

**PORT OF SEATTLE  
SEATTLE-TACOMA INTERNATIONAL AIRPORT  
COMPETITIVE EVALUATION PROCESS  
FOR THE MANAGEMENT AND OPERATION  
OF  
AIRPORT DINING AND RETAIL LOCATIONS  
LEASE GROUP 5  
PACKAGE: PS-2**



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**SEATTLE-TACOMA INTERNATIONAL AIRPORT**

Proposals are due to the Port of Seattle no later than  
3:00 pm (Pacific Time) on September 18, 2019.

A Pre-Proposal Meeting will be held on  
July 9, 2019 or  
July 18, 2019  
at 10:00am (Pacific Time).

Contact Person:  
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## TABLE OF CONTENTS

SECTION 1: INTRODUCTION .....	3
SECTION 2: AIRPORT BACKGROUND .....	10
SECTION 3: PROPOSAL SCHEDULE.....	12
SECTION 4: SCOPE OF LEASE.....	13
SECTION 5: STASTICAL DATA .....	18
SECTION 6: LEASE OUTLINE DRAWINGS (LOD) .....	22
SECTION 7: INSTRUCTIONS TO PROPOSERS.....	23
SECTION 8: PROPOSAL FORMS .....	37
SECTION 9: BACKGROUND, EXPERIENCE, AND FINANCIAL CAPABILITY.....	39
SECTION 10: CONCEPT DEVELOPMENT .....	41
SECTION 11: UNIT DESIGN, MATERIALS AND CAPITAL INVESTMENT.....	42
SECTION 12: FINANCIAL PROJECTIONS AND FINANCIAL OFFER.....	43
SECTION 13: MANAGEMENT/STAFFING, OPERATIONS, CUSTOMER SERVICE, AND ENVIRONMENTAL SUSTAINABILITY.....	44
SECTION 14: JOB QUALITY, WORKFORCE TRAINING, AND EMPLOYMENT CONTINUITY .....	46
SECTION 15: SMALL BUSINESS PARTICIPATION .....	47
SECTION 16: EVALUATION PROCESS .....	49

## LIST OF FORMS TO BE SUBMITTED WITH PROPOSAL

Form 8.1 Pre-Proposal Meeting Attendance Form  
Form 8.2 Proposer's Certification  
Form 8.3 Proforma (in Excel format)  
Form 8.4 Proposal Form  
Form 8.5 Financial Offer Form  
Form 8.6 Capital Investment Form  
Form 8.7 Job Quality, Workforce training, and Employment Continuity Information Form  
Form 8.8 CEP Minimum Requirements Form

## LIST OF EXHIBITS

Exhibit 1 – Proposal Checklist  
Exhibit 2 – Resolution 3725  
Exhibit 3 – Evidence of Labor Peace Agreement  
Exhibit 4 – Operating a Concession Business at Seattle-Tacoma International Airport  
Exhibit 5 – Draft Lease and Concession Agreement  
Exhibit 6 – Investment Incentive Agreement

## SECTION 1: INTRODUCTION

The Port of Seattle (Port) is seeking proposals from all qualified business entities that have demonstrated expertise in the development and operation of dining and retail locations at airports, other transportation centers, shopping centers, malls, or business districts to manage and operate dining and retail locations at Seattle-Tacoma International Airport (“Sea-Tac” or “the Airport”).

**Interested businesses should register via email at [seatacshops@portseattle.org](mailto:seatacshops@portseattle.org) their; (1) company name; (2) contact person; (3) mailing address; (4) phone number; and (5) email address to receive a copy of the Lease Group 5 documents.**

The Port directs this Competitive Evaluation Process (“CEP”) to all companies who possess the industry expertise and financial strength to successfully build out and operate dining and retail locations at the Airport. The selected proposer will be granted the non-exclusive right to operate restaurants and/or retail and personal service shops and enter into a Lease and Concession Agreement (“L&C Agreement”) with the Port of Seattle, included as **Exhibit 5**.

### 1.1 LEASE GROUP 5 GOALS AND OBJECTIVES:

The ADR program embraces the qualities of the Pacific Northwest by blending the vitality of a vibrant marketplace with a variety of quality products and services at reasonable prices.

The Port seeks to enter into an L&C Agreement with an experienced, qualified, and financially sound business that will be expected to work with the Airport to meet these program goals and objectives:

- Offer Sea-Tac travelers the right product and services, in the right locations, by the right operators;
- Foster a Pacific Northwest sense of place;
- Provide shops, restaurants, and services that exceed expectations for customer service, quality, variety, and reasonable pricing;
- Provide for quality jobs, employment continuity, and service continuity; and
- Provide opportunities and encourage participation for small, local, and disadvantaged companies, including Airport Concessions Disadvantaged Business Enterprises (“ACDBE”), to meaningfully participate in operations at the Airport.

This proposed L&C Agreement is for 8 years, in order to provide sufficient opportunity for the Proposer to amortize and recoup the capital investments that the Airport is requesting.

### 1.2 PRE-PROPOSAL MEETING:

**There will be two (2) non-mandatory pre-proposal meetings on July 9, 2019 and July 18, 2019 at 10:00 am at Seattle-Tacoma International Airport’s London Conference**

**Room and Central Auditorium respectively.** The purpose of the pre-proposal meeting will be to discuss the requirements and objectives of this CEP\*\*, answer questions\*\*, and provide a networking opportunity for prospective proposers. **THERE WILL NOT BE A TOUR OF THE AVAILABLE UNITS. THE PORT WILL ILLUSTRATE IN THE PRE-PROPOSAL MEETING THE LOOK AND FEEL ON THE REMODEL THAT IS CURRENTLY TAKING PLACE.** Proposers must submit the pre-proposal meeting attendance form (**Form 8.1**) via email to [seatacshops@portseattle.org](mailto:seatacshops@portseattle.org) by July 5, 2019 in order to attend one (1) of the two (2) pre-proposal meetings. Walk up registration will not be permitted.

\*\* Note – Any answers to questions and any statements or other information discussed or provided, whether verbally or in writing, at the pre-proposal meeting will be considered informational only and will not operate to modify or amend the requirements of the CEP in any way. Changes to the CEP will only be effective if made through an Addendum issued by the Port.

### **I.3 MINIMUM QUALIFICATIONS:**

The minimum qualifications and requirements for any Proposer responding to this CEP shall be as follows:

- I.3.1 At least eighteen (18) months of experience in food service, retail, and/or service operations (as applicable based on the type of lease opportunity for which Proposer is proposing) at airports, transportation facilities, shopping centers, or business districts. Such prior experience must be with operations of similar complexity generating a sales volume of similar size to that being proposed. Whether the Proposer has sufficient prior experience to meet this minimum requirement shall be determined by the Port in its sole discretion.
- I.3.2 Must never have had an agreement terminated for cause.
- I.3.3 Must be fully compliant with the City of SeaTac Proposition I (Prop I) and demonstrate such by answering these questions:
  - I.3.3.1 Do you currently operate a business covered by City of SeaTac Proposition I (Prop I)? (Yes or No)
  - I.3.3.2 If the answer to question I.3.3.1 is “Yes”, please state whether you have provided your employees with wages and benefits that met or exceed the requirements of Prop I since January 1, 2014. (Yes or No)
  - I.3.3.3 If the answer to I.3.3.2 is “No”, please state how you have otherwise addressed the requirements.
  - I.3.3.4 If the answer to I.3.3.2 is “Yes”, please explain how.

**If you have not addressed, in the sole opinion of the Port, the required employee wages and benefits extending back to January 1, 2014, your firm will be disqualified from participating in this Lease Group process.**

I.3.4 The Port has a significant proprietary interest in the success of the ADR program and so it is in the Port's economic interest to eliminate disruptions to its tenants' operations due to labor disputes that can also negatively impact customers using the Airport as well as airline operations. Therefore:

I.3.4.1 All non-exempt Proposers (exempt Proposers are defined in the next paragraph) must submit, with their Proposal, a letter on the Proposer's letterhead using the sample language provided in **Exhibit 3** confirming that they have a Labor Peace Agreement that: (a) applies only to Proposer's operations at the Airport, (b) requires that the Port's ADR program is free from labor-related disruption of services both to the ADR program and the general operation of the Airport, and (c) is not inconsistent with the requirements of this CEP/RFP or the L&C Agreement. The Labor Peace Agreement must be between the Proposer and a local labor organization with clear jurisdictional scope with respect to currently represented employees or employees the labor organization seeks to represent in the Port's ADR program. This letter must include signatures from a senior officer of the Proposer's firm and the local labor organization. The details of a Labor Peace Agreement are between the Proposer and applicable labor organization. Thus, the Proposer should not submit their Labor Peace Agreement to the Port. A collective bargaining relationship is not required to comply with this provision. Proposers should ensure (a) that the entity being bound by the Labor Peace Agreement is the same as the entity that is proposing for this leasing opportunity, and (b) that the individual signing the Labor Peace Agreement is authorized to and is signing on behalf of the entity being bound by the Labor Peace Agreement. For example, if the proposer is a joint venture, the entity being bound to the Labor Peace Agreement should be the joint venture (not just one of the JV members) and the individual signing should be signing in her/his capacity as it relates to the JV (not a JV member).

I.3.4.2 Small businesses (as determined by the U.S. Small Business Administration criteria), that will have 35 or fewer badged airport employees at the Airport, with the award of any package(s) in this solicitation, will be exempt.

I.3.4.3 Labor organizations with clear jurisdictional scope over employees who work in:

I.3.4.3.1 Specialty Retail and Passenger Service Concession  
UFCW 21  
Mr. Mike Rodriguez, Researcher  
Telephone (206) 409-3057

### **1.3.5 PROPOSER MUST ACKNOWLEDGE ALL ADDENDUM(S) ISSUED BY THE PORT.**

## **1.4 WRITTEN QUESTIONS:**

Dawn Hunter, Senior Manager is the designated representative for questions regarding this CEP. A potential proposer, or anyone on its behalf, may only contact Dawn Hunter concerning this CEP from the release date until the Port announces the Selected Proposer. See also **Section 7.8, Competitive Integrity**.

All communications and written questions about this CEP must be submitted in writing to the Port and a written response to questions will be provided to all potential respondents who have registered. Questions should be directed to the Port of Seattle either by postal mail at the following address: Attention Dawn Hunter, Port of Seattle P.O. Box 68727, Seattle, WA 98168 or email: [seatacshops@portseattle.org](mailto:seatacshops@portseattle.org). **Questions concerning this CEP must be received by The Port of Seattle no later than 5:00 PM Pacific Time, on July 31, 2019.** Questions received after this time and date will not be considered. Only questions answered by the Port in writing will be binding. Oral and other interpretations, clarifications or submittal instructions will be without legal effect. Interpretations, clarifications or supplemental instructions will be issued by addenda and will be emailed to all parties who have registered in accordance with Section 1.1.

## **1.5 DEFINITIONS:**

**ACDBE** - Airport Concession Disadvantaged Business Enterprise

**ADR** – Airport Dining and Retail

**Airport** – The Seattle-Tacoma International Airport

**L&C Agreement** – Lease and Concession Agreement between the Selected Proposer and the Port of Seattle

**Build-Out Deadline** – the date established in the L&C Agreement when all improvements by the Selected Proposer should be completed

**Commission** – The 5-member governing body of the Port of Seattle elected at-large by the citizens of King County, Washington

**Enplanements** – Boarding passengers

**Expiration Date** - The date on which the L&C Agreement will expire

**MAG** – Minimum annual guarantee that the Selected Proposer will pay to the Port for the concession rights and privileges granted in the L&C Agreement

**Pacific Northwest Sense of Place Concept** –A new or existing concept that through its name, product/service offerings, and/or design/aesthetic conveys a strong sense of the Pacific Northwest Region.

**Pacific Northwest Region** – It includes the states of Washington, Oregon, Idaho, Alaska and parts of northern California and western British Columbia, Canada.

**Port** – The Port of Seattle.

**Proposer** - The individual or legal entity seeking to enter into a L&C Agreement with the Port and submitting a response to this CEP to lease space in the Airport for the operation of food service and/or retail concessions.

**Proposal** - The documents submitted by a Proposer in response to this CEP.

**Sea-Tac** – The Seattle-Tacoma International Airport.

**Selected Proposer** - An individual or entity selected by the Port to enter into negotiations for a L&C Agreement.

## **I.6 INVESTMENT INCENTIVE PAYMENT:**

The Port has a strong financial interest in procuring qualified and capable businesses to successfully build out and operate dining or retail establishments at the Airport as part of the ADR program. The ADR program provides significant economic opportunities for the region and generates important revenue that is reinvested in the Airport.

In order to satisfy the broad financial and operating goals of the ADR program, it is critical for the Port to obtain the highest quality, number and diversity of proposals for its benefit in order to foster robust competition and allow it to identify a variety of excellent businesses, including small businesses and ACDBE firms. The Port also has a strong proprietary interest in preventing disruptions due to labor disputes at the Airport, which would have significant negative impacts on airport operations, the traveling public, dining and retail services, and revenue under the ADR program. To address this issue, the Port in 2017 implemented a requirement for each proposal by a business with more than 35 airport employees to include confirmation of a labor peace agreement, which is a direct benefit to the Port's important interest in preventing disruption. As a pilot program for Lease Group 5, the Port is offering an investment incentive payment in the amount of Five Thousand and 00/100 (\$5,000.00) Dollars to each unsuccessful proposer that submits a fully responsive, responsible, and competitive proposal for a CEP opportunity. No Proposer will be entitled to reimbursement of any of its costs in connection with the CEP except

as specified in this Section. Successful proposers will not be eligible for an investment incentive payment. Each individual proposing entity will be eligible for only one such payment as part of Lease Group 5. For a Proposer/proposal to be responsive, responsible, and competitive it must meet all of the following standards:

Responsive: The proposal must conform in all material respects to the requirements of the RFP, as determined by the Port, and must be timely received by the Port.

Responsible: The Proposer must meet all minimum requirements in the RFP and be otherwise qualified, as determined by the Port, to execute and perform an L&C Agreement for the CEP lease opportunity for which Proposer submitted a proposal.

Competitive: A proposal will be deemed Competitive if it satisfies all of the following:  
(1) the proposal's total score is at **least Seven Hundred Fifty (750) points**;  
(2) the proposal's total score is **within 40% of the highest score** (not including any points awarded as a result of an interview) in the CEP for which the proposal was submitted; and  
(3) the proposal does **not score less than Fifty (50) points in any of the seven major evaluation categories** (Background, Experience and Financial Capability; Concept Development; Unit Design, Materials and Capital Investment; Financial Projections and Financial Offer; Management/Staffing, Operations, Customer Service, and Environmental Sustainability; Job Quality, Workforce Training, and Employment Continuity; and Small Business Participation).

In exchange for the investment incentive payments, the Port will receive fully responsive, responsible and competitive proposals, including confirmation of labor peace agreements, and the non-proprietary concepts and ideas in the proposals. The payments will significantly benefit the Port through its acquisition of proposals that are high in quality, number and diversity, such that through robust competition it will be able to select a mix of outstanding and diverse businesses. The Port also gains the substantial benefit and protection of having labor peace agreements in place (where appropriate) at the outset, so there is certainty that the selected Proposer will have taken the necessary steps to prevent labor disruption at the Airport. In addition, the Port will obtain the right to use non-proprietary concepts and ideas in the proposals to inform and enhance its planning for dining and retail operations.

To be eligible for an investment incentive payment, in addition to the criteria stated above, the Proposer must return with its proposal the executed "Investment Incentive Agreement" that is included as **Exhibit 6**, and must satisfy the requirements stated therein, including submitting the required Investment Incentive Payment invoice and other supporting information. Payments will be made to eligible Proposers that are not selected within 45 days after the execution of the L&C



Agreement for this opportunity.

Special Circumstances:

- If the Port cancels this solicitation before proposals are due, Proposers will not be eligible for and will not receive an investment incentive payment.
- If a proposer is awarded the contract as a result of this CEP but is unwilling or unable to execute an L&C Agreement, such proposer will not be eligible for and will not receive an investment incentive payment.

If the Port cancels the CEP after proposals are due, all responsive, responsible, and competitive proposals will be eligible to receive an investment incentive payment.

## SECTION 2: AIRPORT BACKGROUND

The Port of Seattle owns and operates Sea-Tac. The Port is governed by a five-member Commission elected at-large by the citizens of King County, Washington. Sea-Tac is the primary air transportation hub in Washington State and the northwestern United States. The Airport is located 12 miles south of downtown Seattle and 20 miles north of Tacoma. Sea-Tac offers scheduled commercial airline service, and also serves as a key connection point for air passengers and cargo traveling to and from communities in Eastern Washington.

Sea-Tac's Airport Dining and Retail program ("ADR") includes a collection of restaurants, retail shops, and personal services offerings in each terminal for the convenience of travelers. Annually the program generates approximately \$336 million in gross sales and approximately \$48 million in revenue for the Port of Seattle. Airport management has developed a plan for the redevelopment of the dining and retail program to introduce new concepts and expand offerings to meet evolving passenger needs.

The Port owns and operates the Airport and its passenger terminals consisting of the Main Terminal, Concourses A, B, C, D, North and South Satellites, the Parking Garage, and the Rental Car Facility. Currently, the Airport has over 75 gates and is served by 28 airlines with both domestic and international destinations. A list of the passenger airlines operating at the Airport is shown in **Section 5**. In 2018, approximately 47 million passengers passed through the Airport. See the Passenger Traffic Summary in **Section 5**.

This package is for the remodel of the North Satellite, used exclusively by Alaska Airlines. The completed renovation and expansion that will add 8 gates to the existing 12 gates. Square footage for food service and retail in the North Satellite will grow from 19,600 square feet to an estimated 46,000 square feet. Completion of this project is slated for the June 2021 timeframe.

### 2.1 CUSTOMER OVERVIEW:

The number of passengers who travel through Sea-Tac follows a fairly predictable pattern. The greatest number of travelers visits Sea-Tac during the months of June, July and August. Busy summer days may attract as many as 75,000 enplanements, with a total of more than 150,000 people arriving and departing. The slowest months of the year, January and February, may attract only 40,000 daily enplanements or 80,000 total passengers. Business operators at the Airport must be prepared to operate under both high and low travel season conditions. The Transportation Security Administration currently publishes bi-weekly forecasts of anticipated travelers based on airline bookings that are shared with tenants that operate at the Airport.

Sea-Tac connects the Pacific Northwest to more than 89 domestic cities and 23 direct international destinations. Sea-Tac is primarily a U.S. domestic airport, although international service is growing. In 2018, 10.9% of total enplanements were international passengers, and a third of these passengers were destined for Canada and Mexico. The passengers at Sea-Tac are primarily leisure travelers. In 2018, 68% of passengers were traveling for leisure or personal

matters; 32% traveled for business.

Sea-Tac is known as an “origination and destination” airport, not a connecting airport. In 2018, approximately 70% of passengers either began or ended their trip at Sea-Tac. This means that a relatively large portion of travelers are residents of Washington State, as compared to a connecting hub such as airports in Denver or Atlanta. Sea-Tac passengers tend to have a greater familiarity with local brands as well as fairly good knowledge of the Airport’s layout and offerings. The Airport also is characterized primarily by its morning departures. Security checkpoints open at 4:30 AM and the majority of passengers will have departed before 1:00 PM. As a result, operators must plan their hours of operation to match traveler demand for products and services. International departures are more evenly spread throughout the day and early evening. A passenger traffic summary is included in **Section 5**. Comparable Airport dining sales performance is included in **Section 5**.

## 2.2 ACDBE PROGRAM:

Sea-Tac actively encourages small, local, and disadvantaged business participation in the Airport Dining and Retail Program. Eligible companies can become certified as ACDBEs. Applications for certification can be made through the Washington State Office of Minority and Women's Business Enterprises (<http://www.omwbe.wa.gov>) or toll free (866) 208-1064. **Please note in your Proposal if your proposed operation includes ACDBE participation.**

## 2.3 ENVIRONMENTAL SUSTAINABILITY:

The Port is committed to conserving natural resources, reducing pollution, and ensuring a healthy and sustainable future for the Puget Sound region. In this effort, Proposers are strongly encouraged to incorporate environmentally-sound practices into their business plan, and elaborate on these practices in the Proposals. The Port requires businesses to participate in recycling and composting programs and use either durable or Cedar Grove-approved compostable or recyclable food service-ware (<https://cedar-grove.com/store/packaging>). There is also a food donation program benefitting a local food bank available to tenants for participation. The Airport may develop new environmental programs in the future that Proposers should be prepared to participate in to the greatest degree possible.

## SECTION 3: PROPOSAL SCHEDULE

ACTIVITY	TARGET DATE
Release of CEP	June 18, 2019
Pre-Proposal Meeting	July 9, 2019 & July 18, 2019
Last Day for Pre-Proposal Protest in accordance with Section 7.12.2.1	July 25, 2019
Written Questions Due	July 31, 2019
Response to Written Questions Posted	August 9, 2019
CEP Packages Due	September 18, 2019
Last Day to Withdrawal Proposal without Penalty	September 25, 2019
Interviews (if necessary)	September/October 2019
Award	Q1 2020
Last Day for Post-Proposal Protest in accordance with Section 7.12.2.2	4 business days after the date the notice of Award
Lease Execution	60 Days after Award Notification

The Port reserves the right to change any of these dates, as it deems necessary in the Port's best interest.

## SECTION 4: SCOPE OF LEASE

### 4.1 GENERAL REQUIREMENTS:

The dining offering at Sea-Tac is characterized by its quality fresh ingredients and preparation. Sea-Tac travelers expect a variety of freshly-prepared offerings, as well as quality grab-and-go items, to suit different tastes during all parts of the day. Every dining location must provide a robust breakfast menu.

The retail offering at Sea-Tac has expanded in the last 15 years to include convenience retail, a broad selection of specialty retail, and enhanced duty free/duty paid merchandise. Retail concepts must demonstrate an ability to meet the needs of a broad passenger demographic and contribute to a balanced retail mix.

Respondents should provide a concept that meets the description outlined in Table I. Deviations from this concept will not be accepted.

**Table I. Description of Lease Opportunity**

<b>Name of Unit</b>	<b>Proposed Concept</b>	<b>Approximate Sq. Ft.</b>	<b>Anticipated Date Unit is Available for Build - Out</b>
PS-2 NS-13 CEP	<p><b>Passenger Services location featuring either a Napping Room, Business Center, or a Video Gaming Lounge or a combination thereof</b></p> <p>This is a new location in the North Satellite retail core. It is the Proposers responsibility to review and understand the Utility Matrix provided as well as the LOD in Section 6.</p> <p>For the purpose of this CEP:</p> <p><u>Napping Room</u> shall include but not limited to, private rooms for passengers to rest. Retail items associated with the concept may be sold but must account for not more than forty percent (40%) of the annual gross sales.</p>	1,740	June 2021

	<p><u>Business Center</u> shall include but not limited to, rooms that may be reserved for private meetings, access to printers, copiers, and/or computers. Retail items associated with this concept may be sold but must account for not more than forty percent (40%) of the annual gross sales.</p> <p><u>Video Gaming Lounge</u> shall include but not limited to, rental of video games on either a Xbox, PlayStation, Wii or other gaming console, for private or group use. Food and Beverage offerings including beer and wine may be sold, but shall not constitute more than fifty percent (50%) of the annual gross sales. Video game and video game console accessories may be sold.</p>		
<b>Term</b>		8 Years	
<b>Anticipated Minimum Investment in Fixed Improvements per Square Foot</b>		\$800.00	

The unit included in this CEP is shown on the lease outline drawing(s) in **Section 6**.

The utility matrix for the unit included in this CEP is available for review in **Section 6**.

All businesses must be open and able to serve customers at least one hour before the first flight departs in the morning and remain open until the last outgoing flight departs each day (flight schedules vary based on concourse/satellite location). The Central Terminal area currently has set operating hours of 5:00AM to 11:00PM for dining and 6:00AM to 10:00PM for retail, which are subject to change at the request of the Port.

Flight delays sometimes occur due to weather and other unplanned events. Businesses must be flexible to quickly extend operating hours based on the need to serve passengers. In some instances, this will be at the request of the Port.

#### **4.2 BUILD-OUT REQUIREMENTS AND OTHER DIRECT COSTS:**

The business selected for this opportunity will be required to plan, design, and fully build out the new unit at their sole cost, in accordance with the Port of Seattle's ADR Design Guidelines and Tenant Design and Construction Process Manual, which are located on the Port's website:

<http://www.portseattle.org/Business/Construction-Projects/Airport-Tenants/Pages/Reference-Documents.aspx>.

To the greatest extent possible the Port will provide shell conditions, including demising walls, concrete slab flooring, unfinished ceiling, and utility infrastructure tie-in locations. Utilities, depending on whether a food/beverage or retail operation, include services for electrical, water/sewer, used cooking oil disposal, natural gas (where available), and data. Businesses will take the premises “as-is” and some units with existing tenants will likely require some modifications prior to new construction.

On October 25, 2016, the Port of Seattle Commission adapted Resolution 3725 which applies to labor wages for construction performed on Port property. Please make sure you are familiar with and are prepared to comply with Resolution 3735, **Exhibit 2**.

At a minimum, the amount per square foot identified in Table I as “Minimum Investment in Fixed Improvements per Square Foot” must be invested in the initial build-out. **This minimum investment per square foot does not represent an actual expected cost to design and build out the unit in accordance with the Port’s design and construction guidelines, nor does it attempt to represent the costs associated with the challenges of building in an airport environment or actual construction market conditions in and around the Airport. Respondents should anticipate a higher investment cost and factor those higher costs into their financial pro forma.** To the extent actual design and construction costs exceed the amount estimated by the Proposer, all such added costs are at the sole risk and expense of the Proposer. Respondents are required to complete and submit their proposed capital investment and indicate the sources of funding to be used for the tenant improvements and working capital on **Form 8.6**. The Port cannot guarantee a specific schedule for the design and construction process, but it typically will take eight to ten (8-10) months from the L&C Agreement commencement date before opening for business (there may be exceptions to this timeframe if there are multiple units in a package). In addition to the initial minimum investment, a **minimum investment equal to 15% of the original build-out cost will be required in the L&C Agreement for a mid-term refurbishment** of the unit(s) at the midpoint of the term.

All dining and retail units must be professionally designed (both interior and exterior) and built out by licensed contractors selected by the tenant. **All materials and/or equipment must be new and meet the standards and approval of the Port.**

Food service operators that share common food service seating may be charged a janitorial fee for trash removal, bussing, and other cleaning and maintenance services, as required. The cost of furniture and other related furnishings in these areas are not included and are paid for by the Port.

It is the Proposer’s responsibility to ensure that the design of the premises complies with all federal, state and local laws, including but not limited to the Americans with Disabilities Act

(“ADA”) and the ADA standards and guidelines implementing the ADA.

Prior to any construction, the selected proposer must comply with all plan submittal requirements as outlined in the Port’s Design and Construction Process Manual and obtain the Port’s approval of facility designs and finish materials for all tenant improvements.

Proposers are responsible for reviewing all of the information provided in this document and at the pre-proposal conference. Proposers must understand the physical conditions of each unit, the provided utilities and their points of connection, and any other base building issues that could affect the design and build-out. The Port has no obligation to provide any requested adjustments to any financial terms or build-out requirements after execution of the L&C Agreement, and a failure by any proposer to fully understand the circumstances surrounding unit development and the capital investment required will not constitute grounds for modifying any of the terms of the L&C Agreement.

Airport tenant costs also include the direct payment of utilities, including but not limited to electric, water, sewer, natural gas, grease interceptor cleaning, pest control and trash service. These items are billed by the Port each month to the tenant. The tariff rates for utilities are posted on the Port of Seattle website. <http://www.portseattle.org/Business/Documents/Tariff.pdf>

Employee badging costs are paid by the tenants. These costs vary based on the type of security badge and are detailed on the Port of Seattle website.

<http://www.portseattle.org/Employee-Services/ID-Badges/Pages/default.aspx>

Sea-Tac provides off-site parking lots for employee use with bussing service to the airport 24 hours a day. The monthly cost for parking is available through the Port’s website.

<http://www.portseattle.org/Employee-Services/Employee-Parking/Pages/default.aspx>

Airport tenants leasing space are also responsible for the payment of Washington State leasehold excise tax in lieu of standard real estate tax. The current tax rate is 12.84% and is paid on the first seven percent (7%) of gross sales each month.

### 4.3 SUMMARY OF BUSINESS TERMS:

As part of your Submittal, you will be required to provide a **financial offer** on **Form 8.5**. Percentage fees that increase with sales volume, i.e., tiered rent structures, will be accepted.

The Port will **not** renegotiate the percentage fees during the term of the L&C Agreement. The Port is under no obligation to accept the highest percentage fee proposed.

#### 4.3.1 Term of the L&C Agreement:

The effective date or Occupancy Date of the L&C Agreement will be the date the concession location is turned over by the Port for the performance of tenant improvements and the Expiration Date will be **eight (8) years** following the Build-Out Deadline of the unit.



#### 4.3.2 Minimum Annual Guarantee and Percentage Fee:

Dining, retail and service tenants at the Airport pay rent as a Minimum Annual Guarantee ("MAG") or percentage fee, whichever is greater. One-twelfth of the MAG is paid on the first of every month and any percentage fee due above the monthly payment of the MAG is reported and paid by the 15<sup>th</sup> of each month for the preceding month.

The Port has established the MAG **in the amount of Sixty Thousand and 00/100 (\$60,000.00) Dollars** for the first, full calendar year of the L&C Agreement, which is not negotiable. Any percentage fee above the monthly payment of the MAG would be reported and paid by the 15<sup>th</sup> of each month for the preceding month.

The Minimum Annual Guarantee and percentage fee will be reconciled annually, as set forth in the draft L&C Agreement.

## SECTION 5: STASTICAL DATA

**The information contained in this Section is for informational purposes only and the Port of Seattle does not guarantee the accuracy of any specific traffic and passenger data, or sales expectations.**

**Airlines by Concourse**  
**As of June 1, 2019**

<b>Concourse A:</b>	<b>North Satellite:</b>
Air Canada / Air Canada Jazz	Alaska Airlines
Aer Lingus	<b>South Satellite:</b>
Delta Airlines	AeroMexico
Japan Airlines	Air Mobility Command (AMC)
Norwegian	Air France
Skywest (United Express)	All Nippon Airways
United Airlines	Asiana Airlines
<b>Concourse B:</b>	Atlas Air
Alaska Airlines	British Airways
Delta Air Lines / Delta Connections	Cathay Pacific
JetBlue Airways	Condor
Southwest Airlines	Delta Air Lines
Spirit Airlines	Emirates
<b>Concourse C:</b>	Eva Air
Alaska Airlines	Hainan Airlines
Horizon Air	Hawaiian Airlines
<b>Concourse D:</b>	Icelandair
Alaska Airlines	Korean Air
American Airlines	Lufthansa
Frontier Airlines	Omni Air International
Sun Country Airlines	Singapore Airlines
	Skywest (Delta Express)
	Thomas Cook
	Virgin Atlantic
	Volaris
	Xiamen Airlines

### Historical Enplanements by Concourse

Concourse	2014	2015	2016	2017	2018
A	2,491,298	3,496,767	3,256,072	4,257,896	4,619,656
B	3,127,994	2,947,468	3,422,170	4,425,820	5,052,422
C	4,219,427	4,823,594	4,558,165	5,689,927	5,766,437
D	1,844,863	2,716,212	2,446,010	2,822,169	3,451,226
North Satellite	4,804,316	4,696,544	4,142,425	4,620,762	4,785,294
South Satellite	2,798,448	3,446,173	2,872,661	3,764,279	3,878,843

### Future Enplanements for the North Satellite (assumes a 2% growth rate)

Concourse	2021	2022	2023	2024	2025	2026
North Satellite	4,583,455	4,670,611	4,759,424	4,849,717	4,946,711	5,045,645

## Comparable Annual Gross Sales

Gross Sales					
Store Name	Concourse	2016	2017	2018	2019
Massage Bar	C	1,614,003	1,551,350		
Massage Bar	NS	243,082	234,680	550,788	37,692
Terminal Getaway Spa	A		4,481	604,084	115,451
Terminal Getaway Spa	C			1,144,722	364,952

## SECTION 6: LEASE OUTLINE DRAWINGS (LOD)

## SECTION 7: INSTRUCTIONS TO PROPOSERS

### 7.1 GENERAL INSTRUCTIONS:

**The Port of Seattle is not required (under federal or state law) to solicit proposals or to follow any competitive selection process for any of the Airport concessions that are covered by this solicitation. Accordingly, the process outlined in this CEP and the actions taken by the Port as part of the evaluation process, whether consistent with this CEP or not, are intended solely as a tool for the Port to identify the Proposer/proposal with which the Port believes it wants to enter into negotiations for a L&C Agreement. The Evaluation Panel's consideration of Proposals necessarily involves the exercise of discretion, much of which is impossible or impractical to accurately reflect in the evaluation documentation. While the Port may document some or all of the evaluation process, the Port shall not be required to, and does not represent that it will, comply with documentation requirements that may apply to other state or federal procurements. Nor shall the evaluation documentation that is provided be construed as the sole basis on which the Port's scoring or decisions were made.**

**By submitting a proposal, Proposers expressly acknowledge and agree that:**

- A. The Port is not required to follow any competitive solicitation process for Airport concessions that are covered by this solicitation; and**
- B. The Port may (at its sole discretion and without providing advanced notice to Proposers) waive or modify any process, procedure, or requirement set forth in, implied by, or inferred from the CEP.**

The following numbered instructions provide important information regarding the CEP process and describe the steps necessary to properly prepare and submit a response.

- 7.1.1 This CEP is intended to attract responses from interested and qualified personnel, firms, and business entities that have demonstrated expertise in food service, retail, and/or passenger services at airports or other large transportation centers, shopping centers, malls, or business districts.

It is the responsibility of proposers to examine this document carefully, understand the Airport's characteristics and requirements, and assess all of the circumstances and conditions that may affect their proposals. Proposers are responsible for anticipating both positive and negative aviation and general economic trends over the course of a multi-year agreement, and to consider proposals, financial or otherwise, with this understanding. Failure on the part of a proposer to be completely knowledgeable of the terms and conditions of the proposal requirements, operational conditions, or any other relevant documents or

information will not relieve the selected proposer from complying fully with this request for proposals or the terms of an executed L&C Agreement.

All costs associated with the preparation, submittal and delivery of a proposal and any presentation materials and the proposal process (including revised/modified proposals, Best and Final Offers, and/or Interviews, if any or all are utilized by the Port) are the responsibility of proposer, such as costs of delivery, packing, insurance, travel costs, bank fees and bonds.

**ALSO, PLEASE BE ADVISED:**

**THE MATERIAL TO BE SUPPLIED THROUGH THIS CEP IS BEING SOUGHT FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT, IN ANY WAY, CONSTITUTE A “BID” (IN THE SENSE THAT THE PROPOSER WITH THE HIGHEST RENT PROPOSAL TO THE PORT WILL AUTOMATICALLY BE AWARDED THE CONCESSION) AND SHOULD NOT BE CONSTRUED AS SUCH. THE PORT OF SEATTLE MAY OR MAY NOT NEGOTIATE A L&C AGREEMENT WITH ANY OF THE PROPOSERS RESPONDING TO THIS CEP, AT ITS SOLE DISCRETION.**

- 7.1.2 The Port, in its sole discretion, reserves the right (but is not required):
  - (a) to contact any Proposer, any subset of Proposers, or all Proposers to seek clarification(s),
  - (b) to ask any Proposer, any subset of Proposers, or all Proposers to submit additional information,
  - (c) to request modified Proposals after the submission deadline from any Proposer, any subset of Proposers, or all Proposers,
  - (d) to request Best and Final Offers (BAFOs) from any Proposer, any subset of Proposers, or all Proposers, and
  - (e) to create and implement, in the event of a tie, any tie-breaking process the Port determines to be in the best interest of the Port.
- 7.1.3. Each response submitted under this CEP must contain responses to questions and information requested in **Section 9 to Section 15**.
- 7.1.4. Before submitting a response, the Proposer should be familiar with the information described in this CEP, which contains important provisions for the successful Proposer.
- 7.1.5. **There will be two (2) non-mandatory pre-proposal meetings on July 9, 2019 and July 18, 2019 at 10:00 AM.** The purpose of the pre-proposal meeting will be as described in Section 1.2. If changes to the CEP are required as a result of the information meetings, the Port will issue written addenda to the CEP.



- 7.1.6. Under no circumstance will the submission of a response under this Invitation be construed by the Port, the Proposer, or any other person or firm as being a formal bid. Also, the words “INVITATION” and “REQUEST” will be considered as the same and interchangeable.
- 7.1.7. It is understood that a L&C Agreement will be prepared based on the terms and conditions set forth in this CEP, and the responses submitted by the Proposers. All factual representations made in the responses will be relied on by the Port in selecting a Proposer with which to initiate negotiations for a L&C Agreement. A significant variance from such factual representations may result in an alternative Proposer recommendation from staff.
- 7.1.8. All responses must be submitted in a sealed envelope clearly marked as follows:

**LEASE GROUP 5 PACKAGE PS-2:  
SEATTLE-TACOMA INTERNATIONAL AIRPORT**

*\*With the name and address of the Proposer in the upper left-hand corner.*

- 7.1.9. **Responses shall be submitted to the Port of Seattle one (1) pdf electronic copy on a thumb drive or other device, prepared with complete answers, signed by an authorized representative, and a completed and executed Exhibit 6** enclosed in a sealed envelope properly addressed, and must be either (a) delivered by hand, (b) mailed by certified or registered mail and acknowledged by receipt, or (c) by overnight courier and received by the Port no later than **3:00 PM, Pacific Time, September 18, 2019** at the following address:

Port of Seattle  
Seattle-Tacoma International Airport  
Aviation Office Building  
Room A6012M  
17801 Pacific Highway South  
Seattle, WA 98158  
Attention: Dawn Hunter

- 7.1.10. Responding to this CEP creates no contractual rights or duties. Failure by the Port to choose any Proposer with which to negotiate does not give rise to any cause of action, including but not limited to, damages for preparation costs should the Proposer not be considered or chosen for any reason whatsoever.
- 7.1.11. The objective of this CEP is to supply information to Airport staff and the Port.

- 7.1.12 The Proposer shall be responsible for examining and understanding the terms of this CEP and Sample L&C Agreement, and shall judge for itself the circumstances and conditions affecting its proposal. Proposer's failure to make such examination and to investigate thoroughly shall not be grounds for any declaration that the CEP conditions and terms were not understood.
- 7.1.13 Questions regarding this CEP should be directed to Ms. Dawn Hunter, Senior Manager, Port of Seattle. Phone (206) 787-6340; email: seatacshops@portseattle.org
- 7.1.14 Proposer must submit the Proposer's Certification Form (**Form 8.2**).
- 7.1.15 **ALL PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE LEGAL ENTITY SUBMITTING THE PROPOSAL (I.E., THE PROPOSER). IF NOT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE PROPOSER, THE PROPOSAL MAY BE DEEMED NON-RESPONSIVE AND NOT SCORED.**
- FOR EXAMPLE, IF THE PROPOSER IS A JOINT VENTURE, PROPOSAL FORM(S) MUST BE SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE JOINT VENTURE (NOT JUST ONE OF THE JV MEMBERS) AND THE INDIVIDUAL SIGNING SHOULD BE SIGNING IN HER/HIS CAPACITY AS IT RELATES TO THE JV (NOT A JV MEMBER).**
- 7.1.16 **PROPOSER MUST ACKNOWLEDGE ALL ADDENDUM(S) ISSUED BY THE PORT. FAILURE TO ACKNOWLEDGE ALL ADDENDUM(S) ISSUED MAY RESULT IN THE PROPOSAL BEING DEEMED NON-RESPONSIVE AND NOT SCORED.**

## **7.2 PAGE LIMITATIONS AND SUBMITTAL REQUIREMENTS:**

- 7.2.1 **All responses are limited to a total of maximum of 200 pages (including requested financial information). Any pages beyond the limit will not be scored.**
- 7.2.2 **A Proposer may submit one (1) concept per package.**
- 7.2.3 Electronic Copy Requirements:  
7.2.3.1 All sections should be combined into a **single electronic file** that is a word-searchable portable document format (PDF)

- 7.2.3.2 PDF file must be no larger than 300 MB
- 7.2.3.3 Each of the tabbed sections should be included in the PDF file.
- 7.2.3.4 PDF file should be submitted on a flash drive.
- 7.2.3.5 Include the pro forma in Excel format as well as pdf format on the flash drive.

- 7.2.4 Cover Letter and Proposal Checklist:  
Your Proposal must include a cover letter not to exceed one (1) page that includes the following:
  - 7.2.4.1 Date submitted
  - 7.2.4.2 Statement of interest in the specific units in the CEP

### 7.3 AWARD LIMITATIONS:

Not Applicable

### 7.4 MINIMUM REQUIREMENTS:

Complete the Minimum Requirements Form, (**Form 8.8**). In order to be considered for an L&C Agreement, Proposers must provide the information required in **Form 8.8** to demonstrate that they meet the following **minimum requirements**:

### 7.5 CEP PROPOSAL FORM:

Complete the CEP Proposal Form, (**Form 8.3**).

### 7.6 GENERAL REQUIREMENTS:

- 7.6.1 All dining and retail units must be designed and built according to the guidelines and standards in place at Sea-Tac Airport. Please refer to: <http://www.portseattle.org/Business/Construction-Projects/Airport-Tenants/Pages/Reference-Documents.aspx>.
- 7.6.2 All equipment and furniture must be new and of high quality in order to meet the demands and standards of operation in a high-traffic facility.
- 7.6.3 Utilities consumed will be metered and billed to the Selected Proposer.
- 7.6.4 The Selected Proposer must comply with all federal, state, county and local laws that apply to the sale of alcohol and tobacco; the Selected Proposer may not sell marijuana, marijuana concentrates, marijuana-infused products, or products intended for or espousing the consumption of any of the foregoing.
- 7.6.5 The Selected Proposer is required to pay a leasehold excise tax on the amount of "contract rent" per Revised Code of Washington (RCW) Chapter 82.29A. The leasehold excise tax, which is currently at 12.84 percent (12.84%) is currently

based on the first seven percent (7%) of gross sales, see Section 4.8 of the draft L&C Agreement, **Exhibit 5**.

- 7.6.6 If such space is available, the Selected Proposer may be able to lease office and/or storage space at the Airport. The lease of office and/or storage space will be included as a Rider to the main L&C Agreement. All costs of any improvements to the office space will be the responsibility of the Selected Proposer, and are not permitted to be included in the Proposer's original build-out cost.
- 7.6.7 The Proposal of each Selected Proposer will be included as an exhibit to the L&C Agreement to ensure commitment to the specifics of the Proposal as presented. Any commitments made as part of a Proposal and approved by the Port will be for the entire term of the L&C Agreement.
- 7.6.8 The Selected Proposer will be expected to provide a transition plan and work closely with an outgoing tenant to ensure a smooth transition of operations and continued customer service.

## **7.7 PROPOSAL GUARANTEE (REQUEST FOR PROPOSAL ONLY):**

Not Applicable

## **7.8 COMPETITIVE INTEGRITY:**

The Port maintains a neutral competitive environment for all proposers to protect the integrity of the selection process. A potential proposer, or anyone on its behalf, may only contact the authorized Port representative, concerning this CEP from the release date until the Port announces the Selected Proposer(s). Any communication concerning the content of this solicitation by a potential or actual proposer, or anyone on its behalf, with any Port elected official or employee other than the Port representative may result in the rejection of that proposer's proposal unless, in the reasonable judgment of the Port's General Counsel, the communication could not reasonably be believed to have given the proposer a competitive advantage or have impaired the neutral competitive environment of this CEP. Submitted questions, per **Section 1.4** of this CEP and attendance at the pre-proposal conference are the only contacts considered allowable by this CEP between the Port and potential proposers.

**Failure by Proposer and/or their representatives to comply with this restriction may result in their proposal being rejected by the Port.**

## **7.9 PUBLIC DISCLOSURE:**

As a public agency, the Port is subject to the Washington State Public Records Act ("PRA"), Chapter 42.56, Revised Code of Washington (RCW). During or after all recent Lease Group solicitations, the Port received PRA requests for copies of all proposals that were submitted in response to the solicitations. The Port anticipates similar requests for proposals that are submitted in response to this solicitation. When the Port receives PRA requests for copies of

proposals, the Port must provide copies of the proposals. The Port will only withhold or redact those portions of proposals for which a statutory exemption is asserted by the Proposer. Generally speaking, in previous solicitations the only portions of proposals that were exempt from public disclosure related to confidential taxpayer information that some proposers included and certain confidential/proprietary financial information.

To (i) facilitate the timely release of these documents pursuant to the Port's obligations under the PRA, and (ii) to ensure that proposers have access to as much information as possible to inform their decision on whether to protest the Port's selection decision: no later than 3 business days following the Port notifies all proposers of the apparent successful proposer for each concession opportunity, the Port will also post copies of all proposals for that specific concession opportunity to its public records website. The only exception to the foregoing will be the following sections of each proposal (the "Sections with Potentially Exempt Material"):

- Section 9 Question 3 (v.)
- Section 9 Question 3 (vi.)
- Section 9 Question 3 (vii.)
- Section 9 Question 3 (viii.)
- Section 9 Question 4
- Section 9 Question 9

**ALL other sections of EVERY proposal (the "Remaining Sections") will be posted to the Port's public disclosure website without any review by the Port for the applicability of an exemption, and Proposers are hereby notified that they should not include any information that is exempt from public disclosure under the PRA in the Remaining Sections. By submitting a proposal, Proposers agree to release, defend, indemnify, and hold harmless the Port (and its employees, agents, and commissioners) from and against any claim, damages, costs, or cause of action of whatsoever kind or nature that may arise from or relate to Proposer including any information that may be exempt from public disclosure in any of the Remaining Sections.**

The Port will promptly notify the submitting Proposer of any requests for public disclosure of Proposer's Sections with Potentially Exempt Material. Proposer shall be responsible for and bear the costs of taking legal action in an attempt to prevent disclosure of such documents. In no event shall the Port be liable to Proposer for disclosure of Proposer's documents the Port deems disclosable under Chapter 42.56 RCW.

## **7.10 REJECTION OF PROPOSALS:**

The Port reserves the right to accept or reject any or all proposals in their entirety or in part, and to waive minor irregularities. What constitutes a "minor irregularity," as that term is used herein, shall be within the sole discretion of the Port, and the Port's discretion shall not be limited by case law that applies procurement requirements that arise out of state or federal

competition requirements. The Port may, at any time, determine that a particular requirement may be modified or waived. If the Port makes a determination that a particular requirement be modified or waived prior to awarding the concessions opportunity to the selected Proposer, then the requirement(s) will be modified or waived for all proposers and all proposals will be evaluated in light of the change. In the event that, in the Port's sole determination, there is not an acceptable Proposal, the Port reserves the right to (i) enter into direct contract negotiations with any party on such terms and conditions as are then acceptable to the Port, notwithstanding any provisions of this CEP. Absolutely nothing in this procurement is intended, or should be construed, to create enforceable due process rights in favor of any Proposer or prospective Proposer.

## **7.11 WITHDRAWAL OF PROPOSALS:**

Submitted Proposals may be withdrawn prior to the deadline for submission of Proposals. Should a Proposer discover an error in their submission, following the submission deadline of September 18, 2019, may request for their Proposal not be score and returned with written notification no later than **September 25, 2019 at 4:00 pm Pacific**. The Port will not make any modifications on the Proposer's behalf.

After **September 25, 2019**, Proposers may not withdraw its proposal except on the forfeiture of its proposal guarantee to the Port as liquidated damages.

## **7.12 PROTEST PROCEDURES:**

### **7.12.1 PURPOSE**

These protest procedures are included in this invitation, solicitation or request (for convenience, the "CEP") to provide a prompt, fair and equitable administrative remedy to all Proposers and prospective Proposers regarding alleged substantive errors or omissions in the CEP or regarding any decision by the Port to award the contract, to declare a proposal non-responsive, or to find a Proposer not responsible.

### **7.12.2TIMING**

Any Proposer or prospective Proposer showing a substantial economic interest in the contract to be awarded under this CEP may protest to the Port (a "Protest") only in accordance with the procedures set forth below. There are two types of protest available to Proposers or prospective Proposers. The first must be submitted prior to Proposal submittal and by the date stated below. The second type of protest can be filed after Proposals are submitted but must be filed within the deadlines described below.

**7.12.2.1Pre-proposal Protests (Protests based on the form or content of the CEP documents):**

Any Protest based on the form or content of the solicitation documents included with the CEP or any addendum (including, but not limited to, any terms, requirements and/or restrictions therein) must be filed with the Port as soon as practicable at: Port of Seattle, Seattle-Tacoma International Airport, Aviation Office Building, 17801 Pacific Highway South, Seattle, Washington 98158, Attention: Dawn Hunter. This is the point where prospective Proposers must raise any concerns relating to the criteria for award published by the Port. Protests challenging the criteria shall not be considered post-award. The transmittal envelope must clearly identify the CEP number on its face and be labeled as a "Protest." **No protest based on the form or content of the solicitation documents will be considered if received by the Port after 5:00 pm Pacific time on July 25, 2019.**

7.12.2.2Post-Proposal-Submittal Protests:

The Port will provide notice to every Proposer when any of the following occur, and the deadline for a protest based thereon shall be as follows:

- A Proposal is rejected → Protest deadline is 5:00 P.M. (Seattle time), 4 business days after the date the notice was sent to the Proposer indicating that the Proposer's Proposal was rejected;
- Two or more Proposers are shortlisted for further evaluation by the Port to submit revised proposals, and/or to submit modified proposals, and/or to submit BAFOs, and/or to participate in an interview process → Protest deadline is 5:00 P.M. (Seattle time), 4 business days after the date the notice was sent to the Proposer indicating that the Proposer was not shortlisted for further evaluation; and
- One Proposal is selected for award → Protest deadline is 5:00 P.M. (Seattle time), 4 business days after the date the notice was sent to the Proposer indicating that the Proposer was not selected for award.

The foregoing deadlines are mutually exclusive. Specifically, if a Proposer's Proposal is rejected, all of its protest rights related to this solicitation terminate (4) business days after Proposer is notified that its Proposal was rejected. Unless it timely submits a protest and the Port grants its protest, that Proposer shall not be allowed to protest upon any subsequent notification. Similarly, if a Proposer is notified that it was not shortlisted, all of its protest rights related to this solicitation terminate (4) business days after Proposer is notified that it was not shortlisted for a subsequent step. And unless Proposer timely submits a protest and the Port grants its protest, that Proposer shall not be

allowed to protest upon any subsequent notification.

Protests described in this section must be filed with the Port at: Port of Seattle, Seattle-Tacoma International Airport, Aviation Office Building, 17801 Pacific Highway South, Seattle, Washington 98158, Attention: Dawn Hunter, within the time periods specified above. The transmittal envelope must clearly identify the CEP number on the face of this document and be labeled as a "Protest." ***No protest will be considered by the Port if all proposals are rejected or if the protest is received after the timelines set forth herein.***

#### 7.12.3 CONTENTS OF PROTEST:

To be considered, a Protest shall be in writing and shall include: (1) the name, street address, telephone number and email address of the aggrieved party; (2) the CEP title and number under which the Protest is submitted; (3) the economic interest of the aggrieved party in the contract to be awarded under the CEP; (4) a detailed description of the specific grounds for the Protest and any supporting legal and/or factual documentation; and (5) the specific ruling or relief requested.

In the event the protesting party challenges the responsiveness or responsibility of any other Proposal/Proposer as a grounds for Protest, the protesting party must address in detail the specific responsiveness or responsibility criteria identified in the particular CEP and, absent such specific responsibility criteria, one or more of the following matters: the ability, capacity, and skill of the Proposer to perform the contract or provide the service; the character, integrity, reputation, judgment, experience, and efficiency of the Proposer; whether the Proposer can perform the contract within the time specified; the Proposer's quality of performance of previous contracts or services; the previous and existing compliance by the Proposer with laws relating to the contract; and any other information having a bearing on the decision to award the contract to the Proposer.

#### 7.12.4 REVIEW

For Pre-bid Protests the Port reserves the right to resolve or to attempt to resolve any Protest that concerns the form or content of the solicitation documents and which Protest was timely received before the Proposal opening through written addenda to the CEP documents.

The purpose of the Post-award Protest process is to ensure the appropriate steps have been taken by the Port when a Proposer is dissatisfied with a decision to



award a contract to another Proposer or whose proposal has been disqualified. This process does not create any due process rights, but is intended to allow Proposers to raise concerns regarding actions taken regarding the Port's process. The Port shall promptly consider the Protest based on the written submittal. In its sole discretion, the Port may give notice of the Protest to other interested parties, including other Proposers.

For Post-award Protests the following types of issues will be considered an appropriate basis for a Protest:

- An alleged violation of state or federal laws;
- An alleged violation of Port policies or procedures; or
- An alleged failure of the Port to follow terms or processes set out in the applicable CEP.

The filing of a Protest does not operate as a stay of action in relation to the awarding of a contract.

Any Protest will initially be reviewed by the Port's General Counsel to ensure compliance with these requirements.

#### 7.12.5 DISCRETIONARY PROTEST HEARING:

The Port may, in its sole discretion, elect to hold a hearing regarding the Protest. A hearing will not, however, generally be held unless the Port believes it would be helpful to resolution of the Protest. At the hearing, the aggrieved party will be given a reasonable opportunity to present relevant testimony and evidence and to make legal arguments. Other interested parties may also be given the opportunity to do so. The hearing will generally be recorded, and the Port will maintain an official record of all documentary evidence presented at the hearing. The hearing panel will consist of the Managing Directors of the Aviation, Economic Development, and Maritime Divisions, or their designees. The Port's General Counsel or his or her designee will also participate in the hearing as a non-voting member.

#### 7.12.6 AWARD OF THE CONTRACT

The Port will issue a written Final Decision containing its decision with respect to any Protest lodged by a Proposer. In making its decision, the Port may consult with others and consider information relating to the Protest from any source, including other interested parties. A copy of the Final Decision will be provided to any party, and any other party as may be required, by either: (i) personal service or (ii) email, with telephonic confirmation.

#### 7.12.7 STAY OF AWARD OF THE CONTRACT

The Port will stay award of the contract for two (2) business days, following the issuance of its Final Decision. The term “business day” shall mean any day on which the Port of Seattle’s business office at the Airport Office Building is open for regularly conducted business.

#### 7.12.8 JUDICIAL PROCEEDINGS

All judicial proceedings must be filed within two (2) business days of the issuance of the Port’s Final Decision. The stay provided by Section 7 is specifically intended to ensure that any request for judicial relief proceeds orderly and that the Port is provided advance notice thereof.

Therefore, an aggrieved party that intends to commence judicial proceedings shall specifically provide notice to the Port prior to the commencement of such proceedings. The notice shall be provided to the Port’s General Counsel at 2711 Alaskan Way, P.O. Box 1209, Seattle, WA 98111, (206) 787-3000.

#### 7.12.9 STRICT COMPLIANCE

Strict compliance with these protest procedures is essential in furtherance of the public interest. Any aggrieved party that fails to comply strictly with these protest procedures is deemed, by such failure, to have waived and relinquished forever any right or claim with respect to alleged irregularities in connection with the solicitation or award of the contract. No person or party may pursue any judicial or administrative proceedings challenging the solicitation or award of the contract to be awarded by this CEP, without first exhausting the administrative procedures specified herein.

#### 7.12.10 REPRESENTATION

An aggrieved party may participate personally or, if a corporation or other artificial person, by a duly authorized representative. Whether or not participating in person, an aggrieved party may be represented, at the party’s own expense, by counsel.

#### 7.12.11 ACKNOWLEDGEMENT

By submitting a proposal in response to this CEP, the Proposer acknowledges

that it has reviewed and acquainted itself with the protest procedures herein and agrees to be bound by such procedures as a condition of submitting a proposal.

### **7.13 SMALL AND DISADVANTAGED SUPPLIER PROCUREMENT:**

The Port seeks to stimulate economic activity among small and disadvantaged businesses as a result of the provision of business opportunities at the Airport. Proposers are encouraged to provide information about potential business partners through either a partnership, sublease, and/or joint venture; or suppliers for the proposed business, which the Port may deem to be small and/or disadvantaged. Proposers also are encouraged to provide information about possible efforts to encourage Airport Concession Disadvantage Business Enterprise (ACDBE) and/or Disadvantage Business Enterprise (DBE) certification among such suppliers that may qualify. Specific submittal requirements are outlined in Section 15.

### **7.14 LEASE AND CONCESSION AGREEMENT:**

The selected Proposer will enter into an L&C Agreement with the Port. A draft of this document is attached as **Exhibit 5**. The Port specifically reserves the right to negotiate the final L&C Agreement terms with the selected Proposer. The Port will be guided by the attached draft L&C Agreement and any comments provided by the Selected Proposer in **Form 8.4** in negotiating the final terms of this agreement. The attached draft L&C Agreement shall not, however, operate as a limit to the Port's ability and authority to negotiate the final terms of the L&C Agreement as the Port determines to be in the best interest of the Port and its stakeholders. The Port may request supplemental or additional information from the selected Proposer as part of these negotiations.

### **7.15 EXECUTION OF LEASE AND CONCESSION AGREEMENT**

The selected Proposer shall execute a Lease and Concession Agreement within sixty (60) days of receipt of the L&C Agreement from the Port. If the L&C Agreement is not signed by the Selected Proposer within this timeframe, the Port, in its sole discretion, may cancel the Selected Proposer and the Port may offer the opportunity to the Proposer that is deemed during the evaluation process to have the second-highest score based on the evaluation criteria. Cancellation will be through written notice from the Port and the cancellation date will be effective on the date specified in the notice.

### **7.16 COMMON MISTAKES MADE BY PROPOSERS**

This Section shall serve for informational purposes only of some common mistakes made by proposers in past Port of Seattle Airport and Dining CEP/CEP. It is not a comprehensive list:

- Failure to sign the required pages
- Failure to submit the required pages

- Does not meet the minimum requirements
- Failure to provide Evidence of a labor Peace Agreement
- Company executed evidence of Labor Peace Agreement not in the entity that the L&C Agreement would be with
- Company signed required forms not in the entity that the L&C Agreement would be with
- Exceeding the page requirements

### **7.17 POST-AWARD DEBRIEF**

A Proposer may, upon written request, request a debriefing from the Port to be conducted after the Lease and Concession Agreement for the specific opportunity on which the Proposer proposed is executed by the Port. The debriefing will not include point-by-point comparisons of the debriefed Proposer's proposal with those of other Proposers; nor will it include a section-by-section description or explanation of the Proposal's scoring. Moreover, the debriefing is not intended to reveal any information prohibited from disclosure or exempt from release. Instead, it is intended to provide high-level, constructive feedback to Proposers about how to generally improve their proposals and/or to highlight areas of their proposals that were particularly strong or weak so that they can improve in subsequent solicitations from the Port and other public owners.

An official summary of the debriefing shall be included in the contract file and a copy will be provided to the debriefed Proposer.

## SECTION 8: PROPOSAL FORMS

### **LIST OF FORMS TO BE SUBMITTED WITH PROPOSAL**

Form 8.1 Pre-Proposal Meeting Attendance Form

Form 8.2 Proposer's Certification

Form 8.3 Proforma (in Excel format)

Form 8.4 Proposal Form

Form 8.5 Financial Offer Form

Form 8.6 Capital Investment Form

Form 8.7 Job Quality, Workforce training, and Employment Continuity Information Form

Form 8.8 CEP Minimum Requirements Form

***Proposers must provide written responses to the following Sections Nine through Fifteen, which are included in the evaluation criteria.***

## SECTION 9: BACKGROUND, EXPERIENCE, AND FINANCIAL CAPABILITY

The Proposer must demonstrate stability, experience and expertise plus customer satisfaction in operating a business in a challenging environment similar to that proposed. The Proposer must demonstrate that it has the financial capacity to fulfill the commitments of an L&C Agreement with the Port. Information submitted in response to this section must include a narrative for each of the following items, in the same order as they are listed below.

1. Include a brief history of the Proposer's business.
2. Note any changes in Proposer's name(s) and ownership structure(s) and any other names under which the Proposer has been doing business.
3. Explain in detail the Proposer's food service, retail and/or service operating experience (as applicable to the specific type of concession being sought here) that includes:
  - a) Number of years of relevant experience operating in a mall, downtown, airport, or other high-traffic location.
  - b) Number of locations currently in operation and specific experience with the offered concept, if any.
  - c) Descriptions of up to three (3) current operations most relevant to those included in this Proposal. For these relevant operations, list:
    - i. Square footage
    - ii. Gross sales for the last three years
    - iii. Sales per square foot
    - iv. Enplanements for those years (if an airport property)
    - v. Average sales per transaction
    - vi. Guaranteed rent or base rent (if applicable)
    - vii. Percentage rent (if applicable)
    - viii. Actual rent paid
    - ix. Term of lease (including commencement and expiration dates)
    - x. Capital investment (broken down into initial build-out and refurbishments, if applicable)
    - xi. Photographs (if available)
    - xii. Include a description of any operational challenges, including
      - Logistics
      - Seasonal business swings
      - Employee retention
      - Any others deemed appropriate
  - d) Names, addresses, and telephone numbers of the current landlords or property managers for each of these operations who will be familiar with the day-to-day operations of your business.

- e) Provide examples of any customer satisfaction comments, survey results, ratings, awards, etc. that company may have received for the proposed concept(s).
- 4. Identify and substantiate the sources and amounts of funding to be used for tenant improvements and working capital.
- 5. Indicate the number of full-time and part-time employees, if applicable, both currently and over the past twelve months. If this is a new entity, please provide employee information for both the current and twelve-month prior operations of the owners/partners.
- 6. List any judgments or lawsuits currently pending or judgments rendered against you (and any affiliated entities providing services comparable to those being proposed) within the last ten (10) years.
- 7. Also, list any lawsuits filed by you (and any affiliated entities providing services comparable to those being proposed) in the last ten (10) years.
- 8. Note if the Proposer or any of Proposer's shareholders, partners, or members have ever declared bankruptcy, filed a petition in any bankruptcy court, filed for protection from creditors in bankruptcy court, been named as a defendant in any legal proceedings, or had involuntary proceedings filed in bankruptcy court and the status of each occurrence.
- 9. Provide a copy of your latest financial statement or other financial information prepared by an independent Certified Public Account or officer of Proposer. Proposer is responsible for the validity and accuracy of all financial statements submitted. Any data outliers should be explained in the footnotes.

If Proposer is a joint venture or partnership, be sure to include the requested information below for all of the parties involved.

**All pages submitted are included toward the overall page count limit.**

- a) Balance sheet for each of the last three (3) fiscal years
- b) Income statements for each of the last three (3) fiscal years
- c) Cash flow statements for each of the last three (3) fiscal years
- d) If the Proposer is a newly-formed organization, the Proposal must include a certified statement of the names of the officers of the organization to be formed, the principal occupation of all members of the new organization's Board, and certified statements of the personal net worth statement following 49 CFR Par 26 (Airport Concessions Disadvantage Enterprise) format for each shareholder, member, or partner in the organization for the last three years.



## SECTION 10: CONCEPT DEVELOPMENT

Demonstrate the ability of the concept (or concepts) proposed to meet or exceed the expectations described in Section 5.1 for the unit or units. The Airport is a competitive environment for customer spending; therefore, the ability to attract business hinges on developing a concept with broad and lasting customer appeal.

Information submitted in response to this section must include a narrative description of the following:

1. Provide details of the restaurant(s) or retail concept(s) proposed, including:
  - a) Proposed store name/concept
  - b) Statement regarding whether it would be a franchised/licensed operation
  - c) Rationale for its selection for the Seattle-area market
2. Fully explain why you believe this concept will be successful at Sea-Tac.
3. Provide a services list/merchandise, including proposed pricing.
4. Provide franchise and/or license authorization letters for any franchised or licensed concepts in the Proposal.

## SECTION 11: UNIT DESIGN, MATERIALS AND CAPITAL INVESTMENT

Demonstrate and describe the quality of unit design, efficient use of space, selection of appealing and durable materials (including sustainable materials) and its relation to or reinforcement of the Pacific Northwest Sense of Place as described in the Port of Seattle's ADR Design Guidelines and Tenant Design and Construction Process Manual, which are located on the Port's website: <http://www.portseattle.org/Business/Construction-Projects/Airport-Tenants/Pages/Reference-Documents.aspx>, as well as the reasonableness of the proposed capital investment in the unit(s).

Proposer will submit the following. Renderings (or photographs) and floor plans may not exceed 11" by 17":

1. Preliminary renderings of the proposed concept(s) that are representative illustrations of the exterior and interior of the concept(s), proposed color schemes, and graphics. In the case where a proposer intends to virtually duplicate an existing concept that the proposer has developed elsewhere, the proposer may substitute pictures or photographs of an existing facility for the renderings.
2. A floor plan for should be provided, indicating:
  - a. Locations for fixtures including but not limited to, counters, queuing, kitchens, seating (including estimated number of seats), merchandise displays, etc.
  - b. Point-of-sale counters
  - c. Back-of-house area, as appropriate
  - d. Indicate the square footage to be allocated to front versus back-of-house areas.
  - e. How customers with bags will be accommodated.
  - f. Please be sure to stay within the lease lines shown in the lease outline drawings provided with this CEP and do not add space that is outside of the lease lines.
3. A list of materials to be used per unit that demonstrates the quality of the materials to be used in each location, including:
  - a. Floor covering
  - b. Wall covering
  - c. Ceiling treatment
  - d. Service counter and display units or fixtures
  - e. Any proposed signage, interior and exterior
4. Provide information about environmental sustainability considerations planned for the design and build-out of the unit(s), such as materials procurement and other sustainable practices.
5. Identify the minimum capital investment (per square foot and total) that will be made to build out the unit(s) (not including the cost of initial inventory), along with a separate figure for the minimum investment per square foot that will be invested for the midterm refurbishment of the unit(s), using the fillable pdf form in **Form 8.6**.

## SECTION 12: FINANCIAL PROJECTIONS AND FINANCIAL OFFER

Your Proposal must include, at a minimum, a completed financial offer using Form **8.5** as well as a completed Pro Forma noted below. Both documents are available electronically on the Sea-Tac Airport leasing website ([www.lease.seatacshops.com/forms](http://www.lease.seatacshops.com/forms)) and require the following information:

1. Proposed percentage rent structure.
2. Completed financial Pro Forma for each individual unit, as well as for the entire package in the case of a multiple-unit package. The Pro Forma must be submitted electronically in Excel using the downloadable template. A written sample of the Pro Forma template **Form 8.4**.

Sales projections will be evaluated for reasonableness based on historical performance, the company's demonstrated experience in other locations, and other factors deemed appropriate by the Port in its sole discretion. Revenue to the Port will be evaluated based upon the proposed percentage fee of projected gross sales and the total amount of revenue the Port could expect to receive based on the Proposal for the term of the L&C Agreement. The sales projections in the Proposal will be used in the evaluation of the total revenue to the Port, but the Port specifically reserves the right to make adjustments to projections. Proposer may submit additional information in support of its completed financial Pro Forma. Any such information will count against the overall page limit for Proposer's Proposal.

## SECTION 13: MANAGEMENT/STAFFING, OPERATIONS, CUSTOMER SERVICE, AND ENVIRONMENTAL SUSTAINABILITY

The Proposer must demonstrate its ability to effectively manage all units and operations, which also includes quality leadership and adequate levels of staffing. The Proposer must also demonstrate its commitment to reliable, safe, clean and well-merchandised operations, as well as a proactive and consistent approach to preserving the units (including equipment). The Proposer must also demonstrate its commitment to providing a high level of customer service at its operations at Sea-Tac. Environmental sustainability measures that Proposer currently or will practice in the operation of the business, including (where applicable) separation of waste, recycle and compost, and use of durable or Cedar Grove approved compostable or recyclable food service-ware should be documented.

Describe your **management and staffing** structure in terms of the following:

1. Please include a staffing plan for an average day showing all proposed hours of operation, employee positions and management by hour.
2. Explain the company's philosophies and goals regarding recruitment and retention of management and front-line staff.
3. Describe methods used to determine:
  - a) Level of staffing required to provide excellent customer service
  - b) Product quality
  - c) A well-maintained and clean unit
4. Indicate your commitment to meeting the operational conditions of the airport environment in specific regard to the operating hours.

Describe your **operating standards** in terms of the following:

5. Standards for day-to-day operations, including:
  - a) Cleaning (areas and frequency)
  - b) Equipment and furniture upkeep
  - c) Preventive maintenance schedules for all systems
  - d) Means used to track and document these practices

Describe your **customer service practices in terms of the following:**

6. Provide a Sea-Tac specific customer service plan that includes at a minimum:
  - a) Customer service training
  - b) Procedures for handling complaints
  - c) Monitoring procedures to ensure that staff are providing high-quality service

Describe your **environmental philosophy and practices** in terms of the following:

7. Environmental philosophies and practices that are a part of your day-to-day operation.
8. Commitment to participate in airport environmental composting and recycling initiatives and use durable or Cedar Grove approved compostable or recyclable food service-ware.
9. Other environmentally-sustainable sourcing practices and product packaging that will be implemented at Sea-Tac.

## SECTION 14: JOB QUALITY, WORKFORCE TRAINING, AND EMPLOYMENT CONTINUITY

*Your response to Section 14 should include a completed Form 8.7.*

The Port Commission supports the creation of business opportunities that foster economic prosperity, entrepreneurial initiative, increased job opportunity and job security. In addition, the Commission is committed to the creation of job opportunities that offer wage compensation and other benefits that allow employees to thrive and the empowerment to seize opportunities for personal and professional growth. The company must provide detail regarding its commitment to employment continuity, provision of quality jobs, sustainable wages, benefits and paid time off (PTO).

You must include information by completing **Form 8.7**, and attaching any additional pages as necessary (which will count against the overall page limitation) to provide additional information to fully describe Proposer's programs and commitment.

## SECTION 15: SMALL BUSINESS PARTICIPATION

The Port Commission supports the creation of business opportunities that foster economic prosperity and entrepreneurial initiative. The Port Commission also recognizes that small businesses are key to the success and growth of our local, regional and national economies.

Proposers must include information about the following:

- I. Small Business Qualifications - Proposers should indicate whether they qualify as a small business either (i) relative to the standards adopted by the U.S. Small Business Administration (SBA) in accordance with the size standards for their North American Industry Classification System (NAICS) codes or (ii) by being certified as an Airport Concessions Disadvantaged Business Enterprise (ACDBE) based on the eligibility standards in 49 CFR Part 23, Subpart C.

- a) If a Proposer qualifies as a small business relative to the SBA small business size standards, include the following information in the Proposal:

- Business address and date of the establishment of your business
- NAICS code for your business
- Average annual receipts over the last three years
- Confirmation that your business is organized for profit
- Confirmation that your business operates primarily in the U.S. or makes a significant contribution to the U.S. economy through payment of taxes or use of American products, materials, or labor
- Federal Tax Identification number
- Confirmation that your business is independently owned and operated
- Confirmation that your business is not dominant in its field on a national basis

In connection with this item, the Port may also consider some of the information provided in response to Section 1.3, including (but not necessarily limited to) the Proposer's organizational structure, details about Proposer's organization, and the number of employees.

- b) If a Proposer qualifies as a small business by certification as an ACDBE, include the following information in the Proposal:

- Business address and state and date of the establishment of your business
- NAICS code for your business
- Average annual receipts over the last three years
- Federal Tax Identification number
- Copy of ACDBE certification

2. If Proposer is a joint venture including a small business, provide the following information in the Proposal:

- Items from section I.a. or I.b. above, as appropriate, for each small business partner in the joint venture
- Copy of a joint venture agreement that meets the FAA guidelines for joint ventures with roles and responsibilities and ownership percentages for all parties. **(Not included as part of total page count)**
- The percentage of capital invested by each joint venture partner

NOTE: Only joint ventures that include a minimum of twenty percent (20%) ownership and capital investment participation will receive the small business participation points detailed in the evaluation process below.

3. Indicate whether and to what degree you commit to, and your proposed operation will include, any of the following three opportunities for participation by local, small and/or disadvantaged firms. A Proposer shall describe how its commitment meaningfully and significantly supports local, small, and/or disadvantaged businesses participation.

- a) Sourcing products and/or supplies and/or providing product placement opportunities for products produced by local, small and/or disadvantaged firms
- b) Mentoring of one or more small businesses, which could include an association or collaboration with a small business and/or ACDBE firm that does not otherwise qualify as a formal joint venture/partnership
- c) Utilizing local, small and/or disadvantaged firms in the design and/or construction of your unit(s)



## SECTION 16: EVALUATION PROCESS

### 16.1 GENERAL PROCESS

The Port will review the Proposers' Proposals using the following general process, which the Port reserves the right to modify with or without notice to Proposers:

- After receipt, Proposals will be reviewed for compliance with stated Minimum Requirements. Proposals that do not meet the stated Minimum Requirements may be rejected and not considered further.
- Proposals will be reviewed for compliance with applicable page limitations. Proposals that exceed the page limitations will be redacted consistent with the limitations, and then page-limit-compliant redacted proposals will be distributed to the evaluation panel members.
- Evaluation panel members will separately review all of the proposals. Each evaluator may take notes on the proposals, through some other means, or not at all, as the evaluator deems appropriate.
- The evaluation panel members will meet to discuss and ultimately agree upon a consensus score for each separately-scored section of each Proposal. Generally speaking, for each concession opportunity, the evaluation panel will discuss and score the same section of each Proposal at the same time, before moving on to the discussion/scoring of the next section of each Proposal. For example, if the evaluation panel is reviewing five proposals for a specific leasing opportunity, they would discuss and agree upon a score for the Background, Experience and Financial Capability section for Proposal A, then do the same for Proposal B, then Proposal C, etc., before moving on to evaluate the next section of each of Proposals A, B, and C.
  - Some proposal-specific observations, comments, remarks, strengths and/or weaknesses may be noted, primarily for the purpose of providing high-level constructive feedback to unsuccessful proposers after a lease and concession agreement is executed. These notes will be the only notes retained as part of the procurement record – all others will be superseded and not retained.
  - The Evaluation Panel may, but shall not be required to, directly compare corresponding sections of different Proposals against each other as part of the consensus scoring process to arrive at its consensus score.

## 16.2 EVALUATION CRITERIA

Proposals meeting the Minimum Requirements will be evaluated by the Port based on the Proposers' responses to the Proposal requirements outlined in Sections 9 through 15 above, with the following points associated with each criterion:

<b>Background, Experience and Financial Capability:</b>	<b>200 points</b>
<b>Concept Development:</b>	<b>250 points</b>
<b>Unit Design, Materials and Capital Investment:</b>	<b>200 points</b>
<b>Financial Projections and Financial Offer:</b>	<b>200 points</b>
<b>Management/Staffing, Operations, Customer Service, and Environmental Sustainability:</b>	<b>250 points</b>
<b>Job Quality, Workforce Training, and Employment Continuity:</b>	<b>200 points</b>

*Important note about Job Quality, Workforce Training, and Employment Continuity scoring:*

- One Hundred Fifty (150) of the Two Hundred (200) points for this category will be awarded based on wages, healthcare benefits, and retirement benefits.
  - The Proposer with the highest combined total of the following items will receive the full One Hundred Fifty (150) points:
    - Average starting wage for all non-managerial employees as noted in **Form 8.7**, Table 11.2, less the current Proposition 1 minimum wage of \$16.09 per hour.
    - Average amount per hour that Proposer will contribute to the healthcare benefits per non-managerial employee times the percentage of non-managerial employees that will receive these benefits in the first year of operation as noted in **Form 8.7**, Table 11.4.
    - Average amount per hour that Proposer will contribute to the retirement benefits per non-managerial employee times the percentage of non-managerial employees that will receive the

benefits in the first year of operation as noted in **Form 8.7**, Table 11.5.

- All other Proposers will receive a portion of the 15 points based on the computed ratio of their combined total of the above items divided by the highest combined total of the above items.
- Fifty (50) of the Two Hundred (200) points will be awarded for the remaining topics requested on **Form 8.7**.

### **Small Business Participation:**

**200 points**

*Important note about Small Business Participation scoring:*

- A Proposer that qualifies as a small business as defined in **Section 15** will automatically receive One Hundred (100) points.
- Prime operators that propose a joint venture with one or more small businesses with a minimum participation level of twenty percent (20%) **and** submit a joint venture agreement(s) that meet(s) the FAA guidelines for joint ventures will automatically receive Fifty (50) points, regardless of whether or not the Proposer proposes to operate a national brand through a franchise, license, joint venture, or other business structure. Any joint ventures that do not meet these criteria will not receive any points.
- Point allocation for **Section 15 Question 3** is broken out as follows:
  - Question 3(a) Forty (40) Points
  - Question 3(b) Forty (40) Points
  - Question 3(c) Twenty (20) Points
- Small Business and/or ACDBE's may receive **up to Two Hundred (200) points** by using any of the following combinations:
  - Small Business (100 pts) and Section 15 Question 3 (100 pts)
  - ACDBE (100 pts) and Section 15 Question 3 (100 pts)
- Prime Operators may receive **up to One Hundred Fifty (150) points** by using any of the following combinations:
  - Prime Operator with a valid Joint Venture (50 pts) and Section 15 Question 3 (100 pts)
  - Prime Operator without a Joint Venture Section 15 Question 3 (100 pts)
- No Proposer may earn more than Two Hundred (200) points for the Small Business Participation element regardless of the combinations used.

## 16.1 PROPOSAL ACKNOWLEDGEMENTS

By sending a Proposal, the Proposer declares that the facts set forth in the Proposal are true and correct. The Proposer recognizes that the Port of Seattle will rely on the information provided in the Proposal in determining the credit status of the Proposer and that any substantial discrepancies that may come to the Port of Seattle's attention before or after execution of an L&C Agreement may result in the Port of Seattle finding the L&C Agreement to be in default and may exercise any of the remedies prescribed in the L&C Agreement. The Proposal is for informational purposes only and is not to be considered in any way a commitment to enter into an L&C Agreement. Any false statements, omissions, or other misrepresentations made in the Proposal may result in immediate disqualification.

Further, the Proposer authorizes any person or entity to release or furnish information to the Port of Seattle as may be requested in connection with their review and evaluation of this Proposal.

ADDITIONAL INFORMATION MAY BE REQUIRED THAT COULD INCLUDE, BUT IS NOT LIMITED TO, TAX RETURNS, PLANS AND DESIGNS, AND BUSINESS PLANS.

Proposers will be required to participate in an in-person interview to clarify their Proposal, if necessary. The Proposer further agrees that all Proposals, financial statements, tax returns, reports, and other materials furnished or obtained in connection herewith shall become the property of the Port of Seattle. The information provided by the Port of Seattle, its employees and leasing agent – whether at the outreach meetings, informational meetings, or tours, in written form, on the website, or otherwise – is intended to provide a general overview of potential business opportunities at Seattle-Tacoma International Airport. That information, including but not limited to, historical sales performance of existing and prior concessionaires, forecast enplanement levels, air carriers/air service, facility conditions, and security requirements is considered reliable, but is subject to change, and the Port makes no representation or warranty about its accuracy.

In addition, operating a restaurant, retail shop, or personal service business in an airport environment is unique and unlike similar operations in a “street” or mall location. The opportunities and challenges that affect success are many, and they are often unpredictable. In order to be successful, an operator must possess a high degree of business acumen and an ability to uphold high standards of operation and customer service under sometimes difficult and frequently changing circumstances. Similar to a shopping mall or other non-airport environment, the Port (like other landlords) cannot guarantee or warrant circumstances beyond its control.

In addition to those factors that can affect profitability at non-airport locations, the following additional circumstances – all of which are beyond the Port's control – can affect airport business opportunities:

- The number of enplanements/passengers Airport-wide can be affected by global, regional, or local economic conditions.
- The number of enplanements/passengers in any given concourse or Airport concession zone can be affected by carrier mergers, destination changes, airline insolvencies, and many other events.
- The locations or number of air carriers providing service at the Airport can be affected by airline scheduling, relocations, consolidations, or retractions.

The Port is not responsible for any of these events and cannot accept responsibility for their consequences.

The location, number, and type of competing dining and retail businesses are also unique in an airport environment. The Port does not typically grant exclusive leases of any kind and may add and/or relocate new/existing concession businesses as circumstances dictate.

Concessionaires are regularly acquired and sometimes change brands. Moreover, the Port, in many instances, seeks to promote competition between its concessionaires to increase the overall level of service at Sea-Tac and to the traveling public. The Port likewise cannot accept responsibility for circumstances as a result of these actions.

Please understand that Proposers are responsible for evaluating whether any specific opportunity is an appropriate fit for your financial circumstances, your business acumen, and your operational skills. The Proposer is responsible for the due diligence to determine whether you believe that you will be able to recover any investment made by the end of a granted lease term. The Port makes no warranty that Proposers will recover their investment or that the business will yield a profit.

By submitting a proposal, Proposers expressly acknowledge and agree that the Port is not required to follow any competitive solicitation process for Airport concessions that are covered by this solicitation; and the Port may (at its sole discretion and without providing advanced notice to Proposers) waive or modify any process, procedure, or requirement set forth in, implied by, or inferred from the CEP.

Proposer acknowledges that on the same date that the Port notifies all proposers of the apparent successful proposer for each concession opportunity, the Port will also post copies of all proposals for that specific concession opportunity to its public records website, except for the Sections with Potentially Exempt Material. Proposer understands the process the Port will use for making Proposals publicly available under the PRA as set forth in Section 7.9 Public Disclosure, and acknowledges its responsibilities therein, including the obligation to ensure that no PRA-exempt information is included in the Remaining Sections.

Prior to Proposal, all Proposers are required to review the document entitled “Operating a Concession Business at Seattle-Tacoma International Airport” attached as **Exhibit 4**.

Proposal checklist is attached as **Exhibit 1**.

BY SENDING A PROPOSAL, A PROPOSER ACKNOWLEDGES THAT THEY UNDERSTAND ALL INFORMATION CONTAINED IN THIS CEP AND ANY RELATED DOCUMENTS AND UNDERSTAND THAT NO WARRANTY OR REPRESENTATION OF ANY KIND IS BEING MADE THAT THE PROPOSER WILL RECEIVE ANY PARTICULAR LEVEL OF SALES, PROFITS, OR OTHER ECONOMIC BENEFITS IF ENTERING INTO A BUSINESS RELATIONSHIP WITH THE PORT OF SEATTLE. THE PORT WILL NOT CONSIDER ANY REQUESTS FOR RELIEF FROM FINANCIAL OR OTHER OBLIGATIONS COMMITTED TO IN AN EXECUTED LEASE AND CONCESSION AGREEMENT.

**END OF REQUEST FOR PROPOSAL DOCUMENT**