




TO: All Prospective Proposers

FROM: Scott C. Carr, A.A.E. – Vice President of Commercial Business & Communications 

SUBJECT: ADDENDUM #1 – RFP for Food & Beverage Concessions Management & Operating Services

DATE: August 24, 2020

Please note that Section 3.0 – Instructions to Proposers and Section 3.1.9 – Schedule of Events has been amended. All question responses will be completed by August 24, 2020 at 5 p.m. Thus, a second addendum will be forthcoming later today.

Below are the first 49 questions and responses to the above referenced RFP:

Question #1 - RFP speaks to catering at the FBO – does the equipment package include a vehicle for deliveries to the FBO?

No – It is envisioned that meals would be picked up by the FBO (Cerulean Aviation) staff at the terminal building for delivery to the aircraft. Therefore, no vehicle is needed for deliveries.

Question #2 - Are deliveries made on the AOA or do FBO's retrieve orders at the terminal curbside?

The FBO, Cerulean Aviation, is owned and operated by the Greenville-Spartanburg Airport District. Deliveries would be coordinated with Cerulean Aviation staff who have the capability to drive on the AOA to the terminal building and pick-up any orders.

Question #3 - Are the based aircraft ordering from a predetermined menu with pricing or does this need to be developed pre-takeover?

Currently, they order from third-party vendors located off of the airport campus. Therefore, a menu and associated pricing will need to be developed prior to launching this service at the FBO.

Question #4 - Can we provide a mobile or web ordering capabilities?

Yes, the Airport District is supportive of mobile and web order services.

Question #5 - How does off-site catering fall into pricing – is there a base to work from, what are the acceptable fees – delivery, packaging, etc.? Do they pay at the time of ordering or do they need to be invoiced?

Pricing for catering will have to be competitive with street pricing. Since deliveries are on the airport campus and will be picked up by the FBO, there should not be a delivery fee included. For ease of billing, customers should have the option to be invoiced.

Question #6 - Can a full list of unit equipment and smallwares be provided – especially relevant is if either brand has updated requirements.

Please see the attached equipment list for review. Unfortunately, there is not an inventory of all the smallwares in each unit.

Question #7 - Does the airport ownership of smallwares include the inventory of disposables from the existing brands?

Yes, there is disposable inventory available from each brand. However, the Airport District does not have an inventory with the exact quantities.

Question #8 - Can we get as built drawings (showing equipment layouts) for CFA and Pucks?

Unfortunately, the Airport District does not have as-built drawings for each requested concession location. However, attached are construction drawings.

Question #9 - Can you provide the reasoning for replacement of the DC3 Hot Dog?

There is not a franchise agreement in place to continue to operate this brand at GSP and the parent company of the brand is no longer in business.

Question #10 - Is the replacement required to focus on a specific day-part?

The replacement has to offer a menu with all three day parts. This is due to the fact that Chick-fil-A is closed on Sunday and other than Dunkin Donuts this is the only QSR operating on that day at the airport.

Question #11 - Regarding the rebranding of the DC3 Hot Dog, are there parameters/requirements for local or national brands?

The proposed replacement brand has to complement the overall concessions program and be able to substitute Chick-fil-A on Sundays when they are closed with a menu that consists of all three day parts.

Question #12 - Are there any restriction regarding the shared back of house from the brand Chick-fil-A?

No – Other than the proposed concept cannot infringe on their operation.

Question #13 - Who holds the licensing authority for the airport property and what is the expected time to obtain necessary permits / licenses (health, alcohol, business, food, sales tax) in SC considering the limited staffing at the state level?

The terminal building is physically located in Spartanburg County. The Airport District expects to reopen The Kitchen by Wolfgang Puck and Chick-fil-A on or before December 1, 2020.

Question #14 - Are all equipment inspections / permits up to date (fire suppression, extinguishers, grease traps, etc.)?

Yes.

Question #15 - IT – is there an airport backbone on to which we can piggyback, or does concessionaire run their own fiber system?

The Airport District already has a Premise Distribution System in place to support each concept from an IT perspective.

Question #16 - Is the operator responsible for contracting providers for internet, telephone, TV, security cameras, etc.?

The Airport District provides all internet and telephone services, which are reimbursable expenses to the selected proposer. The selected proposer will have to contract with a provider for TV service at the restaurants. For security cameras, the Operator and Airport District will have to work together on a long term solution. Chick-fil-A, the former DC3 location, and The Kitchen by Wolfgang Puck all have security cameras in place. However, an evaluation needs to be made to determine if they are compatible with the existing Airport District security system. In addition, cameras need to be added to Thomas Creek Grill and R.J. Rockers Flight Room.

Question #17 - Is there an existing POS system or is the operator to provide?

Yes – There is an existing POS system. However, the credit card machines were all leased by the previous operator and returned. Therefore, those will have to be replaced.

Question #18 - Who are the approved service providers at the airport for network, telephone, TV?

See response to Question #16. For TV, the previous provider was DIRECTV.

Question #19 - What number of phone lines are provided to each facility and storage area?

At least one telephone line for each location. There are opportunities to add more lines, if needed.

Question #20 - Are there concerns with having music services within the restaurants?

There is terminal wide music via the PA system, which can be heard at all of the restaurants in the Grand Hall. For the concourse restaurants, music or television audio can be added as long as it is integrated with the PA and fire alarm systems.

Question #21 - What are the emergency (911) services provided for potential emergency calls?

The Airport District has its own Police and Fire Departments, which are dispatched through the Airport Operations Center (AOC).

Question #22 - The RFP provides a schedule for the opening of two units, is this data supported by enplanements?

Not directly – However, the airport is presently operating at 35-40% of its passenger enplanement levels from the same period in 2019. In addition, on the airside, the only food and beverage services available are Dunkin Donuts and Baskin Robbins. Thus, the Airport District would like to at least get a sit down restaurant open that serves alcohol as well as another QSR.

Question #23 - What are the current short term and long term enplanement forecasts for the airport?

Please see the presentation from the Non-Mandatory Pre-Proposal Conference on the website. Here is the link:
<https://www.gspairport.com/bids-rfps-and-rfqs/>

Question #24 - Are there any new projects planned for the airport's Master Plan?

Yes – Here is the link to the master plan for review:
<https://www.gspairport.com/airport-planning-documents/>

Question #25 - What is the date of the last Economic Impact Study done for the airport? Can it be provided?

It was completed in September 2018. Please see the attached study for review.

Question #26 - Are the forecasts, outlined in the financial pro forma, placeholders or do these represent the airport's forecast?

Yes – Based on the best information that we have available to us today regarding the Coronavirus and when passenger traffic may return.

Question #27 - What is the status of the brand agreements? Term, fees, structure, etc. Are there any approval rights held by the brands?

Chick-fil-A – A new license agreement will have to be granted by them to the selected proposer. They have approval rights for the licensee. Fees and structure information should be obtained directly from Chick-fil-A.

R.J. Rockers Flight Room – The Airport District has been in contact with the brewery and will enter into a new naming rights license agreement to continue to utilize the brewery name. However, there are no royalty fees associated with that agreement.

Thomas Creek Grill – The Airport District has been in contact with the brewery and will enter into a new naming rights license agreement to continue to utilize the brewery name. However, there are no royalty fees associated with that agreement.

Wolfgang Puck – The Airport District has paid a \$35,000 franchise fee for a new franchise agreement. The term is December 1, 2020 – October 28, 2026. The royalty fee is 4.5% for the first \$2.5 million of gross sales per annum and 5.0% on all sales exceeding \$2.5 million per annum. The minimum annual royalty guarantee is \$75,000 per year. Opening support costs are not to exceed \$30,000. Wolfgang Puck has approval rights for

the operator. If the Airport District selected proposer is not approved as an operator by Wolfgang Puck, the Airport District will debrand the restaurant and with input from the selected proposer enter into a new agreement with another brand.

Question #28 - What type of liquor license is available for GSP – is a stadium permit permissible to allow customers to travel to gates with alcohol in hand?

Currently, the alcohol and liquor licenses are all by individual restaurant locations. However, the Airport District is presently evaluating if a concourse wide permit is allowed in South Carolina for the consumption of beer and wine at the gates.

Question #29 - Are there restriction on hours/days for sale of alcohol in the airport?

Yes – See the Airport District’s Rules & Regulations – Section 9.3 on Page #30: <https://www.gspairport.com/site/user/files/1/GSP-Airport-District-Rules-and-Regulations-Manual-Adopted-20190624-FINAL-20200323.pdf>. Alcohol may not be sold before 10 a.m. on Monday – Saturday and 12 p.m. on Sunday.

Question #30 - What are the menu and alcohol offering in the MAG Lounge?

Please see attached sample menu for review.

Question #31 - Does the Lounge bring in food products from outside or order from the F&B operator?

The Escape Lounge has their own kitchen and staff to prepare their food products.

Question #32 - Are there discount or stipend programs in place for any airport-based employees?

Yes – 20% off all published pricing for all airport badged employees.

Question #33 - Considering almost all operating decisions require “District” concurrence, is there any directives that will affect use of Pepsi, national purchasing programs, Top Shelf program, etc., that affect costs (albeit, reimbursable) or compromise our relationships with vendors.

The Airport District has plans to pursue a Pouring Rights Agreement in the future. All food and beverage expenses are reimbursables; therefore, it should not impact the selected proposer financially.

Question #34 - Can the airport provide all of the menus, with pricing, that were in effect with the previous operator?

Yes – Please see the attached sample menus for review.

Question #35 - Are the current associates members of a collective bargaining agreement?

No.

Question #36 - What upfront equipment purchases must be borne by the concessionaire, if any? Are all ongoing capital expenses the responsibility of the airport?

All equipment purchases and capital expenses are paid by the Airport District.

Question #37 - What indirect expenses are permissible to be allocated above and beyond the management fee? What is specifically excluded?

The Operator's compensation will be a management fee, which will be based on a percentage of gross revenue and shall include:

- Cost is assisting the Airport District with design and construction services.
- General and administrative overhead.
- All salaries and other compensation of Operator, affiliates, employees above the onsite General Manager.
- Payroll Processing Fees.
- Telephone, mail and messenger fees (except those that are a part of normal business).
- All other operating expenses except those identified as operating expenses in the sample agreement under Article 15.

Question #38 - Is there guidance that the airport can provide in terms of the structure of the incentive fee?

The incentive fee is structured so that it shall equal the proposer's proposed percentage of net income. See sample agreement Article 1 – Definitions and more specifically 1.11 – Incentive Fee.

Question #39 - Do the fees get paid if the venture incurs operating losses?

Yes – The management fee is based on gross revenue. Therefore, it will be paid even if there is an operating loss. Incentive fees are based on the Company's performance. Therefore, those fees will not be paid during periods of incurred losses.

Question #40 - The RFP indicates a need to flip the DC-3 Hot Dogs concept. How will the payment for the design and construction be managed?

All capital expenses will be paid by the Airport District including all design and construction costs.

Question #41 - What is the construct of the "Value Add Contribution"?

Any financial or material contribution by the proposer towards the success of the concessions program, which is not a reimbursable operating expense.

Question #42 - Section 2.1 A – what material(s) and notifications for the training of associates are needed to be submitted for approval by the District?

A copy of the training program being provided to associates for review and approval

Question #43 - Section 5.1 – what are the pre CoVid and current operations hours – first flight / last flight, by airline / concourse. Specifically, how does one interpret "remaining open until the last flight departs" does this mean all locations or the location(s) in proximit to the scheduled or delayed flight?

The Airport District requirements for hours of operations are to open 90 minutes prior to the first scheduled departure and open until the last actual departure. Therefore, the concepts on the Grand Hall shall remain open until the last flight push back from the gate, this includes delayed flights on either concourse. However, the concepts on the concourses might close after the last flight departed from that particular concourse. For example, the restaurant on Concourse A, does not need to stay open when there is a delayed flight on Concourse B.

Question #44 - Section 6.2 – speaks to pricing at current airports – what are the airports they use as base line? Is the 10% plus over pricing at these airports, or is the 10% over another factor, i.e., local Chick Fil A? What takes precedence?

No specific airports have been selected. However, for nationally branded concepts, the pricing should be equal to other similar sized airports with the same brand (e.g. Chick-fil-A and Wolfgang Puck). For locally branded concepts, pricing should be no greater than 10% above the pricing charged for similar items at comparable business establishments in the Greenville-Spartanburg-Anderson CSA.

Question #45 - Section 6.3 – tracking of employee discount – is employee discount a reimbursable expense?

No.

Question #46 - Section 9.1 – is Company required to seek District approval for any new technology improvements of implementation costs?

Yes.

Question #47 - Section 9.6 – design review dates for construction documents appear excessive (30 days). Can the reasoning be provided?

The Airport District does not have the in house expertise for items such as MEP. Therefore, we utilize an outside consultant for review comments and this process can sometimes take 2-3 weeks depending on their workload.

Question #48 - Section 10.4A – speaks to coordinating with the CRDF – is this the third party receiving discussed on the call, or is this merely a common loading area with TSA screening that needs to be coordinated among all users?

It is a stand-alone CRDF managed and operated by staff from Bradford Airport Logistics. They will receive the inventory, comply with TSA screening requirements, and deliver it to the storage locations in the terminal building.

Question #49 - Section 14.1 C – what is the District’s secondary support? Does this mean the District provides infrastructure and network services. Also how does “partial reimbursement on POS “–affect ownership of the hardware, software? Does the Company have full discretion on selecting, contracting, procuring and managing credit card provider and data? Finally does Company have full discretion to select, purchase, contract, and operate the technology of its choice as long as the district approves?

The Airport District’s secondary support is our IT Department. In addition, the District does provide infrastructure and network services through our IT Department. Since the Airport District is providing reimbursement for both the hardware and software for the POS system, the District would retain full ownership of the system. As such, the District and the selected proposer would need to jointly determine the best technology as well as the credit card provider services. However, with that said, this is something that can be discussed and negotiated with the selected proposer.