

**Chicago O'Hare and Midway International Airports  
Request for Proposals to Install and Operate a  
Luggage Cart Rental Concession**

**Addendum #2  
March 14, 2007**

**This Addendum is intended to modify the Request for Proposals to Install and Operate a Luggage Cart Rental Concession at Chicago O'Hare and Midway International Airports ("RFP") dated December 29, 2006, as amended by Addendum #1 dated February 8, 2007. Unless otherwise defined herein, capitalized terms have the same meaning as in the RFP. In the event of a conflict between the RFP, Addendum #1 and this Addendum #2, Addendum #2 controls.**

**A. Questions Submitted by Prospective Respondents**

1. *On pg. 12, sec. 9(f) – this section affords the City the discretion to “select multiple proposals”. Is it the City’s intent to potentially select multiple companies to provide the luggage cart service at Chicago O’Hare International Airport?*

At this time, the City intends to award the offered concession to one respondent. However, the City reserves the right to award portions of the offered concession to multiple respondents. Any determination to award locations to multiple respondents will be made by the Evaluation Committee and City at their sole discretion.

2. *On pg. 14, sec. D – The RFP defines the Concession Fee as equal to “the greater of the MAG and the percentage fee”. Was this section intended to read that the concession fee is equal to the greater of the MAG or the percentage fee?*

Yes. The Concession fee is the greater of the MAG fee **or** the percentage fee.

3. *On pg. 18, sec. 11 – with respect to Non Exclusivity, does this section mean that the City has the right, after signing a license agreement with the selected vendor and ensuring a Minimum Annual Guarantee, to contract with additional vendors for the provision of the same service in a competitive environment.*

The City does not give exclusive agreements for Airport concessions, and retains the right to contract with other companies if it chooses.

4. *On pg. 17, sec. 7 – This section gives details regarding utilities usage for this concession. As would be expected, the successful proponent is required to pay for all installation costs and ongoing utility use charges. One item that is not addressed is the provision of utilities (electrical, data lines) to luggage cart locations that have been altered at the request of the City during the course of the agreement. Does the City expect the successful proponent to pay for new utility connections in the case where the service provider has been required to relocate by the City?*

If the City requires the permanent relocation of the luggage carts, it will work with the Selected Respondent to provide utilities at the relocation site as described in the Lease. If it is a temporary relocation, the City may ask the Selected Respondent to provide temporary battery pack service.

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5. *Pg. 20, sec. E(1) – This section notes that the City may add “Leased Space under either of the Agreements”. To what “Agreements” (pl) does this section refer?*

That is an error. Please disregard, “under either of the Agreements.” The sentence should read, “The City reserves the right, at the Commissioner’s discretion, to add additional Leased Space under the Agreement.”

6. *Pg. 22, sec.G – Smarte Carte would like to clarify and confirm the specific intent of the city as it relates to the free luggage cart service in the FIS area. Under the current agreement the City pays “.39 per cart used in the FIS area. If viewed as a stand alone operation, the revenue generated from FIS uses (1,255,676 in 2006) does not exceed labor and other costs required to operate this service. In order for a financially responsible respondent to reply to this request at \$.35 per cart, they will be required to have the fees paid by the domestic passengers supplement the overall operation. Is it the intent of the City to have the domestic passengers supplement the overall operation? Is it the intent of the City to have the domestic (paying) passengers subsidize the free cart service in the FIS?*

The City intends to continue offering free luggage cart services in the FIS areas of both Airports. The City will pay to the Selected Respondent \$0.35 per use in the FIS. The City expects respondents to consider the anticipated revenues of the concession (including Gross Receipts and payments by the City for FIS usage), as well as anticipated operating and capital costs, in the preparation of their financial proposals.

7. *Pg. 28, sec. G – In the table that shows the breakdown of the evaluation criteria, Smarte Carte is requesting greater clarification as it relates to the analysis of the “Compensation to the City” section. Being that this section will be rated on both the Minimum Annual Guarantee and the percentage fee, which one of these two numbers will take precedence?*

The evaluation for the Compensation to the City area will be based on projected concession fee to be paid to the City, comprised of both the Minimum Annual Guarantee Fee and the percentage fee. The two components of the concession fee are not evaluated separately.

8. *Pg. D-3, Attachment D – Smarte Carte questions the disparity relative to the number of vending units listed as current on this page versus previous references.*

At O’Hare, there are 46 luggage cart vending units, exclusive of units in FIS.

9. *Are there any statistics or information on the user-rate of luggage carts for the FIS-Area available?*

This information is not available.

10. *What is the total number of luggage carts currently in service?*

This information is not available.

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11. *How many luggage carts in total (number of carts or square feet) can be made available to passengers in the FIS-Area?*

The City expects respondents to propose the quantity of luggage carts to be provided at the Airports, including in the FIS areas, as part of their proposed concession plan.

12. *Would the luggage carts currently in service be considered as "like new equipment" or do they need to be replaced?*

Concessionaires coming into the Airport under a new contract are required to begin the contract with new equipment.

13. *Can you provide the gross sales figures in the FIS-area from previous years for O'Hare and Midway?*

Since the City offers free luggage cart rental in the FIS areas of O'Hare and Midway, there are no gross sales figures. The City reimburses the luggage cart operator for each use of a cart in FIS, but reimbursement amounts are not available.

14. *What is the current allocated staffing level being provided in support of the cart concession (O'Hare and Midway)?*

This information is not reported to the City.

15. *In Section E. No. 2. Scope of Concession Services (g) on page 22 of the RFP you refer to a dispensing device from which a passenger can remove a cart. What type of dispensing device do you refer to? During our visit we were unable to locate such a device. Or do you refer to a single cart counting device for carts being made available in FIS?*

The City expects the Selected Respondent to install and operate standard luggage cart dispensing units in the FIS that allow for an accurate count of usage by arriving passengers.