



# **REQUEST FOR PROPOSALS**

## **FOR A VEHICLE RENTAL CONCESSION AT SANGSTER INTERNATIONAL AIRPORT**



**MONTEGO BAY, JAMAICA**

**July 12, 2016**

**Questions & Answers**

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## 1.0 Introduction

MBJ Airports Limited ("the operator") opened a Request for Proposal (RFP) process on July 12, 2016, inviting proposals for the Development, Operation and Maintenance of a Vehicle Rental Concession (the Concession") at the Airport.

This Question and Answer report is intended to provide responses to queries regarding the RFP sent to the operator.

**Question 1** There is some confusion surrounding the length of term of the contract. Please clarify.

**Answer** *The RFP was intended to give a 2-year contract term, however, based on the Master Plan, we do not expect any development that will impact the Vehicle Rental Facility before the end of three (3) years. The documents will be amended to show a 3 year term.*

**Question 2** MBJ is specifying the Percentage Fee. For every percentage point that is paid to the airport, makes the off airport operators more attractive in terms of price for customers who do not care if a Car Rental company is on or off airport as long as they are getting a better price.

**Answer** *From past and current operations as well as standards set for airports with similar traffic and size, MBJ has done analysis to determine the level of revenues to be earned from the Vehicle Rental Concessions, and the Percentage Fee for on- airport operators. The Percentage Rate specified in the RFP is in line with research conducted.*

**Question 3** MBJ is specifying the maximum age of the fleet, is this negotiable?

**Answer** *Age of fleet is determined based on level of service that MBJ requires for passengers and is not negotiable?*

**Question 4** MBJ is specifying the Minimum Annual Guarantee Fee (MAG), is this negotiable?

**Answer** *MAG is negotiable upwards but the amount specified is the absolute minimum. In determining the Minimum Annual Guarantee and the minimum percentage fees, MBJ conducted analyses and is therefore confident that the MAG being requested is reasonable.*

**Question 5** MBJ requires Security Deposit for three (3) months. Will two (2) months be accepted or less based on past history?

**Answer** *MBJ will not accept less than the equivalent of three (3) months revenue for security deposit to protect itself in the event of payment default. Please note that the security deposit does not have to be in cash but by way of Bank Guarantee or Letter of Credit from a bank.*

**Question 6** MBJ is requesting a 5% increase in Minimum Guarantee Fees (MAG). This restricts our growth these funds could be used to increase fleet.

**Answer** *MBJ is amending the RFP to reflect an increase in MAG of 2% annually.*

**Question 7** Please clarify the formatting guidelines required for sections which allow additional pages. Are there any limits to the number of added pages?

**Answer** *There is no limit to the number of pages that may be added. Please restrict information provided to what is being requested in the RFP documents to ensure that it aids in the evaluation process.*

- Question 8** Should our legal comments and recommending amendments be included in the submission in appendices?
- Answer** *MBJ recommends that objection to clauses in the draft license be submitted before submission of the RFP and before the final date for questions of August 11, 2016.*
- Question 9** Is the reference to showing historical \$400,000 of Gross Sales related to the company that will be operating the car rental or to the car rental specific operations?
- Answer** *This is related specifically to the Vehicle Rental operation or the franchise. If the operating company is new the franchise history would suffice for this section. However, proposed gross sales are expected to be in the range of US\$400,000.00 or more per annum.*
- Question 10** Requesting indication of an example of local Accredited Credit Rating Agency desired for reference?
- Answer** *The references may be from a Bank or Insurance Company or an Accredited Credit Rating Agency. If the latter is not currently a business acquaintance, then please ignore.*
- Question 11** Is the Bid Guarantee required 3 times the monthly MAG or 3 times the annual MAG?
- Answer** *Three (3) times the monthly MAG.*
- Question 12** Is it correct that the Bid Guarantee if paid as required, turns into the Security Deposit (3 months); or is the security deposit a separate/additional deposit to the bid guarantee?
- Answer** *The Security Deposit is three (3) times the higher of MAG or Percentage Fee, and it is expected that the Percentage Fee will be higher. We can hold the Bid Guarantee and the additional amount added thereafter to form the Security Deposit if the proponent approves of this. Otherwise, MBJ retains the Bid Guarantee until the signing of the contract and receipt of the Security Deposit.*
- Question 13** If we take/target the undeveloped space, we have determined, it presents a clear disadvantage compared to others for immediate walk-up business, is there:
- i. Allowance for us to put in signage on the columns in the arrival hall?
  - ii. Allowance for us to have 1 team member stationed in arrival hall?
- If we take/target the undeveloped space, we would have to: Make an investment to build out the undeveloped parking and awning facilities at the exit to the bus park; and generally be exposed to the risk of change with the expansion, and the disadvantage of not being on the inside (limited walk-up potential and exposure of our clients to companies not at the airport). Will MBJ consider a reduction in the MAG?
- Answer** *MBJ is willing to consider signage and/a representative, at a cost. Based on capital outlay, we are willing to reduce the minimum MAG to \$108,000 or 10% of Gross Sales, bearing in mind that the financial offer contributes 40% to the overall scores in the evaluation of the RFP.*
- Question 14** Seeking as much information as possible on the projected expansion plans, to gauge our interest in investing in the undeveloped spaces, we need to establish impact of development on undeveloped location.
- Answer** *Our plans indicate that the undeveloped area will form part of the Vehicle Rental Parking Facility which should be extended to a larger area currently occupied by the Service Station. Thus, there will be no negative impact.*

- Question 15** If the development and expansion takes place, will the development include the bus park area, and will this disrupt our planned guest flow?
- Answer** *Yes. However, if this development takes place within the tenure of the license, passengers would not have to go outside in the bus area, as that would now be a covered area inside the Terminal Building? This would be an advantage to whoever develops that area with access through the current Commercial Pick Up Area (CPA).*
- Question 16** When expansion takes place, will the opportunity allow us to come on the inside, when additional space is provided?
- Answer** *At this time, we cannot say if additional indoor space will be available, however, if space is available, this is something MBJ would consider.*
- Question 17** Would we be able to get elevations, and take a frontal picture of an existing inside space? Is a site visit of existing spaces available after-hours?
- Answer** *Yes, either late evening or early morning. Approximately 8:30 am is good as flights commence landing just after. You will have to give us ample notice in order for us to make arrangements with the company.*