



Addendum #1

**Revenue Contract Solicitation (RCS)
AVN RCS 21-004**

Billboard Outdoor Advertising

1. SCHEDULE OF EVENTS CHANGE:

- a. Change all references of “Solicitation Deadline” to **Friday, December 4, 2020 by 10:00 a.m. (local AZ time).**

2. DELETE AND REPLACE:

- a. All references to Form EO1 – Statement of Small Business Outreach Form designated as Exhibit 13 are deleted and replaced as:

Form EO1 – Statement of Small Business Outreach Form, Exhibit 12.

Questions and Responses:

The following questions were submitted by interested Respondents and represented as they were received.

ITEM NO.	QUESTION	RESPONSE
1.	Would it be possible to submit alternative terms or is this structure set in stone?	No, alternative material terms will not be accepted. Please refer to Section I – Introduction of the Solicitation, Paragraph M, Respondent Exceptions, and Section III – Evaluation Criteria and Response Instructions, Paragraph C, Form of Response.
2.	We would like to request a four week extension due to the current Covid-19 Pandemic and impacts it is having to complete the AVN RCS 21-004 by Friday November 6, 2020. Please acknowledge and confirm this extension request until Friday December 4, 2020.	Please reference AVNRCS 21-004, Addendum #1, Schedule of Events Change, Item 1(a). <i><u>Note: All dates are subject to change without prior notice.</u></i>

ITEM NO.	QUESTION	RESPONSE
3.	Which ACDBE NAICS codes will be accepted for ACDBE credit?	The City does not have a race- and gender conscious ACDBE participation goal for this Solicitation. Please refer to Solicitation Section I – Introduction, Paragraph E, Small Business Outreach Requirements, and Exhibit 11, Airport Concession Disadvantaged Business Enterprise (ACDBE) Program Race- and Gender-Neutral Lease Clause. Equal Opportunity Department does not assign specific NAICS codes for ACDBE credit to every contract.
4.	If we proposed a 20 year term would that be considered unresponsive and our proposal gets thrown out? Also, is there strict weighing within your review that each package stands alone and is reviewed without influence of the other package.	<p>A response proposing a 20-year term would be considered nonresponsive. Please refer to Solicitation Section I – Introduction of the Solicitation, Paragraph M, Respondent Exceptions.</p> <p>Each package (1 & 2) will be reviewed independently without influence from the other package. Conditional responses would be subject to disqualification. Please see Response #1.</p>
5.	Will you kindly amend the proposal due date to a date that provides a minimum six (6) weeks from the time City posts answers to all questions on 10/23/20? This is critical due to the fact that many of the answers will likely have a profound effect on the program design and related financials of what is a concession offering with a fairly large and complex contemplated scope. Any changes as a result of answers will likely require high-level approvals and changes to proposals that may take considerable time.	<p>Please reference AVNRCS 21-004, Addendum #1, Schedule of Events Change, Item 1(a).</p> <p>Please refer to Response #2.</p> <p><u>Note: All dates are subject to change without prior notice.</u></p>
6.	<p>Respondents are allowed to submit their proposals electronically by emailing busopps.aviation@phoenix.gov.</p> <p>Would the City please confirm:</p> <p>a. If there are file size limits; and</p> <p>b. If there is a preferred or required file type for proposal submittal. Is a PDF acceptable?</p>	<p>The maximum size for files to be received via Microsoft Outlook is 150MB. All files should be sent in a PDF format.</p> <p>Please refer to Section III – Evaluation Criteria and Response Instructions, Paragraph B, Delivery of Responses. It is responsibility the of the Respondent to ensure that the Response is timely, including confirming that there are no technical reasons that any Response submitted electronically may be delayed.</p>

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7.	Will the City allow respondents to submit renderings and supporting information such as organizational charts on tri-folded 11-inch x 17-inch paper?	<p>Yes, renderings and charts no greater size than 11" x 17" will be accepted as exhibits.</p> <p>Please refer to Section III – Evaluation Criteria and Response Instructions, Paragraph B, Delivery of Responses. Exhibits and financial information will not be counted towards the fifteen (15) double-sided or thirty (30) single-sided page limit.</p>
8.	Considering the goals, objectives and proposal format requested for this RCS, will the City please eliminate the 30-page proposal limit or increase the page count? Even though Exhibits and financial information do not count towards the page limit, we want to be sure to provide a thorough, detailed response to your RCS.	No. All Responses must conform to the page limits set forth Section III – Evaluation Criteria and Response Instructions, Paragraph C, Form of Response.
9.	If proposing on Packages 1 and 2, would one proposal guarantee cover both submittals?	No, if you are submitting for Package 1 and Package 2, each package must have its own \$10,000 Response Guarantee in the form of a cashier's check.
10.	If we are submitting our proposal electronically, should the proposal guarantee be sent to 2485 East Buckeye Road, Phoenix, AZ 85034-4301 in advance of the proposal due date and time? Please confirm.	<p>Yes, please refer to Section III – Evaluation Criteria and Response Instructions, Paragraph B, Delivery of Responses.</p> <p>The Response Guarantee, regardless of the Response submission method, must be received at the Aviation Office Building located at 2485 East Buckeye Road, Phoenix AZ 85034 by the Solicitation Deadline as indicated on page 1.</p>
11.	Does the advertising creative have to be pre-approved in advance of installation on the digitals or follow the Billboard Advertising Standards set forth on page 40?	Advertising must follow the Phoenix Sky Harbor International Airport's (PHX) Billboard Advertising Standards as set forth in AVN RCS 21-004 (Exhibit 4) and the Billboard Concession Draft Lease (Exhibit B).
12.	Advertising shall be limited to speech that proposes a commercial transaction and will those guidelines be the same as city transit including buses and bus shelters?	Advertising must follow the Phoenix Sky Harbor International Airport's (PHX) Billboard Advertising Standards as set forth in the AVN RCS 21-004 (Exhibit 4) and the Billboard Concession Draft Lease (Exhibit B).

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13.	<p>RCS Section I.2. (Adjustments to Performance Guarantee) and Form Lease Section 12.3 (Adjustment) - The RFP allows the City to unilaterally increase the amount of the Performance Guarantee as the City deems appropriate without any conditions or any maximum thresholds. This could result in a scenario in which the City requires an increase to an amount that is higher than what is commercially available, which could force the Successful Respondent into default under the contract despite performing all other obligations under the contract. Further, any increases to the amount of the letter of credit would require the Successful Respondent to incur additional operational expenses, which adversely impact its projected returns; potentially significantly and materially depending on the amount of increase demanded. Because of the complete unrestricted nature of the City's rights as drafted, neither of the foregoing potentially devastating scenarios can be projected or planned for and as such, we would be unwilling to accept these risks and/or additional unanticipated expenses. Accordingly, is the City willing to modify this requirement to include agreed upon trigger events and/or a maximum threshold for any required adjustments?</p>	<p>No. Article 12 of the lease, Performance Guarantee, including Section 12.3, are used in standard City contracts and will not be modified.</p>
14.	<p>RCS Section VI- Exhibits, Section IV Submittal Requirements – Form EO1 – Statement of Small Business Outreach Form appears to be incorrectly referenced as Exhibit 13 of the RFP. Please confirm that the correct form reference is Exhibit 12 of the RFP.</p>	<p>Please refer to AVN RCS 21-004, Addendum #1, Delete and Replace, Item 2(a).</p>

ITEM NO.	QUESTION	RESPONSE
15.	RCS Section II.D. and Form Lease Section 4.11 (Cooperative Promotions) – Successful Respondent/Tenant is required to provide Landlord Advertising and Landlord reserves the right to require Tenant to develop cooperative promotions. Is the City willing to some limitation on this such as Landlord Advertising shall be posted on a space available basis?	Successful Respondent/Tenant is required to provide Landlord Advertising at the request of Landlord, for which Landlord will consider any material effects on Tenant’s operation, and Landlord reserves the right to require Tenant to develop cooperative promotions.
16.	Form Lease Section 5.3.2 (Right to Enter Without Notice) - Landlord reserves the right to enter the Premises to eliminate or abate any condition or remove any object that interferes with Airport Operations. Does such right to eliminate any condition include the right to cause the removal of the Billboard and/or Structure itself? If so, please confirm that the City would agree to provide relief to Tenant for the fair market value of the Tenant Improvements as set forth in Section 8.4 of the form Lease. If that is not the intention, will you please expressly exclude the Structure from the Landlord’s right to remove objects under this Section?	<p>The Billboard and Structure must not interfere with the operation of the airport and must comply with the law and Part 77, including any limitations imposed by the FAA.</p> <p>While the City does not anticipate abating or removing the Billboard or Structure, the City will address circumstances in 5.3.2 as provided in Article 5 of the lease without modification.</p>
17.	Form Lease Section 7.3 (Termination by Landlord) – In the event that Landlord exercises its right to terminate the Lease without cause, please confirm that the City would agree to provide relief to Tenant for the fair market value of the Tenant Improvements as set forth in Section 8.4 of the form Lease.	The provisions of Article 8 of the lease apply if the City exercises its right to terminate pursuant to Section 7.3.

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18.	<p>Form Lease Section 8.4 (No Substitute Site) – This provision provides the sole relief of Lease termination for Tenant if one or more of the Billboards are removed; however, the Lease provides for multiple Billboards. In the event of the removal of one Billboard, it may be advantageous to both parties to continue under the Lease with a reduced number of Billboard under modified financial terms. Accordingly, would the City be agreeable to including an additional remedy to this section that would allow for a proportional MAG reduction tied to the lost/removed Billboard(s) in lieu of terminating the Lease?</p>	<p>No, the City will not modify the lease at this time. If the premises change in the future, then the lease may be amended. The amendment can address any necessary associated changes.</p>
19.	<p>Form Lease Section 11.4 (Landlord Not Liable) – In the event that there is a loss of utilities for an extended period, Tenant will be unable to operate the Billboards in a manner feasible to generate advertising revenue, which is required to support its MAG obligations. Accordingly, is the City agreeable to offering relief to Tenant for prolonged utility outages due to no fault of Tenant?</p>	<p>No, the City will not modify the Section 11.4 of the lease.</p>

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20.	<p>Form Lease Section 18.1 (Events of Breach); Subsections 18.1.3 and 18.1.6 – The cure period of such subsections is only one business day after Notice from Landlord, which may be impossible to cure under such timeline. Would the City agree to extend such cure periods to a more commercially reasonable cure period and include the ability of Tenant to satisfy such Event of Breach by commencing such curative actions during the cure period rather than completion of such cure, which may require ordering parts or engaging specialized third party contractors?</p>	<p>No, the City will not modify the lease.</p>
<p>The balance of the specifications and instructions remain the same.</p>		