



Addendum No. 1

**Revenue Contract Solicitation (RCS)
AVN RCS 23-006**

**Terminal 4 South 1 Concourse
Retail Concessions Phase II
at Phoenix Sky Harbor International Airport**

According to Section I – Introduction, Item L – Addendum to RCS, the City hereby amends the above-referenced RCS as follows:

DELETE AND REPLACE:

1. Section II – Scope Overview, Item C – Retail Categories, Concepts, and Expectations, the first paragraph on page 19, is deleted in its entirety and replaced with the following:

None of the retail spaces in this solicitation can be developed for food and beverage services except for pre-packaged snacks and bottled/canned beverages which are allowed to be sold in the R4 space in Phase II. None of the retail spaces are permitted to sell or serve freshly brewed coffee.

QUESTIONS AND ANSWERS

QUESTIONS AND ANSWERS The following questions were submitted by interested Respondents and are represented as they were received.	
Q1	Changes in material clauses mean “WILL be disqualified” or “MAY be”?
Answer	The City will not accept any changes to the material provisions or requirements of this RCS or Lease. Responses including exceptions or changes, or that are conditional, are subject to rejection as non-responsive Responses. See Section I (M).
Q2	Can the proposer submit their proposal electronically and hard copy?
Answer	Responses may be submitted electronically or in-person. There is no prohibition in the RCS precluding Respondents from submitting both electronically and in-person. The Response Guarantee and notarized affidavit, regardless of the Response submission method, must be received at the Aviation Headquarters located at 2485 East Buckeye Road, Phoenix, AZ 85034 by the Solicitation Deadline as indicated in the Schedule of Events. See Section III (B) and Section III (C).

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Q3	Who are the primes that was awarded the solicitation? Have all the concession stores been named or decided on.
Answer	For the concession spaces included in Phase I, Marshall Retail Group, LLC was awarded the Lease. See Section II (C) on page 19 of the RCS. For the concession spaces included in Phase II, the Lease will be awarded in accordance with AVN RCS 23-006.
Q4	Any chance to see data how much PAX is served by these gates?
Answer	Available information regarding the Airport's passenger traffic is available on the link https://www.skyharbor.com/about/Information .
Q5	As a ACDBE do I have to enter a joint venture or get a contract on my own.
Answer	An ACDBE or small business firm may either enter a joint venture to submit a response or submit a response on its own. Each Respondent must meet the minimum qualifications, or the Response will be rejected as non-responsive. Respondents who do not meet the minimum qualifications are encouraged to joint venture partner or sublease with more established firm(s). See Section I (C).
Q6	Who are the primes
Answer	See Answer to Q3.
Q7	What is you email so I can get the information for the prime.
Answer	All questions about this RCS, including the draft Lease, must be submitted in writing no later than the question deadline listed on page 1 to avn.solicitations@phoenix.gov . See Section I (K).
Q8	What is the average rent and/or utilities to be paid?
Answer	For the Initial Term, the Successful Respondent will pay only a Percentage Rent of annual Gross Sales. See Section II (E). For the Primary Term and through each Lease Year of the Primary Term, the Successful Respondent must pay Minimum Annual Guaranteed (MAG) or Percentage Rent, whichever is greater. See Section II (D). All charges relating to utility service usage vary by Premise.
Q9	Is there a percentage of the commission that is expected to be paid?
Answer	Yes, throughout the term of the Lease, the Successful Respondent must pay MAG or Percentage Rent derived from gross sales, whichever is greater. See Section II (D).

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Q10	Is priority given to the Randolph Sheppard Act?
Answer	No, there is no priority given to the Randolph Sheppard Act.
Q11	Is there any possibility of a duty free shop to be set up?
Answer	No, there is no opportunity for a duty-free shop in the T4S1 concourse. There is currently a concessionaire contracted until 11/30/2030.
Q12	For electronic submissions, show the Labor Organization statement be as a separate file seeing as it is required to be separate as part of a hard copy submission?
Answer	Yes, the Statement Regarding Any Agreements with Labor Organizations should be submitted in a separate file. See Section III (I).
Q13	Can a prime from phase 1 be a subtenant in phase 2?
Answer	Yes, a prime from Phase I can be a subtenant in Phase II. The Successful Respondent and Partners resulting from Phase I cannot be awarded the Lease for Phase II. See the first paragraph in Section I. See Section I (R) for the definition of "Partner."
Q14	Page 19 of 124 of the RCS states at the top that "...pre-packaged sandwiches, salads, snacks and bottled/canned beverages which are allowed to be sold in the R4 space in Phase II" but on the next page, the second paragraph states: "Other than pre-packaged snacks and bottled/canned beverages, the store will be prohibited from selling food and beverage items such as pre-packaged sandwiches and salads, soups, fountain drinks and freshly brewed coffee." So clearly, coffee is out of the picture, but for certainty, can you detail the food/snack/beverage items that CAN be carried in the R4 News and Convenience space?
Answer	Please see Section II (C) language amended in this Addendum. The News and Convenience store is expected to carry pre-packaged snacks such as gum, candy, mints, chips, and a variety of bottled/canned beverages. The size of pre-packaged snacks should include single-sized servings as well as full-sized packages found in most grocery and convenience stores. See Section II (C) on page 21 of the RCS.
Q15	Also, for R4, its noted that Bottled Wine can be offered (as long as all applicable State laws are followed). To create a local mini-shop in store, can local, bottled/can beer in single size units also be offered? This would allow the retailer to feature local winery and craft brewery products to be sold as souvenir gifts, etc.
Answer	No, only bottled wine is to be sold. See Section II (C) on page 21-22 of the RCS.

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Q16	For creation of an accurate proforma from which to evaluate financial condition, can you please clarify whether or not there will be: <ul style="list-style-type: none">• A City contract for Pouring Rights entered into during the term of the agreement• Costs assigned for use of a CRDC during the term of the agreement Both items have material impacts on profitability and if no certainty is known in advance, must be factored in to the proforma to guard against erroneous forecasts.
Answer	<p>The City may enter into an exclusive beverage pouring rights partnership and subsequent contract. City reserves the exclusive right to solicit and enter into product advertising and sponsorship agreements for the display and sale of non-alcoholic beverages including but not limited to carbonated drinks, sports drinks, juices, and bottled water for the display and sale at the Airport. The Successful Respondent agrees to cooperate and assist City, as necessary, in the implementation of such exclusive agreements. See Section I (O).</p> <p>A Consolidated Receiving and Distribution Center (CRDC) does not exist at this time; however, the City reserves the right to develop, construct, and operate a CRDC during the term of the lease. If the CDRC is developed, the Successful Respondent and Partners and all the Successful Respondents' will be required to utilize this facility. If developed, the Successful Respondents will be notified of any costs associated with the CRDC that will be charged to them. See Section I (P).</p>
Q17	Considering the retail uses awarded in Phase I (bookstore, consumer electronics, cosmetics, and sunglasses), would the Airport consider broadening the definition of acceptable uses for the R3 space to include uses that provide an entertainment service or amenity to travelers, with an associated limited offering of bottled drinks and snacks to consume on premises? Limiting the acceptable uses for R3 would likely not benefit travelers through this facility, especially considering the unusually small common use lounge awarded in Phase I.
Answer	No, please see Section II (C) for information on the R3 space.
Q18	Would the Airport allow for respondents to offer alternate specialty retail concepts for the R3 space in a single proposal, for the Airport to select from? Considering the specialty retail uses awarded in Phase I, this would allow the Airport maximum flexibility in assorting a retail offering that best compliments the previously awarded concepts and provides the best possible traveler experience.
Answer	No, Respondents may not offer alternate specialty retail concepts for the Specialty Retail (Open Concept) concept for the R3 space in a single proposal. See Section II (C) for information on the R3 space.

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Q19	The RCS states stores must be open at least 90 minutes prior to the first scheduled daily flight departure from T4 and remain open at least thirty minutes after the final departure from T4. Is this correct or are hours based on flights specific to the S1 concourse?
Answer	Retail concepts will be required to open at least ninety minutes prior to the first scheduled daily flight departure from T4 and remain open at least thirty minutes after the final departure from T4. See Section II (H). The City reserves the right to amend the Hours of Operations during the term of the Lease. If Hours of Operations are amended, the Successful Respondent will be required to comply with the amended Hours of Operation.
Q20	We understand that we are to provide a construction phasing plan with detailed approach to phasing the construction of the concession spaces to meet the opening dates. Can you please provide estimated/anticipated dates for commencement/completion dates so we can provide more accurate plans?
Answer	The City anticipates the Commencement of Contract to be in November 2023. See the Schedule of Events on page 1 of the RCS. The Successful Respondent will be responsible to complete construction of the concession spaces during the Initial Term of the Lease which will begin on the Effective Date and last for twelve (12) months or until the date the Successful Respondent begins all operations under the Lease, whichever occurs first. See Section I (G).
Q21	Thinking in terms of an entertainment type concept with convenience drinks and food items. Would the airport allow a broader definition of use of space in R3?
Answer	No, see Answer to Q17.
Q22	Thinking in terms of an entertainment type concept with convenience drinks and food items. Are there any opportunities for alternative specialty retail concepts in R3?
Answer	No, see Answer to Q17.
Q23	Can the Open Concept space be subdivided to allow the proposer to offer more than one national or local/regional brand?
Answer	No, the R3 space cannot be subdivided to sublease parts of the space.

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Q24	Please confirm that the required outreach to small businesses can be conducted virtually.
Answer	Yes, Small Business Outreach may be performed virtually with a form of communication that enables people in different physical locations to use their mobile or internet connected devices to meet in the same virtual room, such as virtual meet and greets, virtual business pitch events, virtual interviews, virtual meetings, etc. Documentation of virtual outreach efforts will still be required, similar to any other outreach methods conducted.
Q25	On page 19 of the RFP, it states that pre-packaged sandwiches, salads, snacks and bottled/canned beverages are allowed to be sold in space R4. On page 20 of the RFP it states the store will be prohibited from selling food and beverage items such as pre-packaged sandwiches, salads, soups, fountain drinks, and freshly brewed coffee. Prepackaged salads, sandwiches, snacks etc. are grab & go products. Please confirm grab & go will be allowed.
Answer	Please see Section II (C) language amended in this Addendum. The R4 space may not sell food and beverage products except pre-packaged snacks such as gum, candy, mints, chips, and a variety of bottled/canned beverages. See Section II (C), page 21.
Q26	Please confirm concessionaire can propose a MAG above the minimum first year MAG as stated in the RFP by location
Answer	Yes, each Respondent must propose the first year MAG of gross sales (Exhibit 10). The proposed First Year MAG (in aggregate) must be \$196,375 or greater (R3 Space: \$54,000 and R4 Space: \$142,375). See Section II (D).
Q27	Please confirm percentage rent is not biddable. The established Category percentage rents on pages 22 and 23 will be used through the term of the contract.
Answer	Yes, Percentage Rent is not biddable. Percentage Rent is calculated at the percentage of gross sales set forth in the schedules defined in Section II (D). The minimum Percentage Rental Rates are non-negotiable.
Q28	Space R3 Open Concept - Would the City of Phoenix allow proposers to offer alternative specialty retail concepts for space R3? This would allow the proposer & PHX flexibility in retail offerings that will complement brands selected in Phase 1.
Answer	No, see Answer to Q18.

In the event of any conflicts with the earlier answers or addenda, the final written answers and final addendum shall control.