

**Request for Proposals for
Food and Beverage Concessions at
Tweed-New Haven Airport**

August 25, 2021

I. Background and Summary Information

Tweed-New Haven Airport (“Airport”) is operated by the Tweed-New Haven Airport Authority (“Authority”). The Airport is located in New Haven, CT, and in the New Haven/Milford MSA with a 2020 population of 852,000, ranking 68th in population in the US. The New Haven aviation catchment area for potential passengers is approximately 1.28 million.

Table 1 projects the annual scheduled enplanements for calendar years 2022 through 2024. A new ultra-low-cost carrier (ULCC) has chosen the Airport as its east coast base and will commence service in November 2021.

Table 1 – Airport Projected Annual Departing Passengers

Year	2022	2023	2024
Departing Passengers	300,000	342,000	384,000

The Authority is seeking proposals from qualified businesses within the Greater New Haven Area for on-airport and in-terminal food and beverage concessions. The Airport does not currently offer any food and beverage concession and intends to award one (1) food and beverage concession agreement (hereafter “Concession Agreement”) under this RFP (such awardee hereinafter “Licensee”).

II. Term

The Concessions Agreement will be awarded on or about October 1, 2021, with operations commencing on or about November 1, 2021, and continue for a term of three (3) years (unless earlier terminated under the terms of the Concession Agreement). The Authority may, at its discretion, extend the initial term for up to three (3) additional terms of six-month each. A “License Year” shall commence on the initial date of the operations under the Concession Agreement and extend for each twelve (12) month period for the initial term and any renewal terms.

It is noted that a new terminal may be constructed at the Airport and that the locations discussed herein may be closed in connection with that. The Concession Agreement will terminate upon the existing terminal closing. No rights to concession opportunities are granted in the new terminal, but absent any default on the Concession Agreement, Licensee will be included in solicitations therefor.

III. Reporting and Payment of Fees

1. Payment

Licensee will pay to the Authority as compensation for all facilities, rights, licenses, and privileges granted to it under the Concession Agreement Concession Payments as set forth below. Payment shall be due and made monthly.

On or before the fifteenth day following the end of each calendar month during the entire term of the Concession Agreement, Licensee shall furnish the Authority a report of its Gross Receipts (defined below) during the preceding calendar month and pay the Authority the

following Concession Fee, Concession Space License Fee, and Annual Capital Cost Recovery (collectively "Concession Payment"):

- a. A **Concession Fee** of the greater of Licensee's Bid Revenue Share of Licensee's Gross Receipts for the calendar month and one-twelfth (1/12) of Licensee's Minimum Annual Guarantee (MAG) (as defined herein);
- b. One-twelfth (1/12) the annual **Concession Space License Fee** for concession areas (as defined herein); and
- c. One-twelfth (1/12) of the fixed **Annual Capital Cost Recovery** (to be negotiated by the Authority and Licensee).

Within ninety (90) days following the end of each License Year and partial License Year at the termination of the Concession Agreement, Licensee shall submit an Income Statement prepared by an independent certified public accountant reasonably acceptable to Authority, following generally accepted accounting practices, showing the Gross Receipts for such License Year along with the data upon which that conclusion is based.

Within thirty (30) days of the receipt of each annual Income Statement, Licensee shall determine the adjustment, if any, between the total of the monthly payments made and the total annual Concession Payment due. If payments made during the preceding License Year exceed the Concession Payment due for that year, the excess shall be credited against Licensee's Concession Payment for the following License Year. Any excess payments received during the final License Year will be returned to Licensee within sixty (60) days of submission of the final certified Income Statement to the Authority. If the adjustment indicates that Licensee owes additional Concession Payment for any License Year, payment of the balance shall be made to the Authority within ten (10) days of Licensee's determination of the adjustment amount due. If the difference exceeds five percent (5%), ten percent (10%) will be added to the amount due.

The Authority shall have the right to audit Licensee's records upon which payments due are based and make its own calculation of the adjustment, if any, for each License Year. Failure of the Authority to make such calculation shall not relieve Licensee of the duty to determine such adjustment. If the Authority's calculation of the adjustment differs from Licensee's determination, the parties shall meet within thirty (30) days to reconcile any such discrepancy.

All Concession Payments shall be paid when due without notice, demand, counterclaim, or set off. Interest of 1.5% per month will accrue on any late payments.

2. *Concession Fee*

Under the Concession Agreement, Licensee will pay to the Authority an annual Concession Fee of the greater of:

- a. Licensee's Bid Revenue Share of Licensee's Gross Receipts for that License Year, and
- b. The Minimum Annual Guarantee (MAG) for that License Year.

"Bid Revenue Share" is a percentage of Licensee's Gross Receipts equal to or greater than sixteen percent (16%).

"Minimum Annual Guarantee" (MAG) is the Licensee's Estimated Gross Receipts (excluding taxes) multiplied by Bid Revenue Share. Proposals shall include three (3) separate MAG values - one for each year of the Concession Agreement.

“Gross Receipts” is defined as the total amount charged to customers by Licensee for or in connection to the sale of all food, beverages, and any other goods or services, but excluding federal, state, or municipal, or similar taxes collected by Licensee.

Licensee shall accept credit cards for payment for goods and services from all major credit cards (Mastercard, Visa, American Express, and Discover). The risk of such acceptance shall be borne solely by Licensee. No deduction from Gross Receipts will apply for charges associated with accepting credit cards, including for chargebacks.

Licensee shall be solely responsible for the payment of all sales, use, or other taxes to the applicable governmental jurisdictions, whether in effect at the time of the execution of the Agreement or thereafter enacted, which are levied upon the fees, charges, or concession percentage payable by Licensee.

Licensee shall charge fair, reasonable, and non-discriminatory prices for each unit of sales or service. Such prices shall be comparable to prices charged at comparable outlets within ten (10) miles of the Airport.

Licensee is prohibited from setting prices for each unit of sales or service that are greater than fifteen percent (15%) above comparable units of sales or service available within ten (10) miles of the Airport (“Street Pricing plus 15%”), based on pricing approved by the Authority.

3. *Concession Area License*

Two (2) locations are designated for food and beverage concessions in the departures hold room/gate areas of the Airport Passenger Terminal (see drawings in Appendix B). The “Café” location is approximately 400 square feet in total area, consisting of an employee work/food preparation area, service counter, a customer pay station, as well as an additional customer queuing area in front of the counter of approximately 100 square feet. The “Grab-N-Go” location is approximately 100 square feet, consisting of a food/beverage chiller and customer pay station, including a customer queuing area. Such spaces may be subject to adjustment. This RFP does not include a landside concession area.

Licensee will pay twenty-two dollars and seventy cents (\$22.70) per square foot (600 total sq. ft.) per year for licensing of the assigned concession areas, equal to approximately \$1,135.00 per month, plus a flat fee of \$600.00 per month to offset electric, water, and other common utility costs. The sum of these amounts is the Concessions Space License Fee.

Both concession areas are equipped with overhead lighting, heat, and air conditioning. The Café area will also be equipped with all necessary utility connections, including water, sanitary, and electrical. The leased space will be fully finished and equipped with commercial grade appliances, the specifications of which be coordinated with Licensee. Any specialty equipment, (e.g., coffee/cappuccino makers) will be supplied by Licensee. Licensee will have the right, at its own expense, to install, operate, and maintain telephone lines, internet connections, and illuminated company identification signage as coordinated with and subject to the Authority’s approval. Such signage shall be of a size and design approved by the Authority.

On each anniversary of the Concession Agreement, the MAG and Concession Space License Fee will be subject to increase, but not decrease, by the increase in the CPI over the one year ending in the month before that anniversary. The Authority will give notice of any such increase to Licensee.

The specific location of the concessions areas to be occupied by Licensee will be determined by the Authority and will be fixed for the term of the Concession Agreement.

IV. Other Terms

1. Performance Security

Licensee will be required to deposit with the Authority a security deposit (to be negotiated by the Authority and Licensee) as security for Licensee's performance and payment. That security deposit may be provided in cash or a letter of credit acceptable to the Authority. The Authority reserves the right to require a further performance guarantee based upon any Licensee's financial condition, experience, and payment history.

2. Qualifications

In addition to other requirements herein, each Licensee must satisfy to the Authority that:

- a. It has financial resources required to comply with these terms and conditions for the duration of the license and any renewals thereof.
- b. It has similar previous experience or directly involved management with such experience.
- c. It has the management resources to operate the Concession successfully.
- d. It has or will have sufficiently trained and qualified personnel to perform the required services in a satisfactory manner.

The Authority reserves the right to investigate information submitted, to independently evaluate the qualifications of each Licensee, and to disqualify any Licensee who does not, in the sole opinion of the Authority, meet all of these requirements, terms, and conditions.

3. Service Standards

Licensee will be required to agree to the following requirements and operating standards. Proposals must include a signed statement on Licensee's letterhead to this effect.

- a. Use and Operation – The license granted by the Authority shall be used to sell food and beverages.
- b. No sale of non-food or non-beverage items is permitted without the prior consent of the Authority in its sole discretion.

The Café location shall provide, at a minimum:

- a. Freshly brewed coffee, espresso, bottled juices, sodas, and water. Other specialty drinks should also be considered. Beer, wine, and other bottled or canned alcoholic beverages will be permitted provided that all required licensure is obtained by Licensee.
- b. Breakfast/Lunch selections, including items such as freshly baked breads/bagels with various spreads, pastries, hot/cold sandwiches, wraps, soups, salads, and desserts. Other specialty items should also be considered.

The Grab-N-Go location shall provide, at a minimum, bottled/chilled coffee beverages, juices, sodas, and water. Beer, wine, and other bottled or canned alcoholic beverages will be permitted provided that all required licensure is obtained by Licensee. Pre-packaged food items, including items such as sandwiches, salads, breakfast cereals/oatmeal, yogurt and granola, fruit, a variety of snacks, and candy.

Other retail items at either location shall only be made available for sale upon written approval by the Authority. Licensees should submit any retail concepts in their Proposal including news, gift, apparel, and electronics.

4. *Hours of Operation*

Licensee shall be open for business daily a minimum of 90 minutes before first scheduled air carrier departure, or 6:00 AM, whichever is earlier, and shall remain open until one-half hour after “wheels up” of the last commercial air carrier departure, which may be later than the scheduled departure. Licensee to coordinate hours of operation with Authority on any days without air carrier departures or with limited air carrier departures.

5. *Condition of Concessions Area*

The concession areas made available hereunder shall, at Licensee’s sole expense, be maintained in a clean, neat, and orderly condition. Any necessary repairs under the responsibility of Licensee shall be promptly repaired.

6. *Personnel*

Personnel performing services under a Concession Agreement granted hereunder shall be neat, clean, and courteous. Licensee shall not permit its agents or employees to conduct business in a loud, boisterous, offensive, or objectionable manner; or to solicit business outside the assigned space in any manner whatsoever except through the use of signs constructed and maintained by Licensee and approved by the Authority (no flashing lights will be permitted). All personnel assigned to perform services at the Airport must, before being allowed on the Airport, pass a fingerprint-based criminal history records check (CHRC) as per 49 C.F.R. Sec. 1542.209, allowing unescorted access to the security identification display area (SIDA), and other areas as required by federal regulation. Licensee should provide a detailed account of all training programs provided to all employees. Areas of training may include OSHA, customer service, food safety, prevention and protection against communicable diseases, etc.

7. *Payment of Obligations*

Licensee will pay all required costs and expenses in connection with the license granted hereunder and the rights and privileges herein granted, including but not limited to taxes, permit fees, license fees, registration fees, employee security fees, employee parking fees, and assessments lawfully levied or assessed at any time situated thereon. Licensee shall secure all necessary permits and licenses at no cost to the Authority.

8. *Maintenance of Premises*

Licensee will be responsible for the general maintenance and housekeeping of the assigned concessions areas, including repair, maintenance, and/or replacement of all major appliances, with like specifications, as supplied by the Authority. The Authority will be responsible for performing major structural repairs to the facility and ensure all provided utilities are in working order.

9. *Discount for Airport Employees*

Licensee shall provide a minimum 15% discount for airport employees (including any party operating or managing the Airport on behalf of the Authority) presenting a valid airport ID.

10. *Insurance*

Licensee shall maintain general liability insurance for its business with coverage amounts of not less than \$2,000,000 and automobile insurance coverage with liability limits of \$1,000,000 for personal injury and/or property damage in any one accident. Such policies shall name the City of New Haven, Town of East Haven, Tweed-New Haven Airport Authority, Avports LLC, and such other parties specified by Authority as additional insured parties, and an endorsement so stating shall be provided on or before execution of any License awarded hereunder. Licensee shall also provide worker's compensation insurance and such other insurance as is customary or required by law.

Licensee will provide certificates of insurance to the General Manager before any services shall commence and shall remain in full force and effect at all times. Those certificates of insurance shall state that the Authority shall be notified no less than thirty (30) days in advance of any termination or change in coverage. The Authority, Avports LLC, and such others as they may specify from time to time will be named as additional insureds.

11. *DBE Requirements*

It is the policy of the Authority, the City of New Haven, Town of East Haven, and the Federal Aviation Administration (FAA) that disadvantaged business enterprises ("DBE") shall have the maximum opportunity to participate in any service or facility at the Airport under a lease, contract with or franchise from the Authority. Consequently, the DBE requirement of 49 C.F.R. Part 23, as amended, and as it may be amended further, will apply to this Request for Proposals and the Concession Agreement. The Authority is seeking a minimum annual goal of ten percent (10%) DBE participation in this contract.

A Licensee that qualifies as a DBE, that goal shall be deemed to have been met this requirement. Other Licensees shall make good faith efforts to ensure that business concerns owned and controlled DBEs as defined by 49 C.F.R. Part 23 participate in the services offered by the Licensee.

If Licensees are unable to achieve this goal, Licensees shall seek to obtain the required DBE participation by the purchase of goods, services, supplies, and/or products from certified DBE vendors. Licensees will be required to submit information concerning the DBEs that will participate including the name and address of each DBE, a description of the services to be performed by and/or items to be purchased from each firm named, and the dollar value of such participation.

12. *Non-discrimination/ Equal Employment Opportunity Policy*

It is the policy of the Authority to assure that no person, based on race, creed, color, national origin, sex, marital status, age, handicap, or disability shall be excluded from participating in any activity conducted with or benefiting from funds received from the Airport.

Licensee shall be required to assure the Authority in writing that it will not exclude any person from receiving its services, or maintain segregated facilities, or discriminate in the employment of any individual or the award of any contract for services to be performed on its behalf regarding services at the Airport, on the grounds of race, creed, color, national origin, sex, marital status, age, handicap, or disability.

13. *Other Requirements*

Licensee shall be required to assure the Authority in writing its compliance with federal, state, and local law, including retail and foodservice codes and regulations.

14. *Evaluation and Award*

The evaluation process will be based upon submittals of Proposals in the form given in the Appendix hereof. Licensees may be requested to meet for in-person interviews.

The following criteria will be part of the consideration by the Authority for the selection of Licensee:

Economic Factors

1. Estimated Gross Receipts (excluding taxes) for each of the three (3) years
2. Bid Revenue Share
3. Financial Capability of the Licensee

Technical Factors

1. Quality and variety of menu items
2. Local establishments within Greater New Haven Area
3. DBE Proposal
4. Ability to comply with the Service Standards

This Request for Proposals does not constitute an offer by the Authority. The Authority reserves the right to request supplemental information as part of the evaluation process and negotiate the final terms of the Concession Agreement with successful Licensees. The Authority Board must approve any Concession Agreement awarded hereunder. The Authority reserves the right to withdraw or cancel this Request for Proposal without liability. In no event will any Licensee be entitled to the reimbursement of any costs it may incur or damages, including for not being the awardee.

15. *Additional Information*

Any amendments to this RFP will be issued to all Licensees on record in the form of written addenda. It is the responsibility of each Licensee to ensure that it has provided its contact information to the General Manager to receive addenda and additional information. The Authority reserves the right to modify this RFP, including any addenda, in its sole and absolute discretion.

Licensees are advised that the airport is subject to events that may limit passenger activity including, terrorist events that may increase security measures or limit flight activity at the airport, pandemics, inclement weather including snowstorms that may temporarily close the airport, and airport construction projects that may impact flight activity. Such events may allow for temporary amendments to concession agreements as approved by the Authority.

Licensees should also note that storage space is limited and should consider the need to restock concessions regularly.

Questions regarding this Request for Proposals must be submitted in writing no less than five (5) business days before the submission date for Proposals to:

Jeremy Nielson, General Manager, admin@flytweed.com

No verbal responses will be given to requests for clarification. The Authority reserves the right to waive the time within which to receive and respond to requests for clarification when it is in the best interest of the Authority.

16. *Utilities*

The Authority shall supply utilities including electric, water, heating, ventilation, air conditioning, and sewer, charging Licensee a flat monthly fee to offset expenses. Before commencing operations, the Authority shall work directly with Licensee to equip the concession areas with the necessary utilities, kitchen equipment, beverage devices, and appliances to provide a suitable commercial space to effectively conduct food and beverage concessions for airport patrons, employees, and stakeholders. This expense, in addition to the costs associated with facility improvements in and around the concessions area, shall be prepaid by the Authority, and recovered from Licensee as the Annual Capital Cost Recovery payment throughout the term of the Agreement.

17. *Informational Meeting*

Pertinent information relative to the facilities and operation of the Food and Beverage Concessions will be made available at an informational meeting to be held on **August 31, 2021 at 11:00 AM EDT**. The meeting will be held virtually via *ZOOM*. Video conference / call-in details will be sent to Licensees via email upon request. Requests should be sent to admin@flytweed.com no later than **9:00 AM EDT, Tuesday, August 31, 2021**.

18. *Proposal Submission*

Electronic copies of the Licensee's proposal, in generated and searchable (*i.e.*, not scanned) PDF format, must be emailed to **admin@flytweed.com** no later than **4:00 PM EDT, Monday, September 13, 2021**. Original copies of all proposals, including signature pages, shall be made available to the Authority upon request. Proposals received after the prescribed time and date will not be accepted.

Proposals must include, in narrative form on Licensee's letterhead, a complete description of the intended Food and Beverage operation at the Airport and include a complete list of required food and beverage equipment, devices and appliances to be provided by the Authority to Licensee for Licensee to execute its intended operation. Particular attention shall be given to the level of high-quality service to be provided to Airport patrons.

Licensees must submit the information as shown in the Appendix hereto.

Proposal Selection Schedule

- | | | |
|----|--------------------|--|
| a. | August 31, 2021 | Informational Meeting at 11:00 AM EDT |
| b. | September 13, 2021 | Proposals due by 4:00 PM EDT |
| c. | September 27, 2021 | Airport Authority approval |
| d. | November 3, 2021 | Commence Operations Under Concession Agreement |

Appendix A: Form of Proposal Letter

Due: September 13, 2021 by 4:00 PM EDT

Instructions for submission:

All Proposals must be completed in full using this format and typed on Licensee's letterhead. One electronic file, in PDF generated, searchable and unsecured format, must be submitted to **admin@flytweed.com**.

Where a section calls for a certified statement to be included, Licensee shall copy the text provided by the Authority exactly as it appears in this Appendix. An authorized representative of the Licensee must sign the Proposal Letter. Pages with such certifications may be scanned.

Content:

- I. Name, Address, and contact information for Licensee's firm, including corporate and local offices if applicable, and for individuals who will manage the Food and Beverage concession at the Airport.
- II. Experience of Licensee
 - 1. Describe the nature and extent of the corporation or partnership's experience in operating Food and Beverage concessions, the number of locations, and the number of persons currently employed in such operations. Please include:
 - a. Name(s) under which the business is/was conducted.
 - b. Start and end dates of prior related or affiliated business(s).
 - 2. Provide the name, address, and telephone number of no less than four references - two references as to the financial capacity of the Licensee and two as to the Licensee's ability to manage a Food and Beverage concession. Additionally, include at least one letter stating your creditworthiness from a bank or recognized financial lender.
 - 3. Provide financial statements sufficient to establish Licensee's ability to commence, equip, conduct, and/or manage the proposed operation. The Authority reserves the right to request clarification of the financial information submitted or to request specific additional financial information.
- III. Complete description of operational plan to include menu items and pricing of intended Food and Beverages for concessions at Tweed-New Haven Airport, including a signed statement of compliance with the Authority's Service Standards for this Concession by an officer of Licensee (required).
- IV. The amount of the Bid Revenue Share (BRS) and Bid Spend Rate (BSR) that determines the proposed Minimum Annual Guarantee (MAG) for each of the three (3) years of the license and any renewal terms.
- V. Licensee's Certification

The proposal must include Licensee's Certification in the form attached hereto as Annex A. It must be signed before a notary, and submitted with the Proposal:

ANNEX A

Licensee Certification

The undersigned, for the specified Licensee, and with authority therefor, affirms, warrants, and certifies as follows:

A. Equal Employment Opportunity/Affirmative Action Statement:

Licensee assures the Authority that it will not exclude any person from receiving its services, or maintain segregated facilities, or discriminate in the employment of any individual or the award of any contract for services to be performed on its behalf regarding services at the Airport, on the grounds of race, creed, color, national origin, sex, marital status, age, handicap, or disability.

B. DBE Plan:

Licensee will make good faith efforts to ensure participation by DBE firms in 10% of the activities or services provided under license from the Authority. The Licensee's plan for DBE participation as specified in its response to the Request for Proposals.

C. Compliance with Service Standards:

Licensee certifies that it will comply with the Service Standards specified in Section IV(3) of the Request for Proposals for the duration of any Concession Agreement awarded by the Authority.

D. Non-Collusion Affidavit:

1. The prices in this Licensee proposal in response to the Request for Proposal have been arrived at independently without collusion, consultation, communication, or agreement to restrict competition, as to any matter related to such prices, with any other Licensee or any competitor.
2. Unless otherwise required by law, the prices quoted in the proposal have not been knowingly disclosed, actively or passively to any other Licensee or any competitor, and;
3. No attempt has been made or will be made by the Licensee to induce any other person, partnership, or corporation to submit or not to submit a proposal to restrict competition.

E. Certificate of Non-Arrearage

Neither the Licensee nor any of its subcontractors are in arrears to the State of Connecticut Second Injury Fund.

F. Certification of Eligibility

Neither Licensee it nor its principals nor any of its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

G. Additional Certification

By submitting this Proposal, the Licensee certifies that the Licensee has carefully read the Request for Proposals (including any addenda) and, if awarded the Concession Agreement, agrees to abide with the terms of the Concession Agreement, and further certifies the

Licensee's qualification to perform the services procured as required under the Request for Proposal and represented in its Proposal

H. Authorization of Licensee

The undersigned, being authorized to do so, executes this proposal for and on behalf of and as an official act of Licensee, this ____ day of September, 2021.

Signature of Witness

Signature of Authorized Signatory

Printed Name of Authorized Signatory

Title

Acknowledgement

State of _____

County of _____.

On this _____ day of September, 2021, before me personally came _____, to me known who did depose and say that he is _____ of _____, the Licensee described above, that he executed the foregoing instrument, and that such instrument is duly submitted on behalf of _____.

Notary Public

My commission expires _____, 202__

SEAL