

# Concessions Program Overview

How To Do Business With AUS

## Austin-Bergstrom International Airport



**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:
  - Airline rents and fees
  - Parking/ground transportation
  - Leasing/development of property
  - Advertising
  - 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](mailto:AUS.CommercialManagement@flyaustin.com)
  - 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

## Concessions-(Concourse Level)





# F&B/Retail Concessions Program at AUS

- Three Concession Prime Companies
  - Delaware North
  - Paradies Lagardère
  - 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)
  - Must obtain LOC for Security Deposit
  - Cash may be accepted if qualified
- Hours of Operation
  - 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
  - Prices are reviewed and can not exceed 10% over street
- Insurance
  - Requirements to be provided
- Security and Safety Requirements
  - Based on TSA regulations
- Miscellaneous
  - Secret Shopper Program
  - Customer Service and Operational Standards Manual
  - 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
  - Application
  - 20 year background check
  - Local Badging Signatory
- Prohibited Items
  - Security risk of products for sale
  - Regulates knife usage
  - Monthly audits
- Product/Supplies Distribution
  - Items sold must be inspected at the Consolidated Receiving and Distribution Center (CRDC)
  - 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

[Airport Disadvantaged Business Enterprise Program | Federal Aviation Administration \(faa.gov\)](#)

# 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

[Disadvantaged Business Enterprise/Airport Concessions \(DBE/ACDBE\) \(txdot.gov\)](https://www.txdot.gov/disadvantaged-business-enterprise-airport-concessions/dbe/acdbe)

## Types of Certification

- New applicants:
  - Complete a [Uniform Certification Application](#)
  - [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
  - Submit Affidavit of No Change

## Certification Process

- The Texas Unified Certification Program (TUCP) members include: [DBE certification through Texas Unified Certification Program \(TUCP\) \(txdot.gov\)](#)

## 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)





# 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
  - Franchise, cooperative agreements or other relationships with other companies (requires a letter of commitment/intent)
  - Previous defaults, bankruptcies, failures to fulfill contracts or criminal activities
  - Proposed product and price lists
  - 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

**Form 5871**  
April 2017-E

**TEXAS**  
Health and Human  
Services

**Disclosure of Ownership and Control Statement**

**Attention!** Carefully read all of the instructions to the form before completing this form. Errors and omissions will delay processing. You may be able to use Form 5871-S, Disclosure of Ownership and Control Statement – Short Form, in lieu of using this form. See instructions to Form 5871-S to determine if you meet the requirements.

**Section 1. Disclosing Entity Information**

Legal Name of Disclosing Entity (applicant/provider) \_\_\_\_\_ Doing Business As (d/b/a), if applicable \_\_\_\_\_

Name of Contact Person \_\_\_\_\_ Title or Relationship to Disclosing Entity \_\_\_\_\_

Area Code and Telephone No. \_\_\_\_\_ Area Code and Fax No. \_\_\_\_\_ Email Address \_\_\_\_\_

Business Entity Type  
☐ Sole Proprietor ☐ General Partnership ☐ Limited Liability Company ☐ For-profit Corporation  
☐ Publicly Traded ☐ Limited Partnership ☐ Trust, Living Trust or Estate  
☐ Nonprofit Corporation ☐ Limited Liability Partnership ☐ Other (specify): \_\_\_\_\_  
☐ Governmental (check one): ☐ Federal ☐ State ☐ County ☐ City ☐ Hospital District/Authority ☐ LIDDA  
Taxpayer Identification No. (EIN or SSN) \_\_\_\_\_ Provider Identifier No. (NPI or API) \_\_\_\_\_

**Section 2. Disclosing Entity's Ownership and Control Interest Information**

See Exhibit A of the instructions for a list of required ownership and control interest disclosures by business entity type. Disclose business entities with an ownership interest in 2.a. and individuals with an ownership or control interest and managing employees in 2.b.

**2.a. Business Entity Ownership Interest**

Legal Name of Business Entity \_\_\_\_\_ Business Entity Type \_\_\_\_\_ Employer Identification No. (EIN) \_\_\_\_\_

Physical Address (Street, City, State, ZIP Code) \_\_\_\_\_ Shares Publicly Traded? ☐ Yes ☐ No ☐ NA \_\_\_\_\_ Percent of Ownership \_\_\_\_\_

Legal Name of Business Entity \_\_\_\_\_ Business Entity Type \_\_\_\_\_ Employer Identification No. (EIN) \_\_\_\_\_

Physical Address (Street, City, State, ZIP Code) \_\_\_\_\_ Shares Publicly Traded? ☐ Yes ☐ No ☐ NA \_\_\_\_\_ Percent of Ownership \_\_\_\_\_

Legal Name of Business Entity \_\_\_\_\_ Business Entity Type \_\_\_\_\_ Employer Identification No. (EIN) \_\_\_\_\_

Physical Address (Street, City, State, ZIP Code) \_\_\_\_\_ Shares Publicly Traded? ☐ Yes ☐ No ☐ NA \_\_\_\_\_ Percent of Ownership \_\_\_\_\_

**2.b. Individual Ownership or Control Interest: Managing Employees**

First Name of Individual \_\_\_\_\_ Last Name \_\_\_\_\_ MI \_\_\_\_\_ Jr., Sr., etc. \_\_\_\_\_

Social Security No. \_\_\_\_\_ Date of Birth (mm/dd/yyyy) \_\_\_\_\_ Title or Position Held with Disclosing Entity \_\_\_\_\_ Percent of Ownership \_\_\_\_\_

Physical Address (Street, City, State, ZIP Code) \_\_\_\_\_ Driver's License No. \_\_\_\_\_ State \_\_\_\_\_

Non-Collusion Affidavit  
Company confirms submittal of a truthful  
proposal and not for benefit of a third party

Attaches ref G

**NON-COLLUSION AFFIDAVIT**

STATE OF TEXAS §  
COUNTY OF TRAVIS §

By the signature below, the signatory for the bidder certifies that neither he nor the firm, corporation, partnership or institution represented by the signatory or anyone acting for the firm bidding this project has violated the antitrust laws of this State, codified at Section 15.01, et seq., Texas Business and Commerce Code, or the Federal antitrust laws, nor communicated directly or indirectly the bid made to any competitor or any other person engaged in the same line of business, nor has the signatory or anyone acting for the firm, corporation or institution submitting a bid committed any other act of collusion related to the development and submission of this bid proposal.

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

SUBSCRIBED and sworn to before me the undersigned authority by \_\_\_\_\_ the \_\_\_\_\_ of, \_\_\_\_\_ on behalf of said bidder.

Notary Public in and for the  
State of Texas

My commission expires: \_\_\_\_\_

Revised May 2007

Economic Pro Forma  
Detailed forecasted annual revenue  
for initial lease term

Table with 5 columns: Statement, Bid, Estimate, Pro Forma Revenue, and Purchase. Rows include Subcontract, Subcontract Fee, Total Subcontract Revenue, Energy, general and design, Services and other, Total revenue, Cost of services, Subcontract Fee, Total estimated cost of services, Energy, general and design, Services and other, Total cost of services, Gross profit, Operating expenses, Selling, general and administrative, Total operating expenses, Interest expense, Other income (expense), net, Loss before income taxes, Provision for income taxes, Net loss, Net loss attributable to noncontrolling interests and redeemable noncontrolling interests, Net income (loss) attributable to common stockholders, Net loss per share of common stock attributable to common stockholders, basic and diluted, Targeted average share used in computing net loss per share of common stock, basic and diluted.

Financial Proposal  
Rent structure and amount company  
proposes to pay

**2.2.1 FINANCIAL PROPOSAL SUBMISSION SHEET**

*[Complete this form with all the requested details and submit it as the first page of your financial proposal, with the documents requested above attached. Ensure that your proposal is authorized in the signature block below. A signature and authorization on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorized, it may be rejected. The total price of the proposal should be expressed in the currency or currencies permitted 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: \_\_\_\_\_.

We confirm that the rates quoted in our Financial Proposal are fixed and firm for the duration of the validity period and will not be subject to revision or variation.

**Financial Proposal Authorised By:**

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Position: \_\_\_\_\_ Date: (DD/MM/YY) \_\_\_\_\_

Authorised for and on behalf of: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

# 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](mailto:AUS.CommercialManagement@flyaustin.com)

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