

Request for Proposal (RFP) to Lease, Develop, and Operate Food and Beverage, Specialty Retail, and/or Travel Essentials Concessions at Chicago O'Hare International Airport

Concessions Pre-Proposal Meeting

May 11, 2021

10:00 AM

AGENDA

1. Welcome and Meeting Rules - Glen Ryniewski, Assistant Commissioner of Concessions
2. Introduction – Castalia Serna, Deputy Commissioner of Concessions
3. ORD 21 Development – Amber Achilles Ritter, Chief Commercial Officer / Managing Deputy Commissioner
 - a. Terminal Area Plan
 - b. Multi-Modal Facility
 - c. Terminal 5 Expansion
4. Overview of Terminal 5 - Glen Ryniewski, Assistant Commissioner of Concessions
 - a. Phase 1 locations
 - b. Phase 2 locations
 - c. Existing Conditions
5. RFP Package Review – Joseph Crump, Managing Director and Michael Fetchko, Director of Unison Consulting
 - a. Program Goals
 - b. Packages and Merchandise
 - c. Proposal Requirements
 - d. Compensation and Term
 - e. Regulatory Requirements
 - f. Evaluation Criteria
 - g. Schedule
6. Questions

PRE-PROPOSAL MEETING RULES AND PROCEDURES

1. Everyone, except the presenter, will be on mute the entire presentation.
2. The Presentation is for **discussion purposes only** – only written questions submitted via email and answers posted in the Data Room are official.
3. You may submit questions for discussion purposes only during this presentation using Zoom Chat on your computer.
4. Questions asked during this presentation must be resubmitted via email for an official response.
5. This presentation will be posted in the Data Room
6. List of participants will be posted in the Data Room
7. Participants are encouraged to check the Data Room regularly.
8. It is the participants responsibility to make sure they are using the latest information.

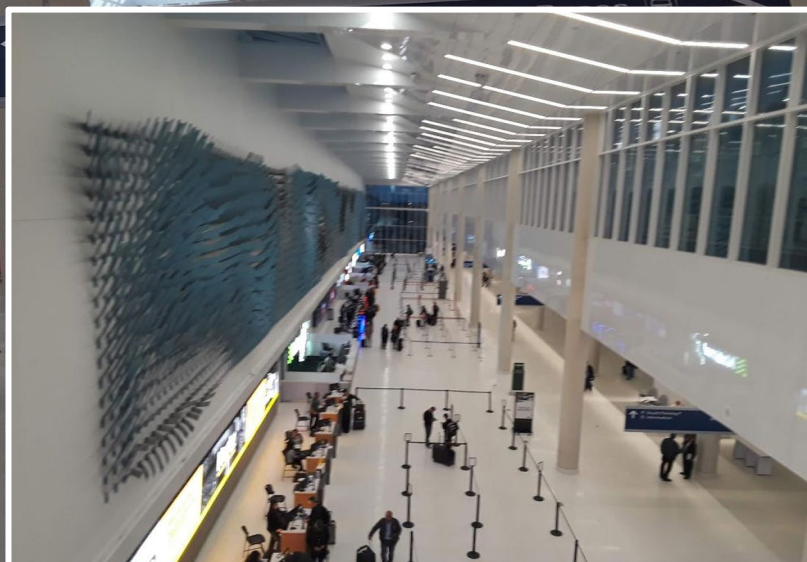
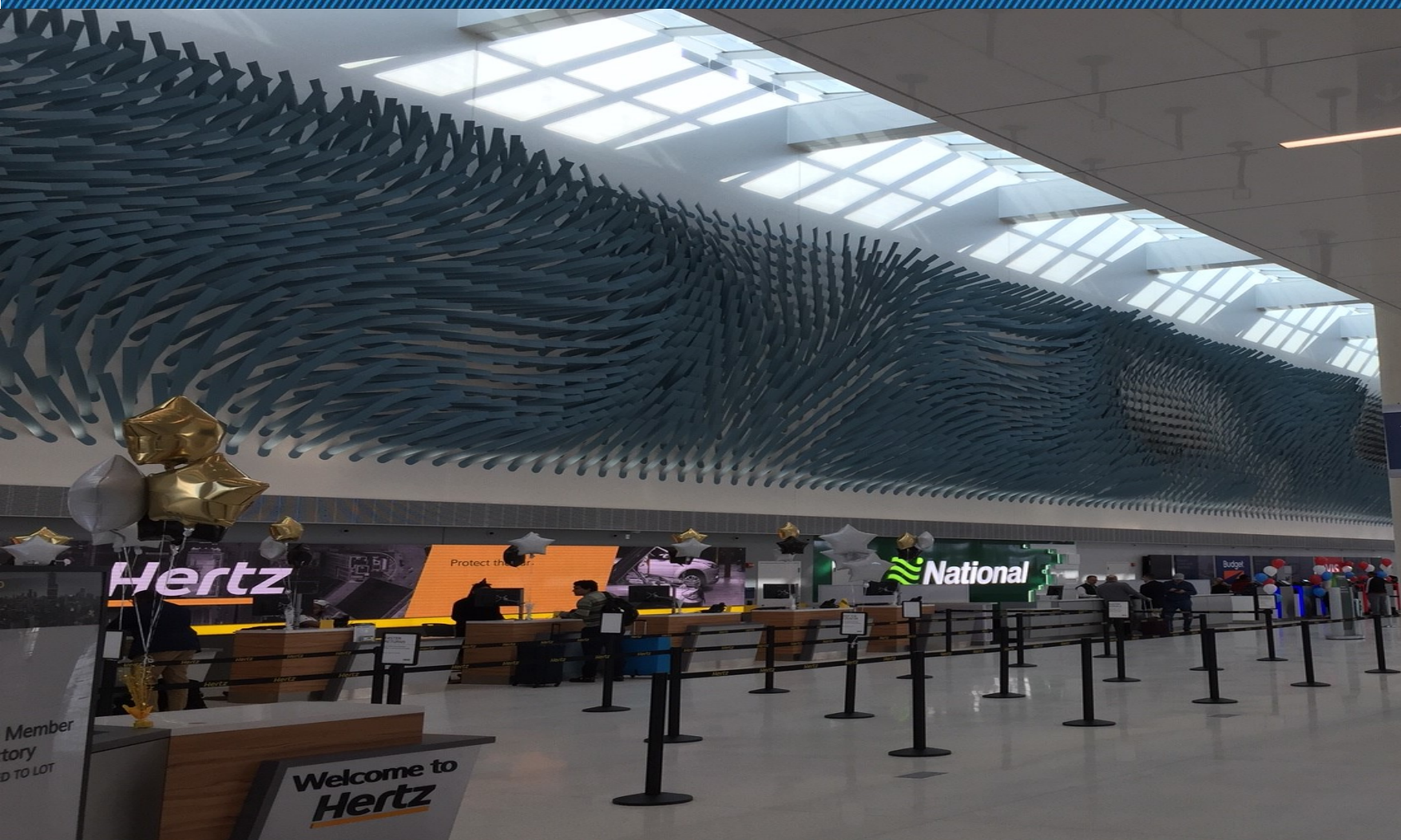
O'HARE 21



O'HARE 21- ORD 21-TERMINAL AREA PLAN



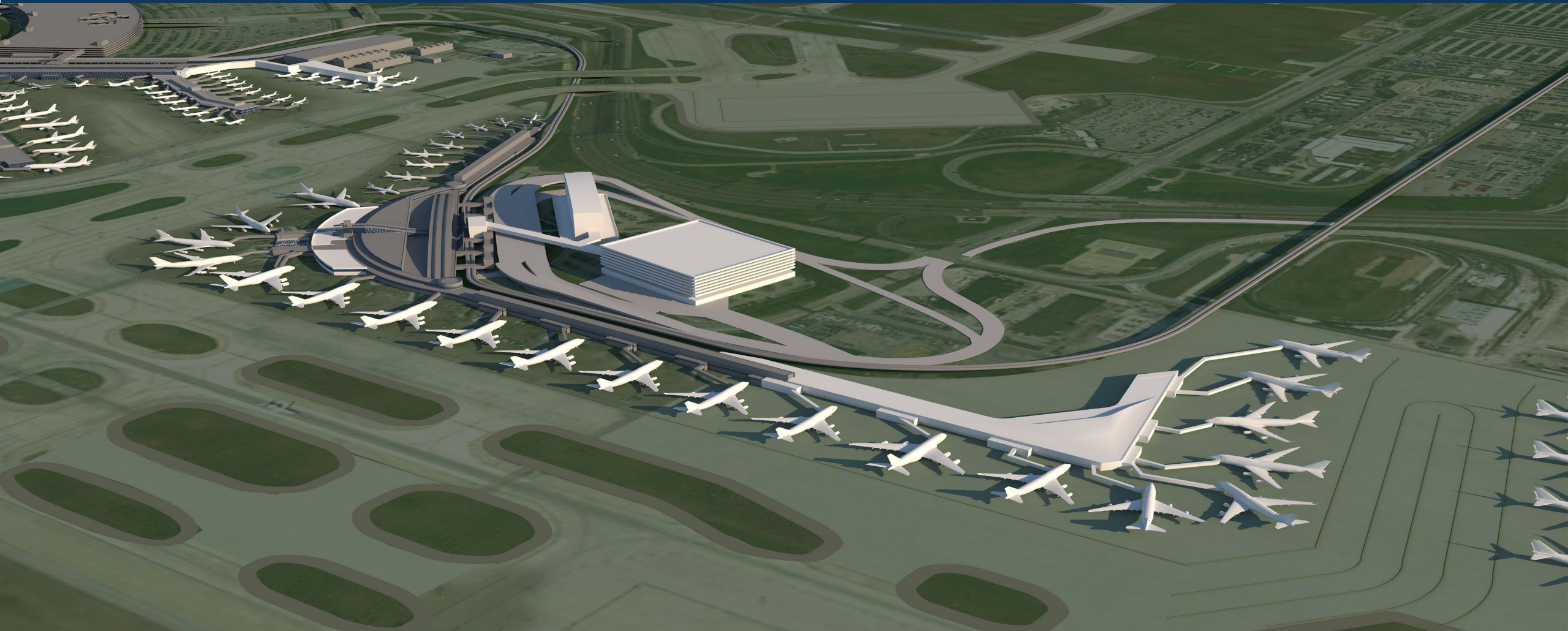
ORD 21-Multi-Modal Facility -Future Concessions Area



ORD 21-O'Hare Global Terminal



ORD 21-Terminal Area Plan Terminal 5 Expansion



Overview of Terminal 5

ORD 21-O'HARE-TERMINAL 5 RFP OVERVIEW

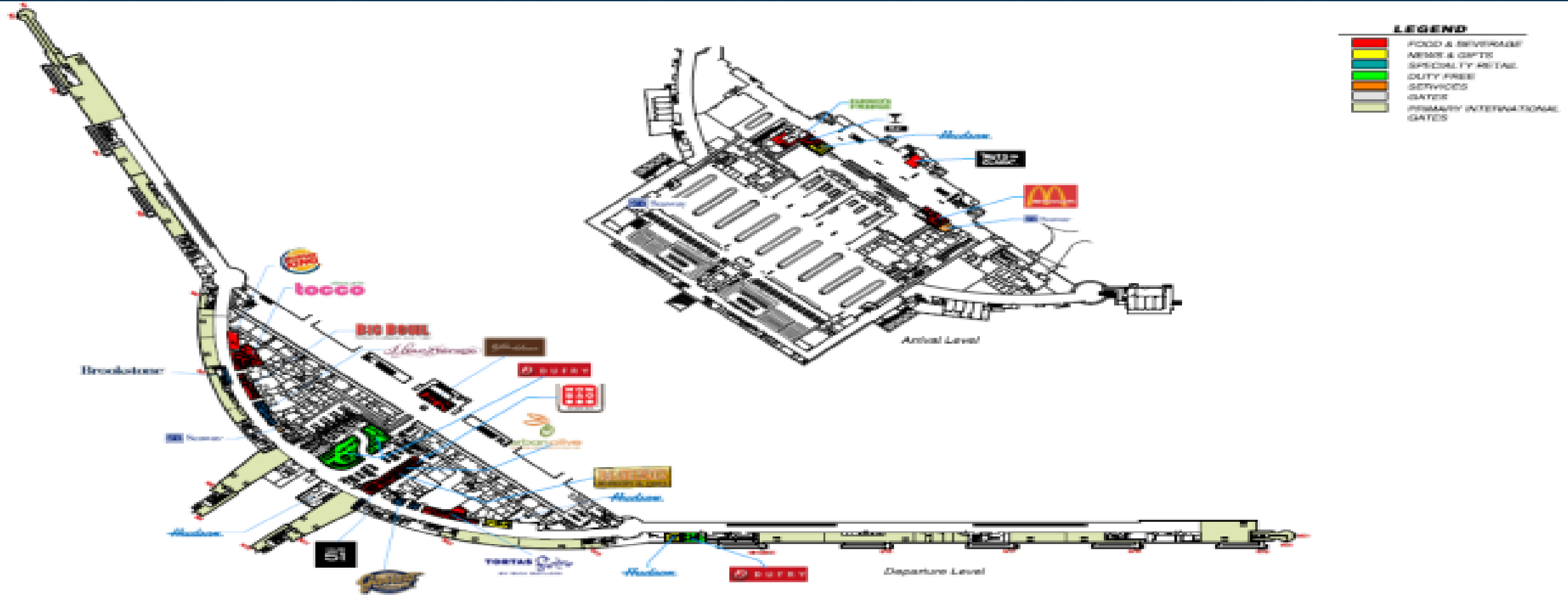


O'Hare Airport Terminal 5 Airlines

O'Hare Airport – International Terminal 5

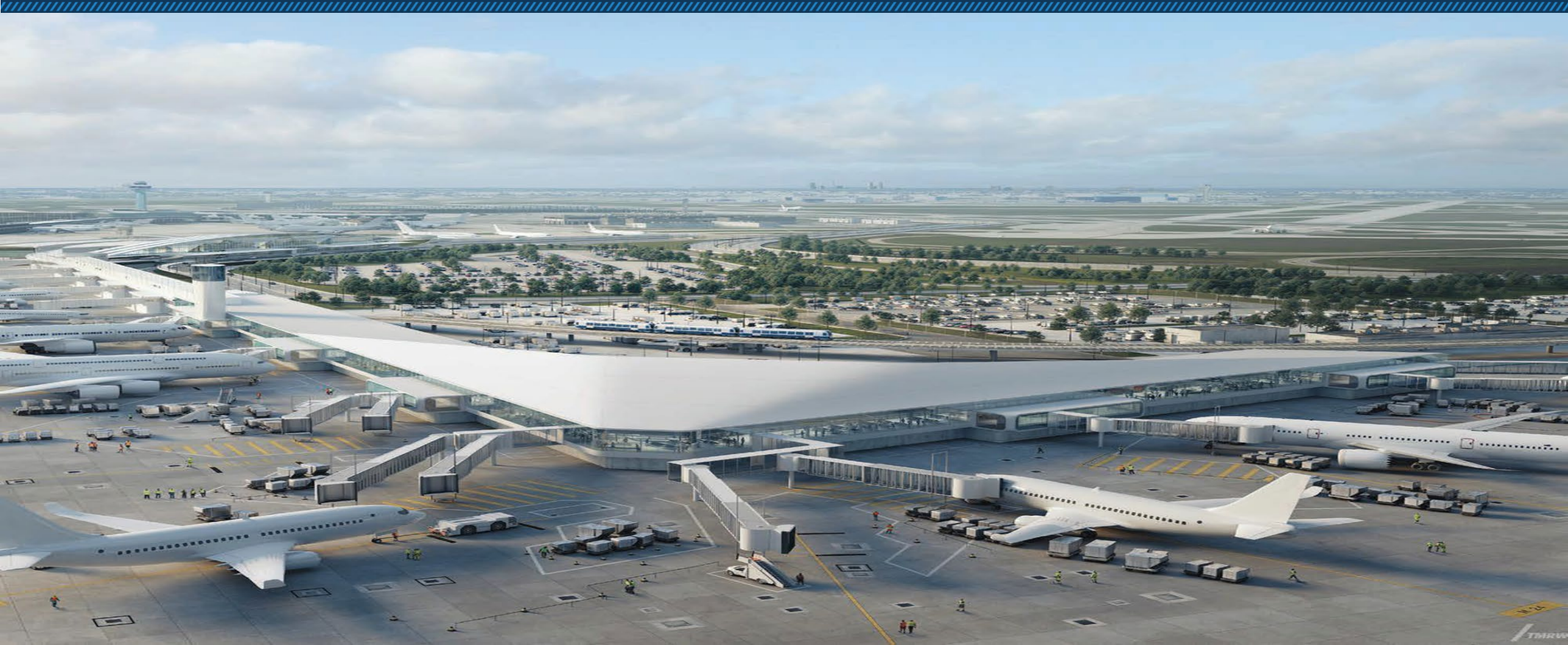


ORD 21-O'HARE-TERMINAL 5 CURRENT CONCESSION PROGRAM

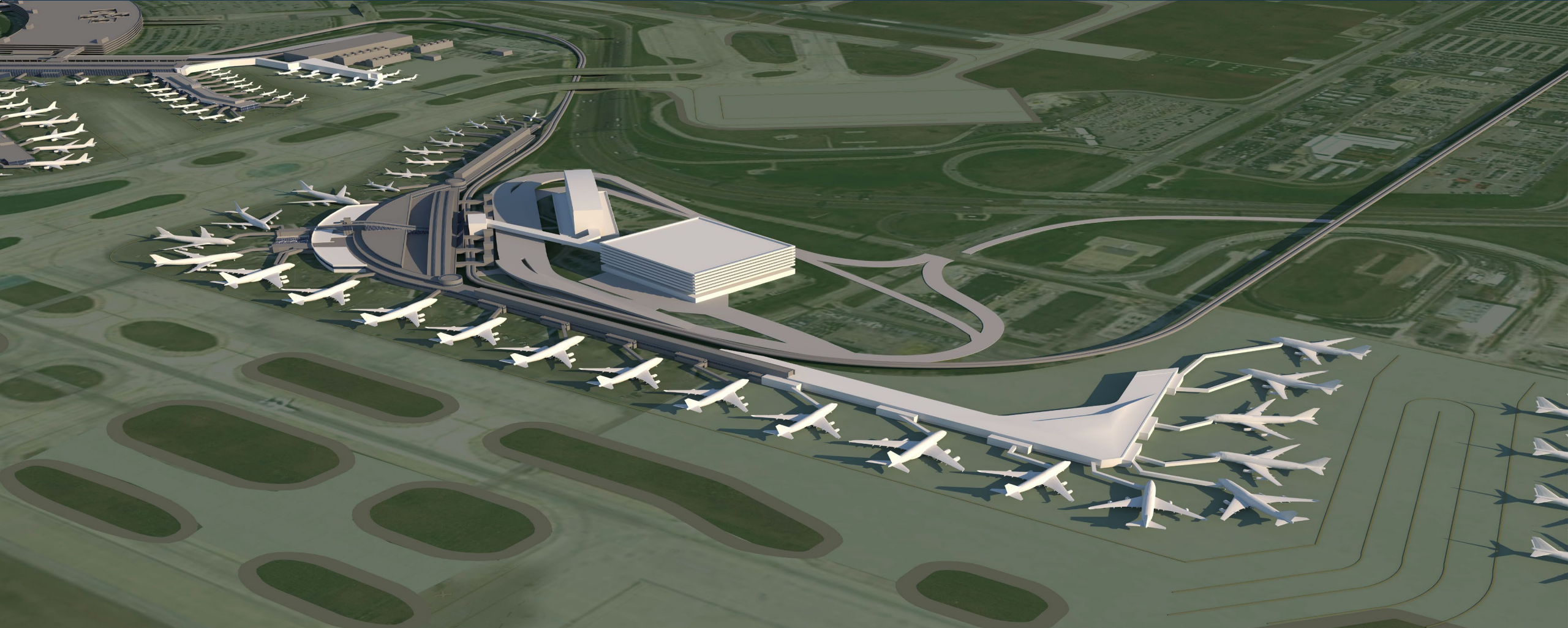


Terminal 5
February, 2021

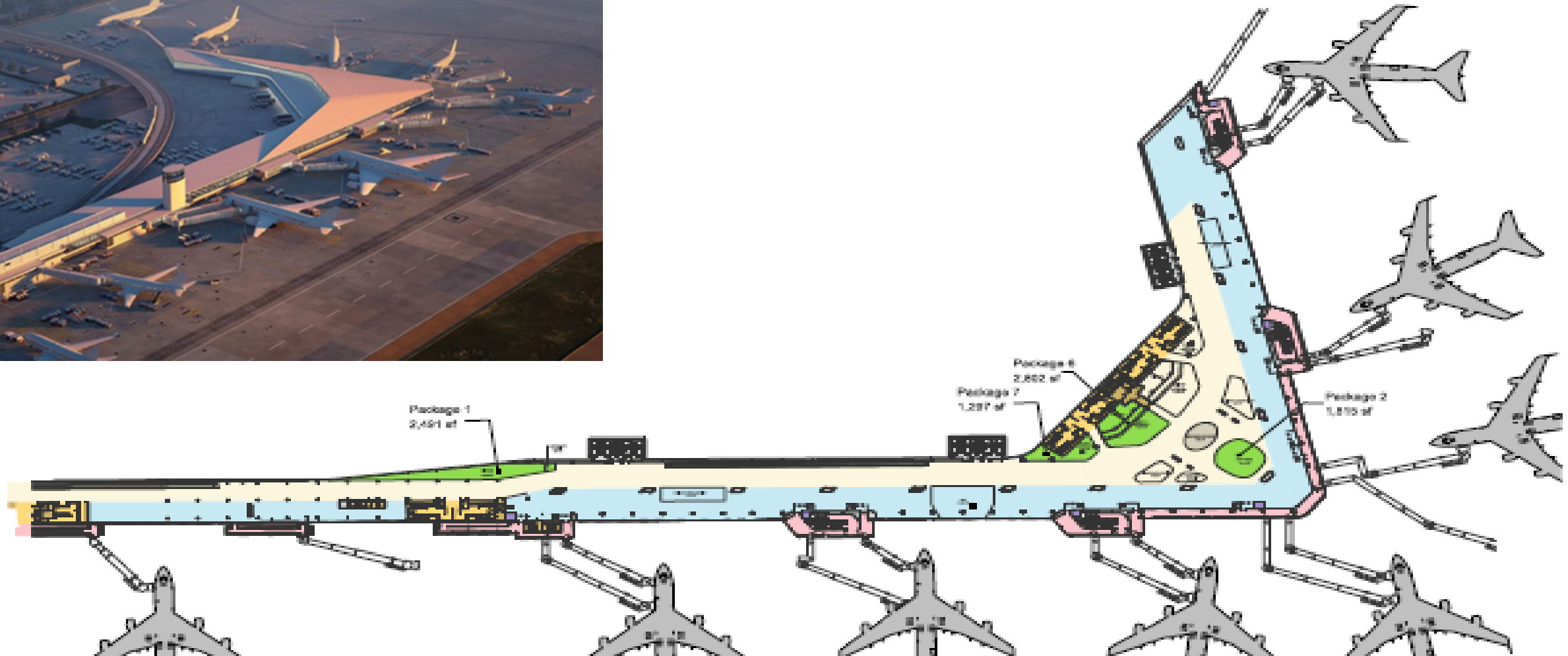
ORD 21-O'HARE-TERMINAL 5 RFP OVERVIEW



Terminal 5 Expansion



Terminal 5 East Concourse Packages



ORD 21-O'HARE-TERMINAL 5 RFP OVERVIEW



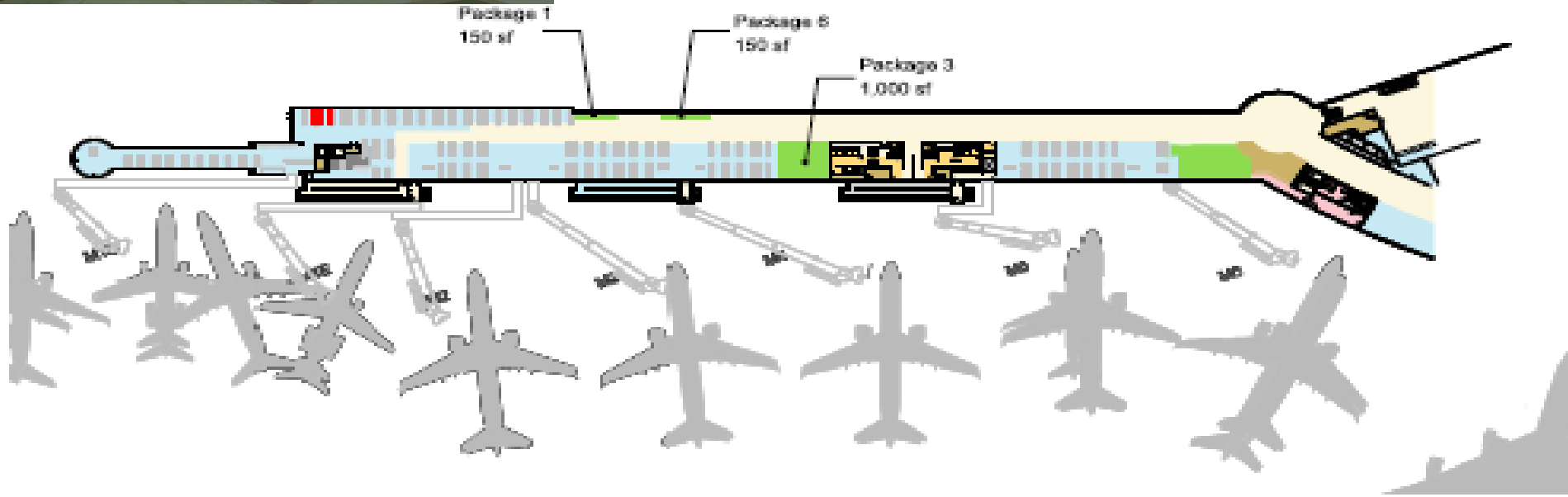
ORD 21-O'HARE-TERMINAL 5 RFP OVERVIEW



ORD 21-O'HARE-TERMINAL 5 RFP OVERVIEW



Terminal 5 West Concourse Packages



RFP Package Review

PROGRAM GOALS

With the issuance of this RFP, the Chicago Department of Aviation (CDA) desires to present concession opportunities, with the goals of:

- Provide first-class service and a broad variety of quality concessions to all guests
- Provide enhanced quality and value through the concession offerings
- Provide innovative food and beverage, retail and travel essential concepts with broad customer appeal
- Provide business opportunities for airport concessions disadvantaged business enterprises (“ACDBE”s)
- Promote store concepts, themes, and products identified with Chicago
- Optimize concession revenues to the Airport

ADDENDUM 1 AND ADDITIONAL INFORMATION

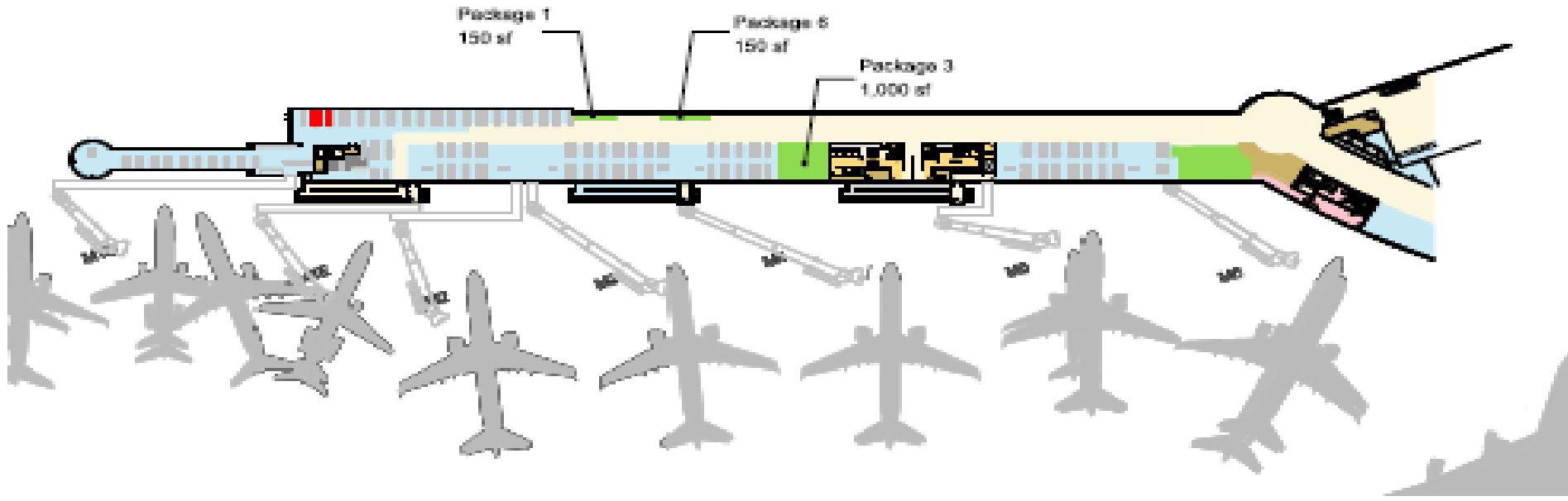
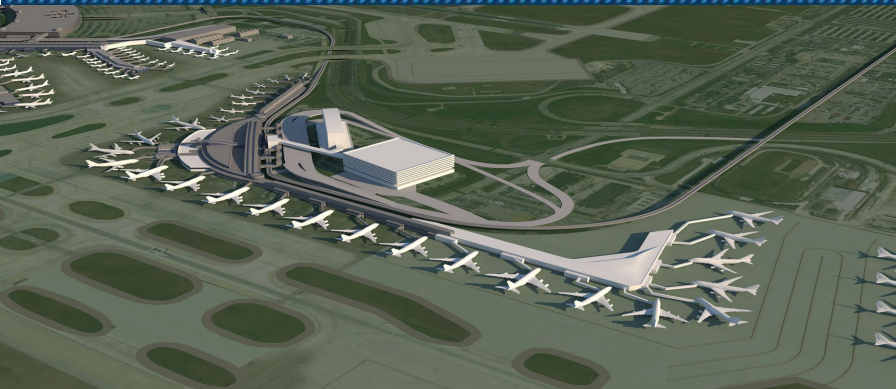
This represents the first addendum to the RFP. CDA is modifying Package 1 and removing the 150 square foot wall unit designated for Grab and Go and placing it into Package 6.

- The addendum will be posted in the Data Room
- Updated proposal forms, maps of locations, utility matrix and LODs will be posted in the Data Room
- Virtual Tours of existing spaces in Terminal 3 and 5 will be posted in the Data Room
- Traffic information for both O'Hare and Terminal 5 will be posted in the Data Room

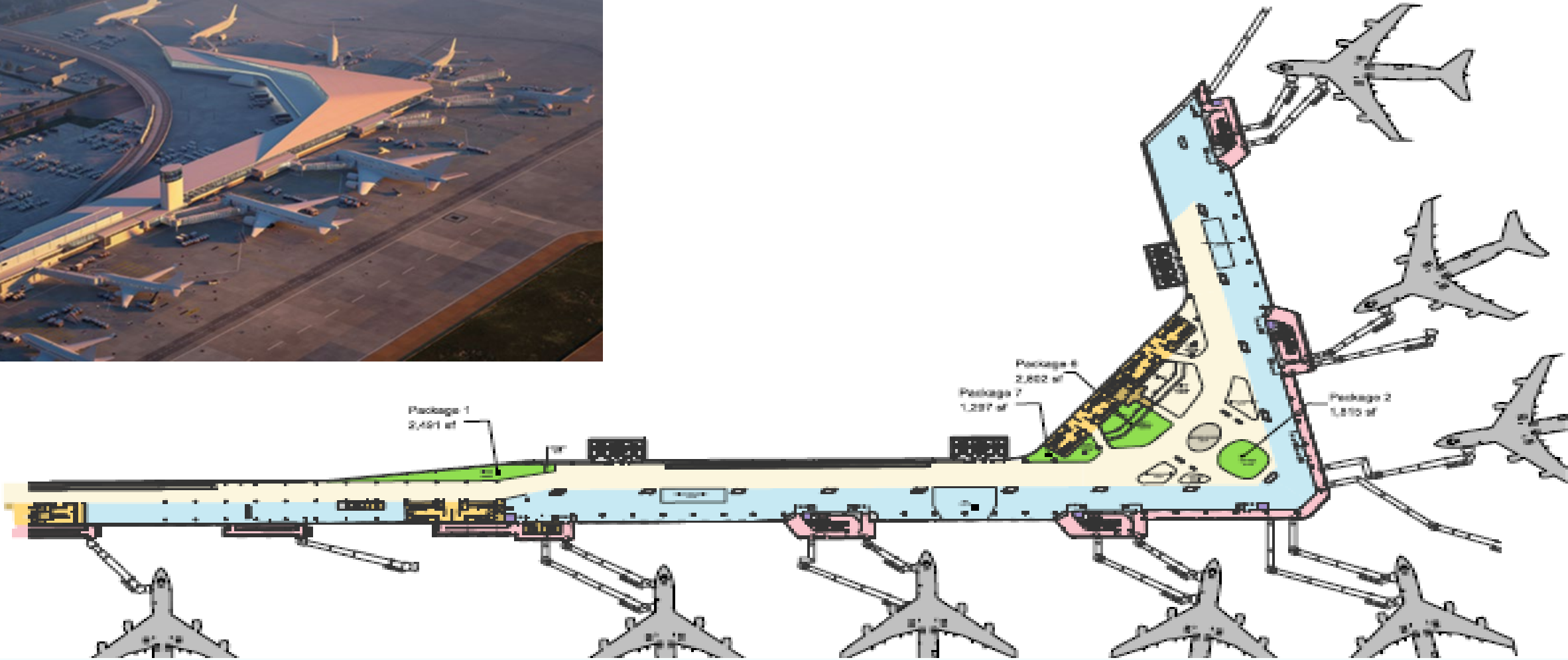
OVERVIEW OF PACKAGES

Package #	Location	Area (Sq. Ft.)	Type	Merchandising	Current Use
1	Terminal 5 West	150	Wall Unit	Coffee	New
1	Terminal 5 East	2,491	Inline	Bistro Burger and Bar	New
2	Terminal 5 East	1,815	Inline	Specialty Retail or Duty Free	New
2	Terminal 3- H	253	Inline	Cosmetic	Jewelry
3	Terminal 5 West	1,000	Inline	Bar and Small Plate	New
4	Terminal 3 Main	478	Inline	Multi-line Beverage Bar and Small Plate	Tea
5	Terminal 3 Rotunda	364	Inline	Multi-line Beverage Bar and Small Plate	Tea
6	Terminal 5 East	2,802	Inline	Casual Dining and Bar	New
6	Terminal 5 West	150	Wall Unit	Grab and Go	New
7	Terminal 5 East	1,297	Inline	Travel Essentials and Coffee	New

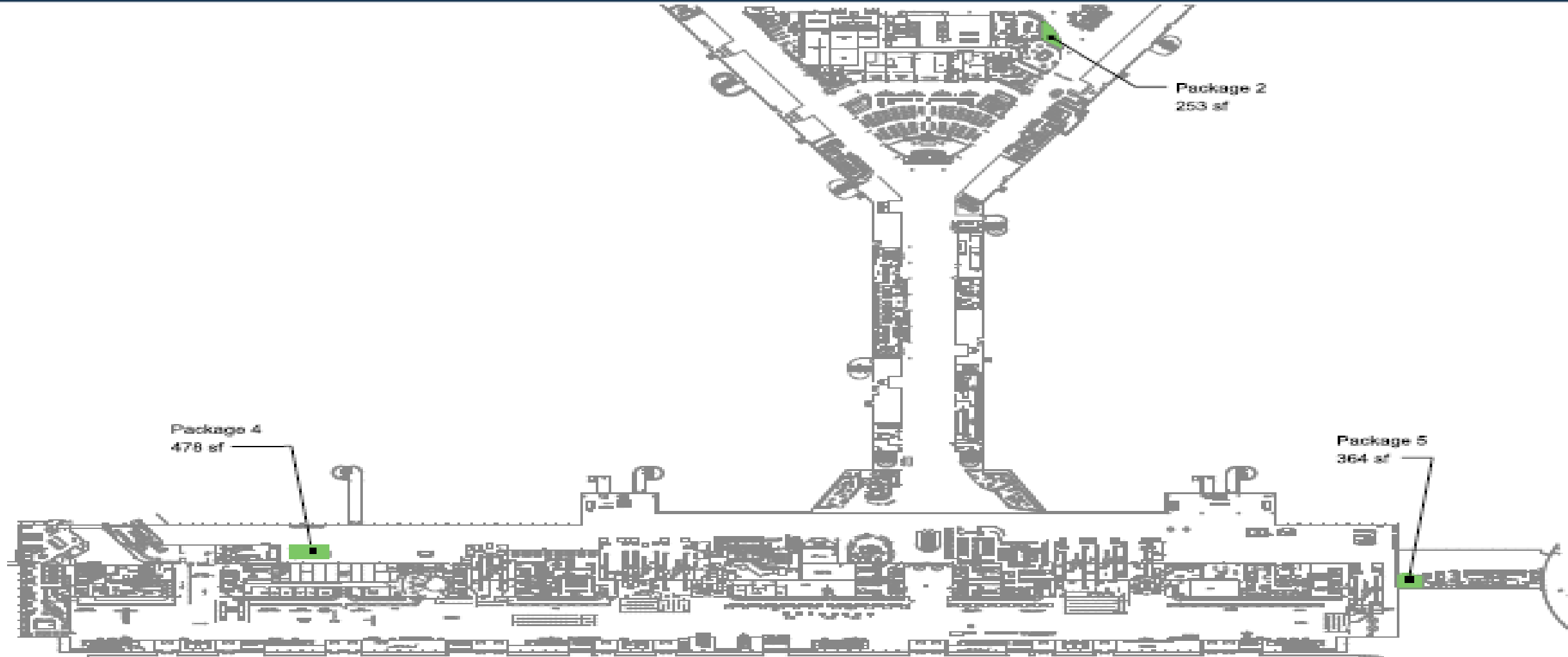
Terminal 5 West Concourse Packages



Terminal 5 East Concourse Packages



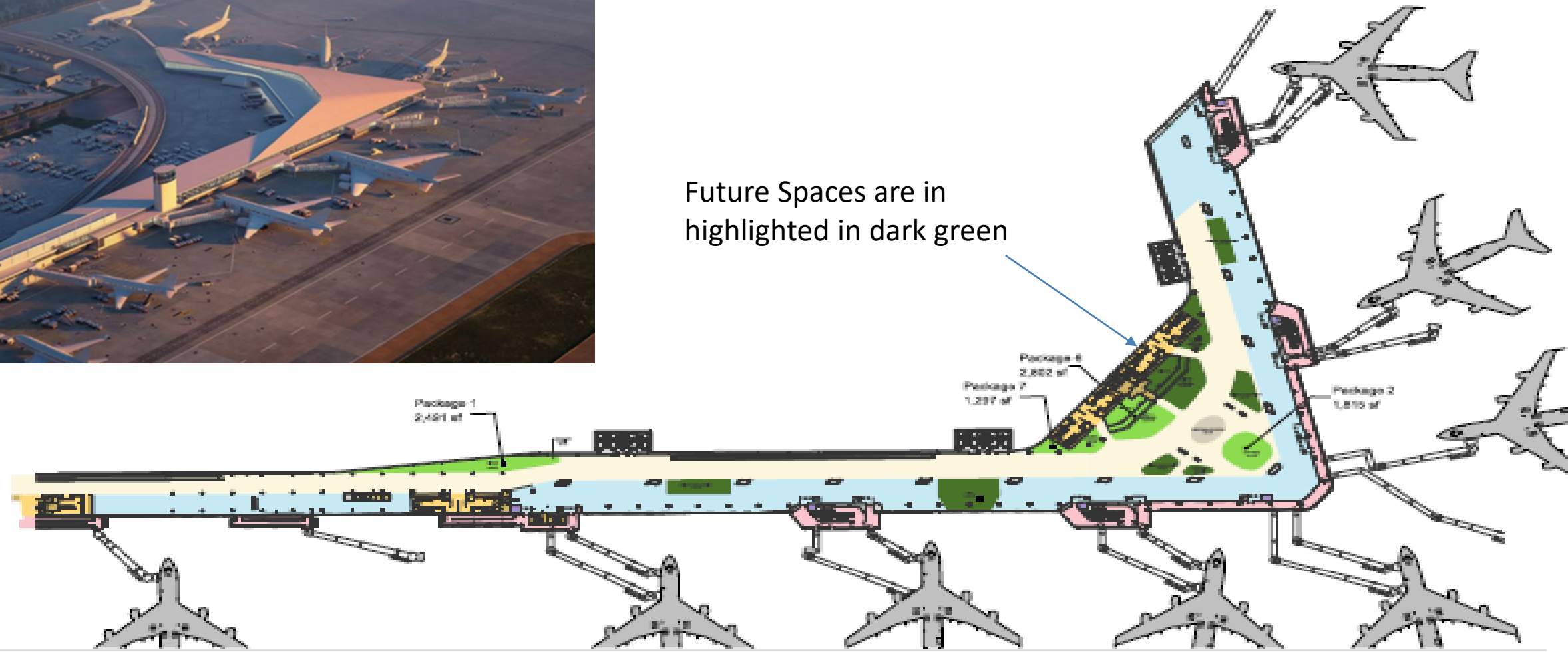
Terminal 3 Packages



Terminal 5 East Concourse Future Concession Spaces



Future Spaces are in highlighted in dark green



Proposal Requirements

PROPOSAL REQUIREMENTS

- Read the RFP carefully and follow all RFP requirements and addendums – respondent is solely responsible.
- Submission (*2 hard copies & 7 USB flash drives*) – *Admin. Bldg. Bid and Bond Room 1st floor*
- Signed Cover/Transmittal Letter (*acknowledgement of receipt of all addendum must be included*)
- Experience and Qualifications
- Management and Operations
- Development Plan
- ACDBE Plan (*32% of Gross Revenues Goal*)
- References (*minimum of 3*)
- Outstanding Claims & Litigations (*COVID-19 related claims require written explanation*)
- Exceptions

PROPOSAL REQUIREMENTS - CONTINUED

- Financial Statements
- Proposal Forms A thru O
- Compensation
 - Base Rent - \$50 per square foot
 - Minimum Annual Guarantee (MAG) – NOT biddable and set in year 3
 - Percentage Rent – biddable (see next slide)
 - May propose sales and rent tiers
- Marketing Fee = 0.5% of gross sales

Respondent must provide all information and proposal forms as requested in the RFP. Failure to provide a complete proposal will result in the proposal being deemed non-responsive and eliminated from further consideration of award.

PERCENTAGE FEE RATES

Concession Category	Percentage Fee Rate
Food & Beverage	11% to 13%
Alcohol Sales	14% to 16%
News, Convenience, Travel Essentials	11% to 14%
Specialty Retail	11% to 13%
Duty Free / Duty Paid	15% to 20% / 11% to 13%

Respondent must propose a percentage fee rate for each category, applicable to the Respondent's proposal and listed above. The City has established a range of percentage fee rates for each category. Respondent must bid within the established ranges. Any respondent who proposes a rate outside of those listed below, will be deemed non-responsive and eliminated from further consideration of award.

TERM AND LIMITATIONS ON AWARDS

- All packages will have a seven (7) year term with two – one (1) year options
- The Chicago Department of Aviation desires to maintain competition in the concessions program and increase opportunities for the ACDBE community. To achieve this goal no respondent can be awarded more than three packages or 50% of the total locations offered. The City will take into consideration the Respondent's preferences, but intends to make awards to responses that best meet the City's goals for the concessions program

Airport Concessions Disadvantaged business Enterprise (ACDBE)

CDA has established a goal of 32% for each package in the RFP

The ACDBE must be a for-profit business, certified in the state of Illinois, that:

- 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

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

REGULATORY REQUIREMENTS

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

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

MINIMUM WAGE

On December 2, 2014, the Chicago City Council passed legislation that requires all businesses to increase the minimum wage paid to their workers within the City. Under the new ordinance, Chicago's minimum wage increased from \$8.25 per hour to \$10.00 per hour on July 1, 2015. Thereafter, the minimum wage increased to \$13.00 an hour, as of July 1, 2019. On November 13, 2019, City Council amended Chapter 1-24. As of July 1, 2020, the minimum wage for each hour of work performed for an employer by a covered employee is as follows:

- a) \$14.00 per hour for employers who have 21 or more employees
- b) \$13.50 per hour for employers who have more than 3, but fewer than 21 employees, and employers who have more than 0 but fewer than 21 employees who are domestic workers.

The text of the ordinance, Chapter 1-24 of the Municipal Code of Chicago, may be found here:

<http://www.amlegal.com/library/il/chicago.shtml>

MINIMUM WAGE - CONTINUED

In September 2014, Mayor Rahm Emanuel signed an executive order that requires all holders of City concessions leases and subleases executed after October 1, 2014, to pay their employees performing work on City property a minimum wage of \$13.00 per hour; this hourly wage increases annually every on July 1st, in proportion to the increase, if any, in the Consumer Price Index for All Urban Consumers most recently published by the Bureau of Labor Statistics of the United States Department of Labor. The rate as of July 1, 2020 is \$14.15.

The Chicago minimum wage increases annually on July 1. Updates to the Chicago minimum wage will be posted to the website of the Department of Business Affairs and Consumer Protection. If the Contractor is required by Executive Order 2014-1 or any other law (e.g., the Prevailing Wage Act) to pay a higher rate, above the generally applicable Chicago minimum wage, that higher rate will apply.

LABOR PEACE

Labor Peace Agreement (“LPA”) - Effective January 21, 2015, a Labor Peace Agreement (LPA) Ordinance was passed. A LPA is a written agreement between a concessionaire and a labor organization seeking to represent a concessionaire’s employees. Municipal Code of Chicago section 10-36-210.

- The LPA extends to the concessionaire and to all of its subcontracts, sublicenses or similar agreements.
- The LPA applies to any concessionaire that employs more than 50 employees at the airports under all of its concession contracts or in aggregate at all of its global operations, employs more than 500 employees.
- The LPA excludes small businesses.
- An employee is any person employed by the concessionaire full or part time.

CITY AND PROJECT AREA RESIDENT CONSTRUCTION WORKERS

City and Project Area Resident Construction Workers- Municipal code section 2-92-330 requires a minimum of 50% of the total work hours must be performed by actual residents of the City of Chicago, and 7.5% of the total work hours (which may be included in the 50%) must be performed by project area residents: residents of neighborhoods surrounding the Airport.

OTHER REQUIREMENTS

Sexual Harassment

In accordance with Section 2-92-612 of the Chicago Municipal Code, the City's Policy Prohibiting Sexual Harassment requires all Proposers to attest by affidavit (in the form of the "Sexual Harassment Policy Affidavit" (in the Data Room as Proposal Form M) that Proposer has a written policy prohibiting sexual harassment which includes, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment; and (iii) the legal recourse available for victims of sexual harassment

Multi project Labor

The City has entered into the Multi-Project Labor Agreement ("PLA") with various trades regarding projects involving construction, demolition, maintenance, rehabilitation, and/or renovation work.

All proposers must be familiar with the requirements of the PLA and its applicability, and shall comply, and shall insure that all of its subcontractors, subtenants and sublicensees comply, in all respects with the PLA.

EVALUATION CRITERIA

100 points = maximum number of points a proposal can receive

Experience & Qualifications
15 points

Concept Plan and Services
30 points

Facility/System Design
25 points

Management & Operations Plan
20 points

Compensation
10 points

REQUEST FOR PROPOSAL SCHEDULE

Scheduled Item	Scheduled Date and Time
RFP Issued	April 23, 2021
Pre-Proposal Registration Deadline	May 10, 2021, 5:00 p.m.
Pre-Proposal Meeting	May 11, 2021
Question Deadline	June 4, 2021, 5:00 pm
Proposal Due Date	August 2, 2021
Anticipated Award Date	Fourth Quarter 2021
New Services Open/Online	To be determined

QUESTIONS, ADDENDUMS, DATA

Questions - including those asked today, must be submitted via email to:

ORDT5EXP2021@cityofchicago.org

Data Room - Web alerts may be sent to all registered parties at FlyChicago.com when addendums, questions, answers and other transaction data becomes available. Check the data room often at:

<https://www.flychicago.com/rfp2021>

Data Room - access can also be found under Opportunities/Concessions RFP via:

<https://www.flychicago.com/business/home/pages/default.aspx>

Thank you

Questions?

