



Addendum #3

Revenue Contract Solicitation (RCS) AVN RCS 21-025

Terminal 4 South 1 Concourse Food & Beverage Concessions Phase I at Phoenix Sky Harbor International Airport

Please be advised that Exhibit 15 - Tenant Design Criteria (Rev. June 22, 2021) and the Revenue Contract Solicitation (RCS) 21-025 may have conflicting information related to the square footage of some T4S1 concessions spaces. The City will provide corrected information in Addendum 4 to be published at a later date.

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

ADD

1. The following language is added at the end of the third paragraph in Section II – Scope Overview and Requirements, Item G – Space Allocated to Food and Beverage Categories.

Notwithstanding the provisions of No. 2, above, Package 1 - F1 Food Hall location can **temporarily** sell cocktails. The sale of alcoholic beverages other than beer and/or wine is permitted only if and until Phase II T4S1 F&B locations are open and operating. The Successful Respondent offering alcoholic beverages for sale must comply with the appropriate liquor laws and ordinances of the City of Phoenix and State of Arizona.

2. Add the following paragraphs to the end of Section III – Evaluation Criteria and Response Instructions, Item B – Submission of Response – Electronic or In-Person Submission:

Respondents may submit electronic signatures on documents that do not require a Notary Public. The City does not accept electronic signatures for notarized documents; these documents must be submitted in paper form (hard copy) with original or “wet-signatures” at time of the Solicitation Deadline. Please ensure that electronically signed documents are submitted in separate pdf files.

Respondents will be allowed to submit an electronic test-submission. Please send electronic test-submission to avn.solicitations@phoenix.gov and specify in the title that the submission is only a test. The City will acknowledge receipt of the test submission but will not be responsible for providing any additional information related to the Respondent’s test submission. A test submission will not be counted as a final submittal. The actual Response must be submitted before the Solicitation Deadline.

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DELETE AND REPLACE:

3. Section II – Scope Overview and Requirements, Item H – Reports, is deleted in its entirety and replace by the following:

The Successful Respondent will submit reports to Aviation. Monthly reports will be due within twenty (20) days after the close of each month and must include a detailed statement of gross sales and any deductions from gross sales for the preceding month. The monthly report must be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and certified by a responsible financial officer of the Successful Respondent and must be submitted in a format approved by Aviation. Gross sales shall be reported by percentage rent category. Weekly reports will be due every Wednesday for the prior week's sales.

Concessions Data Reporting requirements:

The City will require the Successful Respondent to report concessions sales data via an automated process utilizing the City-provided Application Program Interface (API) standard. The Successful Respondent shall provide near real-time and monthly reporting of concession sales data using this published API specification. Reporting of concessions sales data via this method is required regardless of other means that the Successful Respondent might choose to report similar data to the City on a monthly basis for reporting MAG or percent sales revenue information to meet its other reporting requirements. Any and all equipment and transmission changes necessary to accomplish this reporting process will be the responsibility of the Successful Respondent.

Requests for the draft API specification must be submitted to the Procurement Officer via email (avn.solicitations@phoenix.gov) and a non-disclosure agreement (NDA) must be signed by the Respondent. Once the signed NDA has been received, the City will provide an FTP link.

The draft Lease will be revised prior to execution to reflect these changes.

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QUESTIONS AND ANSWERS

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The following questions were submitted by interested Respondents and are represented as they were received.	
Q1	Who will be building out and providing seating for the C1 space?
Answer	The Successful Respondent will not be responsible for building out the common use seating identified in the C1 space.
Q2	From the information on Page 55 of design criteria the F1 space says that it is 11,169 SF but the package specs say 7,662 SF. Is the selected respondent responsible for building out that C1 space also? If so, can it be reconfigured?
Answer	The F1 Space is 7,662 SF. The Tenant Design Criteria, Exhibit 15, has been revised. Please find the revised document at: https://solicitations.phoenix.gov/Solicitations/Details/932 See answer to Q1.
Q3	Can an ACDBE win Package 1 as a subtenant <u>and</u> win Package 2 as a small business?
Answer	Per Section I – Introduction, a Respondent may submit a Response for one or both Packages, however, the Respondent may only be awarded one Package under this RCS 21-025. A Respondent ACDBE may be eligible for award under Package 2 (Small Business), and because “Subtenant” is not included in the definition of a Respondent or Partner in Section I (S), the ACDBE could participate as a subtenant in Package 1.
Q4	Can an ACDBE win Package 1 as a JV partner <u>and</u> win Package 2 as a small business?
Answer	An ACDBE awarded Package 2 (Small Business) under this RCS 21-025 could not be awarded Package 1 as a JV Partner. A JV Partner is included in the definition of a Respondent or Partner in Section I (S). Per Section I – Introduction, a Respondent may submit a Response for one or both Packages, however, the Respondent may only be awarded one Package under this RCS.
Q5	Are there CAD drawing available for the F1 space?
Answer	Please see Exhibit 15 – Tenant Design Criteria (Rev. June 22, 2021) for drawings related to RCS 21-025. The City will provide CAD drawings the City deems to be relevant, appropriate, and available to interested parties. Requests for CAD drawings must be submitted to the Procurement Officer via email (avn.solicitations@phoenix.gov) and a non-disclosure agreement (NDA) must be signed by the Respondent. Once the signed NDA has been received, the City will provide an FTP link.
Q6	Would the airport except a QSR in the food court that is only open 6 days a week if all other locations are open 7 days a week?
Answer	No, the concepts in the Food Hall are expected to be operational 7 days a week, however the City would accept a QSR (Quick-Service Restaurant) as one of the concepts for the Food Hall. Please see Section II (G) - Space Allocated to Food and Beverage <u>Package 1</u> .

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Q7	The description of F-3 varies in the RCS relative to the “Coffee Focus + Café Bar”. Is the location expected to be predominantly coffee with food and alcohol as a minimal complement or are the coffee, food and alcohol components of equal importance?
Answer	The concessions space has been designated primarily for the sale of freshly brewed coffee. At the option of Respondents, the space may also include a Café Bar component and food offerings. Please see Section II (G) - Space Allocated To Food And Beverage Categories <u>Package 2</u> .
Q8	It appears that F-3 will permit liquor in addition to wine and beer while F-1 locations will not be able to offer liquor. Is that correct?
Answer	For F1 Food Hall, location can temporarily sell cocktails. The sale of alcoholic beverages beyond beer and wine is only permitted until Phase II F&B locations are open and operating. Please see Addendum No. 3, Paragraph 1 Please see Addendum No. 3, Paragraph 1.
Q9	During the Pre-Response meeting today, you referenced you can send a small business template. Can you send me one please?
Answer	The successful Respondent will receive a copy of the Small Business Participation Plan template once the contract has been executed. Please find the template at: https://solicitations.phoenix.gov/Solicitations/Details/932
Q10	Also, can the F3 Small business space serve beer, wine and alcohol (mixed drinks/cocktails)? Or is it really only meant to have coffee and food?
Answer	Please see Section II (G) - Space Allocated To Food And Beverage Categories <u>Package 2</u> . “The café bar area could include the sale of alcoholic beverages and offer food service such as appetizers, small plates, sandwiches, soups/salads, and breakfast items.”
Q11	In the Food Hall, can one of the 3 concepts operate 6 days a week only if the other 2 operate 7 days?
Answer	See answer to Q6.
Q12	I currently operate in Sky Harbor Airport. Can my small business outreach be satisfied by reaching out the small businesses I currently do business with that number 10 small businesses?
Answer	Please see Section I (F), Outreach Requirements. Respondents can outreach to their network of small businesses. Outreach requirements in forms Exhibit 7 - EO2 & Exhibit 8 - EO3 must be followed, even if there is already a business relationship with a small business. This process must be documented and included in the Response.
Q13	Is there an option to submit one's proposal response electronically "only", or must it be accompanied by hard copy?
Answer	Yes, per Section III (B), the City of Phoenix Aviation Department is accepting electronic Responses for this solicitation. Please submit your Response via email to avn.solicitations@phoenix.gov . The actual 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.

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Q14	Is there exhaust in space for cooking?
Answer	Please see Exhibit 15 - Tenant Design Criteria. There will be no cooking or grilling allowed in the F3 space.
Q15	What happens to the two coffee shops (Starbucks & Pete's) that have been disrupted with the S1 construction? Will they be off-set and re-located?
Answer	The Starbucks is being re-concepted and Peet's Coffee is temporarily being relocated during the construction period.
Q16	Can an ACDBE win Package 1 as a subtenant and win Package 2 as a small business?
Answer	See answer to Q3.
Q17	Can an ACDBE win Package 1 as a JV partner and win Package 2 as a small business?
Answer	See answer to Q4.
Q18	Are there CAD drawing available for the F1 space?
Answer	See answer to Q5.
Q19	Who will be building out and providing seating for the C1 space?
Answer	See answer to Q1.
Q20	From the information on Page 55 of design criteria the F1 space says that it is 11,169 SF but the package specs say 7,662 SF. Is the selected respondent responsible for building out that C1 space also? If so, can it be reconfigured?
Answer	See answer to Q2.
Q21	Would the airport except a QSR in the food court that is only open 6 days a week if all other locations are open 7 days a week?
Answer	See answer to Q6.
Q22	The RCS says F3 includes full bar, has that changed?
Answer	See answer to Q8.
Q23	We have experience running restaurants outside of the airport. This is our first airport RCS will we be considered?
Answer	No, please see Section I (D), Each Respondent must submit documentation in their Response to demonstrate that it meets the minimum qualifications as required and include all information requested in this section or the Response will be rejected as non-responsive. Respondent(s) who do not meet the minimum qualifications are encouraged to joint venture, partner or sublease with more established entities.
Q24	Clarifying.... we understand the MIN annual MAG, but is the MAG biddable or not?
Answer	Yes, per Section II (D) and Section III (A), Responses will be evaluated on the proposed First Year Minimum Annual Guarantee (MAG) submitted by the Respondent. First Year MAG must be \$383,100.00 (USD) or greater for Package 1 and \$77,400.00 (USD) or greater for Package 2.
Q25	What is the thinking about not offering a bar in F1.
Answer	See answer to Q8.

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Q26	Are the trash receptacles required in the smaller F3 space the same as the larger F1 space?
Answer	Please refer to Exhibit 15 - Tenant Design Criteria.
Q27	Are cocktails only available at F-3?
Answer	See answer to Q8.
Q28	It was mentioned those awarded a package may not be awarded another. Are those who are awarded any of these Phase I packages eligible for Phase 2?
Answer	No, per Section I – Introduction, if the City solicits future F&B concession spaces at T4S1 (Phase II), the Successful Respondents from this RCS 21-025 cannot be awarded the contract for the Phase II F&B concessions. However, because “Subtenant” is not included in the definition of a Respondent or Partner in Section I (S), the Success Respondent or Partner in Phase I, which may include an ACDBE, could participate as a subtenant in Phase II.
Q29	Please clarify, does F-3 allow for the sale of spirits?
Answer	Yes, See answer to Q8.
Q30	Clarification regarding businesses with experience running restaurants, but no airport experience - was the answer that we will be considered if we meet all OTHER minimum qualifications apart from airport experience? Or that we need to satisfy ALL minimum requirements, including that airport experience?
Answer	Respondents must satisfy all Minimum Qualifications including airport experience. Section I (D), requires that Respondent submit documentation in its Response to demonstrate that it meets the required minimum qualifications and must include all information requested in Section I (D), or the Response will be rejected as non-responsive.
Q31	Can the winner have one concept with 3 different types of food?
Answer	No, please refer to Section II (G), the City prefers no less than three (3) different food concepts be developed in the space along with seating. Each concept is expected to offer food for all parts of the day, which include breakfast, lunch and dinner.
Q32	If you are a small business do you still need to provide small business outreach forms?
Answer	Yes, please see Section I (F), all Respondents must fulfill outreach requirements regardless of their business status. If a Respondent is a small business, the Respondent must conduct outreach to other small businesses. Respondent cannot outreach to itself. Failure to meet the outreach requirements defined in Section I (F) of the RCS will result in a Response being deemed non-responsive.

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Q33	Is an ACDBE able to win in multiple categories?
Answer	Respondents, which may include ACDBEs, and their Partners, which also may include ACDBEs, are able to submit proposals for any of the current T4S1 RCS concession opportunities (AVN RCS 21-023 Retail / AVN RCS 21-025 Food & Beverage / RCS 21-018 Common-Use Lounge). The Retail RCS and Common-Use Lounge RCS only provide one concession opportunity. The Food & Beverage RCS offers two concession opportunities (Package 1 and Package 2), and Respondents may submit a Response for one or both Packages, but cannot be awarded both Packages. The Retail, Food & Beverage, and Common-Use Lounge procurements prohibit the submission of multiple responses in any concession opportunity. Per Section I, because "Subtenant" is not included in the definition of a Respondent or Partner, an ACDBE is eligible to participate as a subtenant on multiple proposals.
Q34	When will the sample small business plan template be available?
Answer	See answer to Q9.
Q35	What was the thinking in limiting the small businesses/ACDBE's from only participating in one opportunity?
Answer	<p>The City is expanding the opportunity for Small Business participation by offering the Small Business only opportunity, as well as ensuring more than one prime will operate on this concourse. The City also provides outreach efforts and encourages Small Business participation as a Respondent in this RCS procurement, as well as participation through partnering and joint ventures.</p> <p>The F3 concept in this RCS (Package 2) is an exclusive Small Businesses opportunity with no prime participation. A Small Business may submit on all of the concession opportunities, but only Small Businesses are eligible to compete on the F3 concept. Any Respondent, including ACDBEs, and their Partner, which may also include ACDBEs, can submit a proposal for either or both concession opportunities (Package 1 or Package 2) but may only be awarded one Package. ACDBEs may also participate as a subtenant on multiple proposals.]</p>
Q36	Will the financials/tax records we submit be kept confidential or put on any kind of public record?
Answer	A Respondent may request specific information contained within its Response be treated by the procurement officer as confidential or proprietary (collectively confidential) provided the Respondent clearly labels the information "confidential". If a public records request for information labeled "confidential" is received, the procurement officer will notify a Respondent and the Respondent may obtain a court order enjoining disclosure of information labeled "confidential." See Section V (C).
Q37	We also wondered about the airport experience requirement – we do not have airport experience but as a strong local brand we are very keen on finding a way to get some presence into the airport.
Answer	See answer to Q23.

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Q38	Is the experience requirement included in every round of solicitations? In the case of some of the other well-known local companies that have been able to open up spaces (e.g. Chelsea's Kitchen, Joe's BBQ, Fox restaurants, etc.), how were they able to navigate this? We have begun outreach/discussion with companies that have this experience already if partnering with one of these is the only way for us to be considered, we just wondered if there weren't other paths as well we should be looking into in the future.
Answer	See answer to Q23.
Q39	Can you please provide or advise when CAD or similar design files will be available in order for our teams to develop the floor plans and layout.
Answer	See answer to Q5.
Q40	<p>I am working on the response and there is an information that I was not clear. For the MAG proposal, minimum proposed is 383,100 for 7662sq food hall (package 1). But we would like to take 700sq out of 7662sq. I would like to ask that I should put down entire 383100 or take pro rata of that amount?</p> <p>For example. $700/7662 = 0.09135$ MAG= $0.09135 * 383100=35000$</p> <p>I don't want to use wrong number then get rejected.</p>
Answer	Please see Section II (D). The Respondent must propose the minimum MAG or greater. Respondents that propose an amount less than the First Year MAG of \$383,100 for Package 1 will be deemed non-Responsive. Proposed MAG will be evaluated as the proposed financial return to the City.
Q41	In what tab should exhibit 9 & 17 be included?
Answer	Please see Section III (C), Tab 1 – General Information. Please include the completed Exhibit 9 and Exhibit 17 forms in Tab 1 – General Information.
Q42	Will the airport consider the design deliverables (renderings/floor plans/material boards) exhibits so that this important piece of the project won't be counted against the overall page limit?
Answer	The design deliverables will not be counted towards the 40 double-sided (or 80 single-sided) page limit.
Q43	Does a bidder that achieves 100% ACDBE participation (because they are certified) need to provide evidence of outreach?
Answer	Yes, please see Section I (F). All Respondents must fulfill outreach requirements regardless of their business status. If a Respondent is an ACDBE, the Respondent must conduct outreach to other small businesses. Respondent cannot outreach to itself. Failure to provide documentation of required outreach efforts will result in a rejected response.
Q44	Are the retail locations limited on what percent of sales can be food/beverage products, and if so, what is the percent?
Answer	No, percentage caps were not identified on food/beverage items for the Retail RCS locations.
Q45	The response is limited to 40 double sided pages (not including financials and exhibits) – does this 40 page limit include cover sheets and table of contents?

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Answer	No, cover sheets and table of contents will not count toward the 40 double-sided (or 80 single-sided) page limit.
Q46	What is the airport proposing for access and resupplying the restaurants during all hours?
Answer	Please see Exhibit 15 – Tenant Design Criteria. Please reference loading dock location at apron level 2, just below space F2.
Q47	Where is the dock location in relation to the F1 food court?
Answer	Please see Answer 46.
Q48	Are any of the F1 restaurants required to be operated 24 hours a day?
Answer	No, please see Section II (I) - Hours Of Operation.
Q49	Will there be any vending machines in T4S1, and if so, what type?
Answer	There is no requirement for vending machines as part of this solicitation but the City reserves the exclusive right to add vending machines concessions in future procurements for T4S1.
Q50	Is an offsite warehouse required for the F1 package?
Answer	No. Please see Section II (J), Additional Space.
Q51	Can an ACDBE win Package 2 (F3) in Phase 1 as a small business <u>and</u> win in Phase 2 as a prime <u>OR</u> a sub-tenant?
Answer	If the City issues a future solicitation for F&B concession space in T4S1, a Respondent may be eligible for an award of Package 2 (Small Business) in Phase I, and because “Subtenant” is not included in the definition of a Respondent or Partner in Section I (S), the Respondent could participate as a subtenant in Phase II. An ACDBE cannot win as a small business in Phase I and as a prime in Phase II.
Q52	Are there CAD drawings or models available for F1 & F3 that can be made available before the submission date?
Answer	See answer to Q5.
Q53	Does an ACDBE have to be certified at time of submission or at time of leasing signing?
Answer	No, there is not an ACDBE certification requirement. A small business does not have to be certified as an ACDBE to be verified as a small business.
Q54	For the F3 location, does the operator need to be an ACDBE or SBA?
Answer	The Operator does not have to be ACDBE certified, but must meet the following small business requirement criteria; 1) Independent and for-profit business concern 2) Owned and controlled by one or more persons 3) Personal net worth cannot exceed \$56.4M 4) Annual gross sales (averaged over the business’ previous 3 years) cannot exceed \$56.4M.
Q55	Any idea of timing for Phase II
Answer	Terminal 4 South 1 (T4S1) Retail Concessions Phase II and Food and Beverage Concessions Phase II dates are to be determined. Please refer to Section II (B).
Q56	Did you say that S1 and S2 connect?
Answer	Yes, S1 connects to S2 through a connector bridge. See Exhibit 15 – Tenant Design Criteria (Rev. June 22, 2021), Page 15.

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Q57	Enplanement projections for S1?																						
Answer	<p>Projected enplanements are based on Airport analysis and consistent with rating agency analysts and industry watchers. The City makes no representation or warranties, expressed or implied, as to the accuracy of these projections. Respondent assumes all risk associated with use of these projections, including its accuracy, relevance, and/or materiality to the formulation of its Response.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Projected Enplanements</th> </tr> </thead> <tbody> <tr> <td>2023:</td> <td>1,500,000</td> </tr> <tr> <td>2024:</td> <td>2,424,406</td> </tr> <tr> <td>2025:</td> <td>2,453,499</td> </tr> <tr> <td>2026:</td> <td>2,502,569</td> </tr> <tr> <td>2027:</td> <td>2,603,672</td> </tr> <tr> <td>2028:</td> <td>2,655,746</td> </tr> <tr> <td>2029:</td> <td>2,708,861</td> </tr> <tr> <td>2030:</td> <td>2,763,038</td> </tr> <tr> <td>2031:</td> <td>2,818,299</td> </tr> <tr> <td>2032:</td> <td>2,874,665</td> </tr> </tbody> </table>	Year	Projected Enplanements	2023:	1,500,000	2024:	2,424,406	2025:	2,453,499	2026:	2,502,569	2027:	2,603,672	2028:	2,655,746	2029:	2,708,861	2030:	2,763,038	2031:	2,818,299	2032:	2,874,665
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Q58	The video be available online?																						
Answer	The design animation video of the T4S1 Concourse is available at the following link: https://www.youtube.com/watch?v=JB_9H2pJEE0 . See Addendum No. 1.																						
Q59	Are the projected Southwest enplanements for T4 S1 concourse when it opens June 2022?																						
Answer	Please see Answer 57 for available T4S1 enplanement projections. The Common-Use Airport Lounge, Retail Concessions Phase I, and Food and Beverage Concessions Phase I are not projected to open until 2023.																						
Q60	What is the projected enplanement growth for Southwest Airlines in calendar years 2022, 2023 and 2024?																						
Answer	See answer to Q57 and answer to Q59.																						
Q61	Percentage of Southwest enplanements will depart out of T4 S1?																						
Answer	Approximately 30% of Southwest Airlines total enplanements are projected to depart out of T4S1. This projection is subject to change and the City makes no representation or warranties, expressed or implied, as to the accuracy of this projection. Respondent assumes all risk associated with use of this projection, including its accuracy, relevance, and/or materiality to the formulation of its Response.																						
Q62	Will a CAD or DWG file be provided?																						
Answer	See answer to Q5.																						
Q63	Are flight schedules known?																						
Answer	No, there is no information on flight schedules available at this time. This data is generally provided by the airlines approximately 60 days prior to the actual flights.																						

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Q64	Can you confirm that bids can be sent electronically OR printed, not both?
Answer	Responses may be submitted electronically or in-person (hardcopy). There is no prohibition in the RCS precluding Respondents from submitting both electronically and in-person. The Response Guarantee, 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 defined at the Schedule of Events on page 1 of the RCS. See Section III (B).
Q65	Will an upload link be provided by the airport for electronic files over 150MB?
Answer	No, electronic submittals may be compressed and/or submitted in multiple emails if the total file size exceeds the amount allowed in a single email. See Section III (C).
Q66	Can the airport provided access to digital files (AutoCAD / REVIT) of all the proposed Lease areas – plans, elevations, sections, etc.?
Answer	See answer to Q5.
Q67	What is the current constructed condition of the sites?
Answer	The site is still under construction with substantial completion expected April of 2022. All timelines are subject to change.
Q68	What day can construction of the sites commence?
Answer	The T4S1 interior is expected to be complete and ready for Successful Respondents to begin their Tenant Improvement process on or about March of 2022. All timelines are subject to change.

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