submitted. Therefore, the Airport Commission recommends that the Proposer consult the website frequently, including shortly before the Submittal Deadline, to determine if the Proposer has downloaded all addenda.

5. Term and Warranty of Proposal

The Proposal will remain subject to the Airport Commission's acceptance for 120 calendar days after the Submittal Deadline, or such later date as may be agreed upon by the parties. Submission of a Proposal signifies that the financial offer is genuine and not the result of collusion or any other anti-competitive activity. In submitting its Proposal, a Proposer agrees that (a) if the Proposal is accepted, Proposer will execute a lease substantially in the form of the Lease on or before the deadline specified by the Airport Commission; and (b) Proposer accepts all of the

terms and conditions of this RFP, including the Lease. Failure to timely execute the Lease, or to furnish any and all insurance certificates and policy endorsements, deposits, or other materials required in the Lease, shall be deemed an abandonment of a Proposal. In such case, the Airport Commission, in its sole discretion, may select another Proposer and may proceed against the original selectee for damages.

6. Revision of Proposal

A Proposer may revise its Proposal on the Proposer's own initiative at any time before the Submittal Deadline. The Proposer must submit the revised Proposal in the same manner as the original. A revised Proposal must be received on or before the Submittal Deadline. In no case will a statement of intent to submit a revised Proposal, or commencement of a revision process, extend the Submittal Deadline for any Proposer. If multiple Proposals are received from the same Proposer for the same lease, the Airport will only evaluate the last one received before the Submittal Deadline. At any time during the proposal evaluation process, the Airport Commission may require a Proposer to provide oral or written clarification of its Proposal. The Airport Commission reserves the right to make an award without further clarification of Proposals received.

7. Errors and Omissions in Proposal

Failure by the Airport Commission to object to an error, omission, or deviation in the Proposal will in no way modify the RFP or excuse the Proposer from full compliance with the specifications of the RFP or the Lease.

8. Financial Responsibility for Cost of Proposal

The Airport Commission accepts no financial responsibility for any costs incurred by a Proposer in responding to this RFP. The Proposal will become the property of the Airport Commission and may be used by the Airport Commission in any way deemed appropriate.

9. Unacceptable Proposals

The Airport Commission considers any of the following causes to be sufficient for disqualification of a Proposer and rejection of a Proposal:

- a. Evidence of collusion among Proposers.
- b. Existence of any unresolved claims between the Proposer and the Airport Commission.
- c. Failure to meet the Minimum Qualifications.
- d. Submittal by any individual or entity holding eight or more leases with the Airport Commission at the time of the Submittal Deadline, including retail, food and beverage, or a combination thereof.
- e. Failure to include all documents and information required by this RFP in a Proposal.

10. Reservation of Rights by the Airport Commission

The issuance of this RFP does not constitute an agreement by the Airport Commission that any contract will actually be entered into by the Airport Commission. The Airport Commission expressly reserves the right, at any time, to:

- a. Waive any defect or informality in any response, proposal, or proposal procedure;
- b. Reject any or all Proposals and any time during the evaluation process;
- c. Request a credit report and additional financial information from each Proposer;
- d. Ask one or more Proposers to clarify information in a Proposal;
- e. Rescind or reissue the RFP;
- f. Prior to the Submittal Deadline, modify all or any portion of the selection procedures or lease terms, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the Proposals;
- g. Select a tenant by other means; or
- h. Determine that no project will be pursued.

11. No Waiver

No waiver by the Airport Commission of any provision of this RFP shall be implied from any failure by the Airport Commission to recognize or take action on account of any failure by a Proposer to observe any provision of this RFP.

12. Sunshine Ordinance

In accordance with San Francisco Administrative Code Section 67.24(e), responses to RFPs shall be open to inspection immediately after the lease has been awarded by the Airport Commission and approved by the Board of Supervisors (if such approval is required). Score sheets shall be open to inspection immediately after evaluation has been completed. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

PART VI – AIRPORT LEASE REQUIREMENTS

1. Standard Lease Provisions

The successful Proposer will be required to enter into a lease substantially in the form of the Lease attached hereto as Part IX. The Lease contains a number of standard lease provisions required of Airport tenants by various local, state and federal laws. Some of these lease provisions are summarized below. Proposers should review the requirements of the Lease in detail prior to submitting a Proposal.

2. Conflicts of Interest

The successful Proposer will be required to agree to comply fully with and be bound by the applicable state and local provisions related to conflicts of interest including Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. The successful Proposer will be required to acknowledge that it is familiar with these laws, certify that it does not know of any facts that constitute a violation of said provisions, and agree to immediately notify the City if it becomes aware of any such fact during the term of the Lease. Individuals who will perform work for the City on behalf of the successful Proposer might be deemed consultants under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within 10 calendar days of the City notifying the successful Proposer that the City has selected the Proposer.

Additional information may be found on the Ethics Commission's website at <http://www.sfethics.org/>.

3. Proposer's Obligations Under the Campaign Reform Ordinance

The successful Proposer will be required to agree to the requirements of Section 1.126 of the S.F. Campaign and Governmental Conduct Code, which states that no person who contracts with the City and County of San Francisco for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling or leasing of any land or building to or from the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and the later of either (1) the termination of negotiations for such contract, or (2) three months have elapsed from the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

If a Proposer is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the Proposer is prohibited from making contributions to:

- the officer's re-election campaign;

- a candidate for that officer's office;
- a committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a contractor approaches any city officer or employee about a particular contract, or a City officer or employee initiates communication with a potential contractor about a contract. The negotiation period ends when a contract is awarded or not awarded to the contractor. Examples of initial contacts include: (1) a vendor contacts a city officer or employee to promote himself or herself as a candidate for a contract; and (2) a city officer or employee contacts a contractor to propose that the contractor apply for a contract. Inquiries for information about a particular contract, requests for documents relating to a Request for Proposals, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:

- a. Criminal. Any person who knowingly or willfully violates section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.
- b. Civil. Any person who intentionally or negligently violates section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.
- c. Administrative. Any person who intentionally or negligently violates section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

For further information, Proposers should contact the San Francisco Ethics Commission at (415) 581-2300 or ethics.commission@sfgov.org.

4. Federal Nondiscrimination Regulations

The successful Proposer will be subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The successful Proposer will agree that it will not discriminate against any business owner because of the owner's race, color, national origin, or gender in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23. The successful Proposer will agree to include the above statements in any subsequent concession agreement or contracts covered by 49 CFR Part 23 that it enters and cause those businesses to similarly include the statements in further agreements.

5. Nondiscrimination in Contracts and Benefits

The successful Proposer will be required to agree to comply fully with and be bound by the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Generally, Chapter 12B prohibits the City and County of San Francisco from entering into contracts or leases with any entity that discriminates in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of employees. The Chapter 12C

requires nondiscrimination in contracts in public accommodation. Additional information on Chapters 12B and 12C is available on the Contract Monitoring Division (CMD) website at: <http://www.sfgsa.org/index.aspx?page=6058> or by calling (415) 581-2310.

6. First Source Hiring Program (FSHP)

Pursuant to Chapter 83 of the San Francisco Administrative Code, the successful Proposer must agree to participate in the City's First Source Hiring Program. Within five business days of the Airport Commission approving the award, Proposer shall submit to the Airport Commission Office of Employment and Community Partnerships, (a) a completed and signed First Source Hiring Agreement and (b) Employer Projection of Entry-Level Job Openings form (Form FSH 01). In the event that the successful Proposer fails to submit timely said First Source Hiring Agreement and Employer Projection of Entry-Level Job Openings form, consideration for this Concession Opportunity award may pass to the next responsive and responsible Proposer at the discretion of the Airport Commission.

Proposers should consult Chapter 83 of San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the FSHP is available from the Airport Employment and Community Partnership Office at (650) 821-5244.

7. Minimum Compensation Ordinance (MCO)

The successful Proposer will be required to agree to comply fully with and be bound by the provisions of the Minimum Compensation Ordinance (MCO), as set forth in S.F. Administrative Code Chapter 12P. Generally, this Ordinance requires contractors to provide employees covered by the Ordinance who do work funded under the contract with hourly gross compensation and paid and unpaid time off that meet certain minimum requirements.

Note that the hourly rate may increase on January 1st of each year and the successful Proposer shall be required to pay any such increases to covered employees during the term of the contract. Additional information regarding the MCO, including the current hourly gross rate, is available on the web at <http://sfgsa.org/index.aspx?page=403>.

8. Health Care Accountability Ordinance (HCAO)

The successful Proposer will be required to agree to comply fully with and be bound by the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in S.F. Administrative Code Chapter 12Q. Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the HCAO is available on the web at <http://sfgsa.org/index.aspx?page=407>.

9. Labor Peace/Card Check Rule

The successful Proposer will be required to agree to comply with the Airport's Labor Peace/Card Check Rule, adopted February 1, 2000, pursuant to Airport Commission

Resolution No. 00-0049 (the "Labor Peace/Card Check Rule"). Capitalized terms not defined in this provision are defined in the Labor Peace/Card Check Rule. To comply with the Labor Peace Card Check Rule, Contractor shall, among other actions: (a) Enter into a Labor Peace/Card Check Agreement with any Labor Organization which requests such an agreement and which has registered with the Airport Director or his/her designee, within 30 days after the Labor Peace/Card Check Agreement has been requested; (b) Not less than 30 days prior to the modification of this Agreement, Contractor shall provide notice by mail to any Labor Organization or federation of labor organizations which have registered with the Director or his/her designee ("registered labor organization"), that Contractor is seeking to modify or extend this Agreement; (c) Upon issuing any request for proposals, invitations to bid, or similar notice, or in any event not less than 30 days prior to entering into any Subcontract, Contractor shall provide notice to all registered Labor Organizations that Contractor is seeking to enter into such Subcontract; and (d) Contractor shall include in any subcontract with a Subcontractor performing services pursuant to any covered Contract, a provision requiring the Subcontractor to comply with the requirements of the Labor Peace/Card Check Rule. If Airport Director determines that Contractor shall have violated the Labor Peace/Card Check Rule, Airport Director shall have the option to terminate this Agreement, in addition to exercising all other remedies available.

10. Labor Harmony

It is of the utmost importance to City and all those occupying or will occupy space at the Airport that there be no interruption in the progress of any construction work, and the successful Proposer will be required to maintain labor harmony in any contract or undertaking which the successful Proposer may make with a contractor for work in the Premises.

11. Local Hiring Policy

The successful Proposer's construction activities under the Lease are subject to the San Francisco Local Hiring Policy (San Francisco Administrative Code Section 23.62) unless the construction activities are estimated to cost less than \$750,000 per building permit or meet any other exemptions. The successful Proposer will be required to agree that, unless subject to an exemption or conditional waiver, it will comply with the obligations in San Francisco Administrative Code Section 23.62 and will require its subtenants to comply with such obligations to the extent applicable.

12. Commuter Benefits Program

The successful Proposer will be required to comply fully with the Airport's Commuter Benefits Program as set forth in Rule 10 of the Airport Rules and Regulations. The Airport is committed to reducing greenhouse gas emissions wherever possible. To support this commitment, all tenants and contractors with 20 or more employees in the United States, and at least one employee at SFO, must provide at least one of the following commuter benefits options to covered employees: a pre-tax election, employer paid transit benefits or employer provided transportation to and from a rail station. Additional information can be found at <http://www.flysfo.com/about-sfo/the-organization/rules-and-regulations>. Tenants with at least 50 employees in the San Francisco Bay Area must comply instead with the Bay Area Commuter Benefits

Program: <https://commuterbenefits.511.org/>. Airport staff will work jointly with the Metropolitan Transportation Commission to ensure participation in the applicable program.

13. Food Service Waste Reduction Ordinance

The successful Proposer will be required to agree to comply fully with and be bound by the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. Additional information may be found on the City's website at <http://www.sfgov2.org/index.aspx?page=886>.

14. Worker Retention Policy

The successful Proposer will be required to agree to the requirements Airport's Worker Retention Policy, as amended by the Airport Commission on February 7, 2017, which, among other things, will, subject to certain limitations, require that a successful Proposer retain certain employees of a predecessor tenant for a 90-day trial employment period. During such trial period, the successful Proposer shall evaluate each employee retained pursuant to the policy. If the employee's performance during such period is satisfactory, the successful Proposer shall offer the employee continued employment. If the employee's performance is determined to be unsatisfactory, such employee may be released from employment and shall be referred to the Airport Employment Center.

15. Green Building Requirements

The successful Proposer will be required to comply with all applicable provisions of Chapter 7 of the San Francisco Environment Code, including those related to Leadership in Energy and Environmental Design (LEED) certification.

PART VII – SUBMITTAL FORMS

Proposal Checklist

- Submittal A** - Statement of Minimum Qualifications
- Submittal B** - Statement of Ability to Comply with Governmental Requirements
- Submittal C** - Evaluation Criteria
- Submittal D** - Financial Pro Forma
- Submittal E** - Proposal Bond Sample Formats
- Submittal F** - Statement of Commitment to Labor Harmony

PROPOSAL CHECKLIST

The following information, forms and documentation must be included in the Proposal.

- Submittal A, Statement of Minimum Qualifications** - Complete and execute the form provided and include the supporting documentation required.
- Submittal B, Statement of Ability to Comply with Governmental Requirements** – Complete and execute the form provided.
- Submittal C, Evaluation Criteria** – Complete and execute the form provided and submit information responsive to the Evaluation Criteria detailing Proposer's concept, design intention, amount and source of capital investment funds, and customer service and quality control.
- Submittal D, Financial Pro Forma** – Complete and execute the form provided.
- Submittal E, Samples of Surety Bond and Letter of Credit Forms** – Submit an original Proposal Bond using one of the two forms provided OR provide an original cashier's check made payable to the City of San Francisco, if the Proposal Bond requirement is for less than \$250,000.
- Submittal F, Statement of Ability to Commit to Labor Harmony** – Complete and execute the form provided.

Submittal A
STATEMENT OF MINIMUM QUALIFICATIONS

Lease Name: _____

A. IDENTITY OF PROPOSING ENTITY

1. Name and contact details of Proposer exactly as it is to appear in the Lease:

Address: _____

Contact Name and Title: _____

Phone No: _____ Fax No: _____

Email: _____

2. The Proposer, if selected, intends to carry on the business as:

- Individual Partnership Joint Venture
- Limited Liability Company Corporation Other (attach explanation)

3. If the Proposer is a Partnership or Joint Venture , attach an executed copy of the Partnership Agreement or Joint Venture Agreement, and answer the following:

Note: If the Proposer is a corporation or limited liability company that meets the Minimum Qualifications and intends to partner or joint venture with a small business, an executed letter of intent **and** copy of the agreement to be executed upon award is sufficient. Partners must be willing to execute the Lease awarded to the Proposer.

(a) Name, address, and share of each partner of the Joint Venture or Partnership:

<u>Name</u>	<u>Address</u>	<u>Share</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) Date of Organization (MM/YY): _____

(c) General or Limited Partnership (if applicable): _____

(d) State of Formation: _____

(e) Registered California? (Y/N) _____ If so, when (MM/YY) _____

4. If the Proposer is a Corporation or Limited Liability Company, attach a copy of the Proposer's Certificate of Good Standing from the State of California (or state of formation), and answer the following:

(a) When incorporated/formed (MM/YY) _____

(b) In what state/country _____

(c) Authorized to do business in California? (Y/N) ____ If so, when? (MM/YY) _____

(d) Name, address, experience in the business, and amount of stock/membership interests held by the following officers. If the officer titles presented below do not exist within your organization, list officers of similar functions and include their actual title with their names:

Officer	Name	Address	Percent of Stock or Interests
President			
Vice President			
Secretary			
Treasurer			
Other			

- (e) Name, address and shares of stock/membership interests held by other “principal” stockholders or members: (A “principal” stockholder or member is defined as a stockholder or member who holds 10% or more of the outstanding stock or membership interests of the corporation or limited liability company.)

Name	Address	Percent of Stock/ Membership Interest

5. Small Business Participation

- (a) Identify small business participation if applicable.

Name	Percent of Ownership or Identify as Sublessee	Identify any/all certifications (SBA, LBE, DBE, ACDBE, etc.)

- (b) Please list any businesses with which you have signed letters of intent or exclusive agreements with for this opportunity that are not part of your proposal.

Name	Address	Identify any/all certifications (SBA, LBE, DBE, ACDBE, etc.)

6. Summary of Experience

Each Proposer must complete the table below with the information necessary to determine if it meets the minimum qualification requirements. Proposer may also submit a narrative response that describes in detail how the Proposer meets the minimum qualification requirements, limited to five (5), double sided pages. **Please follow the same format set forth below for your response.**

a.		Year 1 20__	Year 2 20__	Year 3 20__
	Concept Name			
	Address/Location			
	Sales			
	Owner/Entity			

b. Supporting Documentation: Each Proposer must submit the following information and documentation which supports its qualifications:

- i. Provide the total number of years the Proposer has owned or managed its qualifying business.
- ii. Provide information sufficient to show that the qualifying business specializes in the concept by summarizing the product categories or items, relative to the concept. Items listed must be reflective of the Use and Operational Requirements of **Exhibit B** of the Lease as attached to this RFP document.

Acceptable forms of information will include, but not be limited to sales reports, narrative description, store layout maps with product categories identified and accompanying photos or any other information that will indicate that the qualifying business specializes in the proposed concept.

- iii. Provide evidence of ownership or management experience for each of the qualifying years, which evidence must be reasonably satisfactory to the Airport Commission.

Consider submitting one or more of the following items:

Ownership

- Organizational documents, such as joint venture/partnership agreement, corporate articles/bylaws, share certificates
- Financial Statements of Proposer
- Tax Returns of Proposer

Management

- Management charts
- W-2 forms
- Business cards
- Confirmation letter from employer

- iv. Provide evidence that the qualifying business generated the minimum gross revenue per qualifying year. Attach audited financial statements for each qualifying year. Audited financial statements may include balance sheets and income statements that were prepared and attested to by a Certified Public Accountant (CPA).

If audited financial statements are not available, submit tax statements prepared by a CPA, along with unaudited financial statements for each qualifying year. Include a detailed breakdown showing which of Proposer's facilities meet the gross revenue requirement for each qualifying year.

- v. State if Proposer has ever operated under another name and/or ownership structure.

7. Financial Summary

Relative to your business operations, please answer "Yes" or "No" to the following questions. The following questions pertain to all leases and subleases that you hold or have held in the past five years. Please provide an explanation for those questions in which you responded with "Yes."

In the past five (5) calendar years:

Question	Answer
1. Have you received a letter/notice (e.g. Notice of Default) from the landlord requesting that you remedy/cure any type of default under the lease (e.g., non-payment of rent, maintenance)?	
2. Have you received a letter/notice demanding that you "Pay or Quit" the premises for non-payment of rent?	
3. Have you filed for bankruptcy?	
4. Have you terminated a lease before the expiration of the lease term?	
5. Have you been or are you currently on a "payment plan" to pay past due rent or fees that are owed to the landlord?	

FAILURE TO MAKE FULL DISCLOSURE IN RESPONDING TO THE ABOVE QUESTIONS MAY RESULT IN DISQUALIFICATION FROM PARTICIPATION IN THIS RFP.

8. References

Please provide a minimum of three (3) reference letters from non-affiliated organizations on their company letterhead. Each reference letter must have been dated within the past twelve (12) months and must include information directly related to Proposer's management or ownership experience in the qualifying business.

9. Affirmative Statement of Accuracy

The undersigned represent and warrant to the Airport Commission as follows: (a) the undersigned person(s) are authorized representatives of Proposer; (b) the person(s) signing below is authorized by Proposer to obligate the Proposer to perform the commitments contained in the Proposal; (c) all information submitted by Proposer in the Proposal is complete, accurate, and truthful; and (d) submission of this Proposal constitutes a representation by the Proposer that it is willing and able to perform the commitments contained in this Proposal. (Note: If Proposer is a joint venture or partnership, all joint ventures or partners must sign; if Proposer is a corporation, at least Proposer's President

and Secretary must sign; if Proposer is a limited liability company, at least Proposer's manager or managing member must sign.)

This document is legally effective, valid, and enforceable despite the fact that it or signatures on it may be in electronic form or that it may have been created, transmitted, stored, or otherwise handled or formed, in whole or in part, by electronic means.

_____ Title _____

Printed Name: _____

_____ Title _____

Printed Name: _____

_____ Title: _____

Printed Name: _____

Date: _____

Submittal B
STATEMENT OF ABILITY TO COMPLY WITH GOVERNMENTAL
REQUIREMENTS

Proposing Entity: _____

Lease Name: _____

- 1) The undersigned are authorized representatives of Proposer.
- 2) The undersigned has reviewed the applicable City ordinances and other governmental requirements applicable to this Concession Opportunity ("**Governmental Requirements**"), including those described in this RFP and the Lease.
- 3) Proposer is ready, willing, and able to comply with all Governmental Requirements.

This document is legally effective, valid, and enforceable despite the fact that it or signatures on it may be in electronic form or that it may have been created, transmitted, stored, or otherwise handled or formed, in whole or in part, by electronic means.

_____ Title _____

Printed Name: _____

_____ Title _____

Printed Name: _____

_____ Title: _____

Printed Name: _____

Date: _____

Submittal C EVALUATION CRITERIA
--

Proposing Entity: _____

Lease Name: _____

Submittal C will consist of the Proposer's response to the Evaluation Criteria below. A thorough discussion/demonstration of all points below must be included in the Proposal with the exception of the Financial Pro Forma and the Minimum Annual Guarantee Offer (if applicable), which will be submitted using a separate submittal form. Proposals will be evaluated on the criteria below and scored according to the point scale shown.

Evaluation Criteria	Weight
<p>1 Proposed Concept</p> <ul style="list-style-type: none"> • Describe the overall appeal of the proposed concept or brand to passengers • Describe the current operation of the chosen brand • Discuss how the concept or brand is reflective of the of San Francisco food and beverage scene and how they offer "the best of" or "taste of" San Francisco • Conformance with concept sought in RFP • Ability to maximize sales, revenue and customer satisfaction • Complement to overall concessions program in and around the Premises • Proposed menu, product offerings, services list and prices 	<p>50 points</p>
<p>2 Design Intention and Capital Investment</p> <ul style="list-style-type: none"> • A description of proposed design • Overall appeal and quality of design • Images depicting the front elevation, signage, floor plan and interior design intent. Photographs of existing similar facilities along with a discussion of the design intent for SFO are acceptable. • Design supports the proposed brand/concept, and a strong merchandising strategy is incorporated into design • Reflects Tenant Design Guidelines. The current design guidelines can be found at the following link: https://sfoconnect.com/tenant-design-guidelines • Amount and source of capital investment funds 	<p>25 points</p>

Evaluation Criteria		Weight
3	<p>Operation of Concept</p> <ul style="list-style-type: none"> • Discuss your approach to customer service and corporate monitoring of the concession to ensure high standards are maintained and overall performance of the business is strong. • Discuss how you will maintain the authenticity of the brand. How often will the owner, a senior executive-level staff member or brand manager be on site to ensure the integrity of the operation and the brand. • Discuss your experience in operating proposed concept. • Provide a staffing plan for a typical one-week period. • Discuss your approach to customer service training for your staff that interacts with the customers and any monitoring of that service that will take place. • Discuss how customer complaints will be handled. • Discuss your approach to product quality control. • Discuss how your facilities will be maintained to ensure excellent repair, cleanliness and appealing product presentation. 	15 points
4	<p>Business Plan – Financial Pro Forma (<i>Submittal D</i>)</p> <ul style="list-style-type: none"> • 5 Year Financial Pro Forma showing projected sales, revenue to the Airport, expenses, and net income. Proposers are to use the format shown on Submittal D. The Financial Pro Forma should demonstrate an understanding of the proposed lease and will be considered for its reasonableness and viability of proposed operation and financial offer, and the ability to fund continuing operations from the cash flow generated by the operation. <p>If multiple locations are included in the proposed Lease, a Financial Pro Forma must be included for each individual location and a Summary Financial Pro Forma must be included which totals all the individual locations.</p>	10 points
Total Possible Points		100

This document is legally effective, valid, and enforceable despite the fact that it or signatures on it may be in electronic form or that it may have been created, transmitted, stored, or otherwise handled or formed, in whole or in part, by electronic means.

The undersigned are authorized representatives of Proposer.

_____ Title _____

Printed Name: _____

_____ Title _____

Printed Name: _____

**Submittal D
FINANCIAL PRO FORMA**

UNIT PRO FORMA

RFPs with multiple locations only: Proposer to complete one "Unit Pro Forma" form for each unit and a "Summary - All Units in Package" form for each proposal package.

Proposing Entity _____

Lease Name _____

Terminal _____ Space Number _____ (if applicable) Sq. Ft. _____

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5		Total	
	(\$)	% of sales	(\$)	% of sales								
GROSS RECEIPTS (SALES): Sales & percentage rent by category:												
a)												
b)												
c)												
Total Gross Receipts												
OPERATING EXPENSES												
Cost of Goods Sold												
Payroll												
Payroll taxes & employee benefits												
RENT: Minimum Annual Guarantee (MAG)												
Percentage Rent												

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5		Total	
	(\$)	% of sales	(\$)	% of sales								
Franchise or license fees												
Repairs & maintenance												
Depreciation												
Office, storage & distribution expenses												
Utilities												
Insurance												
Credit card fees												
Licenses & permits												
Administrative & general												
Other operating expenses:												

	YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			Total	
	(\$)	% of sales		(\$)	% of sales		(\$)	% of sales		(\$)	% of sales		(\$)	% of sales		(\$)	% of sales
Total Operating Expenses																	
EBITDA (Earnings before interest, taxes, depreciation, amortization)																	
Annual Gross Sales / sq. ft.																	
Annual percentage change in gross sales from prior year																	

This document is legally effective, valid, and enforceable despite the fact that it or signatures on it may be in electronic form or that it may have been created, transmitted, stored, or otherwise handled or formed, in whole or in part, by electronic means.

_____ Title _____

Printed Name: _____

_____ Title _____

Printed Name: _____

**Submittal E
PROPOSAL BOND SAMPLE FORMATS**

-Sample Format of Surety Bond-

_____ (Surety)

KNOW ALL MEN BY THESE PRESENTS:

That we, _____, as Principal, and _____, a corporation duly organized and existing under and by virtue of the laws of the State of _____, as Surety, are held and firmly bound unto the City and County of San Francisco, acting by and through its Airport Commission, as obligee, in the sum of _____ Dollars (\$_____) lawful money of the United States of America, to be paid to the City and County of San Francisco, acting by and through its Airport Commission, for which payment, well and truly to be made, we bind ourselves, our heirs, executors and successors, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a proposal for the _____ **Lease.**

NOW, THEREFORE, the condition of this obligation is such that if the Principal shall enter into a Lease or other agreement (the "Agreement") with the Obligee in accordance with the terms of such proposal (which by reference is made a part hereof), and give such deposit as may be specified in the Agreement and the RFP process, then this obligation shall be null and void, otherwise to remain in full force and effect; and shall be effective _____.

This bond may be called upon by Obligee by a notice sent to the Surety by registered mail, overnight mail, overnight courier service, or other courier service sent to our offices at: _____.

Signed, sealed and dated this _____ day of _____.

Principal: By: _____

Title: _____

Seal:

Surety By: _____

Company: Title: _____

Seal:

(Attach Notary Public Certificate and Attorney-in-Fact form)

-Sample Format of Irrevocable Letter for Credit-

Date _____

Letter of Credit No. _____

Airport Commission
City and County of San Francisco
San Francisco International Airport
PO Box 8097
San Francisco, CA 94128

Ladies and Gentlemen:

We hereby establish an irrevocable letter of credit in your favor in the amount of _____ United States Dollars (US\$_____) for the account of _____, available by your draft at sight, when accompanied by the following document:

A statement signed by the Airport Director of the Airport Commission of the City and County of San Francisco, to the effect that upon the award to _____ by the City and County of San Francisco, acting by and through its Airport Commission, of the Lease or other agreement for the _____ **Lease** at San Francisco International Airport (the "Agreement"), _____ failed to execute said Agreement and furnish the deposit required by said Agreement.

Drafts drawn under and in compliance with the terms of this letter of credit will be duly honored by us upon presentation and delivery of the statement specified above. Such drafts may be presented by registered mail, overnight mail, overnight courier service, or other courier service sent to our offices at:

_____.

Sincerely,

Submittal F
STATEMENT OF COMMITMENT TO LABOR HARMONY

Name of Proposer: _____

1. The undersigned are authorized representatives of Proposer.
2. The undersigned has reviewed the Lease's Labor Peace/Card Check language which allows unfettered access by unions to Airport food and beverage concession employees and understands that the Airport has a strong preference for labor harmony.
3. The undersigned agrees and acknowledges that a multi-employer bargaining group is an established mechanism for employers to bargain collectively with any lawful labor organization representing its employees in an appropriate bargaining unit in conformity with the Airport Commission's labor peace/card check agreement. In order to demonstrate compliance with the Airport's labor harmony objective, the Proposer agrees that membership in a multi-employer bargaining group includes attendance at group meetings and participation in its business activities. Proposer agrees to join an existing multi-employer bargaining group, the Airport Restaurant Employers Council, and become a party to, and be bound by, a collective bargaining agreement for its operations under the Lease in the event a collective bargaining agreement is negotiated on behalf of the proposer's employees authorizing, by majority determination through the labor peace/card check resolution or otherwise, the negotiation of such collective bargaining agreement.

This document is legally effective, valid, and enforceable despite the fact that it or signatures on it may be in electronic form or that it may have been created, transmitted, stored, or otherwise handled or formed, in whole or in part, by electronic means.

_____ Title _____

Printed Name: _____

_____ Title _____

Printed Name: _____

_____ Title: _____

Printed Name: _____

Date: _____

PART VIII – ADDITIONAL FORMS: FOR SUCCESSFUL PROPOSER ONLY

Before the City can execute the Lease, the successful Proposer must file four standard City forms (items 1-4 on the chart below). Because many firms have already completed these forms, and because some informational forms are rarely revised, the City has not included them in this RFP package. Instead, this Part describes the forms, where they can be found on-line and where and when to file them. If a Proposer cannot get the documents off the internet, the Proposer should call the contact persons indicated below.

Proposer does not have to be doing business in the State of California on the date on which it submits its Proposal; however, before this Lease is executed, such Proposer must show evidence to the Airport Commission that it is authorized to conduct business within the State of California and the Counties of San Mateo and San Francisco.

If the successful Proposer has already filled out any of the forms identified below, **the Proposer should not do so again unless the Proposer's answers have changed.** To find out whether these forms have been submitted, the Proposer should call Vendor File Support in the Controller's Office at (415) 554-6702.

Form name; Internet location	Form	Description	When to File; Where to File; For More Info
1 Request for Taxpayer Identification Number and Certification http://sfqsa.org/index.aspx?page=368	W-9	The City needs the lessee's taxpayer ID number on this form. If a contractor has already done business with the City, this form is not necessary because the City already has the number.	Must be filed within five (5) days of the Airport Commission approving the award of the Lease. <u>Email</u> vendor.file.support@sfgov.org <u>Fax</u> (415) 554-6261 <u>Purchasing</u> (415) 554-6212 (before you submit the form) <u>Controller</u> (415) 554-6702 (after you submit the form)

Form name; Internet location	Form	Description	When to File; Where to File; For More Info
2 Business Tax Declaration http://sfgsa.org/index.aspx?page=368	P-25	All lessees must sign this form to determine if they must register with the Tax Collector, even if not located in San Francisco. All businesses that qualify as "conducting business in San Francisco" must register with the Tax Collector.	<p>Must be filed within five (5) days of the Airport Commission approving the award of the Lease.</p> <p><i>Email</i> vendor.file.support@sfgov.org</p> <p><i>Fax</i> (415) 554-6261</p> <p><i>Purchasing</i> (415) 554-6212 (before you submit the form)</p> <p><i>Controller</i> (415) 554-6702 (after you submit the form)</p>
3 S.F. Administrative Code Chapters 12B & 12C Declaration: Nondiscrimination in Contracts and Benefits http://sfgsa.org/index.aspx?page=368	CMD-12B-101	Lessee tells the City if their personnel policies meet the City's requirements for nondiscrimination against protected classes of people, and in the provision of benefits between employees with spouses and employees with domestic partners. Form submission is not complete if it does not include the additional documentation asked for on the form. Other forms may be required, depending on the answers on this form. Contract-by-Contract Compliance status vendors must fill out an additional form for each contract.	<p>Must be filed within five (5) days of the Airport Commission approving the award of the Lease.</p> <p>Airport Commission Revenue Development and Management PO Box 8097 575 N. McDonnell Road, Suite 3-329 San Francisco, CA 94128</p> <p><i>For questions, please contact:</i></p> <p>Tamra Winchester, Equal Benefits Program Coordinator (415) 252-2540 tamra.winchester@sfgov.org</p>

Form name; Internet location	Form	Description	When to File; Where to File; For More Info
4 S. F. Administrative Code Chapter 83, First Source Hiring Program <ul style="list-style-type: none"> • First Source Hiring Agreement • Form FSH-01 Link: Form First Source Hiring	Will be provided by Airport	Lessee submits an executed First Source Hiring Agreement and Form FSH-01 to commit to a program which supports the hiring of economically disadvantaged San Francisco residents.	Must be filed within five days of the Airport Commission approving the award of the Lease. Office of Economic and Workforce Development 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Business Services Telephone No.: (415) 701-4848 Facsimile No.: (415) 701-4897 Email: business.services@sfgov.org

Office of Contract Administration

Homepage:

www.sfgov.org/oca/

Required Vendor Forms:

<http://sfgsa.org/index.aspx?page=368>**Contract Monitoring Division**

HRC's homepage:

<http://www.sf-hrc.org/>

Equal Benefits forms:

From the Equal Benefits banner, select "Important Forms and Documents."

PART IX – LEASE

APPENDIX A

Glossary of Terms

Airport Concession Disadvantaged Business Enterprise (ACBDE)	A concession that is a for-profit small business concern that is (1) at least 51% owned by one or more individuals who are both socially and economically disadvantaged, and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.
Airport Commission	The City and County of San Francisco, acting by and through its Airport Commission.
City	The City and County of San Francisco.
Concession Opportunity	The business opportunity described in this RFP to lease the premises at the Airport for the permitted use under the terms and conditions in the Lease.
Deplaning Passenger	Passenger exiting an aircraft.
Enplaning Passenger	Passenger entering an aircraft.
Lease	The agreement to be executed by the successful Proposer and City following the award of the Concession Opportunity to the successful Proposer at the end of the RFP process described herein. The form of the Lease is attached as Part IX.
Minimum Annual Guarantee (MAG)	The amount proposed by the successful Proposer, which the successful Proposer guarantees as the minimum payment to the Airport for the first year of the Lease.
Percentage Rent	In addition to the MAG, Concessionaires shall pay percentage rent but only to the extent that the percentage rent exceeds the monthly installment of the MAG.
Premises	The concession space at the Airport undergoing this RFP process.
Proposer(s)	Person(s) or entity(ies) who participate in the RFP process for this Concession Opportunity.

APPENDIX B

General Information and Historical Food and Beverage Sales

1. San Francisco International Airport – Background

San Francisco International Airport (SFO) is the major commercial airport for the San Francisco Bay Area and northern California. Owned by the City and County of San Francisco, SFO is located 14 miles south of downtown San Francisco and is situated on San Francisco Bay. Since its opening on May 7, 1927, SFO has grown from a small administration building on 150 acres of unpaved cow pasture to its present configuration of approximately 4.4 million square feet of terminal space on 2,383 acres of developed land. Throughout the Great Depression, four wars, airline deregulation and post-September 11th regulations, SFO has built and retained its position as a world leader in airline and passenger services.

The Airport is a major center for both domestic and international traffic. San Francisco is the largest airport in the San Francisco Bay Area and is the second busiest airport in the state of California after Los Angeles International Airport. San Francisco International Airport (SFO) offers non-stop flights to more than 45 international cities on 39 international carriers. SFO is the Bay Area's largest airport offering non-stop service to 79 cities in the U.S. on 13 domestic airlines. In 2015, with more than 50 million passengers, SFO ranked 7th busiest airport in the US and 21st busiest in the world. Included in that mix, SFO offers 9 non-stop destinations to China; more than any other airport in the Americas. For 2017, two new international carriers have so far announced they will begin operation, four new international destinations will be offered by new and existing carriers, and many existing carriers are adding capacity to existing international routes.

The completion of the Master Plan construction program in 2000 ushered in a new 1.8 million square foot International Terminal, the AirTrain automated people mover, new entrance roadways and parking facilities, a consolidated rental car center, expanded cargo facilities, a BART station, and the world's first fully-accredited museum in an airport.

With the completed remodel of Terminal 2 in the spring of 2011, SFO added approximately 29,000 square feet of concession space, featuring local and nationally branded restaurants and retailers.

The Airport is financially self-sufficient and does not rely on general taxpayer support. It prides itself on operating financially as a successful business while serving the public interest. SFO has a direct beneficial economic impact to the San Francisco Bay Area economy with the jobs created and the revenue generated by the airlines, airport businesses, and airport-dependent visitors industry. United Airlines continues to be the single largest employer in San Mateo County.¹

2. Operating at the Airport

¹ County of San Mateo, Profile FY 2009-2011

Our customers, and yours, typically consist of passengers who have limited time to spend in restaurants and shops and must be served quickly and efficiently. Concessionaires should pay close attention to how their facilities will accommodate customers who may have rolling luggage and may be traveling with others including children. Facilities are open 365 days per year with longer operating hours than street-side businesses. Flight delays necessitate that tenants be prepared to extend hours to provide a valuable customer service and capture this additional business. Each employee at the Airport is also an ambassador at the Airport. Training is essential to ensure that knowledge of the terminals, the basic functioning of the airport and details about the region are known by all employees. It is very common for anyone wearing an Airport identification badge to be approached by passengers with general questions. SFO strives for excellent customer service. Approximately 70% of our passengers live outside of the Bay Area. Their experience at SFO is often the first and last impression they will have of their visit to San Francisco or the United States.

3. Historical Food and Beverage Sales

<i>Terminal 1 - Food and Beverage Facilities</i>						
Facility Name	Square footage	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
<i>Pre-Security - B</i>						
Just Desserts	1,334	\$283,674	\$298,136	\$311,048	\$52,384	\$0
PIQ	2,734	\$788,807	\$1,115,450	\$1,095,773	\$820,323	\$41,650
<i>Pre-Security - C</i>						
Fung Lum Express	980	\$117,221	\$102,365	\$109,808	\$46,640	\$0
Green Beans Coffee	1,087	\$0	\$0	\$0	\$1,064,574	\$1,604,333
<i>Post-Security - B</i>						
Go Bistro	2,510	\$4,631,425	\$5,524,066	\$4,497,729	\$2,476,043	\$3,075,794
Klein's Deli	1,004	\$1,806,037	\$2,715,340	\$982,962	\$0	\$0
Legends of SF Bar	1,075	\$2,519,593	\$3,050,984	\$2,929,711	\$2,613,467	\$1,793,978
Max's Eatz	1,440	\$5,477,799	\$6,151,091	\$5,881,504	\$4,492,478	\$4,154,812
Peet's Coffee	665	\$2,714,167	\$3,768,692	\$4,101,578	\$3,576,527	\$3,591,268
Willow Creek Grille	1,038	\$4,271,615	\$4,956,457	\$4,216,899	\$3,235,362	\$3,262,370
<i>Post-Security - C</i>						
Dogpatch Bakehouse & Caffe	800	\$2,929,427	\$2,596,895	\$2,734,012	\$3,119,777	\$5,253,719
Perry's	3,460	\$8,842,691	\$8,882,453	\$9,937,526	\$11,599,815	\$11,672,214
Three Twins Ice Cream	300	\$0	\$1,093,947	\$1,814,560	\$2,285,961	\$2,302,493

APPENDIX C

Historical Passenger Traffic (Calendar Year Enplanements*)

Terminal		CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
International	A	2,502,180	2,582,916	2,826,114	3,793,322	4,017,786
	G	3,003,009	3,058,059	3,144,409	3,271,389	3,546,319
	International	5,505,189	5,640,975	5,970,523	7,064,711	7,564,105
Terminal 1	B	3,517,812	4,146,016	3,400,951	2,323,602	2,131,555
	C	1,884,215	1,883,051	2,139,848	2,701,941	2,956,352
	Terminal 1	5,402,027	6,029,067	5,540,799	5,025,543	5,087,907
Terminal 2	D	3,506,177	3,405,093	3,444,009	3,578,879	3,908,064
	Terminal 2	3,506,177	3,405,093	3,444,009	3,578,879	3,908,064
Terminal 3	E	7,524,219	2,914,740	3,166,759	3,357,474
	F	210,577	7,342,650	5,594,357	6,119,127	6,492,592
	Terminal 3	7,734,796	7,342,650	8,509,097	9,285,886	9,850,066
Summary		22,148,189	22,417,785	23,464,428	24,955,019	26,410,142

* Passengers that boarded an aircraft at SFO.

NOTICE: The Airport Commission does not warrant the accuracy of this data. These figures are only offered as assistance and the Airport Commission does not guarantee that future sales, enplanements or deplanements will equal or exceed pas sales, enplanements or deplanements.