



MAYOR BRANDON JOHNSON

# Chicago O'Hare Terminals 1 & 3 Concessions Request for Proposals

Pre-Proposal Meeting

September 30, 2024

 **ORDER  
Up!**



RWY 28 R FROM  
TORA 9 784 F

## AGENDA

- ✓ Welcome and Meeting Rules
- ✓ Introduction and Airport Overview
- ✓ Overview of Terminals 1 and 3
- ✓ RFP Review
- ✓ Questions

# ORDER Up!

Concession Opportunities  
in Terminals 1 and 3

O'HARE RETAIL + DINING 

# PRE-PROPOSAL MEETING RULES AND PROCEDURES

Please note this meeting is being recorded.

- 1 All those attending virtually will be on mute the entire presentation.
- 2 No questions will be addressed during this Pre-Proposal Meeting. Any questions must be submitted in writing, pursuant to the Written Questions requirements of Section III(E) of the RFP, to [ORDERUPQuestions@cityofchicago.org](mailto:ORDERUPQuestions@cityofchicago.org). The Written Questions deadline is November 8, 2024.
- 3 This presentation and a list of participants will be posted in the Data Room.
- 4 Participants are encouraged to check the Data Room regularly; it is the participants' responsibility to make sure they are using the latest information.

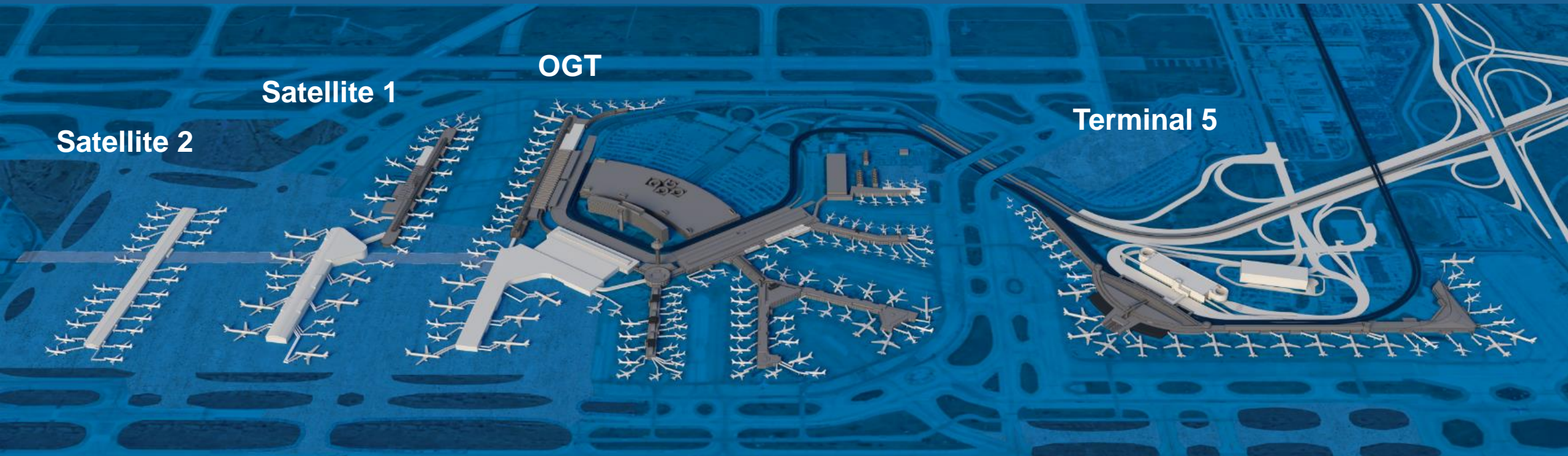
An aerial, grayscale photograph of an airport terminal and control tower. The control tower is a tall, cylindrical structure with a glass-enclosed observation deck at the top. The terminal building is a long, curved structure with a grid-like roof. Several aircraft are visible on the tarmac, including one with "Alaska" written on its tail. A red horizontal line is drawn across the middle of the image. The sky is overcast.

# Airport Overview

# ✈️ O HARE 21

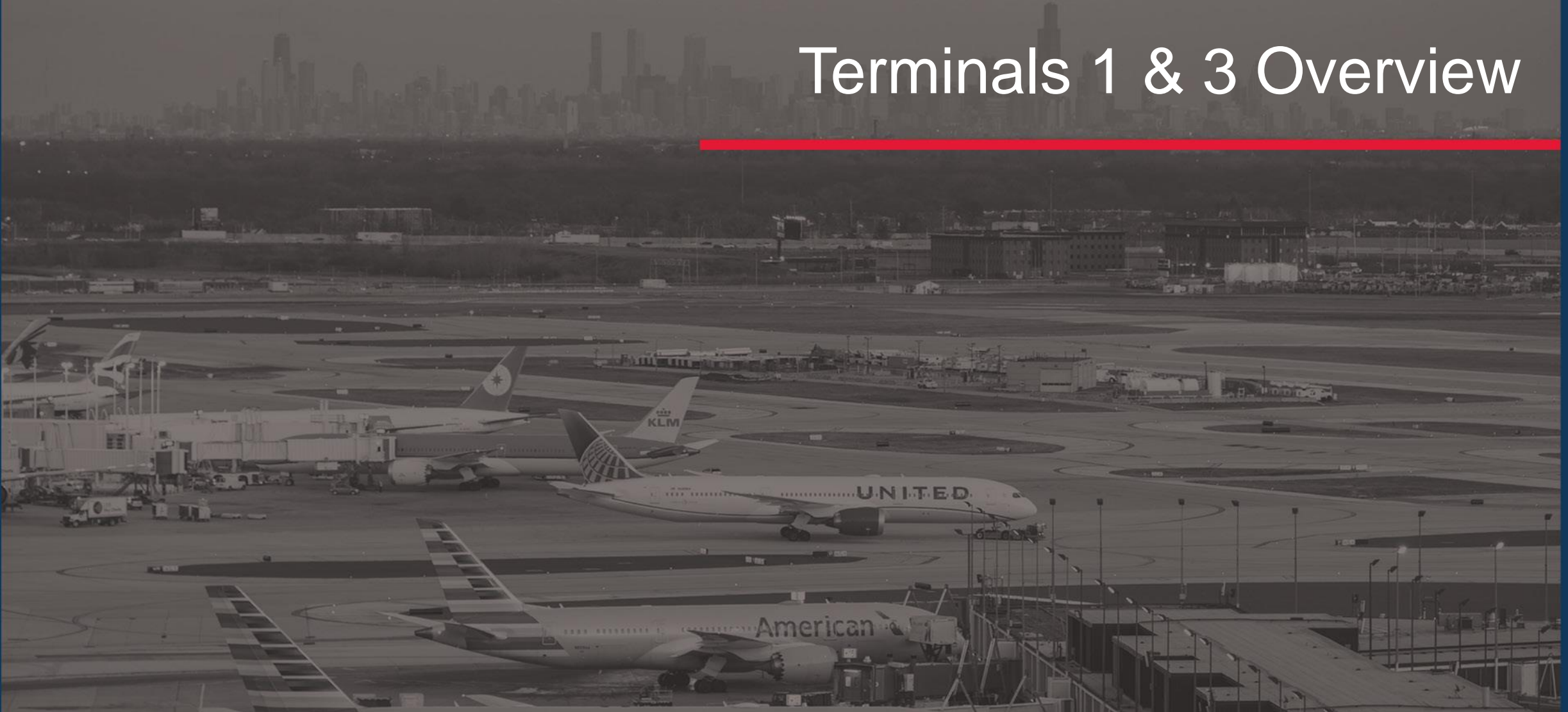
O'Hare 21 is Chicago's vision for a modern airport that will be an efficient and accessible international gateway, bringing the world to Chicago, and Chicago to the world.

Through this decade-long capital program, O'Hare will be transformed from curb to gate and meet the needs of the traveling public through the 21<sup>st</sup> century and beyond.



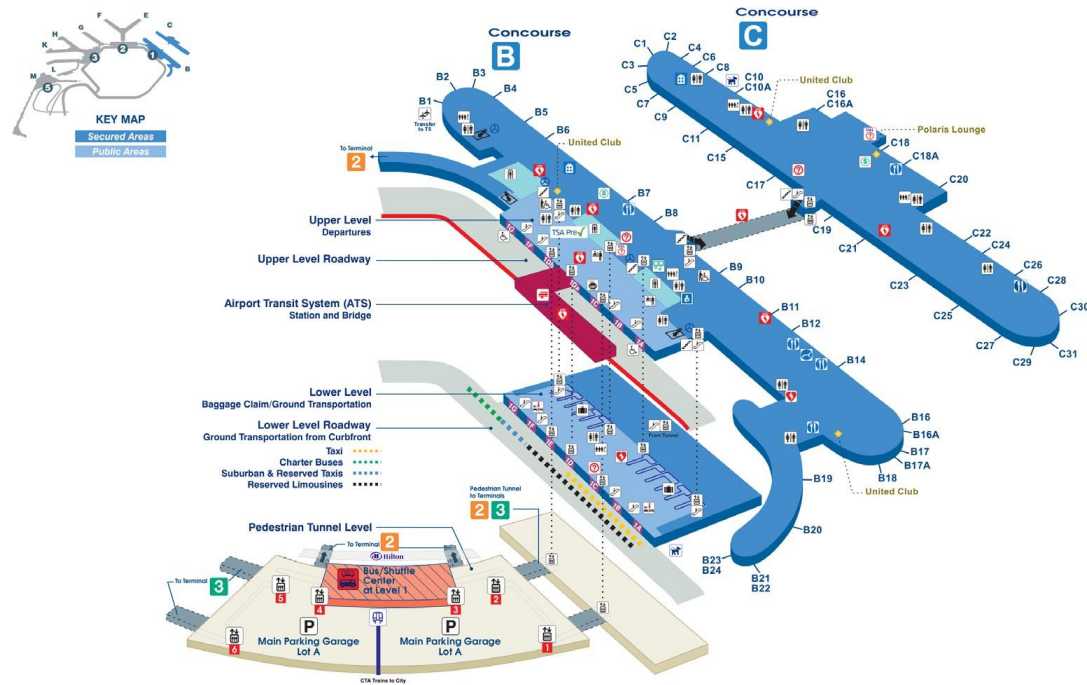
# Terminals 1 & 3 Overview

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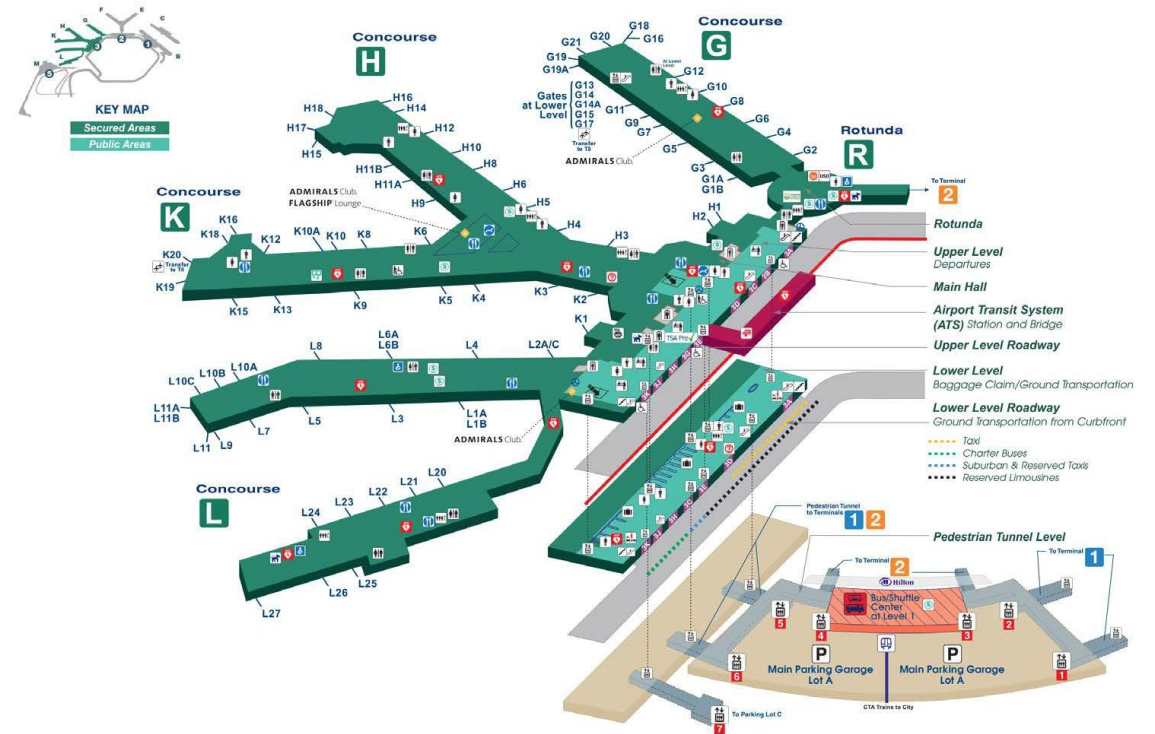


# TERMINALS 1 & 3

Terminal 1 (“T1”) consists of two distinct concourses (B & C) with 52 gates.



Terminal 3 (“T3”) consists of four concourses (G, H, K & L) with 80 gates.



# TERMINALS 1 & 3 AIRLINES

## O'Hare is a hub for two airlines – United and American

UNITED 

ANA 



Lufthansa

American Airlines 

Aer Lingus 

BRITISH AIRWAYS 

IBERIA 

  
JAPAN AIRLINES

spirit 

### Terminal 1

- **United Airlines**, alongside its regional affiliates, is the primary carrier in Terminal 1.
- International departures include United, **Lufthansa**, and **ANA** flights.

### Terminal 3

- **American Airlines** is the primary carrier in Terminal 3.
- All American, American Eagle, and American Connection departures – including international – depart from Terminal 3.
- **British Airways**, **Aer Lingus**, **Japan Airlines**, **Iberia Airlines**, **Spirit Airlines**, and several charter airlines also currently depart from Terminal 3.



# ORD PASSENGER TRAFFIC

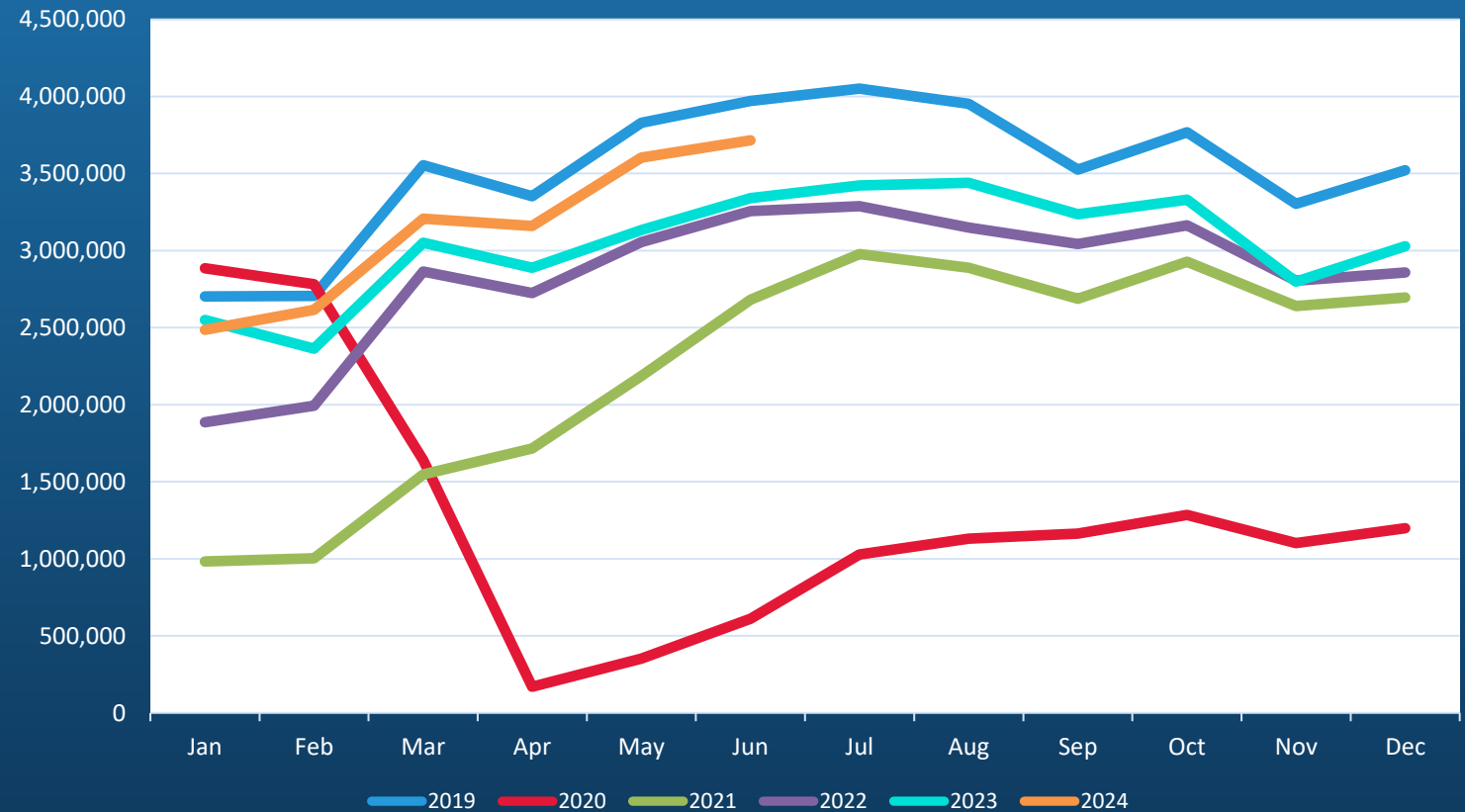
ORD finished 2023 with **36.5M** Enplanements, up **+7.3%** over 2022.

Through June 2024, ORD enplanements are up **+8.4%** vs for the same time period in 2023.

ORD passenger mix is approx. **50/50** Origin & Destination vs. Connecting.

Domestic passengers account for about **82%** and International passengers **18%**

## Chicago O'Hare International Airport Monthly Enplanements



# ENPLANEMENT FORECAST

## O'Hare International Airport Enplaned Passengers

	Actual 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028
Domestic Enplaned Passengers	29,916,091	33,153,664	34,145,522	35,181,788	36,189,811	37,197,769
International Enplaned Passengers	6,681,679	7,180,513	7,559,584	7,913,816	8,174,306	8,435,637
Total Enplaned Passengers	36,597,770	40,334,177	41,705,106	43,095,605	44,364,117	45,633,406

SOURCES: City of Chicago, Department of Aviation, June 2024 (historical passengers); Ricondo & Associates, Inc., June 2024 (forecast passengers).



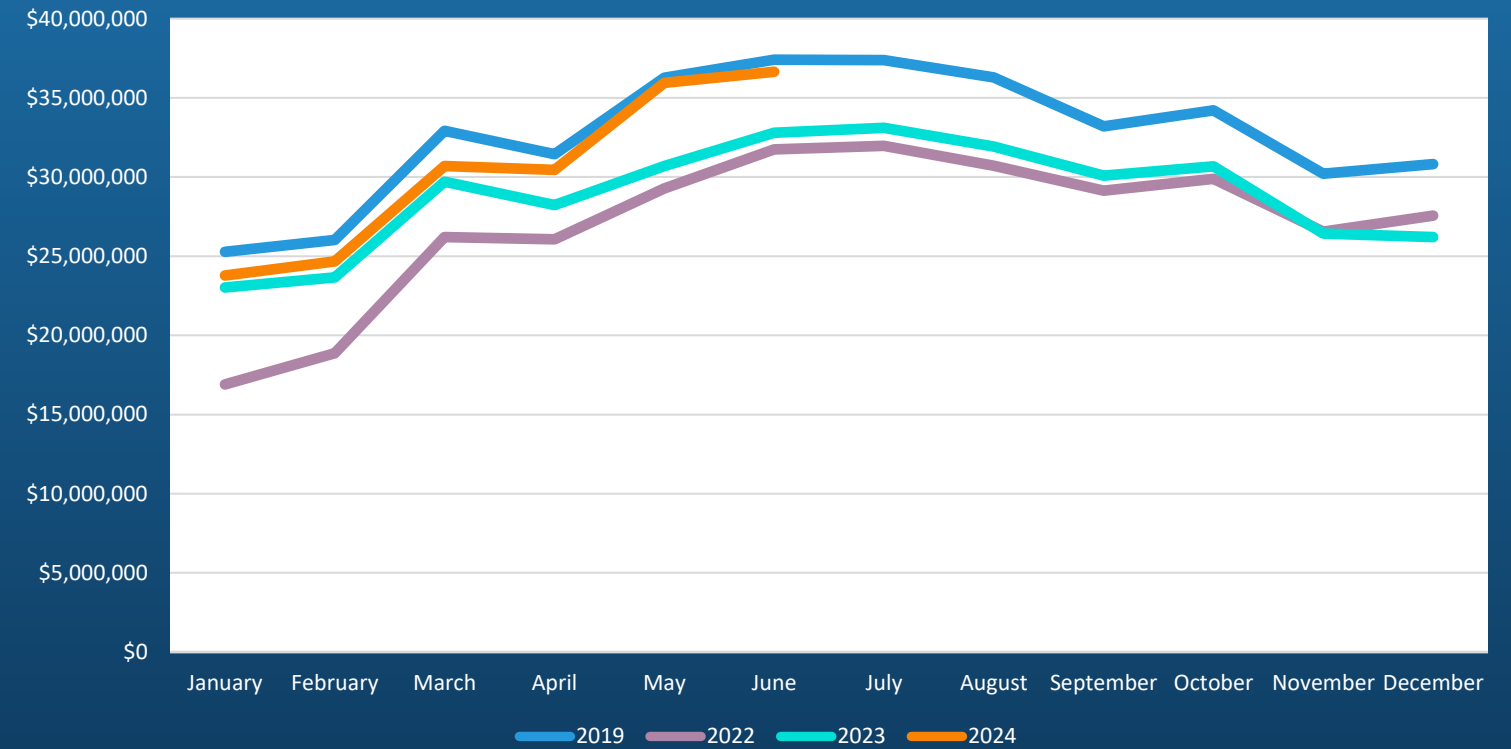
# CONCESSION SALES TERMINALS 1 & 3

**Concession sales** totaled **\$346M** in 2023, up **+6.7%** over 2022.

**Concession sales** are up **+8.4%** through June 2024 vs. the first six months of 2023.

Although 2023 **concession sales** trailed 2019 by **-11.5%** overall, through June of 2024, sales are only down by **-3.8%**.

### Chicago O'Hare International Airport Terminal 1 & 3 Concession Sales



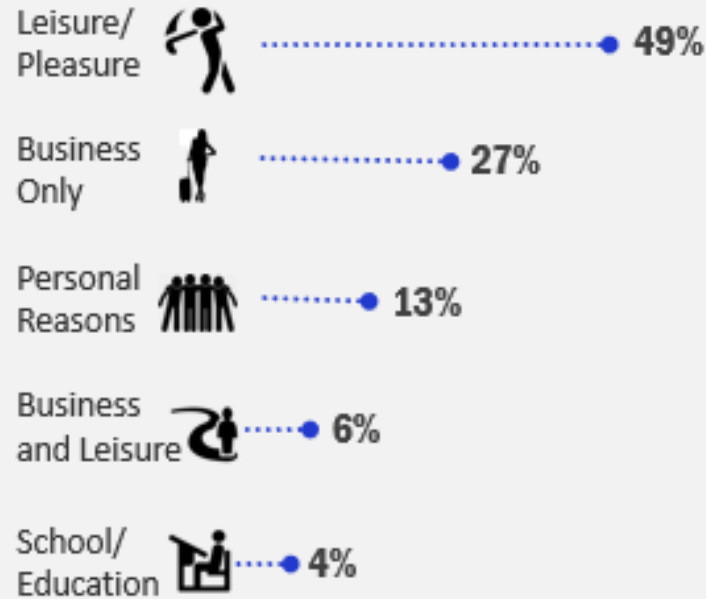
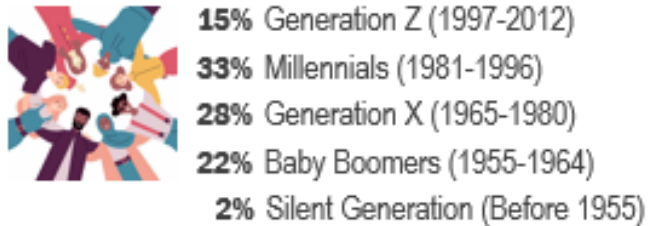
# ORD DEMOGRAPHICS (please see the 2023 customer survey posted in the data room)

## Demographic Characteristics

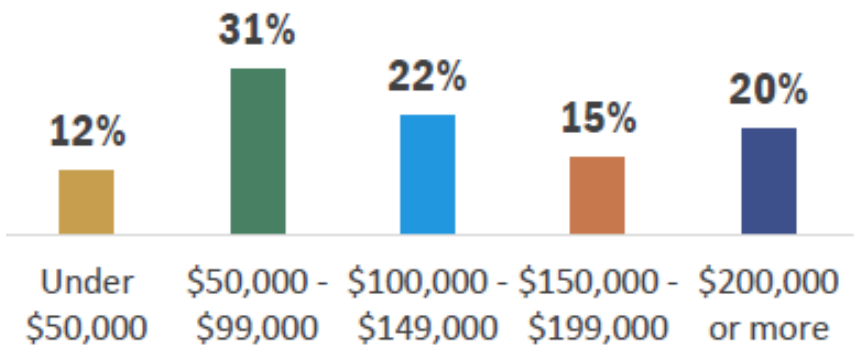
### Gender\*



### Age Group



### Annual HH Income



# RFP Review

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# REQUEST FOR PROPOSAL SCHEDULE

Scheduled Item	Scheduled Date and Time
RFP Issued	September 5, 2024
Pre-Proposal Registration Deadline	September 26, 2024
Pre-Proposal Meeting ( <i>Non-Mandatory</i> )	September 30, 2024
Tour Registration Deadline	September 26, 2024
Tour Dates	October 1 - October 3, 2024
Written Questions Deadline	November 8, 2024
<b>Response Due Date</b>	<b>January 15, 2024</b>

Please Note: Any amendments to this RFP, including adjustments to the Due Date and other key dates, will be issued through Addenda. All Addenda will be posted in the Data Room.

# PROGRAM GOALS

The CDA's goal is to provide best-in-class services, facilities, and amenities that reflect Chicago as a world-class city. With **ORDERUp**, the CDA seeks to accomplish the following:

Create a **sense of place** and capture the spirit of Chicago's metro area and O'Hare as an international gateway

Create a **state-of-the-art** concessions program to meet the needs of the O'Hare market for the next decade and beyond

Enhance O'Hare's **customer experience and customer satisfaction** and provide value to customers

Provide **extraordinary customer service, quality, and value** through the expansion of the concessions program footprint and offerings

**Optimize** the concessions program's layout and space

**Maximize** revenue to the airport, defraying costs to the CDA's valued airline partners

Create excellent **opportunities for small businesses** to enter the airport market

Deliver product offerings to meet the needs of the traveling public both **today and in the future**

Foster **competition** among concessionaires

Provide **opportunities** to improve diversity and inclusiveness

# MINIMUM QUALIFICATION REQUIREMENTS

- 1 Respondent must have at least three years of continuous experience, within the last five years, in the successful ownership, management, and/or operation of a business similar to that which is proposed, except that respondents to Group A Packages must have at least five years of such experience within the last ten years.
- 2 Respondent must provide three airport and/or landlord or other business contacts.
- 3 If Respondent is a newly formed entity, Respondent must demonstrate that owners of Respondent who, in the aggregate, own 51% or more of the entity, each satisfy the experience requirements set forth above.
- 4 Respondent must provide evidence of Respondent's ability to fund or finance the sum total capital cost of all proposed locations within all packages proposed by Respondent.

# RFP Packages

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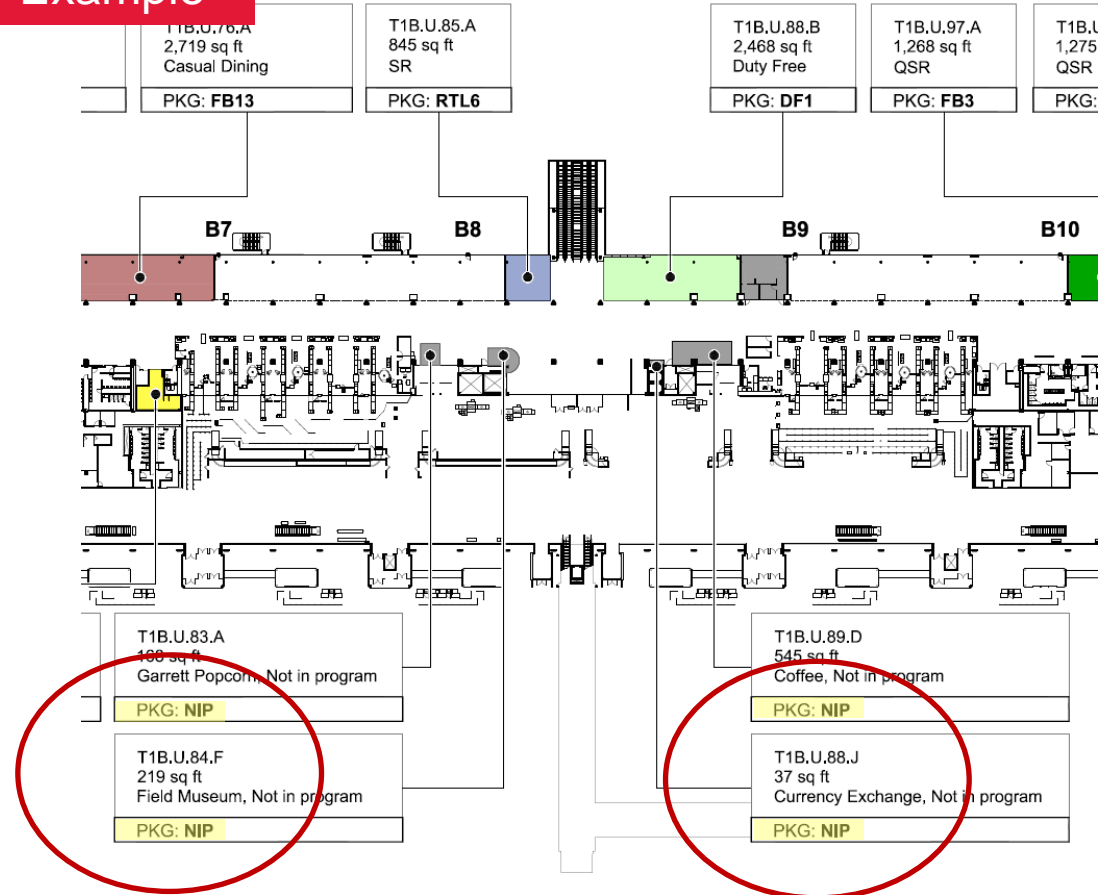


# CONCESSION SPACES NOT INCLUDED IN THE RFP

Not In Program (NIP) due to:

- Still in planning stages
- Awarded or agreements extended
- NIP locations appear **grey** on maps
  - Terminal 1
    - 5 in concourse B
    - 2 in concourse C
  - Terminal 3
    - 3 in concourse H/K
    - 1 in concourse K
    - 1 in baggage claim
- Note: T3 Concourse L including “Stinger” are NIP

## Example



# PACKAGES ARE OFFERED IN GROUPS

The City has set the following limitations relating to the award of Packages. These limitations apply to all entities including prime operators, subcontractors, and joint venture partners. These limitations shall not take into account an entity's involvement with any concession locations at O'Hare or Midway Airports that are not the subject of this RFP.

- a. **Group A Packages:** No entity shall be awarded more than two Group A Food & Beverage or more than two Group A Retail Packages. (This does not prohibit the same entity from being awarded two Group A Food & Beverage and two Group A Retail Packages.)
- b. **Group B Packages:** There are no limits on the number of Group B Packages an entity may be awarded, including in conjunction with Group A and Group C Packages.
- c. **Group C Packages:** No entity shall be awarded more than two Group C Food & Beverage or more than two Group C Retail Packages. (This does not prohibit the same entity from being awarded two Group C Food & Beverage and two Group C Retail Packages.)
- d. **Group C Packages may only be awarded to Qualified Small Businesses.**
- e. **The limitations for Group A Packages** apply to the majority owning entity (the entity with the largest percentage of ownership in the respondent entity) of any joint venture, and do not apply to any entity with minority ownership or any subtenant with a minority ownership interest.

# PACKAGING SUMMARY – FOOD & BEVERAGE PACKAGES

Package	Group	Type	Locations	Size (SF)
FB1	A	K Food Hall	11	19,436
FB2	A	C Food Hall	8	17,174
FB3	A	HK Food Hall	4	22,570
FB4	A	T3 Main Food Hall	4	9,428
FB5	A	Mix	8	16,030
FB6	B	Mix	6	12,065
FB7	B	Mix	5	4,732
FB8	C	Mix	3	2,621
FB9	C	Walk Away	4	1,807
FB10	C	Walk Away	2	1,229
FB11	C	Walk Away	3	1,273
FB12	C	QSR	2	1,874
FB13	B	Casual Dining	2	6,004
<b>13 Packages</b>		<b>Locations</b>	<b>62</b>	<b>116,243 SF</b>

# PACKAGING SUMMARY – RETAIL AND DUTY-FREE PACKAGES

Retail Package	Group	Type	Locations	Size (SF)
RTL1	A	Mix	10	7,822
RTL2	A	Mix	6	6,024
RTL3	A	Mix	6	5,675
RTL4	C	Mix	3	1,805
RTL5	C	Mix	2	900
RTL6	B	Electronics	4	2,501
RTL7	C	Candy	3	1,913
<b>7 Packages</b>		<b>Locations</b>	<b>34</b>	<b>26,640 SF</b>

Duty Free Package	Group	Walk Away	Locations	Size (SF)
DF1	B	Duty Free	3	5,570
<b>21 Total F&amp;B, Retail and Duty Free Packages</b>		<b>Locations</b>	<b>99</b>	<b>148,453 SF</b>

# SAMPLE PACKAGE DETAIL

Space ID number and LOD of the location

Description of the offering

Types of offerings defined and any requirements

Quick Serve | Bar | Coffee | Etc.

Permitted Concepts/Uses

Any Special Conditions that apply

# SAMPLE PACKAGE DETAIL

## Term

- Each Agreement's term length will begin upon the Effective Date of the Agreement and will end on the relevant anniversary of the Date of Beneficial Occupancy (DBO) of the final Location. To be determined in accordance with the Development Plan

## Rent = Base Rent + License Fee + Additional Rent

- Base Rent begins at \$55 per square foot
- The License Fee equals the greater of (1) the Minimum Annual Guaranteed Fee ("MAG") or (2) the Percentage Fee, as defined below:
  - Selected Respondent will not have a MAG for the first and second Lease Year of the Term.
  - The MAG will be established beginning in the third Lease Year at an amount equal to 85% of the Percentage Fee paid in the second Lease Year. See agreement for MAG in future years.

## KEY BUSINESS TERMS

<b>Term</b>	10 to 15 years from DBO
<b>Base Rent*</b>	\$55 per SF
<b>Percentage Fee</b> (in addition to Base Rent)	Biddable rent range <b>12-15%</b> Incubator rent: 8% to City, 2% to Respondent
<b>ACDBE Participation Goal</b>	<b>Minimum 32% (Groups A&amp;B)</b>

*\* Base rent increases by 3.0% annually*

# INCUBATOR PROGRAM OVERVIEW (PACKAGES FB1 AND R1 ONLY)

- If submitting a proposal for Packages FB1 or R1 you **must** provide an Incubator Program Proposal
- Guidelines are set forth in the respective Package descriptions and on Page 45 of the RFP.
- The Incubator Program Proposal must describe in detail how the Respondent would manage the Incubator Program. At a minimum, all Incubator Program Proposals must include a detailed description of how Respondent would:
  - Recruit small businesses for participation
  - Select small businesses for participation
  - Construct and maintain the described “white box” kiosks
  - Train and mentor the participating small businesses

# PROPOSAL REQUIREMENTS

# SUBMITTAL REQUIREMENTS

Read the RFP carefully and follow all RFP requirements and addendums – respondent is solely responsible.


All proposals must be submitted as follows:

- **In person at: Chicago Department of Aviation  
Small Business Resource Center First Floor  
10510 W. Zemke Road Chicago, Illinois 60666**
  - a. **Provide a hard copy:** One signed bound original with original signatures required of the proposal.
  - b. **Provide electronic copies: Three USB flash drives** each containing the complete proposal in electronic files using portable document format (“PDF”). The flash drives must include the proposal in two forms:
    - a single electronic file containing the entire proposal, and
    - each tabulated section of the proposal as a separate electronic file

# SUBMITTAL REQUIREMENTS

Respondent must provide all information required/requested in the RFP including all proposal forms.

Failure to provide a complete proposal will result in the proposal being deemed non-responsive and eliminated from further consideration of award.

 **Proposal Form O**  
**Proposal Checklist**

*Instruction: Please complete the following checklist by initialing in the ATTACHED column indicating that the information requested for this RFP has been included in your proposal.*

PROPOSAL FORM	FORM	ATTACHED
Experience and Qualifications Statement	Proposal Form A	<input type="checkbox"/>
Concept Plan	Proposal Form B	<input type="checkbox"/>
Projected Gross Receipts, Net Income, and Cash Flow (1 per location plus roll-up summary)	Proposal Form C	<input type="checkbox"/>
Capital Investment and Financing Sources Plan (1 per location)	Proposal Form D	<input type="checkbox"/>
Airport Concession Disadvantage Business Enterprise Participation Plan	Proposal Form E	<input type="checkbox"/>
Airport Concession Disadvantage Business Enterprise Forms	Proposal Form F	<input type="checkbox"/>
Proposed Percentage Fee Rate	Proposal Form G	<input type="checkbox"/>
Professional References	Proposal Form H	<input type="checkbox"/>
Proposal Affidavit	Proposal Form I	<input type="checkbox"/>
Business Information Statement	Proposal Form J	<input type="checkbox"/>
Sexual Harassment Affidavit	Proposal Form K	<input type="checkbox"/>
Respondent Package Preferences	Proposal Form L	<input type="checkbox"/>
Affidavit of Small Business Status (for Group C proposals only)	Proposal Form M	<input type="checkbox"/>
FAA Reporting Requirements	Proposal Form N	<input type="checkbox"/>
Proposal Checklist	Proposal Form O	<input type="checkbox"/>

Proposal Form O 1

# EVALUATION CRITERIA

*100 points = maximum number of points a proposal can receive*



**Experience &  
Qualifications**

**15 points**



**Concept Plan,  
Services and Capital  
Investment**

**30 points**



**Design**

**25 points**



**Management,  
Operations &  
Customer Service  
Plan**

**20 points**



**Compensation  
(Form G)**

**10 points**

Please note that each evaluation category has several subcategories that will be evaluated individually to total to the allotted points per category. Respondents should address each subcategory.

*Details can be found on Page 49 of the RFP.*

# AIRPORT CONCESSIONS DISADVANTAGED BUSINESS ENTERPRISE (ACDBE)

CDA has established a goal of **32%** for Groups A & B packages in the RFP. This is a minimum goal which Respondents are encourage to exceed.

The ACDBE must be a for-profit business, that:

- **Is certified in the State of Illinois at the time of submittal**
- Is at least 51% owned by a socially and economically disadvantaged individual(s).
- The management and daily operations of the firm are controlled by the socially and economically disadvantaged individual(s) who own it.
- Goal may be fulfilled by:
  - direct ownership
  - joint venture partnership or sub-contracts with ACDBEs
  - purchase of goods and services from ACDBEs

Certified ACDBEs qualify as a small business for this RFP.

ACDBE section of proposal is pass/fail. Respondent must either satisfy the goal or show good faith efforts why it cannot be satisfied.

# SMALL BUSINESS ELEMENT (SBE) — GROUP C PACKAGES

- Respondents must be defined as a small business under the requirements of the U.S. Small Business Administration (SBA), 49 CFR Sec. 23.33.
  - Generally: Gross receipts averaged over the firm's previous five fiscal years do not exceed \$56.42 million.
  - Some exceptions apply — Respondents should review 49 CFR Sec. 23.33 for guidance on exceptions and applicability to Joint Ventures.
- Respondents to all Group C packages must complete and sign the Small Business Affidavit (Form M)
  - Certified ACDBEs are automatically verified as qualifying small businesses
  - Entities not certified as ACDBEs must submit verified sales numbers, subject to further verification
- Joint ventures between a small business and a non-small business are ineligible for Group C packages.

# REGULATORY REQUIREMENTS

Proposers should ensure compliance with all federal, state and City regulatory requirements listed in the RFP including, but not limited to:

- Minimum Wage
- Labor Peace Agreement
- City and Project Area Resident Construction Workers
- Sexual Harassment Policy
- Multi-Project Labor Agreement
- FAA Reporting Requirements

# PHASING PLANS

- The City will develop a phasing plan to ensure that the operational needs of the Airport, and the concession needs of the traveling passengers, are best served during the concession redevelopment process.
- The phasing plan will include anticipated dates on which Locations will be turned over to the Selected Respondents for development.
- The City will release its phasing plan after concepts are selected in connection with this RFP.
- Turnover dates are expected to be in the range of **2026/2027** with some in **2028**.
- Upon turnover, CDA may require **temporary concession** facilities to be put in place until the permanent concession opens.
- The City reserves the right to modify the phasing plan including requiring temporary concession facilities at any time and in any fashion throughout the concession redevelopment period.
- Existing concessions may remain open operating until such time as CDA delivers the space(s) to the Selected Respondent and improvements plans are approved and permits have been issued.

# QUESTIONS, ADDENDUMS, DATA



## Questions

must be submitted via email to:

[ORDERUpQuestions@CityofChicago.org](mailto:ORDERUpQuestions@CityofChicago.org)



## Data Room

A copy of this presentation and all information regarding this RFP, including addendums and updates will be posted in the Data Room. Check the Data Room often at:

[flychicago.com/ORDERUp/](https://flychicago.com/ORDERUp/)



## Resources

additional information and resources regarding the City's Bid and Procurement Process can be found at:

[flychicago.com/ConcessionsResources/](https://flychicago.com/ConcessionsResources/)

# TERMINAL TOUR INFORMATION

- **Networking Event:** to follow this meeting
- **Tours:** are scheduled for Tuesday, Wednesday and Thursday
  - Tours will meet at the **Chicago Meeting Room, in this Hilton O'Hare Hotel**
  - Please arrive no later than **15 minutes** prior to your tour.

Tour 1A (Terminal 1)	----	Tues. October 1	@	10:00 a.m.
Tour 1B (Terminal 3)	----	Tues. October 1	@	2:00 p.m.
Tour 2A (Terminal 1)	----	Wed. October 2	@	10:00 a.m.
Tour 2B (Terminal 3)	----	Wed. October 2	@	2:00 p.m.
Tour 3A (Terminal 1)	----	Thur. October 3	@	10:00 a.m.
Tour 3B (Terminal 3)	----	Thur. October 3	@	2:00 p.m.

 **ORDER  
Up!**

Concession Opportunities  
in Terminals 1 and 3



O'HARE RETAIL + DINING



Remember - Questions Submittal Deadline is **November 8, 2024**



## CHICAGO DEPARTMENT OF AVIATION

JAMIE L. RHEE, COMMISSIONER



[flychicago.com](http://flychicago.com)