



PORT OF OAKLAND

FIRST ADDENDUM TO REQUEST FOR PROPOSALS FOR NON-EXCLUSIVE AUTOMATED SPECIALTY RETAIL CONCESSION May 17, 2016

The Request For Proposals for Non-Exclusive Automated Specialty Retail Concession issued April 20, 2016 is amended as follows:

II. Scope of Services

E. Qualifications and Experience

Any individual, partnership, joint venture, or corporation submitting a Proposal must demonstrate that the minimum qualifications listed below for automated specialty retail concession services have been met in order to have its Proposal considered. Any Respondent (or its principal owner or predecessor in interest, or, in the case of a joint venture, at least one joint venture partner with at least a 40% interest in the joint venture) must meet all of the following eligibility criteria for automated specialty retail concession services:

- i. Demonstrated experience owning and operating a specialty retail or specialty retail vending machine business with a minimum of ~~two years~~ one year of continuous operation.
- ii. The business must have generated an annual business volume (i.e., gross receipts) of at least ~~\$50,000 in each year of its operations~~ \$100,000 in each of the last three years.
- iii. Respondent must demonstrate to the satisfaction of the Port that it has the financial resources to finance, maintain and operate the vending machine(s) in accordance with the standards set in the Space Use Permit.

Clearly identify the Respondent's qualifications and describe any concession experience in airports. Include:

- i. A list of comparable operations and where located; and

- ii. Gross receipts generated at each location.

IV. Submission Requirements

1. **Company Information:** Provide the name of your Company (including the name of any parent company), business address, email address, Federal Tax ID number, telephone and fax numbers, and names and titles of key management personnel, and a brief history of your Company. Provide a brief statement of who is authorized to submit the Proposal on behalf of your Company. Please make sure that person signs and dates the statement. If your Company is making any exceptions to the Port's standard Space/Use Permit (Attachment 12 of this RFP), such exceptions must be clearly set forth in your Proposal and noted in this section. Exceptions to the Space/Use Permit are discouraged and may result in lower evaluation points during the Port's evaluation of your Proposal.

Respondent must provide two (2) years of audited or reviewed financial statements for your Company (and if applicable, for any parent company).

Response to Questions:

Section I - Project Overview, Page 8 provides that "No food or beverage items are permitted to be sold in these automated retail machines." Is that totally non-negotiable or are there exceptions?

This is non-negotiable and there are no exceptions.

OAK will be opening another RFP for food/beverage automated retail in the Fall of 2016. At this time, we can submit an RFP to carry specialty food items in our machines. When will the RFP be published? Will that RFP be as involved as the initial one?

We will not provide information regarding a possible food/beverage vending Request For Proposals at this time. However, this would be a separate contract/opportunity, not an ability to add food/beverage products to machines covered by this RFP.

It appears that there are 13 possible locations (Zones) that are potential sites for automated retail, if I'm reading the "Premises" page correctly. Is there a limit to the number of units/locations we can propose in the initial RFP?

No there is no limit to the number of units that may be proposed.

Not knowing the exact square footage of the Zones shown in the Premises map but knowing our machines take up a 3' x 4' area by 8' in height (12 sq. ft.), is that a consideration/hindrance to any of the existing Zones?

The Port will determine which machines are placed in which locations. Every effort will be made to accommodate a proposers choice(s), and should a proposer reject all locations, it may withdraw its proposal and its deposit will be refunded.

Are there limits to the size in case we switch to a different machine?

The proposal should include specifications of the machines to be used.

When is the Mamava machine going away?

The schedule for this work is not known at this time.

When is the work on Zone 1Bb going to start and what's it's anticipated finish date?

The schedule for this work is not known at this time.

If we are awarded a certain number and the success of the business were such that we all (OAK and [proposer]) agreed that it would make sense to add more locations, would that be possible? Or would we have to wait 'til the end of the 5-year term to then reapply for more sites

The contract provides that machines could be added or removed during the term, subject to the approval of the Director of Aviation.

How do we request additional spots or moving from a current spot? What's the process?

A written request should be submitted to the Airport Properties Department.

How often do RFPs for automated retail get published?

There is no set schedule for publishing Requests For Proposals, generally one is issued when the current contracts expire.

When is the next one?

There is no set schedule for publishing RFPs.

Are we competing with people that already have these contracts?

The Port does not know which companies will or will not submit proposals.

Is there an opportunity for us to walk the airport and look at the proposed locations such that we can make an educated location proposal?

A tour was included as part of the Pre-proposal conference.

Section II - Scope of Services, Section E - Qualifications & Experience. Is there any leeway on the eligibility criteria if viability and success can be proved in a little less than a two-year continuous period?

See First Addendum above.

Living Wage Checklist/Certificate of Compliance. Does the Living Wage requirement only apply to employees and not partners?

Employees must receive the living wage rate and it is not applicable to partners. The partners/employers must complete the living wage checklist and certificate of compliance and submit quarterly reports to SRD.

Does Living Wage requirement apply to contractors we use?

Living wage does not apply to construction contractors, however prevailing wage does. Living wage does apply to vendor, supplier type contractors and contract employees. (A clarification is required for the term "contractors" here).

5. Section IV: Submission Requirements, Submittal Format - 1. Company Information, page 6

- a. Is it necessary to provide two years of audited financial statements for the company or can the financial statements is an official review by an accountant sufficient? There's considerable cost associated with the audit v. the review.
- b. If an audit is required, can that be submitted AFTER the contract is awarded?

See First Addendum above.

General

Oaklandish/Other Local Retailers:

Would Oaklandish (or others) still be allowed to do a Pop Up at Zone 2E if that spot is taken by an awardee?

We cannot project future activity at this time.

What were Oaklandish's sales numbers for each year/time they were allowed to do a pop-up?

*014-15: \$67,376
2015-16: \$79,903*

Can you share the sales data and numbers for the Oakland Marketplace kiosk for the past 3 years?

*2013: \$335,988
2014: \$390,133
2015: \$415,175*

Would OAK be opposed to our selling some SF and other East Bay artist souvenirs given that a lot of San Francisco-bound tourists fly into OAK?

Merchandise assortments should be included in the proposal submittal.

Electrical Modifications:

e. Brandon mentioned that OAK will provide power for any approved location at the cost of the airport. Is this correct or will the automated retailer be responsible for paying for the installation of an outlet?

The Port provides electrical service to the buildings. If an outlet is not available or requires relocation, the Permittee is responsible for this work.

Insurance:

What are the insurance requirements? Do those insurance requirements change based on number of machines and/or their locations? (i.e. a machine in front of the frosted glass of Zone 2D?) Does the insurance coverage for automobiles apply if the business owner is using their own personal car?

Please see Paragraph 7 and Section L of Attachment A of the Space Use Permit.

Locations:

What is the total number of machines per spot?

Undetermined

What is the busiest gate?

Gate usage varies by carrier. The Port does not have this information.

Does getting an approval from the Board of Port Commissioners help in any way to place additional machines at other Port of Oakland-managed sites? (i.e. Jack London Square?)

This RFP and any award(s) pertain only to those opportunities described in the RFP.

Is it just the 7 board members that make the decision on the contract award or is anyone else involved?

Please see Section V B. of the Request For Proposals

Space/Use Permit Questions:

A. Consideration

Page 2 - Section 4.1 - - Minimum Monthly Payment

If we propose a percentage gross monthly sales for rent (minus taxes), is our rent impacted by the Minimum Annual Guaranty Adjustment? Or does this adjustment just pertain to a proposed rent structure of a Minimum Monthly Guaranty (MMG) and not a percentage?

The adjustment pertains to contracts with a minimum guaranty.

Page 3 - Section 4.3 - Percentage of Gross Receipts

"If Permittee is permitted to subtract the Minimum Monthly Payment from the Percentage Fees...."

What determines if Permittee can subtract the Min. Monthly Payment? Is this just meaning that we don't owe the minimum guarantee of \$250 above and beyond our percentage, assuming our percentage results in at least \$250?

Yes. However, the minimum is due on the first of the month, the percentage rent (less the minimum if applicable) is due after the end of the month.

B. Performance Deposit

Page 3 - Section 5

What determines the amount of the Performance Deposit?

The Performance Deposit is generally set at three times the monthly rent. If only a percentage of gross receipts is proposed, the Performance Deposit will be three times the proforma amount shown in the proposal.

C. Relocation Right

Page 6 - Section 8

How often can we anticipate an involuntary relocation?

Unknown

Will OAK help offset the costs of moving the equipment?

No

D. Utilities

Page 6 - Section 11

Will individual utility meters be required?

No

E. Quality of Products and Services

Pages 9 - 11 - Section 19.3

(b) Adequate Products and Services

What, if any, procedures/approvals are needed for product changes, assuming we're changing to similar types of items that clearly fit within our concept?

A written request should be submitted to the Airport Properties Department.

F. Attachment "A"

Page A-2

Section A) (2)

Does the exterior wrap on a machine if done by local artist, constitute "visual art"?

Yes, if it meets the definition of visual art defined in 17 U.S.C. §101, or the California Art Preservation Act (California Code Section 987 et seq.)

(3) (b)

Do we need to buy an extinguisher for each machine? Are these to be housed inside the machine? Alongside?

Section (2)(3)(b) of Attachment A does not apply.

Page A-5

Section D) Utilities

How much is the Cost of Service Fee?

What is the cost of an electrical meter?

There is no Cost of Service Fee anticipated and the machines will not be separately metered.

Section G) Taxes & Assessments

Are there any taxes outside of sales tax we will need to pay?

Alameda County may assess a Possessory Interest tax on companies doing business at the Airport. Please consult your tax advisor. The Port does not give tax advice.

Section T) Performance Deposit

Page A-18, (1)

How often has/does the Port increase the performance deposit?

The Performance Deposit is adjusted when rent is increased to maintain a deposit equal to three months rent.

Do we have a Performance Deposit per machine/per location?

Yes. Each location has a separate rental and a separate deposit.

Is the Performance Deposit paid independently or collectively for all locations?

A single payment equal to the amount of the total of the performance deposit for multiple locations is acceptable.

G. Attachment "G"

Administrative Fees - Unit out of product. \$250 per day per occurrence.

Does this fee apply if just one item were out of stock or does it apply to multiple/majority? . Are there thresholds? Would it still apply if the item(s) were restocked within a 24 hour period?

Please see Paragraph 20 of the Space Use Permit.