



# **REQUEST FOR PROPOSALS**

**FOR THE DEVELOPMENT AND  
OPERATION OF  
SPECIALTY RETAIL/DUTY FREE CONCESSION  
INTERNATIONAL TERMINAL BUILDING**



**SANGSTER INTERNATIONAL AIRPORT  
MONTEGO BAY, JAMAICA**

**March 2014**

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## EXECUTIVE SUMMARY

Sangster International Airport (“the Airport”) located in Montego Bay, Jamaica, is operated by MBJ Airports Limited (“MBJ”), a partnership between **Desarrollo de Concesiones Aeroportuarias (DCA)** (Spain) and Vantage Airport Group (Canada) through a Concession Agreement with the Government of Jamaica for thirty (30) years since 2003.

The Airport serves as the primary gateway to Jamaica, a major international tourist destination and facilitates the transit of more than 85% of tourists arriving on island and served over 3.4 million total passengers in 2013. The Airport has been recognised as the Caribbean’s Leading Airport for the last 5 (five) years by World Travel Awards.

“MBJ”, as Airport Operator, has invested a total of US \$193 million over the past 10 years in capital infrastructure improvements to transform the Airport into a world-class facility. Currently, there exists over 4,000 square metres of space in the International Terminal Building (ITB) dedicated to retail opportunities comprising Duty Free, Specialty Retail, Food & Beverage and other services which have contributed to an increase of approximately 200% in gross sales over the past ten (10) years. The facilities investment and initial implementation of the Retail Plan has allowed MBJ and the participating retailers and service providers to transform the Airport into a well appointed, exciting and memorable travel and shopping experience for visitors and residents of Jamaica.

As the retail program has developed and matured, MBJ continues to look for opportunities to further enhance the services in the ITB to meet growing international passenger demands by strategically adding new and innovative concepts. To achieve this, MBJ is seeking experienced Specialty Retail Operators with whom to forge a mutually beneficial business relationship and who will continue to enhance the quality of the products and services to an established market in a dynamic Caribbean location and tourist destination.

“MBJ” hereby invites qualified **Specialty Retail/Duty Free** operators to submit a proposal for the development and operation of a Specialty Retail **Concession** (the “Proposed Concession”) (“ITB”) at (“the Airport”). The Proposed Concession comprises of the development and operation of one (1) location;

## THE OFFER

**1. One (1) Specialty Retail/Duty Free Concession- (Open Concept) North Retail Area**  
**Located post-security in the Departures Terminal**, the proponent will have the opportunity of being an intricate part of the current exciting Retail Program at the Airport. While all passengers will have access to the location, this concession will primarily provide passengers departing from Gates 1-7 the opportunity to purchase item that are unique to the proponent’s offering and not currently on offer at the Airport.

The Proposed Concession is part of the Airport’s on-going delivery of a strategic plan, created to transform the retail and service offer at the Airport to international standards by delivering a memorable and stimulating shopping experience for our passengers. To accomplish this, MBJ has specific goals that it expects the successful applicant to achieve, including:

- ❑ The development of well-appointed concession outlets with interiors and displays that are striking, will stimulate impulse purchases, optimise sales as well as meet MBJ Design Criteria; included further in this RFP at Appendix B;
- ❑ The provision of a mix of products and services that appeal to and satisfy the changing wants, needs and desires of the full spectrum of the holiday/leisure and local markets.

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## BACKGROUND INFORMATION

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Sangster International Airport is located in Montego Bay, Jamaica. The Airport serves as the primary gateway to Jamaica, a major international tourist destination and facilitates the transit of more than 85% of tourists arriving on island. Jamaica has been recognized as the Caribbean's Leading Destination from the World Travel Awards for the past eight (8) consecutive years. The airport has also been recognised as the Caribbean's Leading Airport for the last 5 (five) years by World Travel Awards. Jamaica is the fourth largest island and the largest English speaking country in the Caribbean.

Tourism is vital to the economy of the island and is supported by the Government through the Jamaica Tourist Board ("JTB") which actively promotes and markets Jamaica throughout the world. Tourism accounted for 7.5% of Jamaica's GDP, and 10.5% of total employment in 2011. This contribution continues to grow significantly with Jamaica's historic welcome of its two millionth arriving stop-over visitor in 2013. It also accounts for approximately 50% of the island's foreign exchange earnings. (Refer to Part IV - Statistical Information for additional data).

The Airport primarily serves a mature but growing tourist market with approximately 80% of its passenger traffic destined to or originating from North America and 16% to and from the U.K and Europe. In 2013, the Airport served over 3.4 million total passengers. Historically, passenger arrivals comprise 49% and passenger departures comprise 51% of total traffic. Despite the global economic downturn, Jamaica, and in particular Montego Bay's Sangster International Airport, has proven to be a resilient destination and has been less affected than most airports in other parts of the Caribbean and Latin America. Increased marketing efforts and a more diversified tourist product are expected to attract more Trans-Atlantic passengers as the demand for Jamaica increases in European and Latin American markets. Additionally, a strong partnership with JTB has augmented marketing efforts and air service development to secure visitor arrivals.

As a result of a five-year Capital Expansion Program, the Airport now has over 4,000 square metres of space in the ITB dedicated to retail opportunities comprised of Duty Free, Specialty Retail, Food & Beverage and other services, all of which has contributed to an increase of approximately 200% in gross sales over the past ten (10) years. The ITB is designed to handle up to 3,000 passengers per peak hour. The enlarged and more efficient terminal facility has enabled retailers and other service providers to achieve better capture rates and grow their business. The facilities investment and initial implementation of the Retail Plan has allowed MJB and the participating retailers and service providers to transform the Airport into a well appointed, exciting and memorable travel and shopping experience for visitors and residents of Jamaica.

As the retail program has developed and matured, MJB continues to look for opportunities to further enhance the services in the ITB to meet growing international passenger demands by strategically adding new and innovative concepts. To achieve this, MJB is seeking an experienced Specialty Retail/Duty Free operator to forge a mutually beneficial business relationship to enhance the quality of the products and services to an established market in a dynamic Caribbean location and tourist destination.

## RETAIL PLAN

The ITB at the Airport is one of the first and last impressions visitors have of Montego Bay, the region and Jamaica. Consequently, a Retail Plan was commissioned to ensure that customer service and retail sales in the ITB will be optimized. The plan sets out retail strategies, layouts, thematic treatments and designs to create memorable and stimulating experiences for passengers and other users through the execution of the plan. At the same time, it will assure that passenger facilitation requirements are met and customer service expectations are achieved. Now that the retail program has been established, our aim is to ensure that the retail offer at the Airport is comparable to international operations by ensuring the mix of retailers include new, innovative and trending concepts which will create an exciting, delightful and memorable shopping experience for vacationers and visitors to Jamaica. The new retail offer is premised on the following principles:

- ***Strategically placing new and exciting concepts throughout the terminal while creating a balanced retail offer.***
- ***Intensifying the presence of international, national and local branding and the number of branded outlets to better target the holiday/leisure market visiting Jamaica;***
- ***Enhancing overall levels of customer service and providing more impulse related and value added shopping choices and products for travellers;***
- ***Integrating the retail offer at the Airport as part of the “vacation experience” for visitors to Jamaica.***
- ***Providing a relaxed, tranquil atmosphere for shopping, away from the fast paced shopping available off site.***

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**PART I**  
**PROPOSAL SUBMISSION AND SELECTION PROCESS**

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## 1.0 INVITATION

MBJ Airports Limited (hereinafter referred to as “MBJ”) invites Proponents to submit a proposal for the development and operation of a **Specialty Retail/Duty Free Concession** (the “Proposed Concession”) at the Sangster International Airport (“the Airport.”). The Proposed Concession will have a location in the **Departures Terminal (Post- Security)** and as shown on the attached drawings. The successful Proponent will be required to enter into a Licence with MBJ as described in Section 9.0 of these Instructions.

## 2.0 RFP DOCUMENTS (“Documents”)

2.1 The “Documents” consist of:

- ❖ These Instructions
- ❖ Concession Terms
- ❖ Design, Development and Construction Process
- ❖ Statistical Information
- ❖ Form of Proposal
- ❖ Schedules to Form of Proposal:
  - (1) Proposal for Specialty Retail Area and Concept;
  - (2) Company Profile;
  - (3) Financial Capability and Experience;
  - (4) Marketing, Pricing and Merchandising Plan;
  - (5) Customer Service and Quality Control;
  - (6) Design, Development and Construction Plan;
  - (7) Storage Space Requirements;
  - (8) Covenant / Credit-Worthiness / Co-Covenantor(s) & List of Business Reference
  - (9) Financial Proposal;
  - (10) Proposal Checklist and Acknowledgement.
- ❖ Addenda, as may be issued from time to time

Appendix A – Draft Licence

Appendix B – Design Criteria Manual

Appendix C – Drawing showing Location of Concessions

2.2 Proponents are responsible to ensure that they have received all components that make up the “**Documents**” as set out in Section 2.1 above.

### Notes:

- **Names of Proponents will not be disclosed and MBJ reserves the right to add or remove Proponents at its sole discretion. The Licensor also reserves the right not to accept any Proposal submitted, and may seek additional or further Proposals from any other party or parties.**

### 3.0 SUBMISSION OF PROPOSAL

- 3.1 Proposals must conform to all Instructions.
- 3.2 **ONE (1) ORIGINAL AND TWO (2) COPIES (THREE (3) COMPLETE SETS) OF THE PROPOSAL MUST BE SUBMITTED.**
- 3.3 Proposals must be in writing and received by MBJ at its offices referred to in **Section 4.0** before Closing Time. Proposals received after Closing Time will be returned unopened. Proposals sent by facsimile or email will not be accepted.
- 3.4 Proposals shall be prepared and completed on the attached forms, with all schedules fully and properly completed and with the pro-forma statements also being submitted on a flash drive or CD. Proposals must be completed in ink or typed, **pencil is not acceptable**. Should there be insufficient space on the Form of Proposal or Schedules, additional sheets appropriately marked and identified, may be attached. No additions, deletions, interlineations or modifications shall be made to the Form of Proposal or Schedules.
- 3.5 Proposals shall be submitted in a sealed envelope bearing the name and address of Proponent and marked:

#### **REQUEST FOR PROPOSALS FOR THE DEVELOPMENT AND OPERATION OF SPECIALTY RETAIL/DUTY FREE CONCESSIONS INTERNATIONAL TERMINAL BUILDING**

- 3.6 Proposals shall be dated and signed by two duly authorized signing officers of the Proponent. Signatures shall be in original handwriting; facsimile signatures will not be accepted.
- 3.7 Each page of the Form of Proposal and Schedules shall be initialled by one of the authorized signing officers whose signature appears on the execution page of the Form of Proposal.
- 3.8 The Licensor will assume that all statements in writing, made by persons submitting Proposals are true, accurate, complete and not misleading. All such statements will constitute representations and warranties made to MBJ.
- 3.9 Proposals that contain qualifying conditions or otherwise fail to conform to these Instructions may be disqualified or rejected. Anything to the contrary herein notwithstanding, MBJ may elect to retain for consideration (and may elect to accept, regardless) Proposals that are non-conforming, and may waive any non-compliance, irregularity, error, or time stipulation required by these Instructions. The stipulations herein are for the sole benefit of MBJ and may be waived by MBJ unilaterally.

**A Bid Guarantee in the amount of US\$30,000.00** in the form of a Manager's Cheque payable to MBJ Airports Limited or Direct Deposit to MBJ Account number at RBC Royal Bank (Jamaica) Limited: US\$ A/C – 4408517000004606, proof of deposit, shall accompany each proposal. The **Bid Guarantee** will be deposited to MBJ's account and no interest is payable to the Proponent. The Bid Guarantee shall be returned, without interest, to unsuccessful applicants within fourteen (14) days after MBJ has determined which, if any Proponent has been successful. The Bid Guarantee of the successful Proponents will also be returned in exchange for a Security Deposit under the License to be determined by MBJ. The **Security Deposit** required for each concession will be equivalent to three (3) month's revenue to MBJ (MAG & Percentage fee).



#### 4.0 CLOSING OF PROPOSALS

Sealed proposals in packages marked “**Request for Proposal – Specialty Retail/Duty Free Concessions: International Terminal Building,**” will be received by The Licensor on or before **Thursday, April 17, 2014 at 3:00 p.m. and then privately opened.** The status of each proponent’s application will be communicated no later than **April 25, 2014.** Proponents must submit ONE (1) ORIGINAL PROPOSAL AND TWO (2) COPIES to:

**Mrs. Natalie Brown – Campbell**  
**Commercial Division – International Departure Terminal**  
**MBJ Airports Limited**  
**Sangster International Airport**  
**Montego Bay**  
**St. James**  
**940-7043**  
**Email: [nbrown@mbjairport.com](mailto:nbrown@mbjairport.com)**

#### 5.0 SITE TOUR, CLARIFICATIONS, QUESTIONS AND INQUIRIES

- 5.1 The Licensor will conduct a Site Tour on Monday March 24, 2014 at 11:00 a.m. Interested parties will be required to confirm their attendance no later than March 20, 2014. The name of the company, its attending agents as well as contact information must be submitted via email: [nbrown@mbjairport.com](mailto:nbrown@mbjairport.com).
- 5.2 The Licensor may issue additional information, clarification or modification to the Documents by written Addendum. The Licensor shall not be bound by oral or other informal explanations or clarifications not contained in such addenda.
- 5.3 The Licensor will only consider written questions received on or before **Friday, April 11, 2014.** All written inquiries must be directed to the address shown in **Section 3.10** or sent by facsimile to Fax Number (876) 940-0884 or via email to [nbrown@mbjairport.com](mailto:nbrown@mbjairport.com).
- 5.4 Answers and/or clarifications to questions will be sent to all Proponents who have requested Documents according to the records of MBJ and posted on the Airport’s website.
- 5.5 Proponents shall notify MBJ in writing should they find any inconsistency, discrepancy, ambiguity, error or omission in the Documents.
- 5.6 Proponents, if uncertain or in doubt as to the intended meaning of the Documents, or of any term in the Documents, may submit to MBJ a written request for clarification.
- 5.7 Proposals should not be sent by any electronic means of communication (e.g. facsimile or electronic mail).

Proponents using any electronic transmissions to make inquiries relative to their Proposal assume the entire risk that the email or facsimile document will be properly received by MBJ, on time or at all, and that all other requirements herein will be satisfied. The Licensor shall not be liable to the Proponent if its email or facsimile document is not properly received on time or at all due to the malfunctioning of MBJ’s equipment, the errors or omissions of MBJ’s employees or agents, the interruptions or inability to obtain a connection with MBJ’s equipment, the response time of MBJ’s equipment, insufficient paper supply for facsimile machines or for any reason whatsoever.

- 5.8 All written Addenda issued by MBJ before Closing Time shall be delivered to all Proponents who have requested Documents according to the records of MBJ. All Addenda shall be incorporated into and become part of the Documents.
- 5.9 Proponents shall complete the Form of Proposal acknowledging receipt of all Addenda.
- 5.10 Proponents shall examine all Documents and make independent judgement as to circumstances and conditions affecting the business opportunity and their Proposal. Failure on the part of Proponents to examine and investigate thoroughly shall not be grounds for any claim that Proponent did not understand the conditions of the Proposal.
- 5.11 Proponents, at their cost, may be required to make a verbal presentation to MBJ's Selection Committee.
- 5.12 Each Proponent shall, before submitting its Proposal, thoroughly examine and assess the requirements and specifications set out in this Request for Proposals, the equipment and materials needed, all relevant laws, rules, notices, directives, standards, orders and regulations, licensing and permit requirements and other circumstances which may affect its Proposal. Submission of a Proposal constitutes a representation by Proponent that it has conducted its own due diligence and is familiar with and accepts all of the foregoing.

## **6.0 MINIMUM QUALIFICATIONS**

To be considered for review and award of the Proposed Concession, all noted minimum qualification requirements must be met.

### **6.1 Experience**

Proponent must be able to demonstrate ownership or operation of a successful Specialty Retail/Duty Free Concession.

### **6.2 Financial Capability**

Proponent must clearly and unambiguously show that they have the financial capability to successfully develop, and operate the Proposed Concession.

Any person or corporation in arrears, or any corporation whose shareholders or directors are, or were, shareholders or directors of any corporation in arrears, in respect of any lease, licence or contractual agreement with MBJ will be ineligible for the award of a Licence unless financial arrangements satisfactory to MBJ are made in respect of any such arrears prior to the closing date of this Invitation for Proposals.

### **6.3 Legal**

Any person or corporation involved in pending litigation or outstanding claims or disputes with MBJ will be ineligible to be awarded a Licence.

Proposals that contain qualifying conditions or fail to conform to these Instructions may be disqualified or rejected. Collusion between Proponents is sufficient cause for rejection of all Proposals affected.

## 7.0 EVALUATION OF PROPOSALS AND AWARD OF CONCESSION

- 7.1 The evaluation of responses will be based on a number of factors, weighted according to the needs of MBJ. The highest or any Proposal will not necessarily be accepted. Any implication that the Proposal with the highest financial bid will be accepted, or that any Proposal at all will be accepted, is hereby expressly negated. The Licensor reserves the right to accept the Proposal that it deems most advantageous, and the right to reject any or all Proposals for any reason. In no event will MBJ be responsible for the costs of preparation and submission of Proposals.

The Licensor reserves the right to evaluate submissions according to any criteria it determines to be appropriate. Generally, MBJ will make its selection based upon the ***uniqueness of proposed concept, the value of the business opportunity and its enhancement of the existing retail program***. To give Proponents some guidance, three (3) principal criteria will be relied upon:

<b>Financial Capability:</b>  The ability of the proponent to financially sustain the operation. Proponents must clearly and unambiguously show that they have the financial capacity to successfully develop and operate the Proposed Concession. Other factors that will be evaluated are: <ul style="list-style-type: none"><li>○ Net present value of revenue-stream to MBJ. Future fees and/or lump sum payments will be discounted at <b>10.00%</b> compounding annually.</li><li>○ Reasonableness of a Proponent's financial forecasts and assumptions. A 6-year financial forecast must be submitted for all concessions on Flash Drive or CD ROM together with a hard copy complete with assumptions.</li></ul>	50%
<b>Concept/Brand Offer, Marketing and Pricing Plan:</b>  Proponents are required to provide details relating to the concept (themed) or brand to be offered in addition to the marketing strategies to be utilised and pricing policy of items offered for sale.	30%
<b>Design, Development and Construction Plan:</b>  Details on how the concession space will be constructed along with the necessary diagrams, plans and drawings and time frame for construction. The plan will also make specific reference to the construction costing and timeline for implementation.	20%

## AWARD OF CONCESSION

The successful proponent will be notified of the award of the concession no later than April 25, 2014.

## 8.0 CONDITIONS

- 8.1 The Licensor reserves the right to negotiate with any Proponent or with another Proponent or Proponents concurrently. In no event shall MBJ be required to offer any modified terms to other Proponents. The Licensor shall incur no liability to any Proponent as a result of such negotiations or modifications.
- 8.2 The Licensor recognizes that the information required is confidential and will not disclose details of any submission to any other Proponent.
- 8.3 Each Proponent submitting a proposal acknowledges and agrees, by submitting a Proposal, that MBJ will have no liability or obligation to any Proponent except only the Proponent, if any, awarded the Licence by MBJ in its sole discretion. Each Proponent agrees that, if it is not awarded the Licence, then whether or not MBJ has discharged any express or implied obligation, MBJ shall be fully and forever released and discharged of all liability and obligation in connection with this Request for Proposals.
- 8.4 In particular, MBJ shall not be under any obligation to return or save either the original or any copies of any Proponent's Proposal, and all documents submitted to MBJ, whether original or copies, shall be kept or disposed of by MBJ.
- 8.5 This RFP does not constitute an offer. No agreement shall result upon the submission of Proposals. The Licensor shall not be under obligation to enter into any agreement with anyone in connection with this RFP and responses received. The Licensor will not have any obligation to anyone in connection with this RFP unless MBJ executes and delivers an agreement in writing approved by MBJ's senior management.
- 8.6 The Licensor may, anything to the contrary notwithstanding, if considered to be in the best interests of MBJ or most advantageous, at any time elect to request re-submissions by the Proponents, or by one or more of the Proponents as MBJ determines to be in the best interests of MBJ or most advantageous, and may undertake the entire process (including the RFP and all steps that preceded), or one or more parts thereof, over again, in the same or an altered format and on the same or altered terms and conditions.
- 8.7 If any issue or uncertainty arises in connection with the selection of the successful Proponent, MBJ may seek guidance or direction from an arbitrator or consultant appointed or selected by MBJ. Each Proponent agrees to accept and be bound by any decision or action taken by MBJ based on the guidance or direction of the arbitrator or consultant and will not make any claim for loss, damage or compensation.
- 8.8 MBJ does not warrant or assume any legal liability or responsibility for the accuracy, completeness, interpretation or usefulness of any information or process disclosed in this RFP, to the extent that each Proponent should undertake its own due diligence checks prior to submitting a proposal. The terms and conditions of the executed **Specialty Retail/Duty Free Concession Licence** supersede the contents of the RFP and all associated documentation.
- 8.9 This RFP is the property of MBJ and is not to be disclosed, reproduced, or distributed without prior written consent of MBJ. Copyright and all related rights are expressly asserted and reserved.
- 8.10 Notice of award will be in writing by an authorized representative of MBJ.

8.11 **CURRENCY**

Unless otherwise indicated, all dollar amounts referred to in this document are in the currency of the United States of America and Proponents shall use the said currency throughout in the submission of Proposals.

9.0 **FORM OF LICENCE**

The successful Proponent will be required to enter into a Licence (the “**Licence**”) with MBJ in the form of the Draft Licence attached as Appendix A incorporating the terms hereof including the basic terms set out in **Section 11.0 Part II Proposed Concession – Terms** and with such modifications and additions as MBJ may reasonably stipulate.

10.0 **MODIFICATIONS**

- 10.1 Proposals may only be modified in writing, signed by an authorized signing officer of the Proponent who has signed the **Form of Proposal**. The Licensor shall only accept modifications on or before Closing Time of **3:00 p.m. on Thursday April 17, 2014**. Modifications made verbally, by facsimile or by email transmission will not be accepted and modifications received after Closing Time will not be considered and will not form part of any Proposal submitted.

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**PART II**  
**PROPOSED CONCESSIONS – TERMS**

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## 11.0 BASIC TERMS OF LICENCE

### 11.1 Basic Terms of the Licence

The following are the basic terms of the Licence:

<b>Length of Licence:</b>	<b>6 years</b>
<b>Renewal periods:</b>	Extension of Licence is at the sole discretion of MBJ
<b>Premises:</b>	<b>Location # 2 – 132 - See Drawings – Appendix C</b>
<b>Minimum Annual Guarantee (MAG)</b> refers to the guaranteed amount to be paid to the Licensor in equal instalments on the 1 <sup>st</sup> of each and every month:	<b>To be as set out in the applicant's proposal- Refer to section 11.2</b>
<b>Percentage Fees (to be paid in addition to the MAG):</b>	<b>To be as set out in the applicant's proposal- Refer to section 11.2</b>
<b>Date Licence signed:</b>	May 5, 2014
<b>Commencement Date of Licence:</b>	May 5, 2014
<b>Fixturing Period *:</b>	The space will be built out by the successful proponent within 60 days from the date of handover by MBJ to the Licensee.
<b>Opening Date of Concession</b>	No later than July 5, 2014
<b>Common Area Maintenance Charge:</b>	Currently <b>US \$18.75/Sq.Ft</b> per Annum subject to change at MBJ's sole discretion
<b>Utilities:</b>	Operator responsible for utility charges
<b>Deposit Requirement:</b>	Equivalent to three Months' Revenue to MBJ (MAG & Percentage Fee)
<b>Insurance Coverage:</b>	<b>US\$1,000,000.00</b>
<b>Promotion Fund:</b>	US \$1,000.00 upon signing of License and thereafter will be calculated as 0.5% of previous year's total Gross Sales.
<b>Operating Name:</b>	As proposed by Proponent and approved by Licensor

\*Only 50% of the monthly equivalent of MAG is due during the 60-day fixturing period or until the store commences operation, whichever comes first. Full MAG payment will be required at opening or the end of the fixturing period.

More detailed terms and conditions are set out in the Draft Licence attached as Appendix "A". The successful Proponent will be required to execute and deliver the Licence within ten (10) days of receiving it from MBJ, after notice of award.

## 11.2 Minimum Annual Guarantee and Percentage Fees

The successful Proponent's Proposal will set out the Proponent's Financial Offer (see Schedule 9 of the Form of Proposal) as to the fees payable by the Proponent to MBJ under the Licence. **The Minimum Annual Guarantee (MAG) is due and payable from the Commencement Date of the Licence on the first of each and every month in equal instalments.**

The fees payable by the Proponent to MBJ will be equal to:

- The MAG quoted by the Proponent to MBJ (see **Schedule 9 of the Form of Proposal PART V**)

**AND**

- The Percentage Rate of Gross Revenue prescribed by MBJ in Table 11.1.

All concessionaires at the Airport are to operate under a **"Fair Pricing"** regime. Fair pricing requires that Airport prices be consistent with prices charged in comparable off-airport outlets for similar products and services in Montego Bay shopping malls, retail stores and shops.

**The following are the Minimum Annual Square Foot Rates and Percentage Fees that have been set by MBJ. However, interested proponents may submit bids above the minimum rates and percentage fees.**

**Table 11.2**

Specialty Retail/Duty Free					
Size (Sq.Ft)	Concept	Minimum Annual Guarantee (MAG) Rate/Sq.Ft./Annum US \$	Percentage of Gross Sales Payable in addition MAG	*Projected Minimum Gross Sales Performance (p/a) US\$	Product Line Restrictions
581.25	Specialty Retail	\$80.00	10.00%	\$350,000.00	<b><u>Souvenir/Specialty Retail:</u></b> The sale of CD's, DVD's, Phone Cards, Coffee, Food & Beverage, & Fashion Jewelry are not permitted. <b>ALL apparel and souvenir must be of a distinguishing brand or theme not currently available at the Airport.</b>
	Duty Free	\$ 110.00	10.00%	\$450,000.00	<b><u>Duty Free:</u></b> Tobacco, Cigars, Perfumery, Spirits & Luxury Chocolates, Watches are not permitted.
<p><i>* The Projected Minimum Sales presented are for information only, derived from the analysis of stores in the vicinity of the available location. MBJ assumes no legal liability or responsibility for the completeness or usefulness of the information disclosed. The figures are estimates only, subject to deviation, and are not guaranteed in any way. Proponents should conduct their own due diligence and make such investigations and inquiries as they consider necessary for the purpose of submitting a business Proposal.</i></p>					<b>Food and Beverage items for immediate consumption are not permitted.</b>



### 11.3 Fixturing Period

The Fixturing Period refers to the period granted by MBJ to a successful Proponent to develop the space allotted and to carry out all necessary works to bring the said space to a standard fit for operation of the concession.

The space will be built out by the successful proponent within 60 days from the date of handover by MBJ to the Licensee.

### 11.4 Insurance during Construction

The Successful Proponent shall be required to obtain Insurance cover during the development phase of the space sufficient to cover all public liability and construction risks.

### 11.5 Concession Privileges

The Licensor will not grant exclusive rights to develop and operate concessions at the Airport. Notwithstanding MBJ may, if considered to be in the best interests of MBJ or most advantageous, limit and/or restrict the number and types of Specialty Retail concessions that will be developed at the Airport at any time.

The successful Proponent will be granted the right to develop and operate the Proposed Concession in a manner that complies with the concepts outlined in Schedules 1.0 and 7.0 of the Form of Proposal and all the Sections of this Document.

### 11.6 Examinations by Proponent

Each Proponent shall, before submitting a Proposal, examine the attached drawings of the Premises and satisfy itself as to the locations of the Premises within and outside the terminal building, the means of access to the Premises, all other conditions, all laws, safety and security requirements, all services required including without limitation electricity, water supply, sewer and telephone, and all other circumstances which may affect its Proposal for the development and operation of the Proposed Concession.

Submission of the Proposal will constitute an acknowledgement by the Proponent that it has conducted its own due diligence and complied with this Section.

## 12.0 APPLICANT'S UNDERTAKINGS

The successful Proponent shall be required to undertake, among other things, to:

- (a) Design, construct and fit out the Premises at its sole cost and expense. All locations are handed over in an **"as is"** condition;
- (b) Fixture and have in place all of its Premises and equipment, as approved by MBJ, and be open for business on the date specified by MBJ. If the business is not open on the specified date, the Proponent will pay late opening fees as set out in the Licence;
- (c) Utilize a Point of Sale system which will be able to:
  - (i) Clearly indicate the information of the concessionaire i.e. name, address, contact number

- (ii) Accommodate multiple forms of payments including credit card and different currencies
  - (iii) Provide security/access controls. The transaction database to be maintained based on data retention standard set by MBJ. This should be exportable for use with other software
  - (iv) Generate receipt and invoice information with full integration with the G/L system
  - (v) Create audit trails of all transactions including voids, overrides and deletions
  - (vi) Detail pricing information including, standard pricing, discounts, taxes etc.
  - (vii) Report including daily sales, period sales, sales history for single locations and/or aggregated on multiple locations
  - (viii) The Point of Sales system must have the ability to send detailed reports directly to MBJ in an electronic format as is required by MBJ.
- (d) Operate the Premises in a manner acceptable to MBJ and to provide the optimum level of customer service and sales;
  - (e) Abide by MBJ's Regulations, Rules, Policies and Directives.

### **13.0 GOVERNING LAWS**

Proponents are advised and acknowledge that the laws of Jamaica will govern the Licence and that the Licence will be in English.

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**PART III**

**DESIGN, DEVELOPMENT AND CONSTRUCTION**

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## 14.0 DEVELOPMENT PROCESS

The successful Proponent will occupy the Premises in an “**as is**” condition and will be responsible for the complete financing, design, construction, fixturing, equipping, commissioning and operation of the Premises. The successful Proponent will be required to retain engineers, designers, contractors and other professionals to prepare the requisite engineering and construction designs and may select any qualified consultants certified to do business in Jamaica.

**As set out in Schedule 6 of the Form of Proposal, Proponents are initially required to submit concept plans for the Premises. The concept plans should be comprised of the following elements:**

- **Preliminary Dimensioned Space Plan;**
- **Concept Elevation Renderings showing perspective(s) or elevation(s) of the proposed storefront design with signage;**
- **Preliminary cost estimate and construction timetable showing how work will be completed and the Premises operational and ready for business on the commencement date.**

The successful Proponent will ultimately be required to provide MBJ detailed development/ construction plans, cost estimate and final construction schedule for the Premises. The Licensor development process is set out in detail in the document titled “**Licensee Design Criteria Manual - Sangster International Airport**”. Before any work begins, all plans contractors, sub-contractors and other companies doing work for the Proponent must be approved by MBJ.

The space has been fitted out with an electrical supply which includes a transformer, panels, sockets / switches and electrical lights. Telecommunication and data services have been terminated within the space, and the air-condition units and ducts have been installed. The floor and ceiling have been installed along with slat walls and shelves.

Please note that the services will need to be tested and re -commissioned, in that they have not been in use for the past 4 – 5 years.

### 14.1 Premises Design Process

The intent of the “**Licensee Design Criteria Manual - Sangster International Airport**” is to provide Proponents, their designers and contractors the information necessary to design and develop the Premises. It contains MBJ's criteria and procedures for obtaining approval for design and construction of the facilities. The Proponent's designers will need to be familiar with the Manual, MBJ's development approval process and requirements applicable to development projects at the Airport. The successful Proponent is responsible for obtaining all permits, paying all fees and obtaining all required approvals including MBJ's development approval.

#### 14.1.2 Premises Extra Requirements

If the Successful Proponent's requirements for any of the utility services supplied by MBJ exceed the standards or capacities available, the Proponent may apply to MBJ for upgrading such services. The Licensor will review the application and may agree to the upgrade. If MBJ agrees, it shall supply a quotation to the Proponent for such upgrade work and the Proponent shall reimburse that amount to MBJ on demand, following completion of the work by MBJ's contractor. All related costs, including those of MBJ's engineers, plus 15% for MBJ's coordination, supervision and administration shall be borne by the Proponent

#### **14.2.1 Labour Affiliations**

Contractor(s) and subcontractor(s) are to employ competent tradesmen and pay fair wages for work performed and undertaken by the Proponent in developing the Premises.

#### **14.2.2 Working Hours**

Normal hours for major construction are during non-operating hours of the Airport. However, light work which will not affect users of the Airport during operational hours is allowed with the approval of the Project Manager or Duty Coordinator.

Should the progress of construction work performed within the regular working hours be insufficient to ensure a satisfactory on-time opening, the Proponent's forces may work overtime or extra shifts. The Proponent's contractor(s) must inform MBJ of such activities and work.

#### **14.2.3 Safety and Security Regulations**

It is the intent of MBJ to provide a safe, secure and healthy work place for all workers at the Airport and it may issue safety and security instructions to the Proponent's contractor(s) from time to time, or may require them to provide a plan, for its approval, that addresses safety including (any environmental concerns) and security, which must be strictly observed. The Proponent's managers, supervisors and workers must accept responsibility to ensure that safety and security are the top priority. Nothing less will be accepted. In addition, the Proponent must adhere to all safety, environment and security procedures established by MBJ.

The Proponent shall take all necessary steps to secure the Premises during the fixturing period. MBJ shall not be liable for any loss or damage including theft of building materials, equipment or supplies. All persons on the Airport in connection with the development of the Premises shall fully comply with all MBJ's security and safety regulations and cooperate with the concerned authorities in enforcing such regulations. Minors shall not be permitted on the construction site at any time. The Proponent must submit a Procedures, Safety and Security Manual to MBJ before commencing any work.

First Aid shall be provided and paid for by the Proponent's contractor(s) for all its workers at the Premises.

#### **14.2.4 Temporary Services**

The Successful Proponent will need to provide its workers with temporary clean-up facilities and water. The Proponent will be provided with temporary power during construction unless otherwise informed by MBJ.

#### **14.2.5 Parking**

The Proponent's contractor(s) and employees shall park vehicles in designated parking areas.

#### **14.2.6 Waste Removal**

The Proponent's contractor(s) shall maintain the ITB in a reasonable clean and orderly manner during the construction and fixturing period and shall remove all non-recyclable waste, excess material, trash and cartons to a designated landfill site daily.

#### **1.4.2.7 Liens**

The successful Proponent shall not carry out any work until MBJ is provided with a waiver from every contractor and subcontractor and all persons supplying services, labour or materials in connection with the work, duly signed in the following form:

**“To MBJ Airports Limited (MBJ):**

In consideration of MBJ permitting the undersigned to be engaged in supplying work or materials in connection with the construction and development of Premises at the Sangster International Airport, the undersigned hereby waives and releases any claim of builders' lien with respect to work to be done and materials to be supplied in connection with improvements at the said site. This waiver and release will not affect any worker earning wages. If any claim of builders' lien is filed on behalf of the undersigned or any subcontractor or person supplying work or materials in connection with any contract of the undersigned pertaining to the project, the undersigned will within 72 hours release and discharge or cause to be released and discharged such lien.”

**14.3 Additional Information**

It is recognized that the successful Proponent will use its own form of contract to undertake the Construction and Development Work. However, Proponent must consider terms, conditions and rules and regulations in place at the Airport for construction activities. The Licence will require Proponent's contractors to abide by the conditions similar to those outlined in MBJ's General and Special Conditions of Contract.

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**PART IV**  
**STATISTICAL INFORMATION**

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## 15.0 TRAFFIC STATISTICS AND FORECAST

Sangster International Airport handles approximately 70.1% of the country's international passenger traffic. Most tourists to Jamaica also begin and end their visits in Montego Bay because of the area's attractions and its role as a hub in the transportation system. International cruise ship passengers on trips in the Caribbean and to North America use the Airport to access the seaport in Freeport.

**Table 15.1** presents the historical and forecast passenger statistics for the Airport for the period 2003-2014. Historically the passenger traffic has been distributed as follows: arriving passengers have account for approximately 49% of the Total Passengers and departing passengers for approximately 51% of the Total Passengers.

**Table 15.1 – Historical and Forecast Passenger Statistics**

Year	International Arriving Passengers	International Departing Passengers	Percentage Change	Actual and Projected
Fiscal 2003-04	1,225,956	1,225,357		Actual
Fiscal 2004-05	1,285,674	1,279,740	4.65%	"
Fiscal 2005-06	1,321,501	1,351,988	4.21%	"
Fiscal 2006-07	1,448,887	1,483,781	9.69%	"
Fiscal 2007-08	1,502,208	1,496,675	2.26%	"
Fiscal 2008-09	1,469,963	1,479,119	-1.66%	"
Calendar 2009	1,482,822	1,485,522	0.65%	"
Calendar 2010	1,560,747	1,565,590	5.32%	"
Calendar 2011	1,589,608	1,595,861	1.89%	"
Calendar 2012	1,621,983	1,627,377	2.01%	"
Calendar 2013	1,693,358	1,699,766	4.42%	"
Calendar 2014	1,742,515	1,748,621	2.89%	Projected

**Note:**

*The table above excludes passengers on private flights and domestic passengers.*

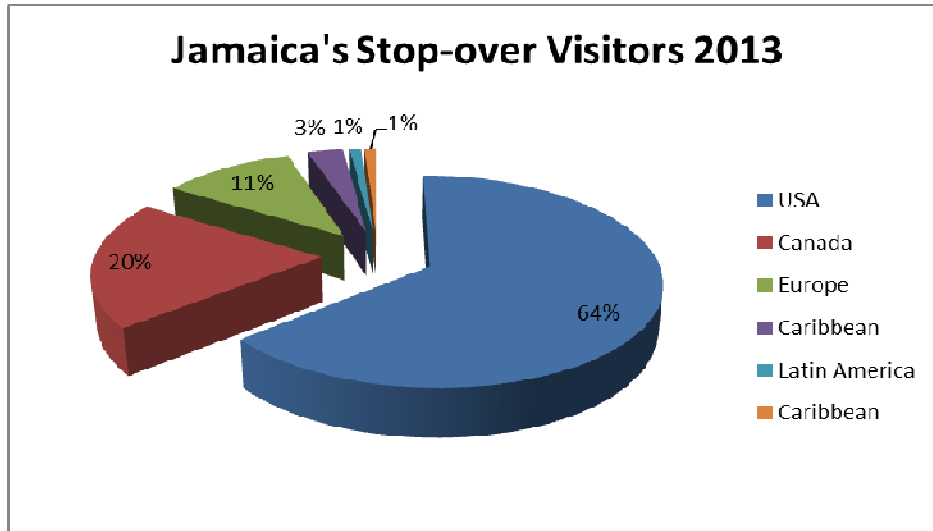
*The Historical and Forecast Passenger Statistics presented in this document are for information only. Please note that these statistics were derived from information provided by the Government of Jamaica (GOJ) and data collected by MBJ from airlines serving the Airport. Neither the GOJ nor MBJ warrants or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information or statistics disclosed. They are estimates only, subject to deviation, and are not guaranteed or warranted in any way. Proponents should conduct their own due diligence and make such investigations and inquiries as they consider necessary for the purpose of submitting a business Proposal.*



## 15.2 Market share of Jamaica Arrival Statistics

The chart below shows the visitor market share of arriving passengers to Jamaica for the period 2013.

**Figure 15.2 – Visitor Market Share**



### 15.3 Destination Cities by Carrier (s) serving MBJ

Airline	Destination Served
Aerogaviota	Havana, Holguin
Air Canada/ Air Canad Rouge	Halifax, Montreal, Ottawa, Toronto, Winnipeg
Air Transat	Calgary, Edmonton, Halifax, Montreal, Regina, Saskatoon, Toronto, Vancouver
Airtran Airways	Atlanta, Baltimore, Chicago Midway, Detroit, Milwaukee, Orlando
American	Chicago, Dallas, Miami
Arkefly	Amsterdam
Avianca	Bogota, Cali
Blue Panorama	Milan
Canjet	Halifax, Hamilton, Montreal, Ottawa, Quebec, Toronto
Caribbean Airlines	Fort Lauderdale, Kingston, Nassau, New York
Cayman Airways	Grand Cayman Island
Condor	Frankfurt, Munich
Copa Airlines	Panama City
Delta	Atlanta, Detroit, Indianapolis, Minneapolis, New York
Frontier Airlines	Chicago, Denver, Rockford, St Louis
Iberworld	Madrid
Jetair Fly	Brussels
Jetblue	Boston, New York, Orlando
Neos Spa	Milan
Spirit Airlines	Fort Lauderdale
Sun Country	Dallas, Lansing, Minneapolis, St Louis
Sunwing	Calgary, Cincinnati, Edmonton, Halifax, Moncton, Montreal, Nashville, Ottawa Regina, Quebec, Saskatoon, St John's, Toronto, Vancouver, Winnipeg
Thomas Cook	London-Gatwick, Manchester
Thomas Cook Scandinavia	Stockholm
Thomson Airways	Birmingham, London-Gatwick, Manchester, Stockholm
Transaero	Moscow
Travel Service	Prague
United Airlines	Chicago, Houston, Newark, Washington
US Airways	Boston, Charlotte, Philadelphia
Virgin Atlantic	London-Gatwick
West Jet	Halifax, Montreal, Ottawa, Toronto, Winnipeg
White Airways	Lisbon
XL Airways France	Paris

*Please note that the carriers offer year round service but not necessarily to all Destination Cities listed.*

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**PART V**  
**FORM OF PROPOSAL**

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## FORM OF PROPOSAL

**TO: MBJ AIRPORTS LIMITED ("THE LICENSOR")**

**RE: REQUEST FOR PROPOSALS** (the "Proposals") for the development and operation of a Concession in the International Terminal Building at Sangster International Airport (the "Airport").

All words and phrases, which are defined terms in the Request for Proposals, have the same respective meanings herein unless otherwise stipulated herein.

### 1.0 OFFER

We, \_\_\_\_\_  
(Name of Proponent)

of \_\_\_\_\_  
(Address of Proponent)

Pursuant to and in compliance with the Request for Proposals and the addenda listed below, and having conducted our own due diligence and being familiar with the requirements for performance under the Request for Proposals and the Draft Licence and the other Documents as defined in the Request for Proposals, and being familiar with conditions at the Airport and all relevant laws, rules, regulations, licensing and permit requirements, labour market, and other circumstances that may affect our Proposal; **We hereby offer and propose, if selected by MBJ, to:**

- (a) Design, develop, construct and fit-out the Proposed Concession identified in the Request for Proposals in accordance with the requirements set out in the Request for Proposals including Schedule C to the Draft Licence and the other provisions of the Draft Licence;
- (b) Execute and deliver the Licence as defined and provided for in Sections 9.0 under Part 1, INVITATION AND INSTRUCTIONS of the Request for Proposals within ten (10) days of receiving it from MBJ, after notice of award;
- (c) Provide a Letter of Credit, certified cheque or cash in the sum as stipulated in Section 7.0 Submission of Proposals under Part 1, INVITATION AND INSTRUCTIONS of the Request for Proposals upon written request of MBJ after notice of award;
- (d) Operate and perform in a diligent manner in accordance with the terms and conditions of the Licence and dates stipulated in the construction schedule.

The Proponent covenants that its Proposal herein will be open for acceptance by MBJ at any time on or before \_\_\_\_\_ and will be irrevocable until then.

### 2.0 SCHEDULES

The following Schedules are attached to and form part of this Proposal:

- (1) Proposal for Retail Area and Concept;
- (2) Company Profile;
- (3) Financial Capability and Experience;
- (4) Marketing, Pricing and Merchandising Plan;
- (5) Customer Service and Quality Control;
- (6) Design, Development and Construction Plan;
- (7) Storage Space Requirements;
- (8) Covenant / Credit-Worthiness / Co-Covenantor(s) & List of Business Reference;
- (9) Financial Proposal;
- (10) Proposal Checklist and Acknowledgement.

The Schedules that are incorporated herein by reference form part of this Proposal.

### **3.0 ADDENDA**

Receipt of the following Addenda forming part of this Proposal is acknowledged:

**Addendum No.**

**Date**

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### **4.0 EXECUTION OF THE LICENCE BY THE APPLICANT**

If the Proponent fails to execute the Licence within the period provided in Section 9 under Part 1, INVITATION AND INSTRUCTIONS of the Request for Proposals, then (without limiting MBJ's other rights and remedies) MBJ may consider the Proponent to have repudiated. The Proponent will not be permitted, without the written consent of MBJ to open the Premises for business before having executed the Licence. Such consent, if given, shall be without prejudice to MBJ's right to require the Proponent to execute the Licence and MBJ's other rights. If the Proponent is permitted to open the Premises for business before having executed the Licence, then, notwithstanding anything contained herein or in the Licence, until such time as the Proponent executes the Licence, MBJ shall be entitled to withdraw the Licence and declare the agreement between the parties arising from its acceptance terminated and to terminate the tenancy of the Proponent upon five (5) day's notice, whereupon the Proponent shall vacate, deliver up possession of the Premises and forfeit any security provided under the Licence.

### **5.0 TIMELY COMPLETION**

If the Proponent fails or omits to make timely submission to MBJ of any plans or specifications or fails in submitting information or in giving necessary authorizations or fails to perform or complete or delays in performing or completing any work to be carried out by the Proponent or in any manner delays or interferes with the performance of any work to be carried out by MBJ, then MBJ may, in addition to any other rightful remedy, pursue any of the following remedies as MBJ may elect:

- (a) The Licensor may give the Proponent five (5) days notice in writing that if some specific failure, omission, or delay is not cured by the date therein stated the Licence may at MBJ's option be forthwith cancelled and terminated by MBJ but without prejudice to MBJ's rights; and
- (b) The Licensor may after written notice of its intention so to do proceed on behalf of the Proponent at the Proponent's sole cost, risk and expense, including expense for such overtime as MBJ's architect may deem necessary, with the completion of the work to be carried out by the Proponent.

### **6.0 GENERAL AND SUNDRY**

- (a) The rights of the Proponent, if selected by MBJ, may not be assigned without the prior written consent of MBJ. The Proponent will not assign or sublet or part with possession of any of the Premises except in compliance with the terms and conditions set out in the Licence.
- (b) The description and plans relative to the Premises as set out in the Request for Proposals will not be construed as limiting the right of MBJ to enlarge the site of the Building (as defined in the Draft Licence), to add Premises or structures to the Building, to revise or alter the plans, or to change the configuration or location of the Premises (provided that such

change in the configuration or location does not materially and adversely affect the interests of the Proponent). If MBJ makes a change in the area of the Premises or location of the Premises which materially and adversely affects the Proponent, then, within the earlier of ten (10) days after notice from MBJ of such change or three (3) days after the commencement of the Fixturing Period, the Proponent will be entitled to terminate its obligations relative to the Licence by notice in writing to MBJ and in such event the deposit will be returned to the Proponent and the parties will have no further claim against each other; otherwise, the Proponent will be deemed to have accepted the area of the Premises set out above and the configuration and location of the Premises (subject only to the provisions of the Licence regarding measurement of the Floor Area of the Premises).

- (c) If the Proponent is comprised of more than one person, then the obligations of the said persons will be joint and several.
- (d) The Proponent covenants that neither the Licence nor any claim based on the Licence or related to the Request for Proposal or this Form of Proposal will be filed or registered in any Land Title Office.

## **7.0 DECLARATION**

The Proponent acknowledges and declares:

- (a) That the Proponent has complied with all requirements under Part 1, INVITATION AND INSTRUCTIONS and elsewhere in the Request for Proposals;
- (b) That, in submitting this Proposal, the Proponent is not relying on any information or documents provided on behalf of MBJ other than the Documents as defined in the Request for Proposals;
- (c) That the Market Data and Forecasts, information and statements set out in Section 15.0 of the RFP are not warranted or guaranteed by MBJ and/or the Government of Jamaica. The Proponent further acknowledges and declares that it shall not make any claim or assert any hardship if actual experience is at variance with the said Market Data and Forecasts, information and statements.
- (d) That this Proposal is genuine and not collusive or made in the interest of or on behalf of any person not named herein;
- (e) That the Proponent has not, directly or indirectly, induced, or solicited any other Proponent to submit a sham proposal or any other person to refrain from submitting a proposal, and that the Proponent has not in any manner sought by collusion to secure for the Proponent or for any other person any advantage over any other Proponent.

The Proponent confirms that by submitting this Proposal the Proponent accepts and agrees to be bound by all of the terms and conditions set out under Part 1, INVITATION AND INSTRUCTIONS, all Addenda and the rest of the Request for Proposal Documents.

\_\_\_\_\_, by

Name and Office

[illegible]

## PARTNERSHIPS/JOINT VENTURES

Name of Partnership/Joint Venture

By its Members:

(1) \_\_\_\_\_ (seal)  
Name of Member

(2) \_\_\_\_\_ (seal)  
Name of Member

(Each Partner or Joint Venturer to sign below – attach additional pages as necessary)

## The Corporate Seal of

(Name of Corporation) was hereunto affixed in the presence of:

Signature

---

Name and Office

Signature

Name and Office

## The Corporate Seal of

(Name of Corporation) was hereunto affixed in the presence of:

Signature

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Name and Office

Signature

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Name and Office

(C/S)

(C/S)



## PROPRIETORSHIP

SIGNED, SEALED AND  
DELIVERED in the presence of:

Signature of Witness

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Address[illegible]

\_\_\_\_\_  
Signature (seal)

Legal Name carrying on business  
under the name and style:

Business Name

**SCHEDULE 1**  
**PROPOSAL FOR DEVELOPMENT & OPERATION**  
**OF A SPECIALTY RETAIL/DUTY FREE CONCESSION**

1. The Proponent is submitting a Proposal for Location No \_\_\_\_ comprising an area of \_\_\_\_\_square metres (\_\_\_\_\_) square feet and will operate the Concession under the following **Operating and/or Brand Name:**

**Operating Name** \_\_\_\_\_

**and/or**

**Brand Name** \_\_\_\_\_

2. The Proponent undertakes to operate the Concession **as a distinct and separate business entity** whose revenues, expenses and financial records/statements will be maintained independently and not combined or consolidated with any other entity or branch of the Proponent.
3. A detailed description of the Proponent's concept is provided hereunder.

**SCHEDULE 2  
COMPANY PROFILE**

1. Please complete "1(a)" and either "(b)", "(c)" or "(d)", whichever is applicable.

(a) Name of Company (full legal name):

\_\_\_\_\_

Business or Operating Name:

\_\_\_\_\_

Full Street Address:

Courier Address (if different):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone: (    ) \_\_\_\_\_

Fax: (    ) \_\_\_\_\_

Email: \_\_\_\_\_

Contact Name:

Position:

\_\_\_\_\_

\_\_\_\_\_

(b) CORPORATION STATEMENT: (Only if Corporation, answer the following)

**CORPORATIONS must provide a copy of their certificate of incorporation as part of their Proposal and Letter of Good Standing.**

Year of Incorporation \_\_\_\_\_

Where Incorporated? \_\_\_\_\_

Address of Registered Office in Jamaica:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Please provide a breakdown of the ownership of the Corporation as follows:

Name

Address

Share %

\_\_\_\_\_

\_\_\_\_\_

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How is the Corporation held:

( ) Privately ( ) Publicly

(c) SOLE PROPRIETOR OR PARTNERSHIP STATEMENT:

( ) General Partnership ( ) Limited Partnership ( ) Sole Proprietor

Date and Place of Organization: \_\_\_\_\_

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Name and Address of Sole Proprietor or Partners:

<u>Name</u>	<u>Address</u>	<u>Share %</u>
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_____	_____	_____
_____	_____	_____
_____	_____	_____

(d) JOINT VENTURE STATEMENT: **(Only if Joint Venture, answer the following)**

Date and Place of Organization: \_\_\_\_\_

Is the Joint Venture:

( ) An un-incorporated association that is not a partnership  
( ) A partnership

What is the purpose of the Joint Venture:

\_\_\_\_\_  
\_\_\_\_\_

Name and Address of each party to the Joint Venture:

<u>Name</u>	<u>Address</u>	<u>% of Ownership</u>
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_____	_____	_____
_____	_____	_____
_____	_____	_____

2. Indicate the number of personnel in the Company: \_\_\_\_\_

3. Attach Company Organization Chart

4. This Company is a subsidiary of \_\_\_\_\_
5. Companies subsidiary to this Company are \_\_\_\_\_
6. List relevant Specialty Retail businesses or facilities operated by your company in the last five years. Highlight any specific experience in operating a Specialty Retail businesses or facilities. Also provide the following:
  - a) Facility or Airport name, location, address and square metre size of premises.
  - b) The actual gross sales generated by the concession each year.
7. List union affiliations and/or labour agreements to which the Company is signatory together with the expiry date for each agreement.

Attach additional pages as required.

**SCHEDULE 3**  
**FINANCIAL CAPABILITY AND EXPERIENCE**

1. List relevant Specialty Retail businesses or facilities operated by Proponent in the last five years. Also provide the following:

- a) Facility or Airport name, location, address and square metre size of premises.
- b) The actual gross sales generated by the concession each year.

2. Attach audited financial statements for the last three (3) years including Balance Sheet, Income Statement, Statement of Retained Earnings and Statement of Changes in Financial Position. Also please provide the following Annual Revenue by Year:

2013	_____
2012	_____
2011	_____

3. REFERENCES

Provide a list of references, include: business name, contact person(s), business relationship/nature of reference, phone number and address (i.e. previous contracts, current contracts, previous and existing clients, etc.). In addition, provide the following references:

Financial References

- a) Bank
  - Names and Title of Contact Person
  - Telephone Number ( )
- b) Other Accredited Credit Rating Agency
  - Name and Title of Contact Person
  - Telephone Number ( )
- c) Insurance Company
  - Name and Title of Contact Person
  - Telephone Number ( )

4. Industry Knowledge

Describe recent dynamics and trends in the retail industry and how the Proponent would like to apply its knowledge and experience to Sangster International Airport.

5. Management Team and Operating Plan

- (a) Provide a description of the management structure and operating plan that Proponent will be using to operate the Proposed Concession, including the relationship between the Airport operation and Proponent's other operating entities.
- (1) Provide a list of all key personnel and description of the responsibilities and duties of each team member. Attach resumes for these individuals detailing qualifications, employment history and experience.

Attach additional pages as required.

**SCHEDULE 4**  
**MARKETING, PRICING AND MERCHANDISING PLAN**

**(1) Overall Marketing Strategy**

- a) Describe the marketing strategy Proponent will use in the promotion of the Proposed Retail Concession with emphasis on obtaining maximum patronage and revenues.

**(2) Merchandising Plan and Pricing Philosophy**

- a) Provide a complete list of proposed products, merchandise and goods, including brand and prices for each item.
- b) Describe the merchandising strategy to be employed in the design, layout and finish of merchandise displays along with any innovative measures to be included in this program.
- c) Describe your approach to product placement with respect to this outlet.
- d) Describe your philosophical approach to store atmospherics for this concession in order to achieve maximum patronage and optimize sales.

As noted in Part 1, INVITATION & INSTRUCTIONS of the Request for Proposals, the permitted and required merchandise items and services will be as set out in the Term Sheet of the Draft Licence, subject to approval by MBJ.

The permitted merchandise items, as may be approved by MBJ, will be reproduced as Section 15 in the Term Sheet of the Draft Licence.

**(3) Pricing Philosophy**

- a) Describe Proponent's overall pricing concept, including how initial prices will be determined, and philosophy including its plans for administering and maintaining the pricing program. (Note: Proponents will be required to charge prices quoted in the proposal).

All concessionaires at the Airport are to operate under "Fair Pricing" regime. Fair pricing requires all prices to be consistent with comparable off-airport outlets for similar products and services found in Montego Bay shopping malls, retail stores and shops.

Attach additional pages as required.



**SCHEDULE 5**  
**CUSTOMER SERVICE AND QUALITY CONTROL**

Include the performance measurement criteria and related programs for each of the following areas:

1. Customer Service Program:

- a) Outline the customer service program to be provided for the Concession, including a description of Proponent's specific approach to serving customers, along with any unique aspects of Proponent's customer service philosophy, including staff training.
- b) Outline the program the Proponent shall use to monitor customer levels of service and satisfaction.

2. Quality Control:

Outline the quality control program that will be implemented for the Concession and how Proponent will ensure that quality controls are maintained and deficiencies addressed.

Provide detailed description of the customer service and quality control programs that will be developed, implemented and employed for the operation of the Proposed Concession.

**SCHEDULE 6  
DESIGN, DEVELOPMENT AND CONSTRUCTION PLAN**

1. Provide details of the Proponent's proposed Premises and how the "Sense of Place" theme will be addressed /achieved.
2. The Capital Investment Breakdown for the Premises must be provided below:

**Proponents are required to submit concept plans for the Premises. The concept plans should be comprised of the following elements:**

- Preliminary Dimensioned Space Plan and descriptive written narrative in support of the Proposal;
- Concept Elevation Renderings showing perspective(s) or elevation(s) of the proposed storefront design with signage;
- Preliminary cost estimate and construction timetable showing how work will be completed and the Premises operational and ready for business on commencement date.

**CAPITAL INVESTMENT BREAKDOWN**

<b>Design and Engineering:</b>	\$ _____
<b>Construction:</b>	_____
<b>Equipment:</b>	_____
<b>SUBTOTAL:</b>	_____
<b>Contingency:</b>	_____
<b>TOTAL:</b>	_____

**Construction Timetable**

- a) Provide detailed construction timetable demonstrating how the construction work will be completed on time with the Premises being fully operational and ready for business as provided for in Section 7 of the Term Sheet in the Licence.
- b) The Proponent will make reasonable best efforts to minimise inconvenience to passengers and customers, during the Fixturing Period and any other period that the Proponent is carrying out any construction or work.

**SCHEDULE 7  
STORAGE SPACE REQUIREMENT**

- (1) Does the Proponent have a need for and wish to License storage space?**

Yes: \_\_\_\_\_

No: \_\_\_\_\_

- (2) Please indicate the amount of storage space that is required.**

The Proponent wishes to License approximately \_\_\_\_\_ square meters (square feet) of storage space.

**SCHEDULE 8**  
**COVENANT / CREDIT-WORTHINESS / CO-COVENANTOR(S) & LETTER OF RECOMMENDATION**

**Credit-worthiness is one of the criteria for selection**

One of the criteria that will be considered by MBJ in selecting the successful Proponent is the financial strength of the Proponent and any Co-Covenantor(s). Any Proposal may be eliminated from consideration based on these criteria.

Accordingly, Proponent is encouraged to:

- (a) Submit financial statements or other materials demonstrating the financial strength of the covenant represented by the Proponent; and
- (b) Identify Co-Covenantor(s), as provided for below.

**Co-Covenantor(s)**

To induce MBJ to select the Proponent, the undersigned agree(s) to be liable, jointly and severally with each other and the Proponent, for all obligations of the Proponent under the Form of Proposal submitted by the Proponent and under the Licence, and agree(s) to execute as a deed and deliver to MBJ the Co-Covenantor Agreement(s) in the form prescribed by MBJ at the same time as the Licence is to be executed and delivered to MBJ in the form prescribed by MBJ.

**CO-COVENANTOR #1**

Name of Co-Covenantor: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Postal Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Relationship to the Proponent: \_\_\_\_\_

**EXECUTION:**

Name of signatory  
(if Co-Covenantor is a company): \_\_\_\_\_ Position: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**CO-COVENANTOR #1**

Name of Co-Covenantor: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ Postal Code: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Relationship to the Proponent: \_\_\_\_\_

EXECUTION:

Name of signatory  
(if Co-Covenantor is a company): \_\_\_\_\_ Position: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

The Co-Covenantor(s) will be required to enter into a Co-Covenantor Agreement in a form prescribed by MBJ. A copy of MBJ's standard form Co-Covenantor Agreement is available upon request. The Co-Covenantor Agreement(s) must be executed as a deed and delivered to MBJ at the same time as the Licence is to be executed and delivered to MBJ. Failure to do so may be treated by MBJ as if the Proponent had failed to execute and deliver the Licence within the time prescribed in the Form of Proposal, and will give rise to the same rights and remedies to MBJ (see Section 4.0 of the Form of Proposal); but the Proponent will be and remain liable regardless.

## **LIST OF BUSINESS REFERENCES**

**Proponents must submit as part of the proposal, a list with no less than three (3) business references which may include but not limited to landlord, licensor or supplier.**

**SCHEDULE 9  
FINANCIAL PROPOSAL**

**Minimum Annual Guarantee, Percentage Rate Bid**

Please fill in the Minimum Annual Guarantee that is offered in both written words and dollar amounts and Minimum Percentage Rate of Gross Sales to be added to the Minimum Annual Guarantee

**Note: The Minimum Annual Guarantee for each period/year must be at least five (5%) more than the previous period/year's Minimum Annual Guarantee and be stated in United States Dollars. The Minimum Annual Guarantee offered in the following Schedule 9.1 cannot be less than the minimum rate per sq. ft. per annum shown in Table 11.2 of the Basic Terms of Licence in Part II Proposed Concessions - Terms.**

**Schedule 9.1**

<b>Period / Year</b>	<b>Minimum Annual Guarantee in US\$ for the Period / Year <i>written words</i></b>	<b>Dollar amounts in US\$</b>	<b>Percentage (%) Fee to be paid in addition to Minimum Annual Guarantee (MAG)</b>
Year 1		\$	
Year 2		\$	
Year 3		\$	
Year 4		\$	
Year 5		\$	
Year 6		\$	

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Authorized Signatory**

\_\_\_\_\_  
**Authorized Signatory**

### FINANCIAL PROPOSAL cont:

Each Proponent shall prepare pro-forma statements covering a six (6) year period for the Specialty Retail Concession. A breakdown of revenues and expenditures shall be provided for each year as follows:

Period / Year 1:  
 Period / Year 2:  
 Period / Year 3:  
 Period / Year 4:  
 Period / Year 5:  
 Period / Year 6:

Revenues shall be detailed by major product categories. Expenses shall be broken down into the following categories: Operating costs, merchandise, wages and salaries, interest, insurance, advertising, depreciation, other expenses (before fees and taxes).

All assumptions and key hypotheses supporting the financial projections should be stated. The financial projections should be based upon management's best estimates with respect to the likely future operating results. The forecasted figures must be reasonable and realistic.

To assist the Proponents in preparing this information and to help MBJ analyze the proposals being submitted a flash drive or CD ROM should be included with the RFP package. We would ask that you input the required information onto the spreadsheet and include a flash drive or CD ROM with your RFP. A hard copy of the completed spreadsheet should also be included with the RFP in case the flash drive or CD ROM becomes corrupted or the file is erased.

<b>Request for Proposals - Proposed Concession Financial Proposal – Pro Forma Statements</b>						
<b><i>Numbers in thousands</i></b>	Period/ Year 1	Period/ Year 2	Period/ Year 3	Period/ Year 4	Period/ Year 5	Period/ Year 6
Location - ITB	\$	\$	\$	\$	\$	\$
<b>Total Revenues</b>	\$	\$	\$	\$	\$	\$
<u>Expenses</u>						
Operating Costs	\$	\$	\$	\$	\$	\$
Services	\$	\$	\$	\$	\$	\$
Wages & Salaries	\$	\$	\$	\$	\$	\$
Interest	\$	\$	\$	\$	\$	\$
Insurance	\$	\$	\$	\$	\$	\$
Advertising	\$	\$	\$	\$	\$	\$
Amortization	\$	\$	\$	\$	\$	\$
Other Expenses - Before						
<b>Minimum Fees Bid &amp; Taxes</b>	\$	\$	\$	\$	\$	\$
<b>Total Expenses</b>	\$	\$	\$	\$	\$	\$
Net Profit - <b>Before Minimum</b>						
<b>Annual Guarantee Bid &amp;</b>						
<b>Taxes</b>	\$	\$	\$	\$	\$	\$



**SCHEDULE 10  
PROPOSAL CHECKLIST AND ACKNOWLEDGEMENT**

The Proponent is to submit the following checklist, required forms and written documents with its Proposal:

- ☐ **Cover Letter**
- ☐ **Bid Guarantee of US\$30,000.00**
- ☐ **Form of Proposal**
- ☐ Schedule 1 - Proposal for Specialty Retail Concession
- ☐ Schedule 2 - Company Profile
- ☐ Schedule 3 - Financial Capability and Experience
- ☐ Schedule 4 - Marketing, Service & Pricing Plan
- ☐ Schedule 5 - Customer Service and Quality Control
- ☐ Schedule 6 - Design, Development and Construction
- ☐ Schedule 7 - Storage Requirements
- ☐ Schedule 8 - Covenant / Credit-Worthiness / Co-Covenantor(s) Undertaking & Letter of Recommendation;
- ☐ Schedule 9 - Financial Proposal
  - ☐ Flash Drive or CD ROM
- ☐ Schedule 10 - Proposal Checklist and Acknowledgement

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Authorized Signatory**

\_\_\_\_\_  
**Authorized Signatory**

**NOTE: ONE ORIGINAL AND TWO COPIES OF THE PROPOSAL MUST BE SUBMITTED**

**APPENDIX A**  
**DRAFT LICENCE**

**Please Note** – the Draft Licence is included herewith as a Separate Document

**APPENDIX B**  
**LICENSEE DESIGN CRITERIA MANUAL**

**Please Note** – the Licensee Design Criteria Manual is included herewith as a Separate Document

**APPENDIX C**  
**DRAWINGS SHOWING LOCATION OF PREMISES**

**Please Note** – the Drawings are included herewith as a Separate Document