

CHICAGO O'HARE INTERNATIONAL AIRPORT
EXPRESSION OF INTEREST FOR
FOOD AND BEVERAGE, SPECIALTY RETAIL AND BUSINESS SERVICES
CONCESSIONS OPERATORS

Issued by:

CITY OF CHICAGO
(The Department of Aviation)

The City of Chicago ("City") Department of Aviation ("Department") invites the submission of qualifications and expressions of interest to lease and operate food and beverage, specialty retail or business services concessions at O'Hare International Airport ("O'Hare" or "Airport").

The goals of the concessions program are to: (1) provide first-class service and a broad variety of quality merchandise and services to travelers and Airport users; (2) provide enhanced quality and value to airport consumers; (3) provide innovative food and beverage, retail, and personal and business services concepts with broad customer appeal; (4) increase the friendliness and convenience of O'Hare to passengers and visitors, and enhance the image of the City; (5) provide business opportunities for disadvantaged business enterprises; (6) promote store concepts, themes and products identified with Chicago; and (7) optimize concession revenues to the Airport.

If you have demonstrated experience operating comparable businesses, and are interested in opportunities at the Airport, you are invited to complete and submit online, Attachment A of this Expression of Interest.

Should you have questions about the information requested below, or the submittal process, please notify the City in writing explaining the issue and/or question and send it to:

Department of Aviation Concession Department
c/o Unison Retail Management
FAX: 773/894-3910

A. SCOPE AND REQUIREMENTS OF REQUESTED SERVICES

This document is not intended to solicit food & beverage, specialty retail and/or business service operators for specific spaces at the Airport. Rather, Respondents may express an interest in any type or combination of concepts for potential future opportunities. Furthermore, the City may choose, at its sole discretion, to issue a Request for Proposal ("RFP") for specific concession opportunities. The City is continually seeking unique concepts that complement the existing facilities at the Airport.

1. Merchandise Concepts

The City is committed to developing an innovative retail program that incorporates the highest level of quality in a unique shopping and dining environment. The concessions program includes well-known stores and restaurants with strong reputations for superior quality and service.

In developing concepts for this request, Respondents should consider the importance of store design in the airport environment. Store design must ensure that customer queuing be maintained within the leased space and not infringe upon the public corridor. Similarly, many passengers use luggage carts requiring that stores maintain wide aisles and adequate circulation. Further, store design should promote efficient operations, complement established themes and provide customers with a comfortable, attractive dining experience in food and beverage locations.

2. Hours of Operation

Concession locations at O'Hare operate seven days a week during such hours as mandated by the City. Generally, stores are expected to be open from 6:00 a.m. to 10:00 p.m., but the City may request other hours. At the discretion of the City, one or more Lessees may be required to extend operating hours to accommodate delayed passengers.

3. Term of Leases and Concession Agreement

Depending on the use and location as well as capital investment, typical lease agreements shall be for a period of three to ten years.

4. Compensation to City

In consideration of the rights and privileges to be granted to a Selected Respondent by the City, the Selected Respondent will pay to the City a

Concession Fee equal to the greater of a Percentage Fee, which equals the product of Percentage Fee Rate(s) multiplied by Gross Sales, or a Minimum Annual Guaranteed Fee ("MAG"). The actual compensation, including the actual Percentage Fee and MAG, and calculations thereof are subject to negotiation.

In addition, the lease agreement may include provisions for Lessees to pay the following fees:

- a Base Rent which will equal a set rate per square foot, escalating annually by three percent (3%), for all concession areas
- an amount equal to 0.5 percent of gross sales to the City for a marketing fund to be controlled by the City or its designated agent for the purpose of advertising, publicity, promotional materials and other activities appropriate for marketing the stores
- a fee for the use of a future designated central receiving / distribution facility to which all deliveries may be made based on Lessee's pro rata share of distribution facility costs
- a fee for food court common area maintenance expenses based on Lessee's prorata share of food court gross revenues produced from the leased space located in the food court

5. Capital Investment and Improvements

The City requires a minimum capital investment in the Leased Space for improvements and fixtures, furnishings and equipment. Lessee will be required to invest a minimum of \$200 per square foot for in line sites (concession space other than kiosks) and \$40,000 per kiosk (non-mobile, freestanding concession space).

6. Airport Concession Disadvantaged Business Enterprise (ACDBE) Participation

The concession programs at O'Hare International Airport are subject to federal regulations set forth in 49 CFR 23 ("Part 23") governing airport concession disadvantaged business enterprises ("ACDBEs"). It is the policy of the City to fully comply with the requirements of Part 23. Accordingly, the City has established an aspirational goal of 30 percent participation by ACDBEs (as certified by the City) in the concessions at the Airports.

The Respondent may, but is not required, to identify its ACDBE participant(s) in its submittal. Respondents interested in becoming certified ACDBEs are strongly urged to begin the certification process at the earliest possible date. Forms are

available on the City of Chicago's website (www.cityofchicago.org) under Doing Business with the City.

D. SUBMISSION, SELECTION AND CONTRACTING PROCEDURES

1. Selection Process

The information provided by the response to this Expression of Interest will be used as a database of individuals and businesses interested in operating at Chicago's Airports. At the City's sole discretion, a Request for Proposal (RFP) may be issued to only those that have expressed an interest in qualifying for a specific merchandising concept through this document, or may be posted on the website (www.flychicago.com) to which all interested individuals and businesses may respond.

An Evaluation Committee will review the RFP submittals received. The Committee may recommend to the Commissioner of Aviation certain Respondents for competitive negotiations as leased spaces become available and may also choose to enter into discussions or negotiations with one or more of the RFP Respondents to propose an agreement with the Respondent(s) who best meets the City's goals. The City may begin to make selections from the qualified Respondents immediately or may keep proposals on file for future opportunities. The City reserves the right to accept any submittal and/or any part or parts thereof and/or to reject any or all submittals.

2. Consent to Investigation

The City's determination as to whether a Respondent is qualified and responsible will be based on information provided by the Respondent in its RFP submittal, economic disclosures, interviews (if applicable) and other sources deemed to be valid by the City. A concession will not be awarded until all investigations of the Respondent's business experience, financial responsibility and character that the City deems necessary are completed. By submitting an Expression of Interest, the Respondent agrees to permit and cooperate with such investigations.

3. Respondent's Costs

All costs incurred by Respondent in preparation of Respondent's submittal (including costs associated with interviews) will be borne by Respondent. The City is not responsible for any costs associated with this proposal submission.

4. Ownership

All submittals and supplementary material will become the property of the City.

5. Award Subject to Approval

All awards of concessions under this Expression of Interest, are subject to the approval of the City Council.

6. Representation by Brokers

The City will not be responsible for any fees, expenses or commissions for brokers or their agents. Communications by or between employees of or consultants to the City and any potential or actual Respondent broker or agent are not to be construed as an agreement to pay, nor will the City pay any such fees, expenses or commissions. Respondent must hold the City harmless from any claims, demands, actions or judgments in connection with such broker fees, expenses or commissions.

7. Disclaimer

The information contained in this document is provided to assist prospective Respondents in the preparation of a submittal. The City assumes no responsibility for the use of this information by Respondents and does not guarantee the accuracy of the information.

E. EVALUATION CRITERIA

All RFP submittals will be reviewed and evaluated by the Department, which may recommend to the Mayor and City Council one or more Respondents for Award of the subject concessions. The following items will be considered in the evaluation of submittals:

1. Experience and Qualifications of Respondent
 - Number of years of experience with concepts similar to those being proposed
 - Number of years of experience in an airport
 - Professional references
 - Quality of existing facilities operated by Respondent as determined by review of photographs submitted by Respondent and possible site visits
 - Experience with proposed concept
 - Commitment and involvement of the Respondent's ownership and management in the operation of the concession
2. Store Concept
 - Chicago concepts and themes

- Quality and variety of merchandise
 - Breadth and depth of product lines
 - Inclusion of products identified with Chicago in the proposed merchandising plan
 - Innovation of overall theme
 - Visual presentation of concept including creativity and innovativeness of facility design
3. Financial capability of Respondent
 4. Commitment to ACDBE participation in the operation of the concession
 5. Completeness and comprehensiveness of the information included

The City will also consider the past performance of the Respondent, and its constituent individuals or entities as applicable, on other leases or contracts with the City or other entities in terms of quality of work and compliance with performance schedules. The Department may solicit from other departments of the City, other government agencies or any other available sources, relevant information concerning the Respondent's record of past performance.

Submittals will be evaluated to ensure compliance with all applicable local, city, state and federal laws, ordinances and statutes. Compliance with the City of Chicago and Federal Aviation Administration regulations and requirements including Disclosure of Ownership Interests Ordinance (Chapter 2-154 of the Municipal Code of Chicago); the State of Illinois - Certification Affidavit Statute (Illinois Criminal Code); State Tax Delinquencies (65 ILCS 5/11-42.1-1); Governmental Ethics Ordinance (Chapter 2-56 of the Municipal Code of Chicago); Anti-Scofflaw Ordinance (Section 2-92-380 of the Municipal Code of Chicago); Child Support Arrearage Ordinance (Section 2-92-415 of the Municipal Code of Chicago); the MacBride Ordinance (Section 2-92-580 of the Municipal Code of Chicago); the Anti-Bribery Ordinance (Section 2-92-320 of the Municipal Code of Chicago); and Americans with Disabilities Act (P.L. 101-336 (1990)).

ATTACHMENT A**Company Name:** _____**Address:** _____**Telephone:** _____**Fax:** _____**E-mail Address:** _____**Owners/Officers****President:** _____**V President:** _____**Secretary:** _____**Treasurer:** _____**Is this business currently registered to do business in the State of Illinois? Y or N****Area of Interest/Business Concept: (circle one)**Retail Specialty Retail Food and Beverage Duty Free News and Gifts
Other _____**Area of Interest / Business Concept (500 words or less)**

Respondent must include a brief description of its proposed business concept.

Experience and Qualifications (1000 words or less)

Respondent must explain in detail the number of years and extent of Respondent's restaurant, retail and/or business service experience with special emphasis on prior experience with the operation and management of such facilities at airports, major transportation centers, shopping centers or other high-traffic/high volume environments.

This information should include at least the following:

- Names of stores operated by the Respondent in the prior five years
- Description of merchandise concepts
- Sales volume of each existing operation, listed by merchandise category, for the past three years
- Other information supporting the Respondent's business experience

Business and Financial References

Respondent must attach a list of three business references and three financial references related to its business operations during the last three years.