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PROPOSER NAME _____

PROPOSED CONCEPT _____

LOCATION ID _____

REQUEST FOR PROPOSALS

FOR

2017 CONCESSION SOLICITATION
AT PORTLAND INTERNATIONAL AIRPORT

FOOD AND BEVERAGE
AND
SPECIALTY RETAIL OPPORTUNITIES

JANUARY 27, 2017

SOLICITATION NUMBER 2017-7116

PROPOSALS DUE NO LATER THAN
3:00 PM PDT, MAY 4, 2017

LATE SUBMITTALS WILL NOT BE ACCEPTED

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Example

1. OVERVIEW

1.1 Overview of the Request for Proposal

The Port of Portland ("Port") invites qualified Proposers to prepare and submit a Proposal ("Proposal" or "Proposals") for a food & beverage or a retail concession at PDX. Proposers may submit Proposals on one or more opportunities identified in this RFP, which may lead to the award of up to one (1) location per Proposer. If proposing on more than one location, each location requires a separate and complete Proposal. The Port reserves the right to award locations based on the best fit for the overall Concessions Program, which may include more than one space per proposer, or the option to lease spaces that were not proposed on, however, the Port intends to award no more than one location to Proposers. Awards will be based on the evaluation criteria and process set forth in Section 5. Opportunities are identified with a location ID on the RFP Concession Locations Map shown on Exhibit A.

The deadline for Proposals submission is Thursday, May 4, 2017 at 3:00 PM Pacific Daylight Time (PDT). All Proposals must be shipped or delivered by hand to:

Port of Portland
7200 N.E. Airport Way, 8th Floor
Portland, OR 97218

Attention: Manager, Contracts and Procurement

Proposals received after the deadline for receiving Proposals will be rejected.

1.2 Project Vision

The vision of this RFP is to enhance the PDX concessions program with offerings and environments that best reflect a sense of place in accordance with the Pacific Northwest. Re-concepted concessions will further improve the customer experience by maintaining the quality and convenience that PDX customers expect while visiting PDX. We strive to attract quality employers who demonstrate the value employee equity, diversity, and inclusion, and provide an excellent working environment in terms of wages, benefits, training, safety, and opportunities for advancement.

1.3 Concession Program Goals

The Port seeks Proposers who can enhance the Airport experience for customers while reflecting the Pacific Northwest region's quality of life and shifting population demographics and diversity. Based on this principle, the Port has established the following goals for this RFP:

- a) Enhance the PDX customer experience
- b) Refresh the PDX concessions program with a focus on local and regional concepts
- c) Provide new food & beverage options that reflect the evolving tastes and preferences of today's PDX traveler
- d) Provide retail concepts that highlight merchandise from Portland and the Pacific Northwest

- e) Improve breakfast and grab-and-go offerings in food & beverage locations
- f) Reconfigure existing locations to improve operational efficiencies
- g) Attract quality and diverse employers who promote excellence in customer service and provide a positive, equitable, and inclusive working environment for their employees
- h) Promote sustainability through design and operational improvements
- i) Grow concessions revenues and rents to the Port

1.4 Pre-Proposal Meeting & Tour

A Pre-Proposal Meeting will be held on February 24, 2017 at 10:00 AM Pacific Standard Time at the St. Helens conference room in the PDX Conference Center. The purpose of the Pre-Proposal Meeting will be to discuss the requirements and objectives of this RFP and to tour the relevant areas. Port representatives will be available to answer questions. It is strongly recommended that all Proposers participate. Additional details and further instructions will be provided in a forthcoming invitation through PlanetBids. This will be Proposer's only opportunity to tour locations.

1.4.1 Submission of Written Questions Prior to Pre-Proposal Meeting

Proposers are encouraged to submit any questions concerning this RFP, in writing, and in advance of the Pre-Proposal Meeting. All questions relating to this RFP must be posed through the Port's online vendor portal at www2.portofportland.com under the Business Opportunities tab.

1.4.2 Questions During the Pre-Proposal Meeting

Written questions may also be submitted at the Pre-Proposal Meeting. The Port will answer any questions regarding the requirements to respond to this RFP. However, any request for interpretation or clarification of any matter contained in this RFP must be made in writing. The Port will respond to all such questions electronically to all qualified potential Proposers through the Port's online bid/proposal system, PlanetBids. Any changes in the requirements of this RFP that result from the Pre-Proposal Meeting will be made by Addendum.

1.5 Summary of RFP Terms and Conditions

The Port is offering the opportunity for interested and qualified Proposers to submit one or more Proposals for the non-exclusive right to develop and operate one (1) concession location at the Portland International Airport. See Section 1.10 below for the list of locations, required concepts for each, and the most recent fiscal year sales, if applicable, for each.

Evaluation Process and Awards The award of a location is based on the process described in Section 5.

Due Date Proposals are due on or before 3:00 PM, PDT on Thursday, May 4, 2017. All references to time in this RFP reflect Pacific Daylight Savings Time.

Small Business Participation

It is the policy of the U.S. Department of Transportation that Airport Concession Disadvantaged Business Enterprises (ACDBE) as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of concession opportunities at the Port of Portland. The evaluation of the ACDBE section measures the Proposer’s experience in promoting ACDBE participation on past concession leases (if applicable) and proposer’s future plans to meet or exceed ACDBE participation goals on leases awarded under this RFP. The ACDBE goal for this RFP is set at fifteen percent (15 %) for Food & Beverage concepts, and eleven percent (11%) for Retail concepts. The ACDBE goal is a percentage of annual gross receipts. The ACDBELO will determine whether proposer’s proposal meets the specified goal or if a Good Faith Effort was performed to meet the goal at the time the proposal is submitted.

Lease Award Date Anticipated Lease award date by the Port Commission is August 9, 2017.

1.6 Minimum Requirements

In order for Proposers to be considered for award of a concession lease described in this RFP, the following minimum requirements must be met. Proposers will be evaluated to ensure compliance with these minimum requirements based on the financial documents required in section 4.4.6 below. Proposers who have not met the minimum requirements will be disqualified and removed from the evaluation process. Any proposals submitted by Proposers who have not met the minimum requirements will be considered non-responsive and returned to the Proposer.

1.6.1 Minimum Operational Requirements

- a) Proposers must have a minimum of three (3) years relevant experience within the past five (5) years, demonstrated by ownership and/or management of facilities described in the applicable required concept category in Section 1.10 below. Proposers who choose to submit Proposals without having met minimum qualifications do so at their own risk and expense.
- b) Proposers shall have achieved the following annual gross revenue minimums for total combined operations of all owned or managed facilities for three (3) of the past five (5) years in the applicable required concept category in Section 1.10 below.

Type of Concession	Minimum Required Annual Gross Sales
Specialty Retail	\$350,000
Quick-Service Restaurant	\$400,000
Casual Dining/Bar	\$1,000,000

1.7 Overview of Locations, Required Concepts and Sales

The table below lists the locations that are included in this RFP. It also includes the concept required for each space, the current concept, if applicable, the approximate square footages and sales during the most recent fiscal year, if applicable.

Note that square footages listed are approximates. Final square footages will be documented based on final approved plans and as-built construction drawings reflecting the actual built space. **A complete and separate Proposal is required for each location. Multiple Proposals for one location are acceptable.**

Loc. ID	Location	Concept Type Required for Location	Current Concept (if applicable)	Approx. Square Footage	Sales FY15 (July 1, 2015 to June 30, 2016)
D2212*	Concourse D	Casual Dining Restaurant w/Bar	Rogue Ale House & Rose's Deli	3,332 SF	\$3,670,961
E2200**	Concourse E	Casual Dining Restaurant w/Bar	Laurelwood Brew Pub	2,307 SF	\$1,791,444
C2060***	Concourse C	Ethnic Quick Serve Restaurant w/ Bar	Vacant	1,436 SF	N/A
D2020****	Concourse D	Specialty Retail	InMotion Entertainment	1,125 SF	\$1,106,054
* Location ID D2212 – This location currently operates as two (2) concepts. Proposer is required to combine both spaces into one large open restaurant.					
**Location ID E2200 – The existing two (2) remote seating areas will not be part of the leased premises. The successful Proposer will be required to demolish the finishes in both remote seating areas and return them to finishes that exist throughout the concourse (i.e. carpet).					
***Location ID C2060 – This location formerly operated as 2 concession locations. The successful Proposer will be required to demolish the demising wall between them so that the space can be reconfigured and designed as one larger space.					
****Location ID D2020 – This location is currently approximately 990 square feet. The successful proposer will be required to integrate a vacated plumbing chase and former family restroom between the location and the adjacent Timberline store.					

1.8 Concept Categories & Permitted Uses

Listed below are more descriptive definitions of the permitted uses, by concept, for each location in this RFP. Proposals received must adhere to the concepts and offerings identified for each location. Proposals received for concepts that do not match the required concept for that location may be rejected. For food & beverage locations, Proposers may include branded retail items (i.e. shirts, mugs, and other souvenir relate items) in their menu/assortment.

1.8.1 Food & Beverage Locations

Location D2212 – Causal Dining Restaurant w/Bar

Concept Restaurant with a broad, but refined food menu serving breakfast, lunch and dinner, and offering a full bar. Drip coffee and tea along with soft drinks are offered on the menu (specialty coffee drinks not permitted). Menu offerings are reasonably priced and cater to a majority of passenger's needs and wants. In addition to the kitchen and seating areas, the restaurant is must incorporate a separate area dedicated to "to-go" ordering and/or grab and go function with a variety of quality, freshly prepared items. The to-go and/or grab and go area should have a separate point of sale. Branded retail items may be included in offering so long as they are ten percent (10%) or less of front-of-house square footage.

Location Concourse D

Size Approximately 3,332 Square Feet

Location ID E2200 – Casual Dining Restaurant w/Bar

Concept Restaurant with a broad, but refined food menu serving breakfast, lunch and dinner, and offering a full bar. Drip coffee and tea along with soft drinks are offered on the menu (specialty coffee drinks not permitted). Menu offerings are reasonably priced and cater to a majority of passenger's needs and wants. In addition to the kitchen and seating areas, the restaurant is must incorporate a separate area dedicated to "to-go" ordering and/or grab and go function with a variety of quality, freshly prepared items. The to-go and/or grab and go area should have a separate point of sale. Branded retail items may be included in offering so long as they are ten percent (10%) or less of front-of-house square footage.

Location Concourse E

Size Approximately 2,307 Square Feet

Location ID C2060 – Ethnic Quick Serve Restaurant w/ Bar

Concept Quick Service Restaurant with ethnic cuisine (Mexican, Thai, Italian, Southern, Barbeque, etc.) and counter service only, which takes advantage of common seating areas. Menu is mainly focused on lunch and dinner, but has breakfast items tied to the concept as well. This concept is also required to

offer a full bar. May offer drip coffee and tea only. Offers to-go orders as well as a selection of grab and go items for customers in a hurry. Grab and go offering must be built into design for a seamless, integrated look. Branded retail items may be included in offering so long as they are ten percent (10%) or less of front-of-house square footage.

Location Concourse C-West
Size Approximately 1,436 Square Feet

1.8.2 Retail Location

Location ID D2020 – Specialty Retail

Concept Retail store with merchandise that is concentrated on one line or a limited number of lines of goods with broad appeal to a diverse customer base. Significant depth and service should be provided with regard to the line or lines of goods sold. Specialty retail stores include both "branded" and "non-branded" concepts.

Location Concourse D
Size Approximately 1,125 Square Feet

1.9 Summary of Key Business Terms for Food & Beverage Locations

A summary of key business terms are provided here for reference. The terms of the Sample Lease will govern in the event of any discrepancy between this summary and the Sample Lease.

The Port anticipates that all facilities will be designed and built with varying commencement of operation by June 1, 2018. Each location shall receive a Port Tenant Construction Permit through the Port’s Design Review Process and have one hundred twenty (120) days for construction, in order to ensure locations are open for passengers.

Food & Beverage Lease Term	The Lease Term for food & beverage locations shall be ten (10) years. Lease Terms shall commence June 1, 2018 and expire May 31, 2028.
Monthly Rent	Selected Proposer will pay monthly rent ("Rent") to commence the first day operations are open for business but no later than June 1, 2018. Rent will be the greater of one twelfth (1/12 th) of the Percentage Rent or the Minimum Annual Guarantee Rent ("MAG").
Percentage Rent	Percentage Rent is based on concept and is a tiered structure that increases upon achieving the gross sales levels specified below. Percentage Rent resets July 1 of each Lease Year, and will not be renegotiated during the term of the Lease.

	<p><u>Quick Serve Restaurant w/ Bar</u></p> <ul style="list-style-type: none"> ▪ 10% (\$0 - \$600,000) ▪ 12% (\$600,000.01 - \$1,000,000) ▪ 14% (\$1,000,000.01 +) <p><u>Casual Dining Restaurant w/ Bar</u></p> <ul style="list-style-type: none"> ▪ 11% (\$0 - \$1,000,000) ▪ 13% (\$1,000,000.01 - \$1,500,000) ▪ 15% (\$1,500,000.01 +)
Minimum Annual Guarantee Rent (MAG)	A MAG will be established for each awarded location based on seventy-five dollars (\$80.00) per square foot. This calculated MAG will be prorated when Concessionaire is open for business and used to set the floor for First Full Lease Year. Concessionaires will pay either the MAG or Percentage Rent, whichever is greater. The MAG will never be less than the floor set in the RFP.
MAG Adjustment	Effective July 1 of each Lease Year, the MAG will be adjusted to eighty percent (80%) of the actual Rent due the Port during the previous Lease Year, but not less than the MAG set in the RFP.
Storage Space Rent	Storage space is available depending on Concessionaire needs at a cost of approximately forty-eight dollars (\$48.00) per square foot per year. Proposers are requested to identify storage space requirements as part of this Proposal and state the amount of square footage needed on Exhibit D. Concessions staff will attempt to locate storage space as close to the proposed space as possible. Effective July 1 of each year, the rate is subject to adjustment according to the Consumer Price Index.
Tenant Investment	Investment will vary per location; however, as part of this RFP, the minimum required investment shall be no less than four hundred fifty dollars (\$450.00) per square foot. It is the responsibility of Proposers to calculate the build-out cost for Proposer's improvements. Proposers are required to do their own due diligence as to what their actual cost will be and include that amount in their submitted Pro-forma. Typical food & beverage build-outs based on data received by the Port from previous developments indicate an actual average of six hundred fifty dollars (\$650.00) per square foot or more. The Port will provide as-built drawings, if available, by request through the Port's online vendor portal at www2.portofportland.com .
Tenant Refurbishment	On or before May 31, 2023, Concessionaires will be required to refurbish each location based on a minimum amount equal to up to twenty five percent (25%) of the initial investment, subject to the discretion of the Chief Operating Officer of the Port.
Utilities	With the exception of supply air, all other utilities including natural gas, utility usage for water, sewer, and electricity are the responsibility of the Concessionaire.

<p>Airport Marketing Fee</p>	<p>There is an annual assessment of one thousand five hundred dollars (\$1,500.00) for each concession location for marketing support.</p>
<p>PDX Worker Benefit Program Support Fee</p>	<p>In furtherance of the Port's social equity goals undertaken through the PDX Workplace Initiative, each Proposer will be required to contribute three thousand five hundred dollars (\$3,500.00) annually to the Worker Benefit Program Support fund. The fund helps offset cost associated with future Port-provided employee benefits supporting job pathways, career advancement, and ensuring a safe, equitable work environment.</p>
<p>Waste Management and Disposal</p>	<p>All Concessionaires operating on Port property are required to separate recyclable/compostable materials from their waste streams and ensure that they are not placed into landfill bound waste containers. The Port administers the waste management contract for the hauling of solid waste and recyclable/compostable materials at the PDX Terminal. Garbage removal from the designated pickup area is included in Rent at no additional cost.</p> <p>The City of Portland ("City") has recently implemented a new ordinance to capture the costs of food, oil and grease collection in the sanitary sewer water system. The Concessionaire is solely responsible for all costs associated with the interception, collection and appropriate disposal of fats, oils and grease generated by Concessionaire's operations on the Premises. To satisfy this requirement, Concessionaire shall install its own grease traps, used cooking oil/liquefied grease collection systems, and related equipment. Concessionaire must maintain its grease traps in accordance with the manufacturer's specifications to allow for the optimal efficiency in removing fats, oils and grease from the waste stream before it enters the systems provided by the Port. If a Concessionaire is not complying with the City's or Port's requirements, the Port will have the right to hire a third party to undertake the task at Concessionaire's sole cost.</p>
<p>Kitchen Exhaust Hoods and Related Makeup Air and Exhaust Systems</p>	<p>Concessionaire will install and maintain kitchen exhaust hoods, makeup air and exhaust systems controls to interface with the Port's building automation systems, fire suppression systems, hot water wash down systems and other systems and equipment as required by the Oregon Mechanical Specialty Code, the Oregon Fire Code and the Design Standards. Concessionaire is solely responsible for all costs associated with the maintenance of kitchen exhaust hoods and related makeup air and exhaust systems.</p>

Street Pricing Policy	The intent of the Street Pricing policy is to maintain consistency in the quality, portion and pricing for food and beverage and merchandise and services available at airport locations compared to same branded off-airport facilities within the Portland Metropolitan Area. If Concessionaire does not have the same retail store or food & beverage operation elsewhere in the Portland Metropolitan Area, or if there are items sold at Concessionaire's Airport location that are not sold at any off Airport Comparable Facilities, Concessionaire and the Port will identify three (3) businesses in the Portland Metropolitan Area with similar concept, size and quality that will serve as comparables.
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1.10 Summary of Key Business Terms for the Specialty Retail Location

Specialty Retail Lease Term	The Lease Term for the specialty retail location shall be seven (7) years. Lease Term shall commence May 1, 2018 and expire April 30, 2025.
Monthly Rent	Selected Proposer will pay monthly rent ("Rent") to commence the first day the location is open for business but no later than May 1, 2018. Rent will be the greater of one twelfth (1/12 th) of the Percentage Rent or the MAG.
Percentage Rent	Percentage Rent is based on concept and is a tiered structure that increases upon achieving the gross sales levels specified below. Percentage Rent resets July 1 of each Lease Year, and will not be renegotiated during the term of the Lease. <u>Specialty Retail (Branded & Non-Branded) Concepts</u> <ul style="list-style-type: none"> ▪ 10% (\$0 - \$800,000) ▪ 12% (\$800,000.01 - \$1,200,000) ▪ 14% (\$1,200,000.01 +)
Minimum Annual Guarantee Rent (MAG)	A MAG will be established for each awarded location based on seventy-five dollars (\$80.00) per square foot. This calculated MAG will be prorated when Concessionaire is open for business and used to set the floor for First Full Lease year. Concessionaires will pay either the MAG or Percentage Rent, whichever is greater. The MAG will never be less than the floor set in the RFP.
MAG Adjustment	Effective July 1 of each Lease Year, the MAG will be adjusted to eighty percent (80%) of the actual Rent due the Port during the previous Lease Year, but not less than the MAG set in the RFP.

Storage Space Rent	Storage space is available depending on Concessionaire needs at a cost of approximately forty-eight dollars (\$48.00) per square foot per year. Proposers are requested to identify storage space requirements as part of this Proposal and state the amount of square footage needed on Exhibit D. Concessions staff will attempt to locate storage space as close to the proposed space as possible. Effective July 1 of each year, the rate is subject to adjustment according to the Consumer Price Index.
Tenant Investment	As part of this RFP, the minimum required investment shall be no less than two hundred fifty dollars (\$250.00) per square foot. It is the responsibility of Proposers to calculate the build-out cost for Proposers improvements. Proposers are required to do their own due diligence as to what their actual cost will be and include that amount in their submitted Pro-forma. Typical retail build-outs based on data received by the Port from previous developments indicate an actual average of approximately three hundred seventy five dollars (\$375.00) per square foot or more. The Port will provide as-built drawings, if available, by request through the Port's online vendor portal at www2.portofportland.com .
Tenant Refurbishment	On or before October 31, 2022, Concessionaires will be required to refurbish each location based on a minimum amount equal to up to twenty five percent (25%) of the initial investment, subject to the discretion of the Chief Operating Officer of the Port.
Utilities	With the exception of supply air, all other utilities including natural gas, utility usage for water, sewer, and electricity are the responsibility of the Concessionaire.
Airport Marketing Fee	There is an annual assessment of one thousand five hundred dollars (\$1,500.00) for each concession location for marketing support.
PDX Worker Benefit Program Support Fee	In furtherance of the Port's social equity goals undertaken through the PDX Workplace Initiative, each Proposer will be required to contribute three thousand five hundred dollars (\$3,500.00) annually to the Worker Benefit Program Support fund. The fund helps offset cost associated with future Port-provided employee benefits supporting job pathways, career advancement, and ensuring a safe, equitable work environment.
Waste Management and Disposal	All Concessionaires operating on Port property are required to separate recyclable/compostable materials from their waste streams and ensure that they are not placed into landfill bound waste containers. The Port administers the waste management contract for the hauling of solid waste and recyclable/compostable materials at the PDX Terminal. Garbage removal from the designated pickup area is included in Rent at no additional cost.

Street Pricing Policy	The intent of the Street Pricing policy is to maintain consistency in the quality, portion and pricing for food and beverage and merchandise and services available at locations at the Airport compared to same branded off airport facilities within the Portland Metropolitan Area. If Concessionaire does not have the same restaurant or franchise elsewhere in the Portland Metropolitan Area, or if there are items sold at Concessionaire's Airport restaurant that are not sold at any off Airport Comparable Facilities, Concessionaire and the Port will identify three (3) restaurants in the Portland Metropolitan Area with similar concept, size and quality that will serve as comparables for those particular items.
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1.11 Sample Lease

The Sample Leases, attached as Exhibits E and F, contain the standard lease terms and conditions of a Port Concession Agreement. Proposers should read the Sample Lease carefully and submit any questions or concerns using the process outlined in Section 3.1.5.

The Port has developed the Leases to incorporate the terms and conditions under which it wishes to lease the concessions operations subject to this RFP. Leases are standardized by concept and subsequent changes will apply to Leases awarded as part of this RFP. If a question or exception is presented prior to the date of submission of Proposals and rejected by the Port, the same question or exception will not be considered further. If any questions or exceptions result in a change to the Sample Lease(s), an Addendum will be issued to RFP holders.

All questions or requests for clarification relating to this RFP must be submitted in writing prior to 11:00 AM PDT on Friday, April 14, 2017, through the Port’s online vendor portal at www2.portofportland.com.

2. BACKGROUND

2.1 Airport Background

The Portland International Airport served over 18.3 million travelers during the 2016 calendar year and operates primarily as an Origin and Destination (O&D) airport. Approximately fifteen percent (15%) of passengers who use the Airport connect between flights en route to their final destinations. For the other eighty-five percent (85%) of travelers who are starting or ending their trip here, the Airport will be their first or last impression of the region. With this in mind, the Airport concessions program seeks to create an environment that personifies that which is uniquely Northwest in character. The Port has owned and operated the Airport since 1940.

On an average day, about fifty-nine thousand two hundred and twenty (59,220) people pass through the Airport including travelers, meeters and greeters, and shoppers.

Twelve (12) domestic, four (4) foreign passenger carrier and nine (9) cargo carriers operate at the Airport. The Airport serves sixty two (62) domestic markets and also offers nonstop international flights to: Tokyo, Japan; Vancouver, B.C.; Calgary, Alberta; Guadalajara, Mexico; and Amsterdam, Netherlands. Nine months of the year, the airport operates nonstop service to Reykjavik, Iceland. Six (6) months of the year, PDX has direct service to Frankfurt,

Germany, and as of May 2017, London, England. During the winter season, PDX operates service to Los Cabos and Puerto Vallarta, Mexico. During the summer season, the Airport has service to Toronto, Ontario. Combined, Alaska and Horizon are the largest passenger carrier at the Airport with Southwest and Delta the next largest. The Terminal includes five (5) attached concourses and the International Arrival Facility, which is the U. S. Customs and Border Protection facility for clearing international passengers.

The five (5) concourses contain fifty-nine (59) gates and related passenger waiting areas, and security screening facilities. A connector provides a walkway between the north and south concourses at the Airport to allow passengers to navigate the Terminal without having to exit the post security area.

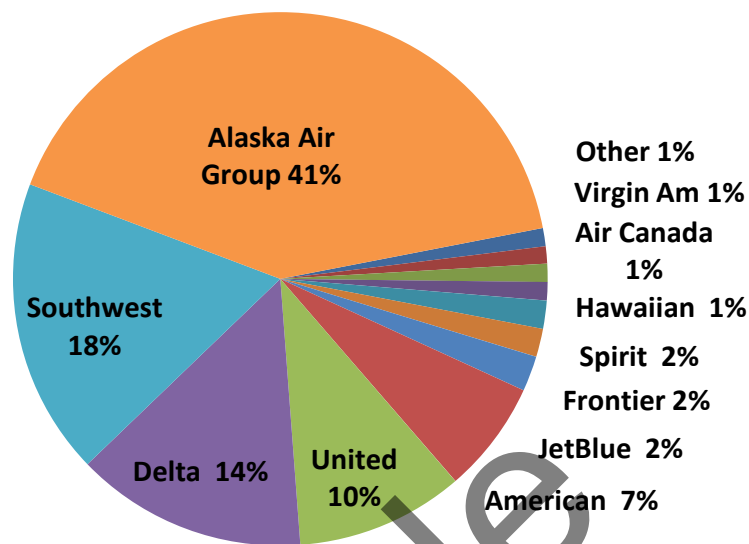
2.1.1 Historic Calendar Year Passenger Counts for PDX

Calendar Year	Calendar Year Enplanements	Total Passengers
2010	6,594,269	13,192,857
2011	6,844,061	13,675,924
2012	7,192,675	14,390,784
2013	7,506,507	15,029,569
2014	7,938,482	15,916,512
2015	8,414,996	16,850,952
2016	9,174,957	18,352,767

2.1.2 Departing Passengers by Concourse for Calendar Year 2016

Concourse	Departing Passengers	% Share
Concourse A	1,581,512	17.2%
Concourse B	199,747	2.2%
Concourse C	4,503,403	49.1%
Concourse D	1,856,419	20.2%
Concourse E	1,033,876	11.3%
Grand Total	9,174,957	100%

2.1.3 Airline Market Share for Calendar Year 2016



2.1.4 Passenger Forecasts

In calendar year 2016, PDX's passenger distribution was sixty-eight percent (68%) of the passengers operating on the A, B and C concourses and thirty-two percent (32%) operating on the D and E concourses. There is a plan in place to rebalance the Airport passenger distribution ("Terminal Balancing"); concourse E is planned to be extended and will include six new gates. This project is estimated to be complete in 2020.

Terminal Balancing includes moving Southwest Airlines from Concourse C to the newly constructed gates located at the end of Concourse E.

It is the responsibility of Proposers to research and evaluate future passenger volumes and growth and incorporate it into their Pro-formas.

2.1.5 Customer Service Ranking

The Airport conducts ongoing passenger research utilizing both a customer satisfaction and Terminal user survey. The Airport passengers rate the Airport high on overall satisfaction which is driven by courtesy of the Airport staff, condition of the terminal and efficient airport processes. For two (2) consecutive years 2015-16, JD Power's customer satisfaction studies have ranked PDX the "Highest in Satisfaction among Large Airports." For four consecutive years 2013-16, *Travel + Leisure* magazine readers ranked PDX the best airport in the nation. *Conde Nast Traveler* magazine rated PDX as the number one for business travel four out of five years in 2006, 2007, 2008 and 2010.

2.2 Airport Passenger Profile

Overall passenger demographics are based on 2016 passenger surveys. Key findings are based on a Food & Retail survey conducted in February 2014.

2.2.1 2016 Passenger Survey Results

Purpose of Visit	Percent (%)
Leisure	65.0
Business	27.0
School related	3.0
Convention	2.0
Other	3.0
Gender	Percent (%)
Male	45.0
Female	55.0
Age	Percent (%)
34 or Younger	31.0
35-54	33.0
55+	36.0

2.2.2 2014 Food & Retail Survey Results

Where do you prefer to eat in an airport?			
Area	Overall %	Passenger %	Employee %
Food Court	35.7	28.2	50.6
Café/Bar	20.4	24.3	13.0
Full Service, sit down restaurant	16.6	18.5	13.4
Buy It/Take it to gate or other area	13.0	10.5	19.5
Buy it/Take it on plane	7.7	10.7	0.9
Never eat at airport	6.5	7.8	2.6

When choosing a restaurant at PDX, what brand do you prefer most?	
Type	Percent (%)
Local Brand	74
National Brand	26

If the following types of food/beverage choices were available today, how likely would you be to buy something there on this visit? (% rating 8-10, 10 = definitely would purchase)	
Type	Percent (%)
Mini Farmer's Market	45.2
Sandwich/Deli	45.0
Breakfast	43.3
Mexican	35.1
Asian/Sushi	32.2
Vegan/Vegetarian/Juice Bar	26.3
Ice Cream/Sweet Shop	23.8

If the following types of retail stores were available today, how likely would you be to buy something on this visit? (% rating 8-10, 10 = definitely would purchase)	
Type	Percent (%)
Northwest Outdoor Store	20.3
Accessories	20.0
Bike accessories	14.2
Shoes	11.0

Criteria	PDX Employee	Leisure Traveler	Business Traveler
Male	51%	37%	66%
Female	49%	63%	34%
Median Household Income	Median (\$59,000/Year)	Median (\$74,000/Year)	62% (\$100,000+/Year)
Largest Age Group	42% (35-54 Years Old)	40% (55+ Years Old)	46% (35-54 Years Old)

2.3 Historical Concession Activity

The existing concessions program at the Airport is comprised of sixty nine (69) stores, restaurants, and passenger services, sixty-seven percent (67%) of which are local or regional concepts. The program is divided between landside and airside and together account for approximately one hundred thousand (100,000) square feet throughout the terminal. Fiscal year 2016 sales exceeded \$109 million. Sales are divided approximately twenty-five percent (25%) pre-security to seventy-five (75%) post-security. The program currently generates \$12.48 in sales per enplaned passenger, which is significantly above the industry average.

2.4 PDX Historical Concession Sales Statistics

Concourse	FY14	FY15	FY16
Concourse A Total F&B	\$2,843,190	\$3,182,721	\$3,322,064
Concourse A Total News/Gifts	\$1,163,741	\$1,151,517	\$1,197,988
Concourse A Total Coffee	\$1,359,144	\$1,511,406	\$1,525,862
SUBTOTAL	\$5,366,075	\$5,845,644	\$6,045,914
Concourse B Total News/Gifts	\$892,341	\$1,038,601	\$970,587
Concourse B Total Coffee	\$75,663	\$84,237	\$46,192
SUBTOTAL	\$968,005	\$1,122,838	\$1,016,779
Concourse C Total Retail	\$6,415,909	\$7,703,920	\$7,658,480
Concourse C Total F&B	\$13,678,554	\$13,938,033	\$18,853,479
Concourse C Total News/Gifts	\$4,556,522	\$5,106,576	\$5,627,921
Concourse C Total Coffee	\$2,410,396	\$2,662,405	\$2,884,767
SUBTOTAL	\$27,061,381	\$29,410,934	\$35,024,647
Concourse D Total Retail	\$3,450,541	\$3,260,907	\$3,528,407
Concourse D Total F&B	\$4,500,490	\$5,388,555	\$6,081,805
Concourse D Total News/Gifts	\$2,894,056	\$3,068,618	\$3,651,898
Concourse D Total Coffee	\$1,340,733	\$1,262,827	\$1,422,354
SUBTOTAL	\$12,185,820	\$12,980,907	\$14,684,464
Concourse E Total F&B	\$2,362,302	\$2,125,373	\$1,791,444
Concourse E Total	\$2,146,411	\$2,033,002	\$1,976,307

News/Gifts			
Concourse E Total Coffee	\$360,729	\$336,024	\$252,826
SUBTOTAL	\$4,869,442	\$4,494,399	\$4,020,577
Oregon Market(Pre-Security) Retail Total	\$10,785,432	\$11,496,093	\$11,981,338
Oregon Market(Pre-Security) F&B Total	\$12,132,268	\$12,484,070	\$12,202,297
Oregon Market(Pre-Security) News/Gifts Total	\$2,194,125	\$2,460,741	\$2,526,111
Oregon Market(Pre-Security) Coffee Total	\$1,587,082	\$1,764,428	\$1,893,174
SUBTOTAL	\$26,698,909	\$28,205,332	\$28,602,920
South & North Lobbies (Post-Security) F&B Total	\$4,326,174	\$6,023,292	\$9,527,676
South & North Lobbies (Post-Security) Retail Total	\$3,261,897	\$2,747,275	\$1,267,906
South & North Lobbies (Post-Security) Coffee Total	\$3,910,939	\$3,920,595	\$3,983,969
South & North Lobbies (Post-Security) News/Gifts Total	\$5,070,326	\$5,341,962	\$5,568,532
SUB TOTAL	\$16,569,336	\$18,033,124	\$20,348,083
GRAND TOTAL	\$93,718,967	\$100,093,178	\$109,743,384
PERCENT VARIANCE (YEAR OVER YEAR)		6.8%	9.6%
PERCENT VARIANCE FY14 - FY16			17%
NEWS/GIFTS Total	\$18,917,522	\$20,201,017	\$21,519,344
COFFEE Total	\$11,044,686	\$11,541,922	\$12,009,144
RETAIL Total	\$23,913,780	\$25,208,195	\$24,436,131
F&B Total	\$39,842,979	\$43,142,044	\$51,778,765
ENPLANEMENTS	7,762,027	8,058,757	8,792,286
Sales Per Enplaned Passenger	\$12.07	\$12.42	\$12.48
Percent Variance		3.8%	9.1%

2.5 Airport Environment

The environment at the Airport presents a set of unique challenges to each concourse which need to be considered in the operations and menu offerings for the different locations.

- a) The Airport customer has a limited amount of time to spend, currently averaging approximately ninety (90) minutes post-security. Efficiency and speed of service are critical components for a successful airport concession. Concessionaires are encouraged to streamline customer interactions and avoid experimenting with new customer processing methods, as the airport is a challenging environment in which to retrain consumer behaviors.
- b) Facilities must be open three hundred and sixty-five (365) days a year with operating hours and staffing levels reflecting the fluctuation in seasonal and daily passenger traffic.
- c) Flight delays are not uncommon. Operational plans must be flexible enough to provide extended hours to accommodate the additional business and customer service opportunities these delays afford.
- d) All deliveries must take place through the central receiving dock located on the airside portion of the terminal using a defined route and the airport's security escort. There are scheduled hours for deliveries during early morning hours Monday through Friday, limited Saturday and Sunday hours, and on-call availability thereafter. Deliveries must be transported to concessions and/or storage spaces upon receiving by Concessionaire staff.
- e) Customers are primarily airline passengers traveling with carry-on luggage which has increased since airlines began charging for checked luggage. This includes luggage with wheels. Concession facility designs must clearly accommodate these conditions.
- f) PDX is an O&D airport with approximately sixty-five percent (65%) traveling for leisure. These passengers are in a vacation state of mind and ready to purchase food and beverage at unusual hours.
- g) Currently, approximately twenty-five percent (25%) of PDX passengers depart prior to 8 a.m. For food & beverage locations, Proposers should include a strong breakfast component in their menus, and may consider offering breakfast during all day-parts.
- h) Security badges are required for all employees who work in post security facilities and for those who work in pre security facilities who must access post security storage/office facilities. There are a limited number of post-security badges available to each post security location. Security badges require a ten (10) year criminal background check. Fees for badges are charged initially and upon each renewal.
- i) Storage space for the Concession is available by request at a cost of approximately \$48.00 per square foot per year. Most storage facilities are

located on the deplaning level of the terminal as close as possible to the operation, which requires a security badge.

2.6 Airport Development Considerations

Proposers should be aware of the following considerations when developing facilities at the Airport:

- a) Expenses associated with acquiring security badges per employee. For more information check the website:
<http://www2.portofportland.com/PDX/SecurityBadging>
- b) Expenses for employee parking – currently thirty-five dollars (\$35) per month per employee.
- c) Additional time is required to access the airfield and undergo a visual inspection required for off-loading and delivering supplies to the storage rooms.
- d) Each location will require significant investment. The necessary and recommended alterations are determined by the age of the facility, the opportunities generated by its location and upgrades to the Airport infrastructure. The Port will provide as-built drawings, if available, the Port's online vendor portal at www2.portofportland.com. Proposers are encouraged to request and utilize any available drawings as they evaluate current building conditions and the level of investment required for each unique location.
- e) To the extent possible, Concessionaires should design the entry to their space as open and inviting as possible, unobstructed by design elements extending from column to column along the storefront.
- f) Each Concessionaire project requires completion of a Design Review/Permitting process as outlined in Exhibit C, which takes between four (4) and five (5) months. Before construction begins, each Concessionaire must obtain permits from: the Port, the City of Portland, Multnomah County Health Department & the Oregon Liquor Control Commission (food & beverage locations). A sample timeline for design and construction is also included in Exhibit C. Following Commission Approval each successful Proposer must immediately begin the design review process in order to be fully permitted prior to February 1, 2018.
- g) Each Concessionaire is responsible for the cost and construction of a barricade to be placed in front of the concession location during construction. Barricades are a marketing opportunity and are encouraged to be used as such. Both the barricade placement and graphics must be approved in advance by the Port.
- h) Concessionaires are allowed to hire a team of architects, consultants, and contractors solely of their choosing, with an expectation to prioritize equity, diversity, and inclusion within their team selection. The Port encourages the use of local design teams wherever possible for a more seamless and efficient design review and permitting process.

- i) For certain systems integral to the operation of the airport (i.e. fire/life safety, roofing penetrations, metering controls, etc.) the Port requires that concessionaires use sole source vendors for location integration into those systems. The Port encourages interested Proposers to get estimated costs for these sole source vendors and include them in their anticipated investment.
- j) The Port is committed to conserving natural resources, reducing pollution and ensuring a healthy and sustainable future of the residents of and visitors to the region. Proposers are encouraged to incorporate sustainable practices and design elements into their development plans to the greatest extent possible; and
- k) All Concessionaires operating on Port property are required to separate recyclable/compostable materials from their waste streams and ensure that they are not placed into landfill bound waste containers. The Port administers a waste management contract for the hauling of solid waste and recyclable/compostable materials at the PDX Terminal. Concessionaires using the central waste collection area located beneath the Concourse Connector Corridor of the terminal are required to have security badged employees to access and deposit waste materials from their respective businesses.

2.7 Airport Security Requirements

- a) The Concessionaire shall be required to comply with all Port, Transportation Security Administration (TSA) and Federal Aviation Administration (FAA) rules and regulations governing airport security, including but not limited to special badging requirements and background checks.
- b) The Port is prohibited by federal law from issuing a security badge to an individual who has a disqualifying criminal offense described in 49 CFR 1542.209 (d).
- c) PDX security badges will be issued only after the badge applicant's Security Threat Assessment (STA) has been approved by TSA. The PDX security badge applicant's identity and employment eligibility will be determined by the TSA, based upon documentation in the form specified by the TSA.
- d) The Concessionaire shall ensure that its employees, agents, subcontractors, suppliers or other invitees obtain the appropriate PDX-issued security badge and wear such badge at all times when they are engaged in work at the Airport. The security badge shall be worn above the waist and in plain view of those interacting with the employee. The Concessionaire shall ensure that any security badge provided by the Port is returned promptly when the person to whom the security badge was provided leaves the Concessionaire's employment or no longer engages in work at the Airport for the Concessionaire. The Concessionaire shall be responsible for any charge or fine imposed by the Port or any government authority if the PDX security badge is not promptly returned.

- e) The Concessionaire shall obtain and thoroughly review all PDX security badging requirements and Port rules and regulations pertaining to security badging and airport security before commencing any work. Copies of security and badging information and Port rules and regulations are available from the Port upon request. The Concessionaire shall warrant and ensure that any person that receives a security badge meets all of the requirements for having a security badge.
- f) The Concessionaire shall defend, indemnify, and hold harmless the Port against any and all claims of any nature made against the Port by any party resulting, in whole or in part, from the Concessionaire's breach of security requirements or security violations. Defense shall be provided by legal counsel acceptable to the Port.
- g) The Concessionaire shall return all PDX security badges to the PDX Security Badging Office and obtain a receipt for their return once an employee is no longer employed by the Concessionaire. The Concessionaire shall also submit a copy of the receipt to the Port Project Manager.
- h) If the Concessionaire fails to comply with any airport security regulations described herein or otherwise applicable, the Port may suspend the contract until compliance is attained or may perform the functions required under the contract for the Concessionaire. The Port may perform such functions with its own forces or with hired personnel, and may deduct the cost of those services from monies otherwise due the Concessionaire under the terms of the contract. The Port will determine in its sole discretion whether the Concessionaire has met security requirements and whether the Port will provide services in lieu of the Concessionaire providing them. The Concessionaire shall also be subject to any fines levied against the Port, as a result of its failure to comply.

2.8 PDX Workplace Initiative Implementation Requirements

The Port's Board of Commissioners adopted principles of the PDX Workplace Initiative ("Initiative") on April 8, 2015, directing Port staff to effect rules or policies consistent with the Initiative to clarify its implementation. Concessionaire must implement the Initiative, as provided in the attached Exhibit H, if awarded a Lease. The Initiative demonstrates the Port's emphasis on continuing to increase diversity in the workplace, while fostering an equitable and inclusive environment for which employees of varying backgrounds may thrive within.

2.8.1 Worker Retention

The Port has established a Labor Pool for displaced employees resulting from leases that have expired. The Port manages the Labor Pool and employee participation in the Labor Pool is voluntary. While employers are not required to hire from the Labor Pool, future contracts will require employers to make a good-faith effort to consider hiring new employees from qualified employees in the PDX Labor Pool. For each individual hired from the Pool, the Port will provide an incentive payment to the employer of one thousand dollars (\$1,000.00) if the employee is full time and retained for at least six (6) months. The payment is expected to be shared 50/50 between the employer and employee.

2.8.2 Worker Benefits

PDX employers and stakeholders work together to generate and make investments in innovative new approaches to attract and retain the best airport workers. The Port continues to engage a broad group of stakeholders to brainstorm and prioritize potential future investments in initiatives that enhance the worker experience at PDX while enhancing the ability of employers to attract the best workers to PDX.

2.8.3 Employee-Employer Relationships

Contracts with the Port at PDX will require the employer to submit a written plan on how it will attract a demographically diverse, and maintain a positive working relationship with its employees:

- a) The plan may include any agreement the employer has with its employees, as well as programs the employer uses to maintain a positive relationship with its employees, such as compensation plans, benefit offerings, incentive programs, education and training programs, advancement opportunities, equity and diversity plans, etc.
- b) The plan may be made publically available.
- c) The contract will allow the Port to take action, up to and including termination of the contract, in the event the employer's repeated, serious failures, in the discretion of the Port and as limited by applicable law, to adhere to its plan.
- d) The plan must be consistent with the Concessionaire proposal as defined in Section 4 of this RFP.

2.9 Workplace Initiative Support Fee

Each Concessionaire is required to contribute three thousand five hundred dollars (\$3,500.00) annually to the PDX Workplace Initiative Support Fund. The fund helps support the following components of the PDX Workplace Initiative: PDX Jobs Website and computer terminals at the PDX Conference Center; Job Fair Support; PDX Labor Pool, etc.

2.10 Airport Marketing

The relationship between the Port and its Concessionaires is unique in its spirit of partnership in the area of marketing and promotional activity. There is a one thousand five hundred dollar (\$1,500.00) per year marketing fee assessed by the Port to each concession location. Some examples of the Port's use of this fee and general contributions to the strengthening of this partnership include:

- a) Coordinating three (3) Airport-wide sales promotions and multiple smaller holiday promotions annually including, themed signage and special events;
- b) Assisting in staffing recruitments and job fairs;
- c) Conducting monthly managers meetings;
- d) Providing regular updates regarding airline flights and passenger volumes and trends;

- e) Conducting mystery shopping program, including an Associate of the Month program and other customer service recognition programs, as well as conducting Street Pricing audits;
- f) Providing new manager orientation and tenant manual; and
- g) Ongoing storefront sign creation and installation, including sign stanchions.

2.11 PDXpectations of Customer Relations Program

The Airport's philosophy about customer service is simple; from roadway to runway, all Airport employees are responsible for the passenger experience. Employees are expected to know and uphold the five (5) core service standards that fundamentally make up the Airport's internal customer service program "Make the Connection, Our Customers and You". The PDXpectations of all the Airport employees are:

- a) Be knowledgeable of the Airport and be able to assist passengers with frequently asked questions (locations of ATMs, restrooms, TriMet, business service centers, etc.);
- b) Be proactive (and go out of your way to assist passengers who look confused/lost or appear to need help);
- c) Be friendly (by treating passengers as if they were guests in your home);
- d) Be respectful (by treating everyone the same regardless of age, ethnicity, gender, etc., and by being sensitive and respectful of passenger's time); and
- e) Speak with body language (by smiling, being approachable, maintaining eye contact, using a helpful and friendly tone of voice).

3. PROPOSAL PROCESS

3.1 General

3.1.1 Evaluation

Proposals will be assessed by an Evaluation Team made up of participants and subject matter experts, both internal and external to the Port of Portland. The evaluation will be in accordance with Section 5 "Evaluation Criteria and Process", and may include requests by the team for additional information, site visits, interviews, and inquiries into the experience and responsibility of the Proposer.

3.1.2 Influencing the Procurement Process

Respondents or their agents are instructed not to contact Evaluation Team members, Port employees, Commissioners, or agents, licensees, successors and assignees for the purposes of influencing the Port's decision, or externally manipulating or influencing the procurement process in any way, other than through the instructions contained herein, from the date of the release of this RFP to the date of execution of the Lease resulting from this Solicitation. Port, in its sole discretion may disqualify Respondents in violation of the paragraph.

3.1.3 Obligation to Award

The issuance of this RFP, and the receipt and evaluation of Proposals does not obligate the Port to award a contract. The Port will not pay any costs incurred in responding to this RFP. The Port may cancel this RFP or reject any or all Proposals in accordance with ORS 279B.100.

3.1.4 Commencement of Work

The successful Proposer may not commence work until receipt of a fully executed Lease.

3.1.5 Questions

All questions or requests for clarification relating to this RFP and the Sample Leases posed in writing prior to 11:00AM PDT on April 14, 2017 through the Port's online vendor portal at www2.portofportland.com under the Business Opportunities tab. Questions received after that deadline may not be considered.

3.2 Pre-Proposal Interpretation of Contract Documents

3.2.1 Changes to RFP

3.2.1.1 The Port reserves the right to make changes to the RFP. If necessary, changes will be made by written addendum which will be issued to all prospective Proposers on the Port's list of RFP holders. **Prospective Proposers may request or suggest any change to the RFP by submitting a written request. The request shall specify the provision of the RFP in question, and contain an explanation for the requested change. The request must be submitted no later than 11:00AM PDT on April 14, 2017.** The evaluation team will evaluate all requests submitted, but reserves the right to determine whether to accept the requested change.

3.2.1.2 A Proposer may amend or withdraw its Proposal any time prior to the time and date established for submission of Proposals.

3.3 Public Disclosure of Proposals

- a) Any information provided to the Port pursuant to this RFP is subject to public disclosure pursuant to Oregon's public records laws (ORS 192.410 to 192.505).
- b) The general requirement for public disclosure is subject to a number of exemptions. Each page containing information deemed by the Proposer to remain exempt from public disclosure after Proposals have been evaluated (e.g., pages containing trade secret, economic development information, etc.) should be plainly marked. A general statement that all or certain parts of the Proposal are exempt from public disclosure will not be effective unless each page on which those parts appear has been marked in accordance with this Section.
- c) The fact that a Proposer marks certain information as exempt from disclosure does not mean that the information is necessarily exempt. The Port will make an independent determination regarding exemptions applicable to information that has been properly marked. Information that has not been properly marked may

be disclosed in response to a public records request. When exempt information is mixed with nonexempt information, the nonexempt information must be disclosed. The Port will redact pages that include both exempt and nonexempt information to allow disclosure of the nonexempt information.

- d) Unless expressly provided otherwise in this RFP or in a separate communication, the Port does not agree to withhold from public disclosure any information submitted in confidence by a Proposer unless the information is otherwise exempt under Oregon law. The Port considers Proposals submitted in response to this RFP to be submitted in confidence only until the Port's evaluation is complete, and agrees not to disclose Proposals until the Port has completed its evaluation of all Proposals and publicly announced the results.

3.4 Timeline

3.4.1 RFP Process, Design Review/Permitting, Construction & Opening

The following schedule is tentative and subject to change at the sole discretion of the Port:

1/27/2017	RFP Issued
2/24/2017	Pre-Proposal Conference
4/14/2017	Last Day for Questions
5/4/2017	3PM Deadline for Receipt of Proposals
6/2017	Intent to Award
8/9/2017	Commission Approval
8/14/2017 – 1/31/2018	Design Review & Permitting
2/1/2018 – 5/31/2018	Build-Outs (dependent on space awarded)
5/1/2018 – 6/1/2018	Location Openings (dependent on space awarded)

3.4.2 Period of Irrevocability

Proposals will be offers that are irrevocable for a period of one-hundred and eighty (180) calendar days after the time and date Proposals are due. Proposals will contain the name, address and telephone number of an individual or individuals with authority to bind the company during the period in which the Proposal will be evaluated.

3.5 Protests

3.5.1 Objections or Protests

A Proposer that wishes to object to or protest any aspect of this Proposal must deliver a written Protest to the Manager of Contracts and Procurement, 7200 N.E. Airport Way, Portland, OR 97218; Mailing Address, P.O. Box 3529, Portland, OR 97208; or via facsimile to (503) 548-5812. The Protest must include all grounds for the Protest, and all supporting evidence, in the form of physical evidence, documents, or affidavits. The Protest shall be deemed to include only the documents timely delivered pursuant to this Section. It must clearly state all of the grounds for the Protest and must include all arguments and evidence in support of the Protest. Testimonial evidence may be submitted by affidavit. The Port may

investigate as it deems appropriate in reviewing the Protest, and will issue a written response to the Protest. The Port may proceed with contract award, execution, and performance while the Protest is pending.

3.5.2 Timeliness

- a) If the Protest relates to matters that are apparent on the face of the Solicitation documents or that are otherwise known or should have been known to the Protester, the Protest must be delivered no fewer than five (5) business days prior to the Proposal Deadline.
- b) If the Protest relates to other matters, including but not limited to the award of the contract, it must be delivered as soon as possible, and in no event less than five (5) business days, after the Protester knows or reasonably should have known of the award of the contract, the Port's intent to award the contract, or other matters to which the Protest is addressed.

3.5.3 Delivery

A Protest is delivered, for the purposes of this paragraph, when it is actually received by the Port's Contracts and Procurement Department staff.

3.5.4 Late Protests

The Port may decline to review a late Protest. A Protest shall be deemed to include only the documents timely delivered pursuant to this paragraph. It must clearly state all of the grounds for the Protest and must include all arguments and evidence in support of the Protest. Testimonial evidence may be submitted by affidavit. The Port may investigate as it deems appropriate in reviewing the Protest, and will issue a written response to the Protest. The Port may proceed with contract award, execution, and performance while a Protest is pending.

4. PROPOSAL CONTENT AND PROCESS

4.1 Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Proposer's ability to satisfy the requirements of this RFP. **Maximum number of pages per Proposal is no more than one hundred (100) pages (double-sided) including graphics, renderings and photographs. Proposals greater than one hundred (100) pages will be rejected and returned to Proposers.** Submissions of display charts, or other supplemental materials are the responsibility and within the discretion of the proposer. The Port will not be liable for any expense incurred in the preparation of Proposals. Financial documents and Exhibit D do not count towards the one hundred (100) page limit.

Proposers must submit the following written information for review by the evaluation team. Responses will conform to the following format including tabs as described in Section 4.2 in a font size no smaller than eleven (11) points. Pages shall be numbered consecutively and fastened by a hard covered and labeled reusable three ring binder.

For each Proposal, submittals should include the following:

- a) One (1) original three ring binder, clearly marked as such containing the Proposal Bond, but omitting financials
- b) One (1) flash drive labeled Financials, containing Exhibit I and all required financial statements outlined in Section 4.4.6
- c) One (1) physical set of design and materials boards, as outlined in Section 4.4.2
- d) Nine (9) electronic Proposal copies on individual flash drives, labeled as such. Electronic Proposal copies should include identical contents to the original Proposal binder, with the exception of financials and the Proposal Bond, which should be omitted from copies. Copies of design and materials boards should be in electronic format on the flash drive Proposal copies.

4.2 Format

Proposers may submit Proposals on one or more opportunities identified in this RFP, which may lead to the award of up to one (1) location per Proposer. If proposing on more than one location, each location requires a separate and complete Proposal. The Port reserves the right to award locations based on the best fit for the overall Concessions Program, which may include more than one space per proposer, or the option to lease spaces that were not proposed on, however, the Port intends to award no more than one location to Proposers. Proposals may only be submitted for concessions concepts qualified in accordance with Section 1.5. Proposals should be submitted separately, and each Proposal should conform to the following format.

- a) Proposal Form (Exhibit D) must be complete with a copy included as the first (1st) page of each submission. The Proposal Form shall list the business entity qualified in accordance to Section 1.5. This is the legal entity that the Port will enter into the lease with if awarded an opportunity in this RFP.
- b) Executive Summary should highlight the uniqueness and strengths of the Proposal and demonstrate how it meets and/or exceeds the project vision as outlined in Section 1.2.
- c) Contact Person with whom all future correspondence and/or communications will be directed.

4.3 Proposal Bond

A Proposal Bond (Bond) must be submitted in the form of a Letter of Credit or cashier's check in the amount of five thousand dollars (\$5,000.00), attached to each separate Proposal submitted. Proposal Bonds will be returned for non-successful Proposals. Proposers awarded Leases may apply the submitted Proposal Bond towards the required Security Deposit. **Proposer shall place the Bond in the original Proposal binder.**

4.4 Sections for Evaluation

4.4.1 Proposed Concept, Menu/Product Assortment, Business Plan and Proforma

This Section should clearly define the Proposer's overall business plan and strategy, proposed concept or brand for the applicable location ID, five-year financial proforma, and planned menu and/or product assortment. The following items should be provided:

- a) Proposed concept to include defining brand characteristics, brand history and community presence, and demographic served within the overall airport customer base.
- b) Planned menu and/or product assortment matching proposed concept, including street pricing. The menu/product assortment must reflect the defined merchandise plan in accordance with the proposed location and permitted uses defined in Section 1.2.
- c) The Proposer's current business plan with company mission and description, customer markets served, relevant industry information, business organization, and future goals or growth plans.
- d) Financial pro-forma using Exhibit J, demonstrating anticipated investments, expenses, sales, revenue and growth for the first five (5) years of business.

4.4.2 Design, Layout, Renderings, Materials, and Project Execution

This Section should include the proposed capital investment meeting the requirements in Section 1.3 for food & beverage locations, or Section 1.4 for the retail location, the physical design and layout of the location, including quality of materials and presentation of Pacific Northwest themes that adhere to the requirements of the Port's Terminal Design Standards, which are available as listed in Exhibit C. Please include the following information:

- a) A description of proposed capital improvements and how they support the design theme, and estimated tenant improvement costs.
- b) Storefront renderings to facilitate evaluation of the quality and design of the proposed tenant improvements for exterior and interior layout; **one set of renderings should be submitted on foam core no larger than 11" X 17" in size, and electronic copies should be included on each of the nine (9) flash drive Proposal copies.**
- c) A plan addressing the layout, circulation and queuing within the associated preliminary lease plat drawing from Exhibit B.
- d) A description of proposed graphics, signage and menu boards.
- e) A materials board mounted on foam core no larger than 11" X 17" in size, including actual samples of proposed materials, fixtures (photos), and finishes.
- f) A description of how Proposer will approach the design, permitting and construction necessary to achieve the required opening date, including a project

schedule that reflects the sample development timeline attached to the Sample Leases (Exhibits E & F) as Exhibit M.

- g) Photographs of existing location(s) (exterior and interior) as examples of interior layouts and exterior design for PDX.
- h) Whenever possible, please consider local designers and contractors.

4.4.3 Quality Employer Plan Details

This Section should clearly define Proposer's employee-employer relationship philosophy and practices. The Proposer's Quality Employer Plan must align with the contractually required Employee-Employer Relationships Plan as defined in Section 2.8. While a Quality Employer Plan can take many forms and be based on a myriad of approaches, the Quality Employer Plan will be evaluated based on the information Proposer provides on the attached Exhibit K. If awarded a lease, this Exhibit K, as submitted through this RFP process, will be attached to the lease and serve as the required Employee-Employer Relationship Plan.

4.4.4 Operational Plans: Customer Service, Staffing, Marketing, Sustainability, Quality Control and Maintenance

This Section should illustrate the experience of the proposing company to build and operate in an airport environment profitably while maintaining high expectations for customer service, quality control, sustainable practices, facility cleanliness, and asset management. Please cover the following operational elements:

- a) A customer service plan demonstrating Proposer's service philosophy, expectations, training, incentives, and implementation strategy for the unique and demanding airport environment.
- b) A staffing plan that covers the operating hours of the proposed location and includes information for all personnel positions, including supervisors and management. The staffing plan should reflect meeting the passenger needs for the concourses serviced by the location, taking into account the varying airline schedules and passenger demographics.
- c) A marketing outline describing possible participation in special events, promotions, product demonstrations, tastings, employee specials, and advertising strategies.
- d) Sustainability plan based on best practices for waste minimization, efficient use of utilities, resource conservation, use of sustainable building materials and finishes, product sourcing and other environmentally conscious operations and contributions.
- e) Outline of policies and procedures used to maintain product quality assurance in the areas of presentation, cleanliness, food safety (if applicable), loss prevention, and internal audit or mystery shop/dine evaluations.
- f) Facility maintenance plan, including general schedule for the cleaning and replacement of equipment, displays, fixtures, casework, flooring, signage, etc.

4.4.5 ACDBE Participation

The evaluation of the Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program participation measures the Proposer's experience in promoting ACDBE participation on past concessions (if applicable) and proposer's future plans for ACDBE participation on concession leases awarded under this RFP.

To be recognized as an ACDBE, a business must be currently certified as ACDBE by the Oregon Certification office for Business Inclusion and Diversity (COBID), or provide documentation to prove they meet the certification requirements and have submitted a completed application to COBID. The Port's ACDBE Liaison Officer (ACDBELO) will verify all certification applications. Instructions on how to apply for ACDBE certification and eligibility criteria are available at the following website: www.oregon4biz.com/certification

For the purpose of this RFP, we will recognize firms that are certified as ACDBE or firms that are a Disadvantaged Business Enterprise (DBE) and are in the process of obtaining further certification as ACDBE through COBID.

The proposer may meet its ACDBE participation commitment utilizing any combination of options listed below, all of which require proof of ACDBE certification by COBID.

- a) 100% ACDBE Participation: For this option, the proposer is solely owned and operated as a certified ACDBE firm (Provide proof of certification from COBID).
- b) Percentage Participation: For this option, a percentage of the business is designated to be owned, operated and/or maintained by a certified ACDBE through a sub-lease, management, operating and/or franchise agreement.
- c) Percentage Participation by way of a Joint-Venture (JV) Agreement: For this option, a proposer enters into a JV agreement with a certified ACDBE partner, in which the ACDBE partner has financial risk and reward commensurate with the ACDBE participation goal for this concession opportunity. For example, if the ACDBE goal is 35%, then the ACDBE concessionaire's risk in terms of investment in the operation and anticipated upside (reward) must be no less than 35%. All JV partnerships will be required to submit a JV Affidavit to the Ports ACDBELO. The JV Affidavit is provided as Exhibit L to this RFP.
- d) Percentage of Goods/Services toward Vendor Purchases: For this option, the proposer designates a percentage of the gross revenue that will be committed to the purchase of goods and services from ACDBE certified vendors. A list of ACDBE certified vendors may be found at www.oregon4biz.com/certification. The ACDBE Letter of Intent is provided as Exhibit M to this RFP.
- e) Other Legal Arrangement: For this option, the proposer may propose some other legal arrangement, so long as it meets the eligibility standards in 49 CFR Part 23.

This Section should include the following:

- a) Provide a narrative of proposer's experience in promoting ACDBE inclusion. Discuss any innovative or successful measures utilized on past concessions. If

proposer does not have any experience with ACDBE, provide a narrative of proposers experience in supporting small businesses in other business related activity.

- b) Provide a list of ACDBEs with which proposer has had a contractual relationship.
- c) Describe how you meet or exceed the stated ACDBE goal or made good faith effort to do so.
- d) Provide a complete description of the nature of the ACDBE participation and their experience and qualifications. If the ACDBE goal established is 0%, this subsection may be omitted; however, the Port encourages ACDBE participation through other means.
- e) Completed Exhibit L and Exhibit M, as applicable.
- f) The Proposer also agrees, and must state/affirm in this section of its Proposal(s), that in any Lease resulting from this RFP, it will not discriminate on the basis of race, color, national origin, or sex in connection with the award of performance of any Concession Agreement covered by 49 CFR 23.

Successful proposers will be required to report monthly revenue and ACDBE participation revenue and expenditures for the purposes of FAA reporting requirements into the Ports online DBE reporting compliance system which can be found at www.portofportland.dbesystem.com.

4.4.6 Financial Statements/Capability

This Section should illustrate how Proposer and any franchisees meet minimum financial requirements by providing the following on one (1) individual flash drive, as further described in Section 4.1.:

- a) Financial information should reflect profitable food or retail operations as well as projected costs and funding source for capital improvements.
- b) Proposers as well as any franchisees must provide documentation of their ability to finance and undertake the monetary commitments required to successfully develop, construct and operate the proposed concession. This means having: (i) total capitalization greater than the sum of proposed investment and a working capital allowance equal to three months of project sales; and (ii) a capital structure of the proposed concession generally comparable to the respondents' overall capital structure.
- c) Proposers should complete Exhibit I in Excel format. Failure to use the form and submit it in the formats described above will be considered non-compliant which could result in action up to and including rejection of the Proposal.
- d) Failure to submit required financial information will disqualify Proposer. Information submitted shall include balance sheets and income statements of Proposer's and/ or subtenant's or franchisee's prepared in accordance with Generally Accepted Accounting Principles for the last three (3) fiscal years reflecting the current financial condition of Proposer and/ or subtenant's or franchisee's, including an interim balance sheet and income statement of any

significant financial events occurring subsequent to the closing date of the most recent financial statements. Ratio analysis over three (3) years will be included to determine financial strength as well as review of the sources and uses of funds.

- e) Include list of capital improvement costs and total investment. If funding source is a loan please include a pre-approval letter from a bank; and projected capital improvements related to this RFP and identified source of funding for improvements.
- f) Evidence of Proposers ability to finance means to undertake the monetary commitments required to successfully develop, construct and operate the proposed concession. This means having: (i) total capitalization greater than the sum of proposed investment and a working capital allowance equal to three months of project sales; and (ii) a capital structure of the proposed concession generally comparable to the respondents' overall capital structure;
- g) Security Deposit - A letter from a bank of its willingness to provide an irrevocable stand-by Letter of Credit equaling one hundred percent (100%) of the amount of the anticipated Rent for the first six (6) months of operation or verifying the existence of funds equaling one hundred percent (100%) of the amount of the first six (6) month's anticipated Rent on deposit as of the five (5) business days prior to the due date of the Proposal, or other evidence acceptable to the Port. Security Deposit may also be submitted as a cashier's check. A sample Letter of Credit is included in the attachments.

4.5 References

Provide the names and current contact information including email addresses of three (3) references having direct knowledge of your work related to this RFP. Proposer shall submit references for work performed within the last five (5) years of similar scope and complexity. The Port also reserves the right to investigate references including customers other than those listed in the Proposer's submission. Investigation may include past performance of any Proposer with respect to its successful performance of similar projects, compliance with specifications and contractual obligations, its completion or delivery of a project on schedule, and its lawful payment of employees and workers. The Proposer shall agree to cooperate with the Port's investigation and review of its ability to perform the work required hereunder.

4.6 Locations

Provide a list of current existing locations with address and contact information.

4.7 Required Copies

- a) One (1) original three ring binder, clearly marked as such containing the Proposal Bond, but omitting the financials
- b) One (1) flash drive labeled Financials, containing Exhibit I and all required financial statements outlined in Section 4.4.6
- c) One (1) physical set of design and materials boards, as outlined in Section 4.4.2

- d) Nine (9) electronic Proposal copies on individual flash drives, labeled as such. Electronic Proposal copies should include identical contents to the original Proposal binder, with the exception of financials and the Proposal Bond, which should be omitted from copies. Copies of design and materials boards should be in electronic format on the flash drive Proposal copies.

Package each Proposal in a sealed envelope/container that is plainly marked "Solicitation No. 2017-7116 Proposal for 2017 Concessions Solicitation – Location ID _____" with the Proposer's name and address; and addressed to the Port of Portland, Contracts and Procurement Manager, Craig Johnsen, at 7200 N.E. Airport Way, 8th Floor, Portland, OR 97218 by May 4, 2017 at 3:00 PM PDT. Late submittals will not be accepted.

5. EVALUATION CRITERIA AND PROCESS

5.1 Evaluation Team Members

One (1) or more Evaluation Team members may conduct an initial evaluation of all Proposals, using the evaluation criteria set forth in Section 5.3, and may identify a subset of Proposals as finalists for further evaluation by the Evaluation Team. Further evaluation may include site visits and/or interviews as described below. After the initial evaluation, members of the Evaluation Team may perform any of their functions individually, or as a group consisting of two (2) or more Evaluation Team members. If particular functions are performed by individual Evaluation Team members or by a group consisting of less than the full Evaluation Team, the Evaluation Team members performing the functions shall report to the full Team a summary of the information gathered or conclusions reached. A report of final evaluation results and any recommendation regarding award of a contract may be made to the Executive Director or the Executive Director's designee without the participation of all Evaluation Team members, provided that a majority of Evaluation Team members participate.

5.2 Site Visits & Interviews

5.2.1 Site Visits

One (1) or more Evaluation Team members may conduct unannounced site visits to one (1) or more of Proposer's existing locations identified in Section 4.6, locations not listed in Section 4.6, and/or proposed brand locations. Proposers will be evaluated based on the experience at existing locations which may include the following criteria: greeting, service, store/restaurant appearance, pricing, menu/product assortment, food presentation/product merchandising, cleanliness, store/restaurant maintenance, atmosphere, and most recent health report scoring in the case of food & beverage.

5.2.2 Interviews

Selected Proposers may be invited to participate in an interview stage of the evaluation process. Depending upon the specific situation, Proposers may be requested to provide a topic-specific presentation or to respond in person to questions related specifically to their Proposal(s) and other pertinent matters with respect to the RFP. In such a case the information obtained shall become a factor in overall selection. If interviews are necessary, specific instructions for interview format, maximum number of Proposer attendees allowed, and other details will be provided along with interview dates during the Port's review process.

5.3 Evaluation Criteria

Proposals will be evaluated by the Port's Evaluation Team based upon the criteria shown below. Although some of the criteria may be given more weight than others, each Proposer is expected to provide the Port with a comprehensive Proposal which allows the Port to do a complete evaluation against the criteria.

Category	Rank	Weight
Proposed Concept, Menu/Product, Business Plan, & Pro-forma	(0-10)	20
Design, Layout, Renderings, Materials, and Project Execution	(0-10)	15
PDX Quality Employer Plan Details (Exhibit K)	(0-10)	25
Operational Plans: Customer Service, Staffing, Marketing, Sustainable Practices, Quality Control and Maintenance	(0-10)	10
Airport Disadvantaged Business Enterprise (ACDBE) Program Participation	(0-10)	10
Financial Statements / Capability	(0-10)	15
Site Visits & Interviews (if applicable)	(0-10)	5
Total	(0-70)	100%