

What Makes a Great Proposal

February 2024



Preparation is Key

PREPARE AHEAD OF TIME

- Attend all City and Airport outreach events, in-person and virtual
- Visit the www.flychicago.com website
 - (register for web alerts)
- Talk to other airports and airport concessionaires
- When traveling, notice other airport concessions
 - Type
 - Operation
 - Design
- Attend an airport concessions conference
 - ACI – Airports Council International
 - ANX – Airport Experience News
 - AMAC – Airport Minority Advisory Council, including local chapter events
- Notice trends in the retail and food & beverage industry
- If you qualify, get ACDBE certified!

FIND GOOD ADVISORS

- **Financial** - begin conversations with your banker or find an institution interested in small business lending
- **Attorney** - don't go to court without a good attorney - don't negotiate without one either
- **Accountant** - they play an important role while preparing the proposal and once you begin operating
- **Writer** - find a proposal writer that knows how to prepare airport concessions proposals

Requests for Proposals (RFPs)



READ THE RFP CAREFULLY!

- Read, reread, and have others read the RFP carefully and follow all the RFP requirements and addendums & take notes
- It's more than just reading the RFP – you need to understand it
- Read any additional documents – questions and answers, survey results, etc.
- Write down key dates and times
- Make sure you can access any web sites and links and receive any updated information
- Visit the Data Room often
- Ask questions for clarification on anything you don't understand or on which you want additional information
- Don't assume anything – ask! – And follow the directions in the RFP on the timing and format for submitting bidder questions

THE RFP PROCESS

CDA PREPARATION PHASE

1. CDA identifies locations available for lease
2. CDA generates and issues a Request for Proposals (RFPs)

RESPONSE AND SELECTION PHASE

3. Respondents prepare and submit proposals
4. CDA evaluates responses through a Selection Committee, and selects concessionaire(s)

LEASE FINALIZATION PHASE

5. Selected concessionaire and CDA finalize the lease
6. CDA obtains approval of City Council

DESIGN & CONSTRUCTION PHASE

7. Concessionaire submits design and construction plans for review and approval
8. Concessionaire completes construction and opens for business

This process may take 1.5 to 3 years from the date of RFP release

ATTEND THE PRE-PROPOSAL MEETING AND TOURS

- Shortly after the release of the RFP, CDA will hold a Pre-Proposal Meeting for all interested bidders (usually virtual) – you should make sure to attend
- Take advantage of attending any tours, whether in-person or virtual
- At the tour, bring a printout of the airport's terminals to reference and make notes on
- Take notes and photos – you may not have another opportunity
- Include another set of eyes and ears

MAKE SURE YOU UNDERSTAND THE AIRPORT ENVIRONMENT

- Ask questions about operating in an airport environment
- It's not just about your concept, it's about your concept in an airport
 - TSA/security logistics for screening incoming goods
 - Employees – need to be badged, travel to the airport every day, etc.
 - Hours of operation – an hour before the first flight to the last flight – usually about 5am to 11pm
 - Product logistics
 - Airlines and passenger characteristics
 - Passenger ebbs and flows
- Remember what works on the street may not work in an airport

OPERATING IN AN AIRPORT IS EXPENSIVE

- Build out costs at ORD run \$1,500 - \$2,500 per SF (average right now is about \$1,700 per SF)
- Labor costs are often higher to attract employees who (1) qualify for security badges, and (2) are willing to travel to the airport each day
- Hours of Operation are longer than on the street
- Concessions operate 365 days a year
- There are specific logistical considerations for the delivery of goods
- Other airport specific operation costs:
 - Sales reporting requirements
 - Sales audit requirements
 - Badging
 - Employee parking
- Consider partnering or being a subtenant

TYPICAL ELEMENTS OF A PROPOSAL

1. Cover/Transmittal Letter
2. Experience and Qualifications Statement
3. Methods of Management and Operations
4. Concessions Development Proposals
 - a. Store Concept and Design
 - b. Compensation to the City
 - c. Projected Sales, Net Income and Cash Flow
 - d. Capital Investment and Financing Plan
5. Airport Concessions Disadvantaged Business Enterprise (ACDBE) Participation Plan
6. Professional References
7. Exceptions
8. Executed Proposal Affidavit
9. Business Information Statement
10. Financial Statements

ADDRESS EXACTLY WHAT RFP ASKS FOR

- Your proposal should address exactly what the RFP is looking for:
 - Concept
 - Menu/retail offerings
 - Design
- Follow the directions in the RFP
- Provide all the information requested in the RFP
- Make sure you fill out all forms
- Don't forget signatures
- Don't overlook the evaluation criteria – they help you understand what the Selection Committee is scoring on
- Think like the airport!

CONVEY YOUR CONCEPT AND IDEAS

- Do your best to convey what you are proposing
- You know your brand, but your audience does not – toot your own horn!
- Give examples – don't just make statements
- Market yourself – data, statistics, awards, honors, etc.
- Remember you are promoting your concept **and** your ability to operate it
- Be concise and direct and don't add a lot of “fluff”
- Don't use slang or lingo your audience won't understand but use enough so your audience knows that you know your stuff
- Talk about how your proposal would work in the airport environment

CONVEY FLEXIBILITY

- Through words, photos, etc., convey your enthusiasm for what you are proposing
- Discuss how your proposal:
 - Meets the needs of the airport and its different types of travelers
 - Generational
 - Type (business, leisure, families, etc.)
 - Issues (accessibility, food allergies, food preferences, etc.)
 - Will stay fresh
 - Design and physical appearance
 - Menu items
 - Adapt to changing passenger needs and industry trends
 - Will use technology to better serve the customer

CONVEY YOUR ENTHUSIASM!

- Remember you are proposing a concept for a public facility. Don't forget:
 - Sustainability
 - Diversity
 - Accessibility
- Focus on why what you are proposing is best for the City of Chicago and the airport
- Is there anything unique that your proposal can bring to Chicago and the airport?
 - Signature drink
 - Signature menu item
 - Signature retail product
- Focus on what sets what you are proposing apart from other proposals – why should your proposal be selected over others?
- Don't assume anything – you know what you want to propose best so assume your audience does not

PROOF AND DOUBLE CHECK YOUR PROPOSAL

- Make sure your proposal is well organized
- Read and reread your proposal
- Spell check your proposal
- Make sure any references and links in your proposal are accurate
- Double check your math
- When done have someone not associated with developing the proposal read the proposal and give feedback
- Do a page turn down – one page at a time
- Make sure all forms are complete and all signature areas are signed

DON'T WAIT UNTIL THE LAST MINUTE

- Set a “due” date for completion of your proposal ahead of the actual due date
- Make sure you know exactly how to submit the proposal well ahead of time
 - If hard copies are required, know how to get them there on time
 - For electronic submissions, make sure you know how to attach files and that your system can handle the size transfer
- Secure any letters of intent, franchise agreements, license agreements, etc., as soon as possible and well in advance of the due date
- Remember Murphy's Law!

“Anything that can go wrong, will go wrong”

A blue-tinted background image of the Chicago skyline with a large airplane flying towards the viewer in the foreground and a smaller airplane in the distance.

**THANK YOU FOR JOINING US
TODAY!**

Questions?

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