

Dallas Fort Worth International Airport Concessions Pre-Proposal Conference

5.5.2017



Welcome
Cristen Mosley, Project Manager
Concessions

Agenda

- Overview of DFW Airport & Concessions Program
- ACDBE and M/WBE Programs
- How to do Business with DFW
- Tenant Design and Construction
- Package Review: RFP Requirements
- Procurement: Lessons Learned
- Closing Remarks

Presentation will be available online.



Overview of DFW Airport & Concessions Program

Zenola Campbell, Vice President
Concessions

DFW Airport Overview



- DFW world rankings
 - 10th in passengers (65.7M in 2015)
 - 3rd in aircraft movement
 - 3rd highest-ranked Megahub (based on ratio of connections to destinations)
- DFW operates four legacy terminals (A, B, C, E) and International Terminal D
- Terminal Renewal and Improvement Program (TRIP)
 - Legacy Terminals A, B and E
 - Enhancing the concessions program, expanding security checkpoints, reconfiguring ticket counters and improving parking
 - As of January 2017, Terminal A is officially complete.



Jointly owned by the cities of Dallas and Fort Worth, DFW has built a huge infrastructure and still has room to grow.



DFW Airport now provides air service to 158 domestic and 56 international destinations, for a total of 214 non-stop destinations.



FY 2017 International Passenger Traffic

DFW passengers arrive from regions throughout the world.



Source: DFW Monthly Flight Activity Reports **March 2017**

Note: Color circles with percentages represent relative passenger market share
Note: Caribbean (2.9%), not included in picture

Vision

Travel. Transformed.



Mission

We provide an exceptional Airport experience for our customers and connect our community to the world.

Mastering the Basics

Clean

Working

Friendly



Clean	Working	Friendly
<ul style="list-style-type: none"> • Premises are neat, tidy and dirt-free • Custodial enhancements <ul style="list-style-type: none"> • Reallocate custodial staff during peak hours to high traffic areas to match planned flows • Testing 2 new custodial models for improved structure and scope 	<ul style="list-style-type: none"> • Processes, products and facilities are all functional • Security Checkpoint experience <ul style="list-style-type: none"> • Collaboration between DFW, TSA and Airlines • “Optimization Team” deployed 	<ul style="list-style-type: none"> • All staff are welcoming and happy to assist • Ensure a great customer experience and delivering Moments of wow • ACES – Airport Customer Experience Specialists 24/7 Operation – Customer Assistance <ul style="list-style-type: none"> • Daily “Playlist” execution • Total team effort with ACES, AOC, and contractors

Key Results



Concessions Program

One of the largest concessions programs in North America

- Over 200 shops and restaurants
- Generated over \$333M in FY16 Gross Receipts
- Opened 56 concession locations in FY16

Rental Car Center

- 4.8 million customers in FY16
- Generated over \$279M in FY16 Gross Receipts



Concessions Program Mission and Objectives

Mission

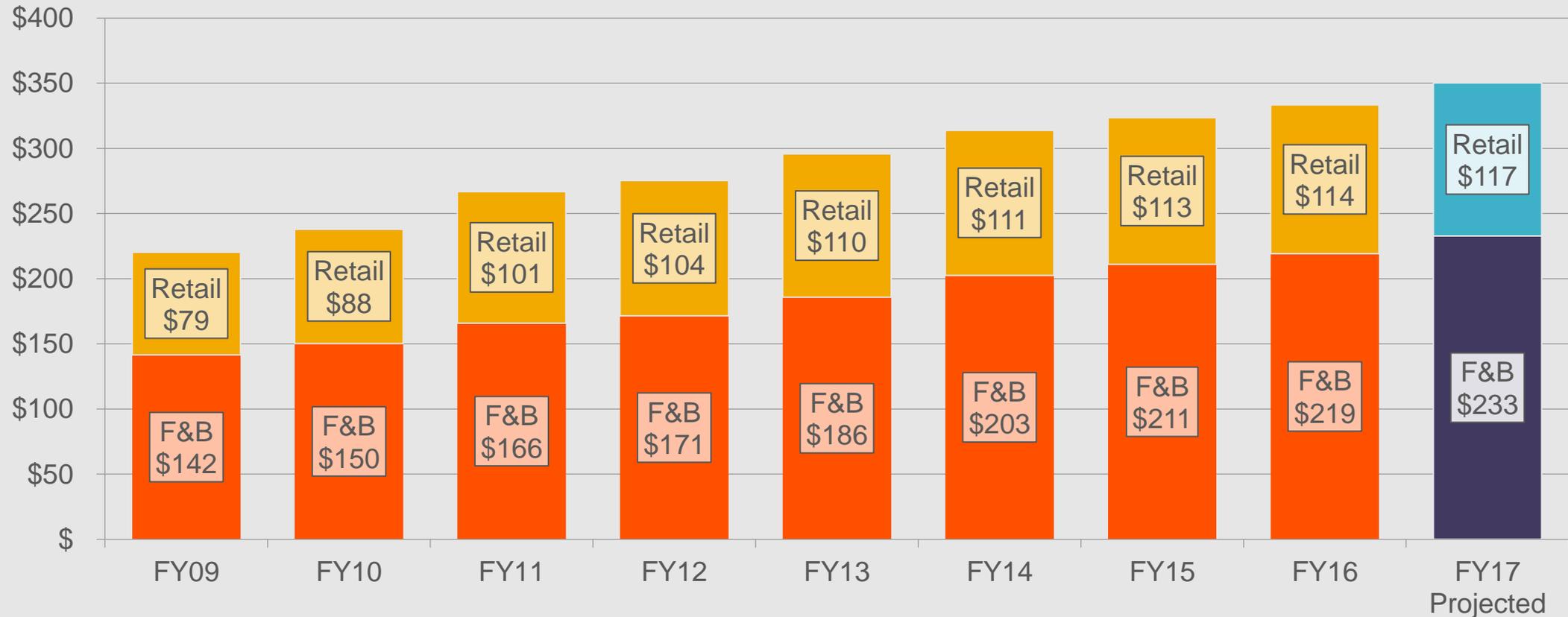
- To proactively exceed our customers' expectations with Best in Class shopping, dining and service experiences at the Airport while increasing revenue to the Board

Objectives

- Increase spend through more relevant shopping and dining offerings
- Maximize revenue through new business trends in non enplanement based businesses
- Provide relevant passenger-related services.

Concessions Performance

FY17 is projected to continue this trend, reaching \$350M in total sales.



2017 Industry Recognition

Airport Revenue News

- Best Customer Service

Airports Council International:

- 3rd Place – Best Innovative Consumer Experience Concept or Practice
- 3rd Place – Best Food & Beverage Program





400

Travel Transformed.

Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program

Guy Toliver, Business Development Manager
Business Diversity & Development

Agenda

- Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program
- Key ACDBE Program Points
- Counting Supplier Participation
- ACDBE Certification
 - Forms
 - Questionnaire Form
 - Commitment to ACDBE Participation Form
- Sample Certificate
- ACDBE Evaluation Criteria (10 Points)
- Good Faith Effort (GFE) Plan
- Common Proposal Submission Errors
- Approved Certifying Entities
- Identifying Prospective ACDBE Partners
- Q&A

Airport Concessions Enterprise Disadvantaged (ACDBE) Program Overview

- ACDBE Program required by Federal Regulation
- Objective: Ensure full and fair access to concession opportunities for all business and in particular for ACDBE business
- Valuable consideration in the awarding of a Concession Agreement
- ACDBE requirement is pass/fail and must be met for a proposal to be reviewed and considered by the selection committee
 - Responsive – Proposal compliant with requirements; further consideration by Selection Committee
 - Non-Responsive – Proposal fails to meet the requirements; no further consideration by the Selection Committee

Airport Concessions Disadvantaged Enterprise (ACDBE) Program

- The ACDBE goal is a percentage of total revenue or purchases for goods and services for this solicitation.
- Option for typically meeting an ACDBE goal:
 - 100% ACDBE owner-equity participation
 - Percentage Owner-Equity Participation by way of a sublease, management, operating, franchise or joint venture agreement or partnerships
 - Percentage of total purchases for all good and services awarded to ACDBE certified firms
 - Other legal arrangement

ACDBE Program

- Concessions
- Hotels Services
- Car Rentals
- Other Goods and Services



Annual ACDBE goal is 34%

ACDBE Program Points

Certification

ACDBE certificates are due at time of proposal submission

Pass/Fail

Proposals failing to meet the requirements receive no further consideration by the Selection Committee

Good Faith Efforts

Stringent documentation requirements due at time of bid/proposal submission

Contract-Specific Goals

a percentage of contract value; Prime self-performance counts towards goal

ACDBE Certification

- Not required to do business with DFW.
- HOWEVER, if claiming ACDBE credit, must be certified by an approved certification agency at the time of proposal submission in order to be credited.
- State of Texas Hub certificates are not acceptable
- DFW will accept an ACDBE certificate from an out-of-state U.S. DOT-approved UCP during the interim of the Proposer applying with NCTRCA-assigned Affidavit Number as proof of pending certification with the proposal submission.
- Commodity codes noted on certificate must be relevant to the proposed services.
- Effective 1/1/2016, a DBE certificate will no longer be counted towards an M/WBE goal. Ensure you possess the correct and required certificate for each solicitation.
- **Certification certificates must be included with proposal submission**



Commitment to ACDBE Participation Form

Identify commitment to meeting and/or exceeding the ACDBE Goal



DFW

**Airport Concessions Disadvantage Business Enterprise (ACDBE)
COMMITMENT FORM**
(This form is required as part of your proposal submission.)

The ACDBE goal for this concession package is ____%

NOTE: *The BDDD will only credit ACDBE participation that is certified by an approved certification entity at the time of proposal submission.*

The undersigned concessionaire/vendor has satisfied the requirements of the proposal specifications in the following manner (Please check (✓) only one box):

- 100% Self-Performance: The proposer, a certified ACDBE firm and sole concessionaire, is committed to meeting or exceeding the ACDBE goal through 100% self-performance. *(If checked, must submit required ACDBE certificate).*
- Percentage Participation: The proposer is committed to meeting or exceeding the ACDBE goal, with a minimum of ____% ACDBE participation on this concessions package. *(If checked, must submit required Exhibits F-2, F-4, Draft Partnership Agreement and ACDBE certificate(s)).*
- The proposer is unable to meet the ACDBE goal and is committed to a minimum of ____% ACDBE participation on this concessions package and submits documentation demonstrating good faith efforts. *(If checked, must submit required Exhibits F-2, F-3, F-4, Draft Partnership Agreement and ACDBE certificate(s)).*
- The proposer is unable to meet the ACDBE goal and submits documentation demonstrating good faith efforts. *(If checked, must submit required Exhibit F-3).*

Name of Proposing Entity: _____

Name of Authorized Representative or Designee: _____

Title: _____

Signature: _____

6/7/2016

Sample Certificate

Does certification match Program goal?

Do the commodity codes cover your proposed scope of work?



The certificate is issued by NCTRCA (North Central Texas Regional Certification Agency) and TUCP (Texas Unified Certification Program). It certifies Howell - Mickens, Ltd as a Disadvantaged Business Enterprise. The certificate is valid from August 2011 to August 2012. The commodity code 992000 is listed for News, Gift, Novelty, and Souvenir Stores, Airport Concessionaire.

NCTRCA
North Central Texas Regional Certification Agency

**Airport Concessionaire
Disadvantaged Business
Enterprise Certification**

**Texas Unified
Certification Program**
TUCP

Howell - Mickens, Ltd
Disadvantaged Business Enterprise

has filed with the Agency an Affidavit as defined by 49 CFR Part 23 and 26 and is hereby certified to provide service(s) in the following areas:

992000;
News, Gift, Novelty, and Souvenir Stores, Airport Concessionaire:

This Certification is valid beginning August 2011 and superceded any registration or listing previously issued. This certification must be updated annually by submission of an Annual Update Affidavit. At any time there is a change in ownership or control of the firm, notification must be made immediately to the North Central Texas Regional Certification Agency.

Certificate expiration August 12, 2012

Issued date August 11, 2011

CERTIFICATION NO. **BMDB50240Y0812**

Shawn Meyer
Certification Administrator

Good Faith Effort (GFE) Plan

- Proposers that are non-certified firms must meet the applicable goals or demonstrate good faith efforts to achieve the goals.
- GFE required *only* if the D/S/M/WBE goal is not achieved or partially achieved.

A GFE Plan is not a checklist!

- Proposers are required to meet ALL factors outlined **and provide support documentation.**
- Factors should not be considered as a template, checklist or some quantitative formula.
- Submitting the form without support documentation, as a GFE, will automatically deem the Proposer non-responsive.
- DFW will evaluate the GFE on quality, quantity, and intensity of the different kinds of efforts that the bidder/proposer has made.
- Mere pro forma efforts are not good faith efforts



Approved Certifying Entities

Approved Certifying Entities

North Central Texas Regional Certification Agency 624 Six Flags Drive, Suite 100
Arlington, TX 76011
(817) 640-0606 or www.nctrca.org
(Processing timeframe: 60 – 90 days from date application is deemed complete)

U.S. Department of Transportation – approved Unified Certification Program (UCP) 125 E. 11th Street
Austin, TX 78701
(800) 558-9368 or www.txdot.gov
(Processing timeframe: 30-45 days)

Common Proposal Submission Errors

- Failure to respond to all RFP Evaluation Criteria questions.
- Failure to sign all required documents.
- Failure to submit required ACDBE certificates for all identified ACDBE firms.
- Failure to submit correct ACDBE certificates; instead submitted a HUB, WBE or MBE certificate.
- Providing certificates for firms that are not listed on the Schedule of Subcontractors or Not providing certificates for firms that are listed on the Schedule of Subcontractors
- Use of 'TBD' on a Schedule of Subs instead of dollars & percentages
- Using the Good Faith Effort plan as a checklist and not submitting support documentation

PROOFREAD your proposal and ensure all required forms are complete. Not submitting the required forms will deem your proposal non-responsive and not move forward in the evaluation process!



Identifying Prospective ACDBE Partners

- Pre-Proposal Meeting
- Pre-Proposal Meeting Sign-In Sheet
- DFW D/S/M/WBE Online Directory:
www.dfw.diversitysoftware.com
- Minority Chambers
- Advocacy Organizations
- Certifications Agencies
- Federal Aviation Administration DBE/ACDBE Directory (dbE-connect)
<https://faa/dbesystem.com/FrontEnd/VendorSearchPublic.asp?TN=faa&XID=4059>



Contact Us

Business Diversity and Development
Department

BusinessDiversityandDev@dfwairport.com

972-973-5500

Guy Toliver, Business Development Manager
Airport Concessions – Point of Contact

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gtoliver@dfwairport.com

Bennie Miller, Business Specialist Procurement
Goods and Services - Point of Contact

972-973-5510

bmiller@dfwairport.com

Cheryll Jeter, Business Specialist

Design Code and Construction, TRIP – Point of
Contact

972-973-5502

cjeter@dfwairport.com

Adriana Hinojosa, Diversity Compliance
Specialist

B2Gnow – Point of Contact

972-973-5507

alopez@dfwairport.com

DFW Policies and
Procedures Supersede
Everything I have said
Verbally.

Doing Business with DFW Airport

Michael Baldwin, Assistant Vice President

Concessions

Doing Business with DFW

Become a Concessionaire – Own a Location

Understand differences – operational, construction, and costs

Understand DFW Proposal requirements

Submit your proposal by the appropriate date

- May 30, 2017 by 2pm CDT



Doing Business with DFW

Understand the Differences – Operational standards and Construction cost

Governing Documents:

- Lease
- Concessions Handbook
- Tenant Design Manuals
 - Terminal D
 - A-B-C-E TRIP and Other Concessions Related Projects
- Schedule of Charges

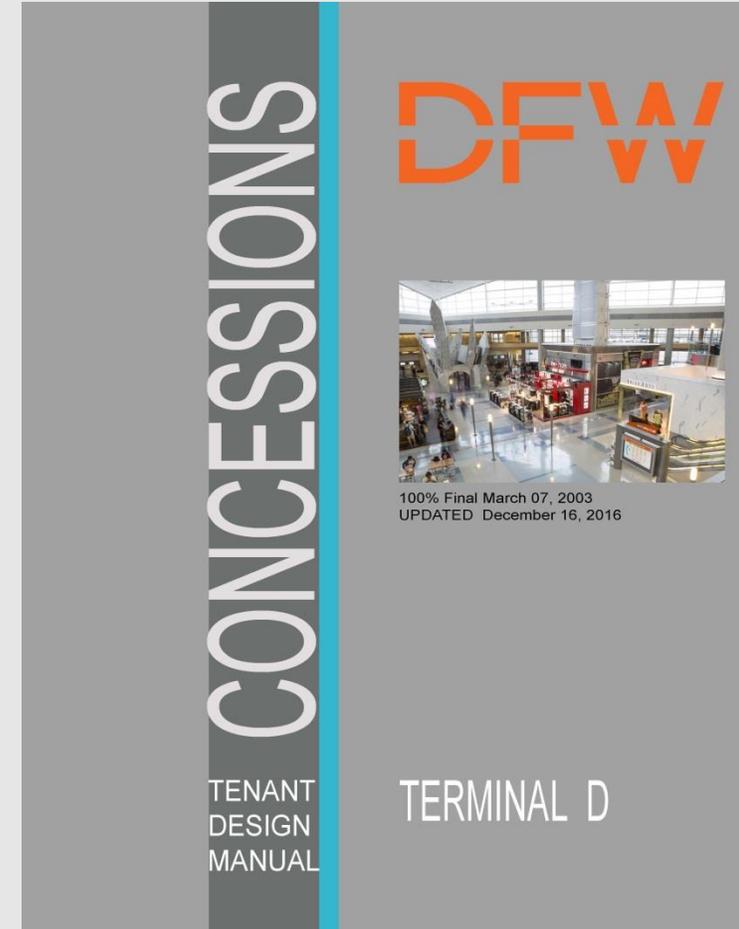


Doing Business with DFW

Understand the Differences – Operational, Construction, and Cost

Tenant Design Manuals

- Familiarize tenants with Airport construction
- Provides guidelines for the design and construction of spaces
- Provides a step-by-step system for preparing and submitting design compliant plans for approval



Doing Business with DFW

Costs and Risks of Operating in an Airport



Traditional Operating Costs

- Build-out costs
- Rent
- Employee costs
- Insurance

Items Unique to an Airport

- Build-out costs 20% - 40% higher
- TSA security requirements
- Product distribution
- O&M costs
- Off-hours operations
- Banking
- Airline gate utilization
- Annual surety bonds/deposits

Doing Business with DFW

Safety and Security

- Badge Application Process
- Badge Authorization/Sponsorship
- AOA Training
- Prohibited Items Procedure
- ROCIP Training
- Risk Management



Doing Business with DFW – Operational Challenges

Operations

- Hours of Operations
- Irregular Operations (IROPS) Procedures
- Flight Banking
- Refurbishment/Improvement of Lease Space
- Maintenance

Doing Business with DFW

Costs of Doing Business

Rent Structure

- Greater of Minimum Annual Guarantee (MAG) or Percent Rent
 - MAG is set by airport and based on projected sales for that location
 - Percent rent is based on the proposal – ranges 12% - 21%+ based on type of product or concept

Fees and Charges (refer to lease and Schedule of Charges (SOC) for complete list)

- Schedule of Charges – posted each Fiscal Year but may change
- Surety Bonds or Cash Deposits – both operational and construction
- Insurance – both operational and construction

Doing Business with DFW

Current In-terminal Operating Costs Outlined in the Schedule of Charges

Item	Rate for FY 2017
Vehicular Access Charges (24-hr Free Parking)	\$ 2,000 per person per year
New Badge/Fingerprinting	\$ 120 per person
Badge Renewal (within 30 days)	\$ 89 per person
Employee Transportation	\$ 50 per person per month
Operating & Maintenance Charge	\$ 24.76 per SF per year
Administration Fee (only assessed at award/renewals of agreements)	\$ 100 per occurrence
Marketing Assessment	Up to 0.5% of Gross Receipts

*Subject to change

Doing Business at DFW - Benefits

Over 65 million passengers annually

Captive audience

- Concept placement and mix to meet customer needs
- Concept mix designed to maximize revenue

Brand awareness

Domestic and International exposure

Concessions Department Management Team
Support

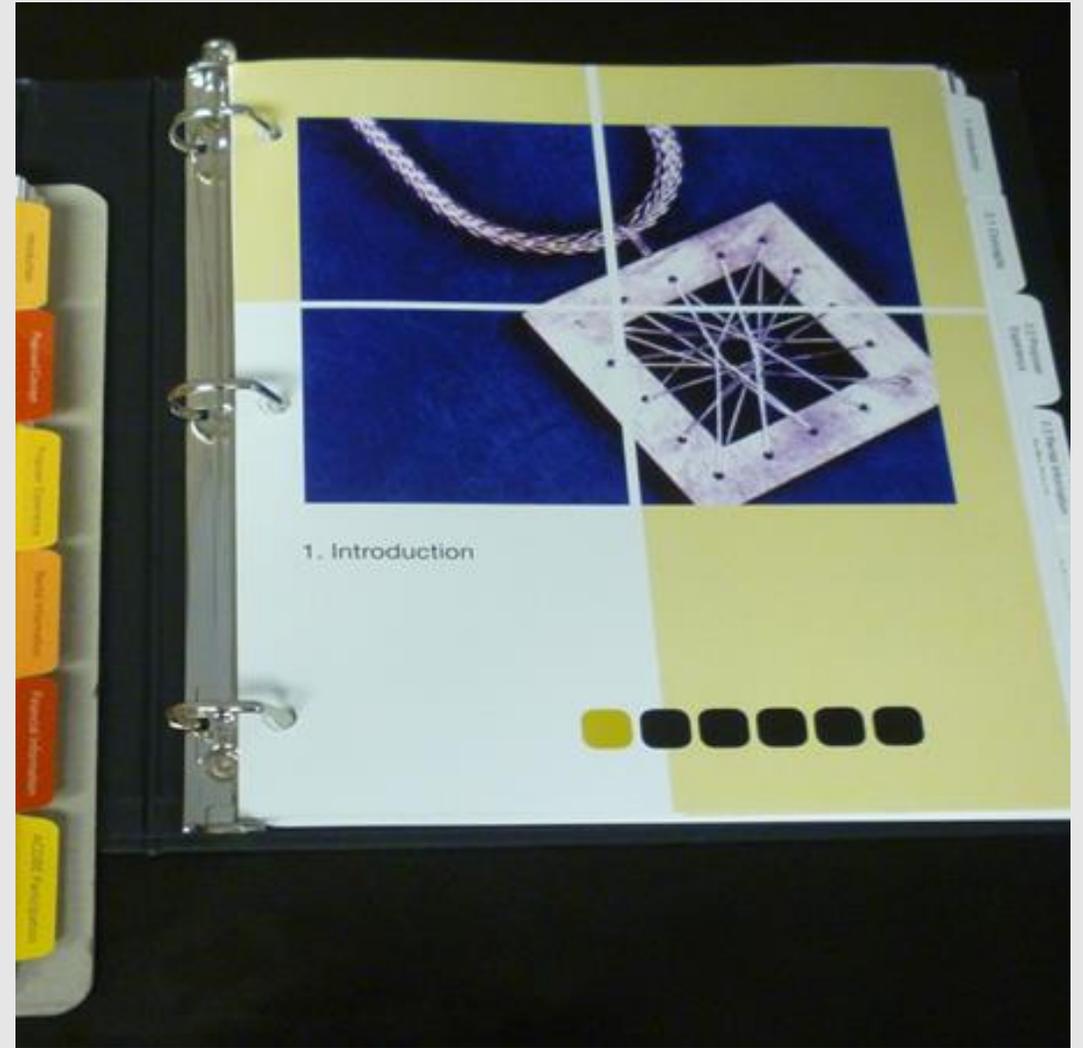


Doing Business with DFW

Understand DFW Proposal requirements

Minimum Qualifications include:

- Proposer Experience
- Proposal Deposit
- Proposal Acknowledgement Form
- Concessions Business Disclosure Form
- Concept Fit
- Percentage Rent
- ACDBE/DBE



Doing Business with DFW

Submit Proposal

All information for the upcoming RFP will be posted on our Website: www.dfwairport.com/concessions

The screenshot shows the DFW Airport Concessions website. At the top left is the DFW logo. To the right is a link for "Register and Log In". Below this is a navigation bar with links for HOME, ABOUT DFW CONCESSIONS, HOW TO GET STARTED, SOLICITATIONS/ RFPs, RESOURCES & MAPS, and CONCESSIONAIRE USER PORTAL. Below the navigation bar is a breadcrumb trail: HOME > CONCESSIONS >. The main content area features a large image of a man and a woman looking at a tablet. To the right of the image is text: "65 Million wallets travel through this Airport every year." Below this is "NEW opportunities announced for Shoe Shine and Automated Retail Vending." and a link "Click HERE to learn more." Below the main image are three smaller boxes. The first is titled "HOW TO DO BUSINESS WITH DFW CONCESSIONS" and features "DFW's Segmentation Research Study". The second is titled "ANNOUNCEMENTS" and features "SERVICE RFP 2017" for "SHOE SHINE AND AUTOMATED RETAIL VENDING" with a "DUE MAY 30, 2017". The third is titled "TOUR THE NEW TERMINAL A" and features "Take a tour of the new Terminal A and meet some of our unique concessionaires." with an image of a woman holding a folder.

Tenant Design and Construction

Tenant Design and Construction

Design and Build Process – Coordinate with DFW Concessions TPP Team

- DFW's Concessions Tenant Project Planners (TPP), manage the design and construction of every concessions project
- Compliance with Tenant Design Manual
- Compliance with DFW Design Criteria
- Design review meetings
- Manage the Code Submission process
- Monitor Construction/Build-out process
- Ensure Lease Compliance prior to Code Submission
- Provides on-going supervision throughout the entire development process



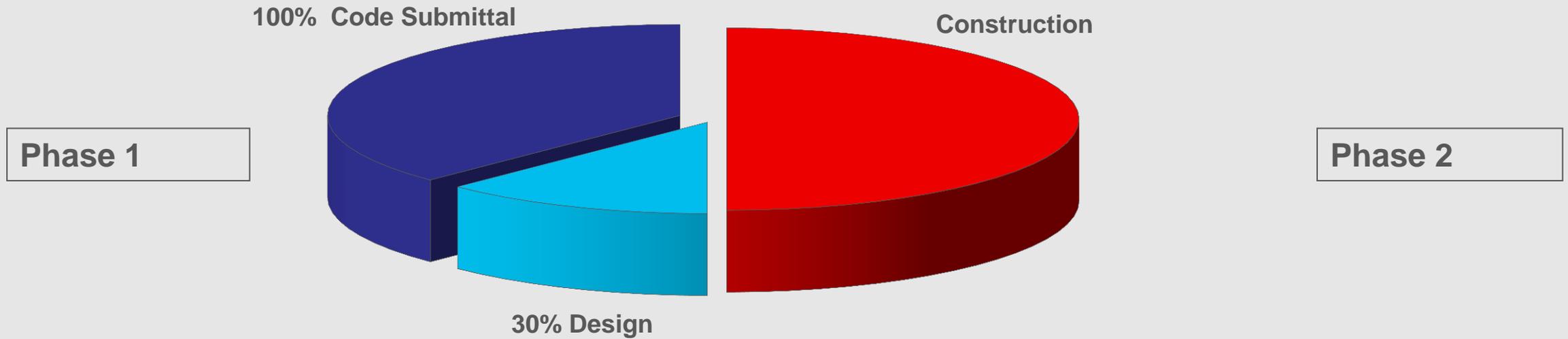
Tenant Design and Construction

Design and Build Process – Development Process Timeline

There are two phases to the Concessions Build-Out Process:

- Phase 1 – Design Period: Approximately 91 days
- Phase 2 – Construction Period: Approximately 90-180 days depending on concept

Total Estimated Timeline: 241 to 318 days (varies by concept)



Tenant Design and Construction

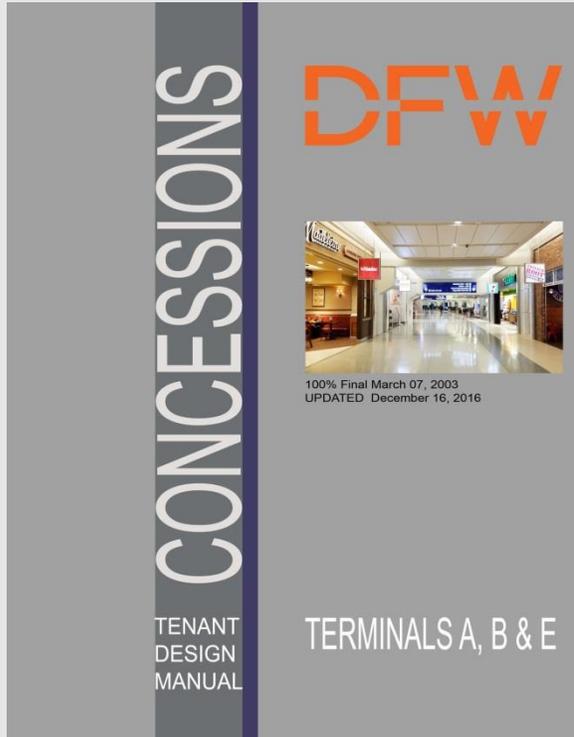
Typical Design Professionals and Trades Required

- Texas Registered Architects, MEP and Kitchen Design Teams, and Accessibility Reviewers
- General Contractors
- Trades/Sub Contractors
 - Framing/drywall contractors
 - MEP contractors
 - Millwork/Trim contractors
 - Fire suppression contractors
 - Tile contractors
 - Signage contractors
 - Kitchen equipment contractors
 - Railing contractors
 - Security door contractors

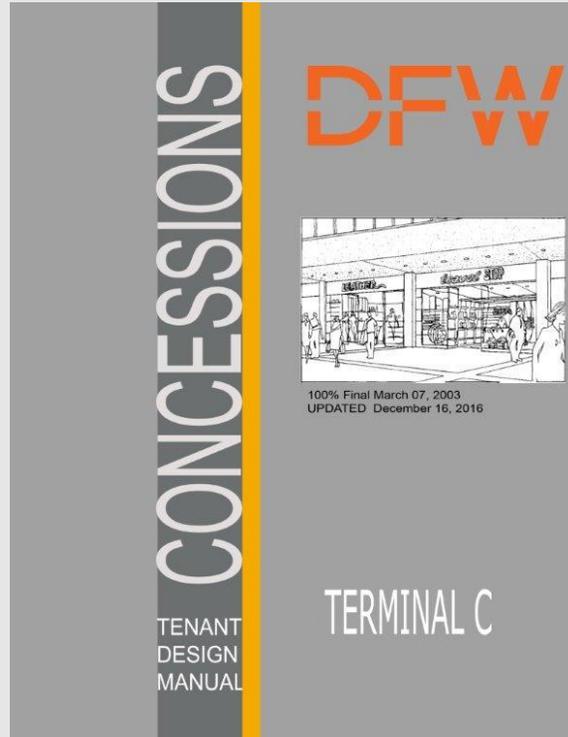


Tenant Design and Construction

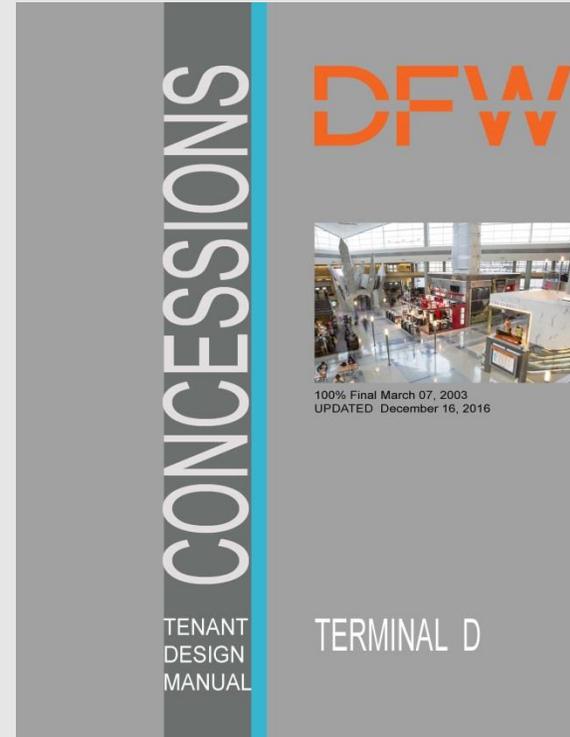
Tenant Design Manual



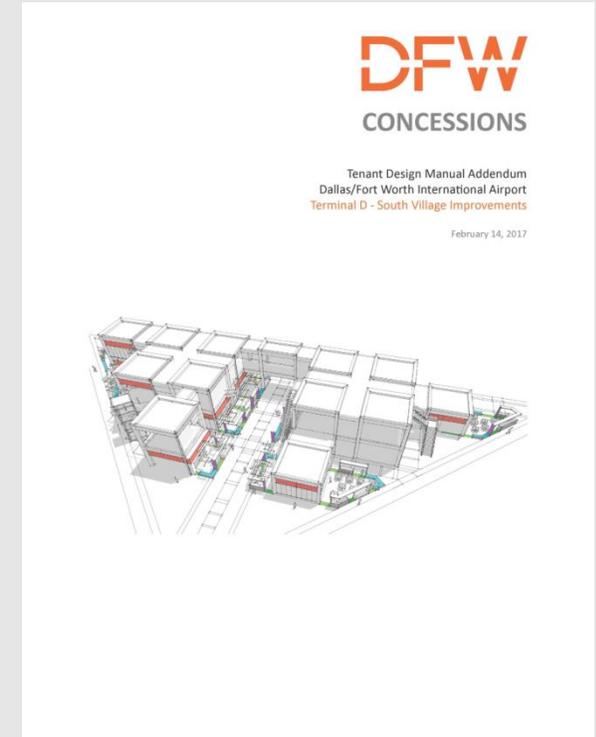
Terminals A, B and E



Terminal C



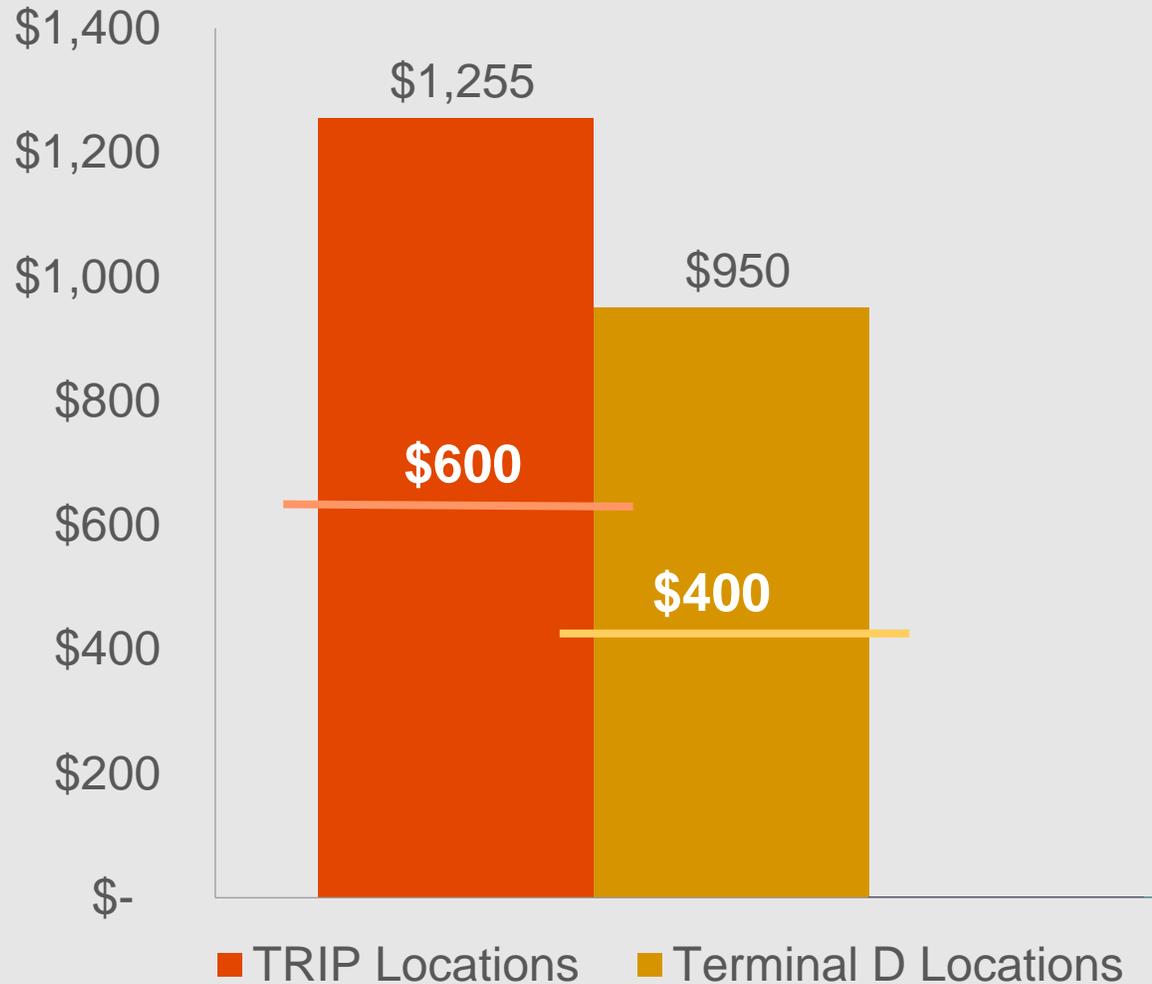
Terminal D



Terminal D South

Average Construction Costs Per Square Foot

2016 – 26 Locations Opened in Terminal D
32 Locations opened in TRIP locations



No Data For Terminal C
Could be Higher/Lower



Terminal B&E Inspiration



Terminal C Inspiration



Terminal D Inspiration



Package Review & RFP Requirements

Kevin Lemmons, Assistant Vice President

Concessions

Shoe Shine Program

Install, manage, maintain, and operate 10 shoe shine stands distributed over 5 terminals

- 5 inline locations with merchandise and 5 free-standing locations

Must be staffed continuously throughout each day during regular operating hours with **floaters** used for coverage

5-year term

Percentage Rent: 10% – 13%

Minimum Annual Guarantee: \$20,000 (Not biddable)

ACDBE Goal 30%, M/WBE Goal 20%



5 In-line and 5 Free-Standing Locations



A14 In-line example



C28 Free-Standing example

SVC-2 Automated Retail Vending

Install, manage and maintain a minimum of 10 and a maximum of 13 units.

3-year term

Percentage Rent: 12% – 15%

Minimum Annual Guarantee: \$25,000 per unit
(Not biddable)

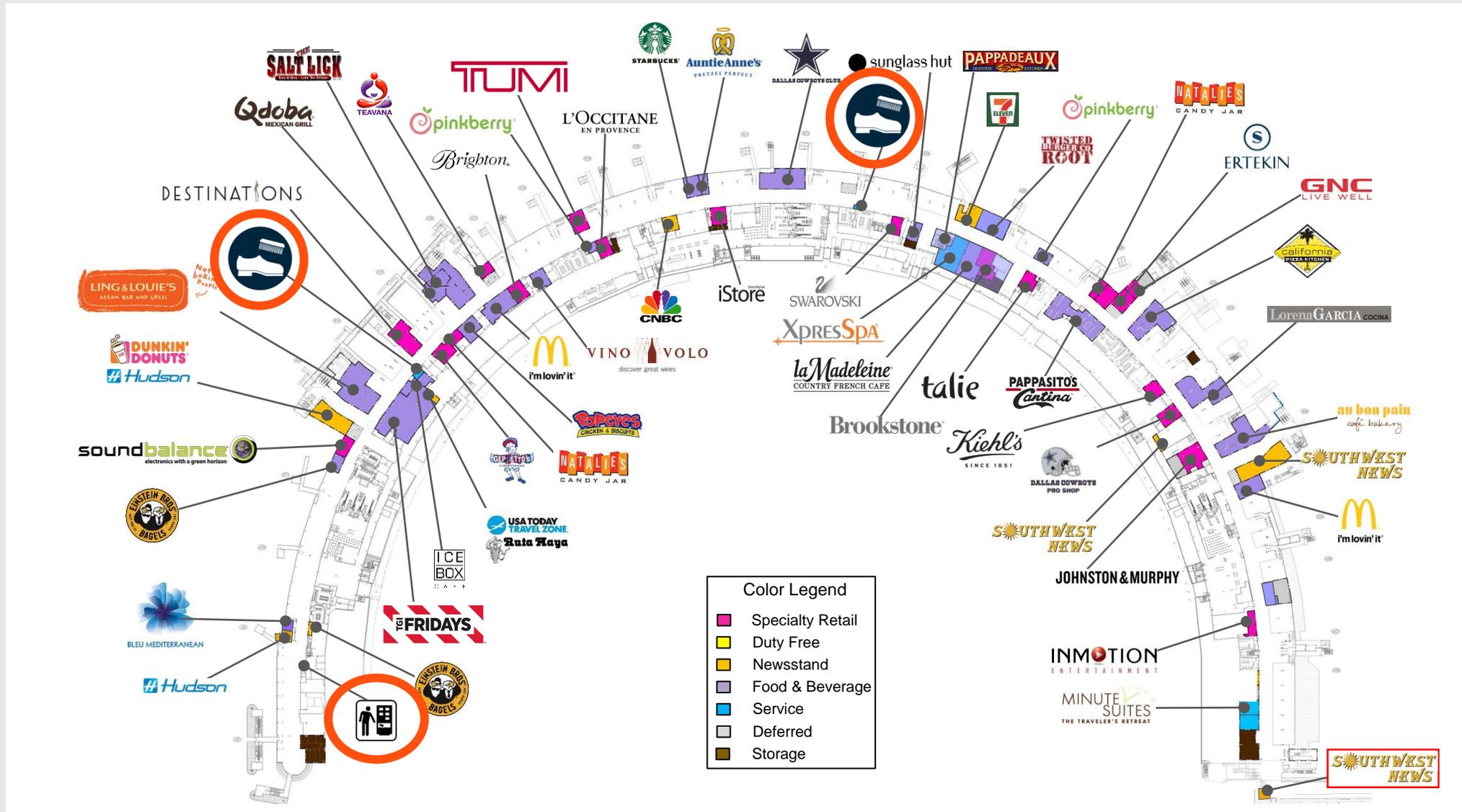
ACDBE Goal 0%, M/WBE Goal 0%



Terminal Maps

Shoe Shine and Automated Retail Vending

Terminal A: A14 & A23 Shoe Shine, A9 Retail Vending



Terminal C: C10 & C27 Shoe Shine, C28 & C31 Retail Vending



Terminal D: D21 & D34 Shoe Shine; D12, D21, D38 Retail Vending



Terminal E: E6 & E18 Shoe Shine, E14 & E27 Retail Vending



Lessons Learned

Ron Duncan, Contracts Manager

Procurement and Materials Management

Lessons Learned

- ✓ Follow all preparation instructions
- ✓ Check to make sure all information provided is correct and complete
- ✓ Make sure all required documentation is submitted.
- ✓ Include the required deposit.
- ✓ Make sure you sign and date your proposal.
- ✓ Respond to what the RFP requests, please avoid placing limitations or conditions
- ✓ Submit the requested number of statement copies.
- ✓ Find out in advance exactly where the proposal must be delivered and make sure documents arrive well in advance of the due date/time.
 - Third-party delivery service delays and traffic conditions are not valid reasons; your proposal will not be accepted if it is late.



Things to Remember

- ✓ RFP Preparation – RFP Concept Number on Everything
 - ✓ Proposal cover, checks, boxes, forms, envelops
- ✓ Contact Emails – Ensure they are correct.
- ✓ Deposit Check will be returned after Board approval of awardees.
- ✓ Please use the proposal submittal label provided in the RFP Package and affix it on the outside of the delivery package(s).
- ✓ Submit all RFP questions in writing by the question due date and time to:

Ms. Sonji Brown-Killyon
Senior Contract Administrator
sbkillyon@dfwairport.com



Closing Remarks

Zenola Campbell, Vice President

Concessions

Dates to Remember

	SVC-1 & SVC-2
Final Date for Questions	May 16, 2017 by 5pm
Proposal Due Date	May 30, 2017 by 2pm CDT
Committee Recommendations	August 8, 2017
Submittals to Board of Directors for Approval	August 10, 2017

dfwairport.com/concessions

Closing

Questions?

Presentation will be available online

- Click “Resources and Maps”
- Click “Resources and Presentations”

For any and all questions:

Sonji Brown-Killyon
Senior Contract Administrator
sbkillyon@dfwairport.com

The screenshot shows the DFW Airport website's concessions page. The top navigation bar includes links for HOME, ABOUT DFW CONCESSIONS, HOW TO GET STARTED, SOLICITATIONS/ RFPS, RESOURCES & MAPS, and CONCESSIONAIRE USER PORTAL. The 'RESOURCES & MAPS' menu is expanded, showing options like EMPLOYMENT, PASSENGER DATA, LIST OF FUTURE LOCATIONS, TERMINAL MAPS, REQUIRED CERTIFICATIONS, RESOURCES AND PRESENTATIONS (highlighted with a red box), and CONSTRUCTION RESOURCES. The main content area features a large image of a man and a woman looking at a tablet, with a red line pointing to the 'RESOURCES AND PRESENTATIONS' menu item. Below this, there are several content tiles: 'HOW TO DO BUSINESS WITH DFW CONCESSIONS' with a video thumbnail, 'ANNOUNCEMENTS' with a 'SERVICE RFP 2017' for shoe shine and automated retail vending due May 30, 2017, and 'OUR THE NEW TERMINAL A' with a video thumbnail and text: 'Take a tour of the new Terminal A and meet some of our unique concessionaires.'

dfwairport.com/concessions

Dallas Fort Worth International Airport Concessions Pre-Proposal Conference

5.5.2017

