Concessions Program Overview

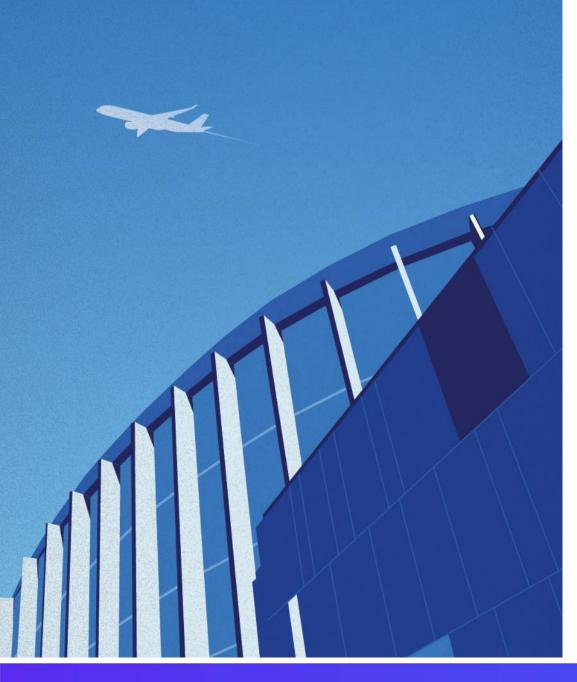
How To Do Business With AUS







JOURNEY WITHAUS



Agenda

Background & Summary

Concessionaire Requirements

Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

Request for Proposal Information

Background & Summary



About Austin-Bergstrom International Airport

- Owned and operated by the City of Austin Department of Aviation
 - Oversees all aspects of the airport
 - Follows local, state and federal regulations that govern the airport
- Opened in May of 1999
- Generates its own revenue, as mandated by FAA through:
 - o Airline rents and fees
 - Parking/ground transportation
 - Leasing/development of property
 - Advertising
 - o Concessions
 - Agreements with rental car companies



Presentation Purpose

- Provide information about operating as a concessionaire at AUS
- For all other leasing/operations inquiries, contact Commercial Management Division at AUS.CommercialManagement@flyaustin.com
 - o I.e., leasing property at AUS or operating as another non-aeronautical company



Commercial Management Leadership

Tracy Thompson

Chief Business & External Affairs Officer

John Gallo

Division Manager – Commercial Management Division

Gabriel Gomez

Airport Property Program Manager – Airlines/Cargo/Airside/Landside

Vacant

Airport Property Program Manager – Concessions/Rental Car Agencies/Advertising

Concessions Team

Vacant

Airport Property Program Manager – Concessions

Cassandra Thomas

Contract Management Specialist IV

Maria "Indy" Navarro

Contract Management Specialist III



Concessions Program at AUS

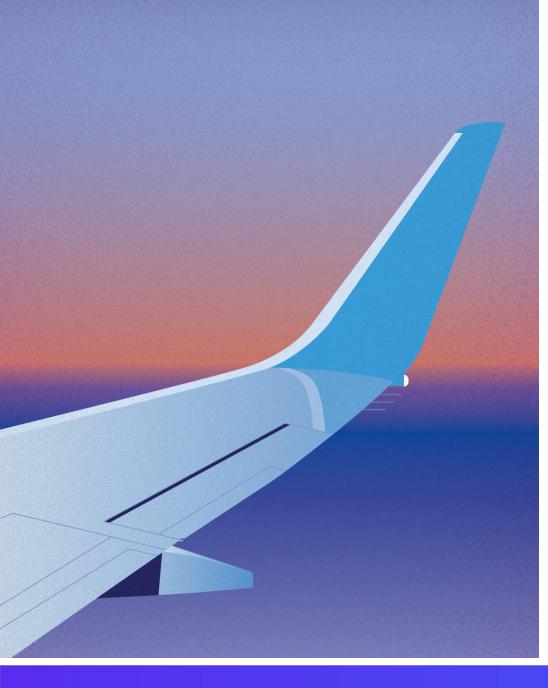


F&B/Retail Concessions Program at AUS

- Three Concession Prime Companies
 - o Delaware North
 - o Paradies Lagardère
 - o HMS Host
- Four Independent Operators
- 58,000 square feet of concession space with 60 concession venues
- Current contracts run to 2031 and 2033
- \$160 million dollars in gross sales for Fiscal Year 2023 (October 2022-September 2023)

Concessionaire Requirements





Airport Requirements in Concession Agreements

- Letter of Credit (LOC)
 - o Must obtain LOC for Security Deposit
 - o Cash may be accepted if qualified
- Hours of Operation
 - o Open from first flight in the area until last flight departure
- Refurbishment
 - Leases require midterm refurbishment of 10% of the initial capital investment at 5 year intervals
- Pricing Policy
 - o Prices are reviewed and can not exceed 10% over street
- Insurance
 - o Requirements to be provided
- Security and Safety Requirements
 - o Based on TSA regulations
- Miscellaneous
 - o Secret Shopper Program
 - o Customer Service and Operational Standards Manual
 - o Concessions Marketing Program

Airport Requirements – Operational Costs

Rent

- Minimum Annual
 Guarantee (MAG): The
 minimum amount a
 concessionaire will pay
 the Airport each contract
 year
- Percentage of Sales: The annual percentage fee paid by Concessionaire to the Airport on each category of product sales

Employee

- Wages/Benefits
 - Must comply with City of Austin living wage
- Background checks
- Badging
- Extra time getting to work
- Parking

Insurance

- General Liability
- Auto
- Worker's Comp

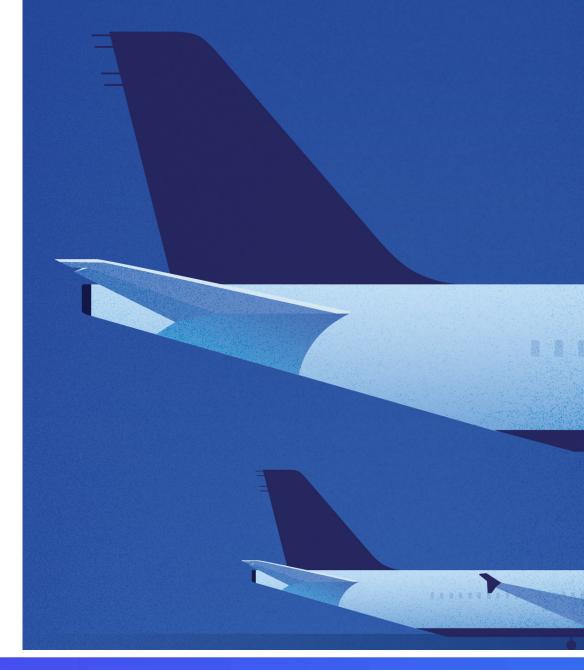
Security

Concession
 Receiving &
 Distribution
 Center (CRDC)
 fees for product
 inspection



TSA Requirements

- Badging Process
 - o Application
 - o 20 year background check
 - Local Badging Signatory
- Prohibited Items
 - Security risk of products for sale
 - Regulates knife usage
 - o Monthly audits
- Product/Supplies Distribution
 - Items sold must be inspected at the Consolidated Receiving and Distribution Center (CRDC)
 - o 1 non-vehicle checkpoint
 - Must have SIDA decal
 - Escort Company hourly fee



Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

Disadvantaged Business Enterprise | AustinTexas.gov



Program Objectives

- Nondiscrimination in the creation of DOT-assisted contracts
- An equal environment in which ACDBEs can compete
- Certify that businesses meet correct standards to participate as ACDBEs
- Create fair contracting opportunities for ACDBEs to participate
- Compliance with Federal Aviation Regulation CFR 49 Part 23 and Part 26

<u>Airport Disadvantaged Business Enterprise Program | Federal Aviation Administration (faa.gov)</u>

Requirements & Definitions

Requirements

- For-profit small business where at least
 51% is owned by socially and economically disadvantaged people
 - Management and daily operations of the business controlled by a socially and economically disadvantaged individual
 - Small business as defined by the US Small Business Association (SBA)
- Personal Net Worth Limit of \$1.32M

Definitions

- Corporation: At least 51% of stock owned by one or more socially and economically disadvantaged individuals.
- Limited Liability Company: At least 51% owned by a managing member who is socially and economically disadvantaged
- Sole Proprietorship: 100% owned by a socially and economically disadvantaged individual.

Certification Review

<u>Disadvantaged Business Enterprise/Airport Concessions (DBE/ACDBE) (txdot.gov)</u>

Types of Certification

- New applicants:
 - o Complete a <u>Uniform Certification Application</u>
 - o See DBE Certification Application Checklist (state.tx.us) here
 - Add any other related material pertaining to Texas)
- Interstate Certification For firms currently certified as a ACDBE in their home state
 - Submit copy of application provided to home state with back-up documentation
 - o Submit Affidavit of No Change

Certification Standards

- Certification valid for 3 years as long as there is no change in ownership, control, business size, or personal net worth
- Gross Receipts:
 - Averaged over the previous 3 fiscal years
 - Must not exceed \$23.98 million averaged out over 3 years (DBE only)
 - Must not exceed \$56.42 million averaged out over 3 years (ACDBE only)

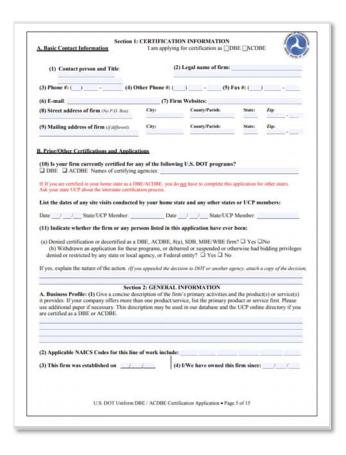
Certification Process

• The Texas Unified Certification Program (TUCP) members include: <u>DBE certification through Texas Unified</u>
<u>Certification Program (TUCP) (txdot.gov)</u>



Certification Application Examples

Example of the Uniform Certification Application



Example of the Interstate Certification Application

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	PROGRAM (TUCP) INTERSTATE DISADVANTAGED ENTERPRISE (DBE) AFFIDAVIT
Name of Firm	
	ow, I have provided all information required by 49 CFR 26.85(c) to determine eligibility for the Texas Unified Certification Program
I affirm the information is complete and, in the	he case of the information required by §26.85(c)(1), is
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Example of Personal Net Worth Statement

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Request for Proposal Information



Request for Proposal (RFP) – Revenue Contracts

- The Airport follows all City of Austin Rules and Policies governing the release, management and award of revenue contracts
- A Request for Proposal will be issued for Concession Contracts that will have associated locations and packages outlined for bid
- An RFP will have what type of venue is required, associated capital investment and revenue requirement
- Instructions will be included in the RFP for the proposal and must be followed
 - Not following the instructions may lead to being disqualified
- RFPs are scored by a panel of either airport staff or selected experts based on requirements by the City of Austin
- RFP results are taken to Airport Advisory Commission and the City Council for approval
- No Lobbying or Contact with Airport or City Officials can take place while the RFP is active
 - Only the person listed on the RFP can be contacted for questions

RFP Components

- 1. Schedule
- 2. Invitation for Proposal
- 3. Request for Proposal Opportunity
- 4. General Information
- 5. Instructions to Proposers & Submission Requirements
- 6. Company Information and Qualifications
- 7. Disclosure of Ownership/Principals
- 8. Non-Collusion Declaration
- 9. Economic Pro Forma
- 10. Financial proposal
- 11. Passenger Statistics
- 12. Sales and Revenue Reports
- 13. Location Maps



Selection Process Timeline

- Release RFP
- Pre-proposal Conference
- Deadline to Submit Written Questions and requests for Clarification
- Responses to Written Questions
- Deadline to Submit Proposals
- Proposal Selection
- City Council Approval
- Contract Negotiation and Completion

Cone of Silence

- Period of time from RFP release to contract completion where company must not contribute to political leaders or local campaigns from RFP release to contract completion
- Affidavit required to certify compliance



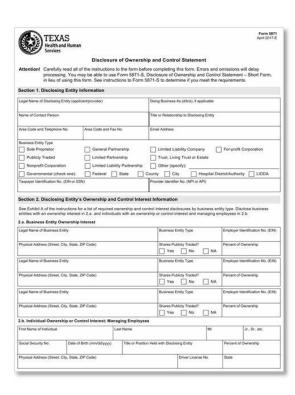
Company Information and Qualifications

- Proposers must provide the basic information regarding their business
 - o Franchise, cooperative agreements or other relationships with other companies (requires a letter of commitment/intent)
 - o Previous defaults, bankruptcies, failures to fulfill contracts or criminal activities
 - o Proposed product and price lists
 - o Employee training, customer service and refund policies
- Additional information to help us understand who your company is and what kind of potential operator you would be

Required Proposal Forms

Disclosure of Ownership AKA 5871-S

Company's legal ownership and interest



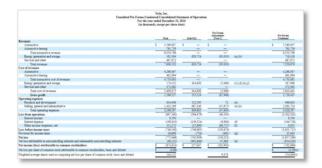
Non-Collusion Affidavit

Company confirms submittal of a truthful proposal and not for benefit of a third party



Economic Pro Forma

Detailed forecasted annual revenue for initial lease term



Financial Proposal

Rent structure and amount company proposes to pay

the documents requested above attached. E. A signature and authorisation on this form	details and submit it as the first page of your financial proposal, with insure that your proposal is authorised in the signature block below. will confirm that the terms and conditions of this RFP presid over thorised, it may be rejected. The total price of the proposal should			
be expressed in the currency or currencies po	ermitted in the instructions above.]			
Proposal Addressed to :	Bank of Uganda			
Date of Financial Proposal:				
Procurement Reference Number:	BoU/SVCS/13-14/062			
Subject of Procurement:	CONSULTANCY SERVICES FOR BANK OF UGANDA SECONDARY SCHOOLS CHALLENGE 2014			
The total price of our proposal is:				
of the validity period and will not be Financial Proposal Authorised By Signature: Position: Authorised for and on behalf of:	our Financial Proposal are fixed and firm for the duration subject to revision or variation.			

Future Solicitations

Master Vending Agreement

- Contract for vending operator at AUS:
 - Specialty retail /services
 - Specialty food vending

Concourse B

- Food/Beverage and Retail for a new 20+ gate concourse
- RFP scheduled for release in 2025
- Concourse B opening estimated for 2030



Questions?

For further information contact the Commercial Management Division at:

AUS.CommercialManagement@flyaustin.com

