

**FAIRBANKS INTERNATIONAL AIRPORT
SPECIALTY RETAIL CONCESSION AGREEMENT ADA-90878
PRE-PROPOSAL QUESTIONS**

TO ALL POTENTIAL PROPOSERS:

The Fairbanks International Airport (Airport) amends the Request for Proposal documents for the Specialty Retail Concession Agreement ADA-90878, as stated in the attached Addendum No. 1.

Enclosed is Addendum No. 1 for the Specialty Retail Concession Request for Proposals (RFP) at Fairbanks International Airport. March 25, 2020 was the deadline for any and all comments regarding the Specialty Retail Concession RFP ADA-90878. Completed proposals are due April 17, 2020.

Following is the State's response to the questions posed at the pre-proposal conference and in written comments:

Question 1: Will the deposit be returned to the companies that submit, and that are not chosen?

Response 1: Yes. As stated in the Instructions to Proposers, Section IV (General Information), Part A (Disposition of Proposal Deposits), the Airport will return the deposits of unsuccessful proposers as soon as the Airport receives and signs the Concession Agreement. Once the notice of intent to award goes out there is a seven day period for protest. Then (assuming no protest) the successful proposer has two weeks to return the signed and notarized agreement. Once the Concession Agreement is received by the Airport the proposal deposits will be returned.

Question 2: The RFP has a turnover date to the successful proposer as June 1st and an open date of August 1st. Is the Airport Administration open to the possibility that we open for business on June 1st and complete the remodel in October after "peak" season?

Response 2: If you are the successful proposer and submit your construction plans to Airport Leasing, the Airport would be willing to consider your proposed timeline.

Question 3: Describe the current retail program and any future retail programs.

Response 3: Post security has one space for a retail store and a smaller space pre security for a retail store. We do not have the square footage to add additional stores. Pre security there are options for smaller kiosk type locations but space is limited.

Question 4: The pre security term is three years and the post security term is seven years. If the pre security term extension is granted will the 1% increase happen at year four or year eight?

Response 4: The pre security 1% increase will happen the first day of year four. The post security concession will keep the proposed rates until the first day of year eight where it will increase 1% for each category.

Question 5: Was there a reason that no drinks are listed in Exhibit D (Proposed Concepts) or was it just an oversight?

Response 5: It was an oversight on the Airport's part. Beverages are expected to be provided in both pre and post security locations. Exhibit D has been updated to reflect this and is included in Addendum No. 1.

Question 6: Is the food concept for the retail location to be pre-packaged foods?

Response 6: No. The Airport is open to having the specialty retail concession prepare quick food options that would include grab and go concept items as well as pre-packaged foods. Examples of that concept would include pretzels, hot dogs, nachos, breakfast sandwiches, or similar food concepts. The proposer should include this in their proposal.

Question 7: What are the airport badge fees?

Response 7: \$100 per badge. The fee is comprised of a \$40 badge fee, a \$40 Criminal History Record Check (CHRC) fee, and a \$20 Security Threat Assessment (STA) fee. If a badge is lost or not returned there is a \$200 charge.

Question 8: What are the employee parking fees?

Response 8: Airport employees are offered a monthly pass through our parking concessionaire for \$25.

Question 9: Is there a prohibition against selling liquor pre security?

Response 9: There is no airport prohibition against selling liquor pre security. The Concessionaire must obtain a state liquor license to sell liquor. Please see the State of Alaska, Department of Commerce, Community and Economic Development, Alcohol and Marijuana Control Office for information.

<https://www.commerce.alaska.gov/web/amco/AlcoholicBeverageFAQs.aspx>

Question 10: Can we get the dimensions of the spaces so as built's and plans can be created?

Response 10: Yes. We are including new Exhibit B and Exhibit B-1 renderings in Addendum No. 1.

Question 11: The current agreement says the airport will provide a 60 day notice and a transition plan before turning the business over to a new Concessionaire. If the agreement commences June 1st then the current Concessionaire has until August 1st to exit?

Response 11: The Airport will provide notice and a transition plan prior to the execution of the new agreement. The Airport wishes the transition to be as smooth possible with as little impact to the traveler as possible.

Question 12: Have you heard about any airline plans related to COVID-19?

Response 12: Yes, we did receive news that American Airlines is pulling out of Fairbanks for the 2020 travel season. We hope they will consider returning to Fairbanks next year but at this time they will not be coming to the Fairbanks Airport.

Question 13: Are we supposed to handwrite the blue forms or can we get a fillable version?

Response 13: Either way is acceptable but a fillable pdf has been created and included in Addendum No. 1.

**FAIRBANKS INTERNATIONAL AIRPORT
SPECIALTY RETAIL CONCESSION ADA 90878
REQUEST FOR PROPOSALS
ADDENDUM NO. 1**

March 25, 2020

The Fairbanks International Airport (Airport) amends the Request for Proposals (RFP) documents for the Specialty Retail Concession Agreement ADA 90878, as follows:

TERMS OF REQUEST

Page 6: Section D (Revenues to the State), Item 1 (Annual Guarantee), Part a: Remove the words “per month” so the sentence reads: For the first year of the Agreement, the State has established an Annual Guarantee of \$160,880 for the Post Security Location and \$21,780 for the Pre Security location.

Page 7: Section I (Proposal Deposit): Change the deposit amount to \$5,000 to match the deposit amount listed on page 13, Section II (Requirements For A Complete Proposal), Part G.

The **ADA-90878 Specialty Retail Sample Agreement** is amended as follows:

Page 45: Exhibit B dated February 2020 is replaced with Exhibit B dated March 2020 in order to show the space dimensions.

Page 46: Exhibit B-1 dated February 2020 is replaced with Exhibit B-1 dated March 2020 in order to show the space dimensions.

Page 48: Exhibit D, pages 48 and 49 is replaced with Exhibit D (Revised) pages 48, 49, and 50 so beverages are included in the Alaska Theme Specialty Retail concept.

ALL OTHER TERMS, PROVISIONS, AND COVENANTS REMAIN UNCHANGED.

Attachments:

Terms of Request pages 6 and 7 dated March 12, 2020
Exhibits B and B-1 dated March 2020
Exhibit D (Revised) dated March 25, 2020

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feet of Concession Space. The Premises are shown on Exhibit B of the Concession Agreement.

- D. REVENUES TO THE STATE: For the rights and privileges granted under the Agreement, the Concessionaire shall pay monthly to the State, the greater of the monthly prorated Annual Guarantee or a percentage of the Concessionaire's monthly gross revenues as described below. Proposers shall not propose an alternative fee structure other than as allowed under Percentage Fees below:

1. Annual Guarantee

- a. For the first year of the Agreement, the State has established an Annual Guarantee of \$160,880 for the Post Security location and \$21,780 for the Pre Security location. The Annual Guarantee prorated monthly will be calculated using the following formulas:

Post Security $\$80 \times 2,011$ square feet per year = \$160,880 divided by 12 months = \$13,407

Pre Security $\$30 \times 726$ square feet per year = \$21,780 divided by 12 months = \$1,815

- b. The Annual Guarantee will be adjusted each year as specified in Article VI (Fees and Payments), Section A. (Concession and Rent Fees), of the Concession Agreement, but in no event shall the Annual Guarantee be less than \$160,880 Post Security and \$21,780 Pre Security.

2. Percentage Fees

- a. The successful proposer shall pay the State a percentage of gross revenues as stated in the proposal as accepted by the State and based on the types of products sold. The State has established minimum acceptable Percentage Fees as follows:

Alaska Theme Gifts/Retail:	12%
Books/Magazines:	12%
Health/Sundries:	14%
Alaska Theme Food & Beverage:	14%
Pre Security Alaska Convenience	10%

- b. To improve the competitiveness of its proposal, a proposer may propose higher Percentage Fees, but may not propose Percentage Fees lower than those indicated above.
- c. If the State, in its sole discretion, grants an extension of the term beyond seven years (Post Security Base Term) or three year (Pre Security Base Term), permitted under the Agreement, the Concessionaire shall pay an additional one percent (1%) of Gross Revenues for each of the specified merchandise categories for the remainder of the Agreement.

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- E. MERCHANDISE LIST: This concession shall include a combination of high quality Alaskan gifts and souvenirs, reading materials, essential travel and health items, and Alaskan foods and beverages as described in Sample Exhibit D of the Concession Agreement.
- G. CAPITAL INVESTMENT: A minimum capital investment of not less than \$100,000 is required for improvement and upgrade to the existing Post Security premises. A minimum capital investment of not less than \$20,000 is required for improvement and upgrade to the existing Pre Security premises. The Capital Investment due date is August 1, 2020. The Concessionaires Investment is defined as including the following items only:
- Directly contracted improvement costs with one or more contractors, excluding architectural and engineering fees and intra-company charges related to improvement;
 - Furniture, fixtures and equipment purchased for direct use in the facility; and
 - Administrative/Overhead, expenditures not to exceed seven percent (7%) of the total approved cost of the unit project as defined above.

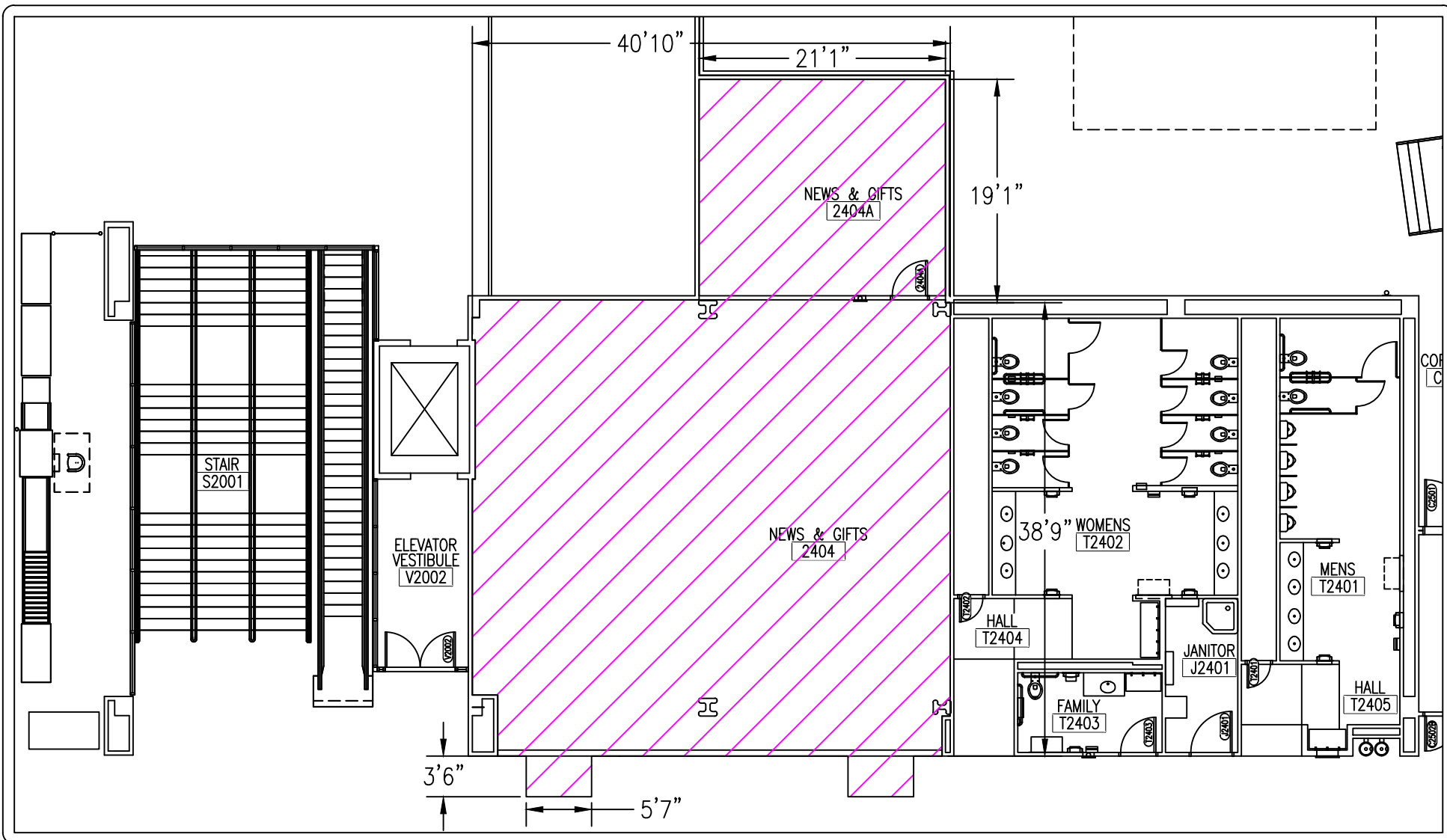
The successful proposer will be expected to meet with the airport leasing, as needed prior to concessionaire improvements. All designs, including space layout, finishes, materials, signage, lighting and colors must be approved by the Airport prior to commencement of improvements.

- H. MINIMUM QUALIFICATIONS: To participate in this proposal offering, a proposer must demonstrate a minimum of three (3) years of continuous successful experience within the last six (6) years in the operation of a specialty retail facility with annual gross sales of not less than \$750,000. Experience in the operation of such a business at an airport is highly desired, but not required. The proposer must demonstrate that it possesses the knowledge and experience to coordinate the design of the retail space, operate the quality of retail program the State desires, and that proposer's experience can be applied successfully to the Airport. Proposers must be authorized to conduct business in the State of Alaska.
- I. PROPOSAL DEPOSIT: A proposer must submit a five thousand dollar (\$5,000) deposit with its proposal in the form of a money order, certified check, cashier's check, or other irrevocable instrument drawn on a financial institution located in the United States of America and payable to the State of Alaska.

III. PRE-PROPOSAL CONFERENCE

The State will conduct a pre-proposal conference at **2:00 p.m., Alaska Time on March 17, 2020** in the Tanana Conference Room inside the Administration Offices in the terminal at Fairbanks International Airport. Participation, either in person or by teleconference is encouraged but not required.

P:\ENGINEERING\Drawings\FA LEASING\Terminal Space Exhibits\2020 Terminal Maps-Conc3 Sat, Mar/21/20 08:14pm



BY	DATE	REVISIONS

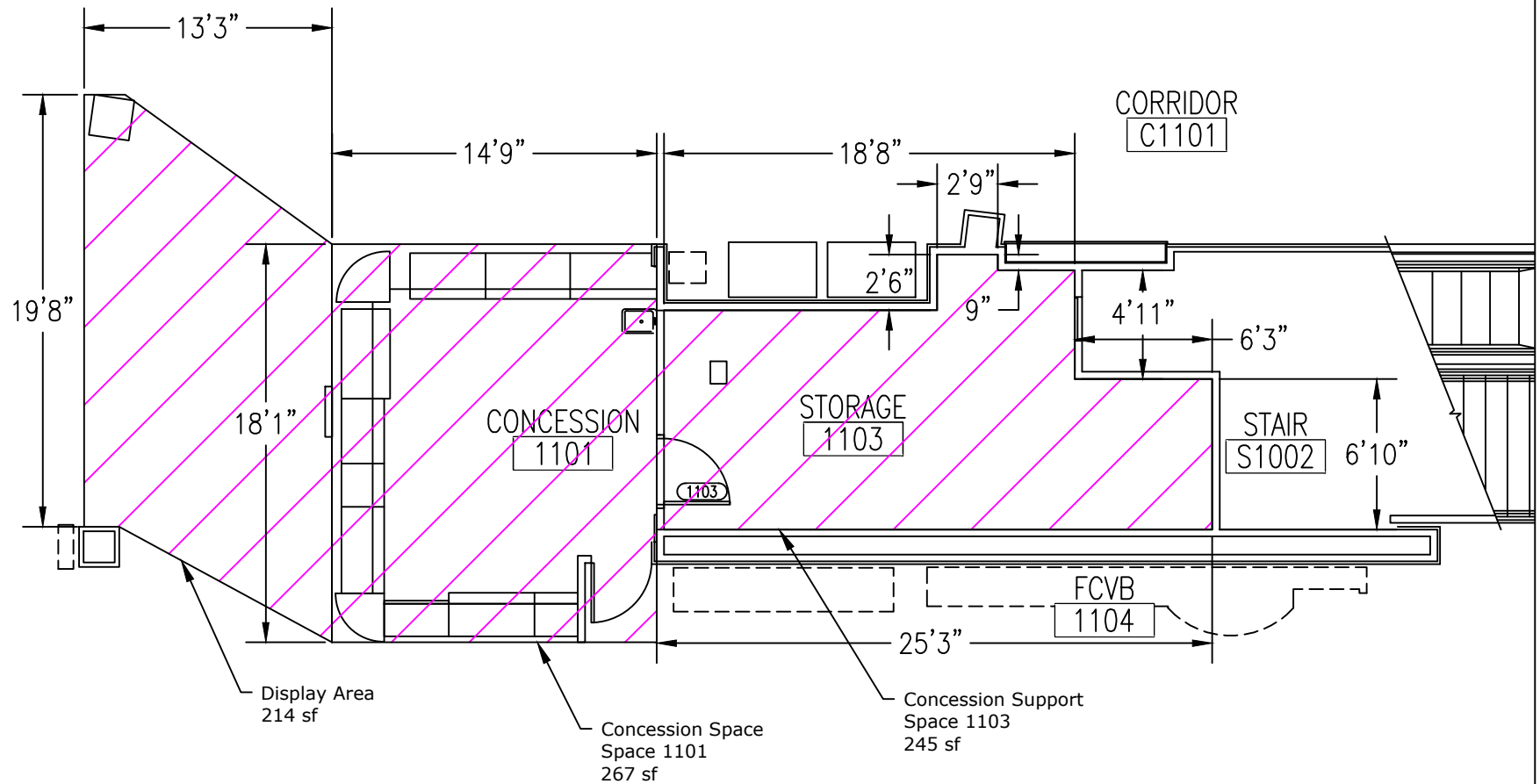
Specialty Retail Unit
ADA-90878
2,011 sf

Exhibit B
Current 2nd floor Twigs store and office
March 2020



SHEET
3
OF
4

P:\ENGINEERING\Drawings\FA LEASING\Terminal Space Exhibits\2020 Terminal Maps-Conc'd Set, Mar/21/20 05:46pm



BY	DATE	REVISIONS

Specialty Retail Unit
ADA-90878
726 sf

Exhibit B1
Current 1st floor Twigs store and storage
March 2020



SHEET
4
OF
4

Exhibit D (Revised)

Fairbanks International Airport
Proposed Concepts/Merchandise Lists
Specialty Retail Concession Program
ADA-90878

SPECIALTY RETAIL PACKAGE OVERVIEW

To assist proposers in developing the requested merchandise concepts, a brief description of each concept is provided below. The descriptions are intended to describe the required merchandise categories and provide examples of the types of products that may be offered within those categories. The State of Alaska is committed to developing an innovative specialty retail program that incorporates the highest level of quality in a unique shopping environment. These particular products are offered as examples and are not meant to constrain or limit the creativity of Respondents within each approved merchandise category.

PROPOSED CONCEPT: ALASKA THEME

CONCEPT DESCRIPTION:

The Alaska Theme concept is intended for the sale of merchandise celebrating Alaska and/or Fairbanks. Because of the State's diversity, there are numerous merchandise categories that can be included in the concept. The store should focus on unique aspects of Alaska or Fairbanks. Regardless of product mix, merchandise must be high quality at a variety of price points. The operator should offer several merchandise concepts in separate and distinct areas of the store that can be distinguished by merchandise type, a specific name brand, or a design theme. The character of Alaska and the overall merchandise theme should be reflected in the store's design elements.

Required Post Security Merchandise:

Traveler convenience items
Nonprescription drug items
Candies, candy bars, mints, lifesavers, chewing gum, and nuts.
Fountain drinks or canned, bottled drinks
A variety of books and magazines with emphasis on those with an Alaska theme.

Required Pre Security Merchandise:

Over the counter medications
Sweets and snacks
Prepared food such as soup, sandwiches, hot dogs, nachos or other
Fountain drinks or canned, bottled drinks

Permitted Pre and Post Security Merchandise:

General merchandise such as regional gifts and souvenirs, curios, collectibles, hats, footwear, clothing, jewelry, regional food and snacks, beverages, regional arts and crafts, and items of interest to the traveling public that are in good taste and not prohibited or reserved under this Agreement. A list of sample regional items follows.

Regional Food and Snack Sample Merchandise:

Birch syrup and candies
Candy/cookies/nuts
Canned delicacies
Cookbooks
Gourmet cooking utensils
Herbal teas
Jams/jellies
Salmon seasoning
Sauces made from Alaska wild berries
Smoked salmon
Beverages

Regional Arts and Crafts Sample Merchandise:

Alaska theme dolls
Alaskan folk music
Candles
Carvings
Fur products
Glass sculptures, bottles, vases, etc.
Hand crafted jewelry
Hand knit garments
Ivory products
Locally produced ceramics
Paintings/photographs
Posters/prints
Sculptures
Totem reproduction
Wooden crafted boxes, bowls, trays, wine racks, etc.

Regional Gifts/Souvenirs Sample Merchandise:

Bumper stickers
Button pins
Key chains
Kitchen accessories (aprons, hot pads, oven mitts, towels)
Logo apparel (caps, hats, t-shirts, sweatshirts, belt buckles)
Magnets
Mugs/glasses/teapots
Note cards
Photo frames/photo albums
Place name souvenirs
Spoons, thimbles, coasters

Paperweights/pen holders
Music boxes
License plate holders
Ornaments
Puzzles for regional attractions
Stuffed toys
Wallets, purses, coin cases