



REQUEST FOR PROPOSALS

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

SANGSTER INTERNATIONAL AIRPORT

ADDENDUM # 3

JANUARY 24, 2020

Clarifications, Queries, Inquires, Information Session

- All written inquiries must be directed to commercialrfp@mbjairport.com. A response cannot be guaranteed when submitted via other channels.

Request for Proposal - Information Session – January 22, 2020

- See Presentation from Information Session attached.

Specialty Retail & Duty Free RFP – Note the following changes:

Page 14 – Bid Guarantee Amount – amended to US\$20,000.00 for locations of size 50 sq.m. and less

Page 36-37 – Form of Proposal 2.0 – Schedules

Page 48 – Design, Development & Construction Plan -

Page 52 – Schedule 7 – List of Business References

Page 53 – Schedule 8 – Point 3 - References

Page 58 - Schedule 10 – Financial Proposal

Retail Concepts & Product Listing Guide – Appendix D has been amended

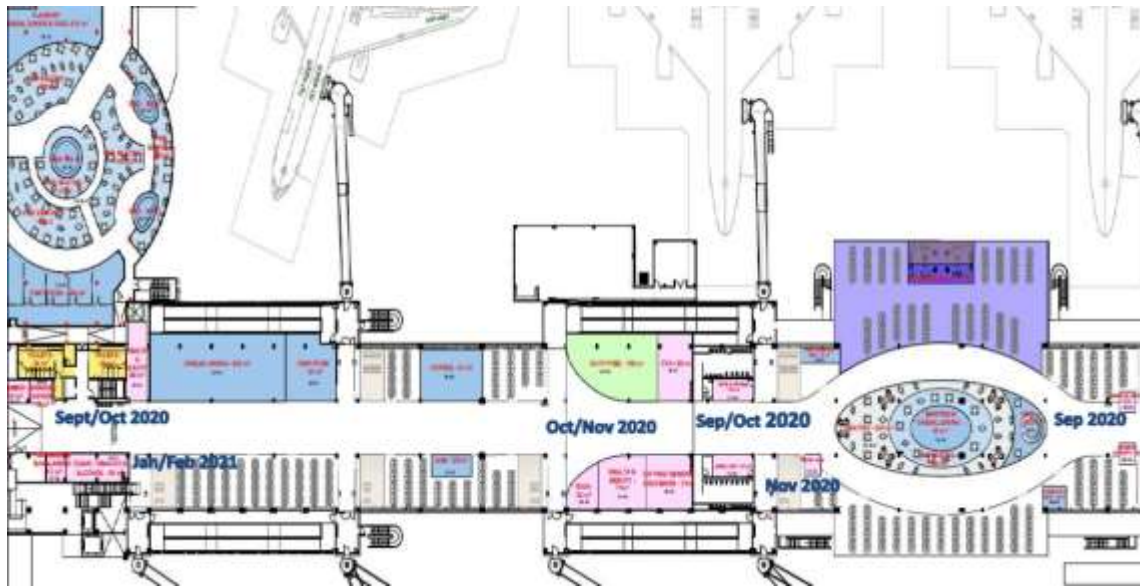
Draft Bank Guarantee has been added to the attachments as Appendix E

The Schedule as outlined on page 10 of the RFP document has been amended as below:

SCHEDULE

ACTIVITY (All Times are Eastern Standard Time) UTC/GMT (– 5:00 hours)	DATE
Issue RFP	Friday, December 27, 2019
RFP Information at MBI	Wednesday, January 22, 2020
Final date for Questions	Thursday, March 05, 2020
Submission of Proposals	Friday, March 13, 2020
Evaluation of Proposal	Friday, March 27, 2020
Award of Successful Proponents	Friday, April 24, 2020
License Execution	Monday, June 1, 2020
Fixturing Period	Indicated on Phasing plan
Concession Start Date	Indicated on Phasing plan

East Concourse Phasing Plan – Note below changes to phasing of East Concourse locations



East Concourse

Locations #UF 30 & UF 31 - **Fit out – Jan – Feb 2021**

Locations # UF32 & UF55 - **Fit out – Sep - Oct 2020**

Locations # UF 37, 38, 46, 39 - **Fit out – Oct – Dec 2020**

Location # UF 44 - **Fit out – Dec 2020**

Location # UF 42 & 43- **Fit out – Sep 2020**

Location # UF 48 & 49- **Fit out – Sep 2020**

Question : Can one single bidding entity submit proposals for more than one unit/retail space?

Response: Yes

Question : If a single bidding entity is submitting proposals for more than one unit/retail space, then in order to maximize efficiency, as well as to simplify the amount of documentation to be submitted, can just one set of information be submitted for all selected units regarding:

- a. Form of proposal
- b. Schedule 2
- c. Schedule 4
- d. Schedule 6
- e. Schedule 7
- f. Schedule 8

As a matter of example, bidding entity X decides to submit proposals for UF 3.1, UF 10, UF 13 and UF-48, can entity X submit just one common set of information for these 4 units regarding Schedules from a) to f) above?

Response: Yes, once the information sufficiently covers all locations.

Question : If a single bidding entity is submitting proposals for more than one unit/retail space, then can just one single Bid Guarantee be issued for a total amount of US\$50,000.00 times the number of units offers are being submitted for?

As a matter of example, bidding entity X decides to submit proposals for UF 3.1, UF 10, UF 13 and UF-48, can entity X issue one Bid Guarantee for US\$50,000.00 times 4 equals to US\$200,000.00?

Response: Yes. This is to be placed in the envelope marked Technical Proposal.

Question : Can a single bid for a group of units/retail spaces selling the same concept be made?

As a matter of example, can an entity make 1 single bid for the 3 units of Souvenirs & Gifts shops (e.g. UF 3.1, UF-14 and UF-39), meaning that this entity may either be awarded with all 3 units as one set or none, but not just one or two units out of the total 3 units?

Response: Yes. However, if the proponent is interested in a group only, this must be clearly indicated in the proposal.

Question : Signatures procedure, can you please confirm:

5.1) Only the Form of Proposal and the Check list must be signed by both authorized signatories?

Response: No, the authorized signatories are dependent on the entity's own constitutional rules as it relates to signing authority.

5.2) Does the rest of the Schedules only need to be initialled?

Response: Yes

5.3) Do all pages of the proposal need to be initialled?

Response: Yes

Question : Page 16- RFP – MINIMUM QUALIFICATIONS

“Proponent must provide a statement regarding:

- a) Any claims, actions, demands, suits or other litigation (collectively litigation) brought by any airport owner/operator or others over non-payment of rent or fees, or non-performance of similar Services as that requested under this RFP;
- b) Any bankruptcy in the past ten (10) years”

Where in the schedules shall such statement be provided?

Response: The statement can be attached to the cover letter with Subject “Litigation Statement”, if any.

Question : Page 16 RFP – EVALUATION OF PROPOSALS

It is clear that only those proposals attaining a minimum score of 80% on the technical proposal will have the economical proposal evaluated.

With this point above being clear, how will the evaluation process continue: the points attained in the technical evaluation will be added to the points attained in the economical evaluation and then this total final score will determine the awarded entity?

Response: Yes, that is correct.

Question : Page 37 & Page 58 RFP – FINANCIAL PROPOSAL

Please clarify what should be included in the Financial Proposal Envelope:

On page 37 “Form of Proposal”, it says Schedules 8-9-10 vs. on page 58 “Checklist” it says schedules 7-8-10, not including schedule 9 “Financial Proposal”?

Response: The Financial Proposal envelope should contain Schedules 7 through 10 inclusive. Change effected to Schedule 10 – Proposal Checklist.

Question : Page 42 RFP Schedule 1

“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.”

9.1) If the proponent is already an operating entity at MBJ, shall the proponent create a different, separate entity for the operation of every single Specialty Retail unit the proponent may be awarded?

Response: No, it is not necessary to create a separate entity for each store/location. The accounts for each store however, should be capable of being examined jointly and separately. MBJ reserves the right to issue separate contracts for each location.

9.2) If the answer to the question above is yes, then can still the Proponent use the current operating entity at MBJ as the bidding entity for this RFP and if awarded with any unit/retail space then establish a different, separate entity to operate these awarded units?

Response: As with 9.1, Proponents already in operation at MBJ do not need to create new entities.

Question : Page 46 RFP Schedule 3

10.1) Do we need to submit at this stage the prices of the items we are going to sell?

Response: Actual prices are required. As we understand the product list may be extensive, proponents may indicate pricing for the top sellers as well as group items with similar price structure.

Question : Page 47 RFP Schedule 4

“An organizational chart which illustrates the reporting relationships of the local management team and list of all key personnel and description of the responsibilities and duties of each team member. Plan should show the reporting relationship to the headquarters management. The staffing plan should show both the initial installation plan and ongoing program operations.”

Do we need to specify the number of employees by shop, as well as the reporting system per shop?

Response: Yes

Question : Page 47 RFP Schedule 4 “2. Quality Control” section

What kind of information needs to be provided in this section, do we need to address the quality of the products sold in our stores or the quality of the customer service which is already addressed in “1. Customer Service Programme” section?

Response: Quality Control should address the quality of the products to be sold in the stores.

Question : Page 48 RFP Schedule 5

Is the proponent required to submit any floor plans, elevations, sample boards and/or visuals at this stage as part of the RFP answer?

Response: Yes.

Question : Page 52 RFP Schedule 7

“Proponents must submit as part of the proposal, three (3) written business references (on respective company’s letterheads) related to its business operations in the previous five (5) years from Supplier/Business Associate, Licensor/Landlord and financial institution”

15.1) Does this mean that we must provide 1 letter from 1 Supplier/Business Associate, 1 letter from 1 Licensor/Landlord, and 1 letter from 1 financial institution; or we could submit a total of 3 letters with any kind of 3rd party combination indistinctively (e.g. a total of 3 letters from 3 different suppliers)?

Response: Three (3) from three (3) different types of business associates. Financial not be included in this regard but under Schedule 8.

15.2) If one single bidding entity is submitting offers for several unit/retail spaces, can it use the same letters for every unit or the letters need to be from different Supplier/Business Associate, Licensor/Landlord and financial institution for every single unit?

Response: You may use the same letters if submitting offers for several units; however, a copy is required for each bid location.

Question : Page 52 RFP Schedule 7 - Co-Covenantor(s). Can you please confirm if by co-covenantor, you mean a guarantor?

Response: Yes, co-covenantor or guarantor.

Question : Page 53 RFP Schedule 8

“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.).”

17.1) How many references need to be provided?

Response: We require two (2) financial references from a Bank, Insurance Company and/or Other Accredited Credit Rating Agency.

17.2) Will the reference information suffice or do you also need any kind of recommendation letter from them?

Response : No, the reference information will suffice.

Question : Appendix D file - Retail Concepts & Product Listing

Units UF 3.1, UF 14 and UF 39 Souvenirs & Gifts

The concept and approved products are the same, but the unapproved products differ from unit to unit.

Response: Appendix D has been amended.

Question : Can you please confirm that some unapproved items at one of these specific units can be sold in another unit if it does not appear as an unapproved item there?

Response: The approved list will be extensive & provides a general guide as to what can be carried. The Unapproved list outlines items that will not be allowed as other concepts will carry.

Question: Can the Convenience category sell mugs?

Response: Yes, with restrictions on quantity.

Question : Units UF 7, UF 15 and UF 37 Convenience, Travel, News - Can you please confirm if the following items will make part of the list of approved products:

Sundries, facial tissue, oral care, eye care, skin care, grooming, haircare, body care, oral care, personal care, first aid supplies, baby care, pet care, diapers, vitamins, supplements, and diet products

Response: Yes, provided they are not aromatherapy -related items.

Question: Beauty and fragrances?

Response: Yes, only non-duty-free

Question: Non-prescription reading glasses, eyewear accessories, watches, sunglasses, costume jewelry?

Response: Watches and costume jewellery are not allowed.

Question: Greeting cards, gift wrap, gift bags?

Response: Yes

Question: Oils, aromatherapy, candles?

Response: No

Question: Pre-packaged sandwiches, bakery, salads, fruits, yogurts, desserts, etc?

Response: No

Question: Soda and carbonated beverages?

Response: Yes

Question: Alcoholic and non-alcoholic beverages (such as beers)?

Response: No Alcoholic beverages allowed

Question: Ice cream ?

Response: Yes

Question: Prepackaged regional gift foods not intended for on-site consumption?

Response: Yes, once they do not form part of the Edible gifting of branded food category.

Question: Games and toys, coloring books, board/dice games, crayons, markers, plush toys, action figures and cards?

Response: Yes

Question: Lifestyle and sports apparel, sports souvenirs?

Response: Lifestyle and sports apparel are not allowed. Please define Sports Souvenir.

Question: Tobacco products, cigarettes, chewing tobacco, e-cigarettes?

Response: No. These items are categorized as Duty Free

Question: Units UF-10 and UF-20 Luxury Watches Jewellery and Premium Watches & Jewellery. Can you please detail what is the difference in the assortment between Luxury and Premium?

Response: Luxury brand comes with limits on the amount of products available and carries a different perception compared to premium brands.

Question: Could some Luxury or Premium Fashion and/or Accessories items be included? (E.g. branded wallets, writing instruments or sunglasses)?

Response: Yes.

Question: Unit UF-12 Branded Souvenir & Gifts

Does “branded” refer to a specific brand or can this brand concept be extended to “brand Jamaica” through branded memorabilia and gifts related to the island of Jamaica?

Response: Branded refers to a specific brand

Question: Unit UF-31 High end cigar stores. What is meant by “high end”?

Response: Similar to Luxury

Question: Must liquor sold in this store be also high end?

Response: Yes

Question : Units UF-3.2, UF-24 and UF-48 Edible Gifting. Are rum cakes allowed to be sold in the above units?

Response: Yes for UF-3.2; Possibly for UF-48 if a branded Rum Cake location is not in that area and No for UF-24. Note that the concept for location UF-18 should have been Rum Cake and not Footwear/Sunglasses as stated in Appendix D of the previously published RFP.

Question : Most of the approved items to be sold in the specialty stores are not subject to the duty free law. Considering this:

Do we need to charge GCT to the departing customers for products such as rum cakes, coffee, t-shirts and other souvenirs?

Response: We encourage all concessionaires to consult with their accountants and attorneys or the Ministry of Finance on this matter.

Question: Will MBJ charge the percentage fee on gross sales or net sales?

Response: Percentage fee is calculated on Gross Sales.

Question: Will shutters be provided by the concession or by MBJ?

Response: MBJ will not provide shutters; however, we will recommend and provide necessary information for suppliers in order for the concessions to provide their own shutters.

Question: What does MBJ provide in regard to space?

Response: MBJ will provide a shell; slab, floor and walls, not ceiling.. All finishes are the responsibility of the concessionaire. MBJ provides power at 450Volts (450V) and each concession will need to configure power to meet their individual requirements?

Question: Should GCT be charged at Specialty stores?

Response: As it relates to Government Consumption Tax (GCT, we advise that you consult with your attorneys, accountants and the Tax Administration of Jamaica (TAJ) in that regard.

Question: Can owners be charged if the concept is not working out?

Response: A remedial clause is included in the Licence Agreement that allows discussion if the owner/concessionaire's sales fall below a minimum determined amount. MJB will work with the owner/concessionaire to try methods of improving sales, which may include a modification to the existing concept.

Question: Do we have to translate in English the Financial and Legal documents required for the bidding?

Response: Proposals are to be submitted in English.

Question: For how long should be valid the bid guarantee? 90 days? 120 days?

Response: Bid guarantee will be returned once successful proponents sign a licence and submit security deposit or once unsuccessful proponent are advised of the results.

Question: In order to get into the bidding process, the company must be constituted in Jamaica? or a foreign company can also participate in the bidding, with the promising of create a local company?

Response: A Foreign company can submit a proposal and can operate a concession locally without forming a company locally.

Question: In a situation of a Natural disaster, such as a Hurricane and if the airport must close due to security reasons. Will the rent be deducted of the mention period?

Response: There is no automatic abatement of fees because the Airport is shut down temporarily due to a natural disaster. See Article 5.09 (c). and Article 6.08 (a) and (c). However, Articles 10.02 and 10.03 allow for an abatement of fees in specified circumstances where, for example, the Licensed Premises or access thereto or the Airport is damaged. Fees payable by the Licensee from the date of such Damage to the date of completion of the Licensor's work or availability of access or Services, as the case may be, shall abate to the extent of all amounts which the Licensor may, acting reasonably, attribute to this License out of the aggregate amount which the Licensor may receive from insurance on License Fee income derived by the Licensor from Airport.

Question: In case of getting two commercial spaces of different concepts, one next to each other. It's possible to eliminate the wall between both areas and to combine the categories?

Response: We will consider

Question: Since the concession fee is a critical component of the financial success can you clarify with the following example what is the final fee rent?

EXAMPLE

Sales without Sales Taxes	10,000
Sales Taxes	17%
Sales with sales Taxes	11,700
Rent	22%
RENT without Sales tax	2,200

RENT with Sales tax	2,574
Percentage	
Rent sales without taxes	22.0%
Rent sales with Taxes	25.7%

If Gross Sales contains the sales tax, the impact of the percentage rent would be affected from 22% to 25.7%, which is a significant increase on a tax credit which does not contain any margin.

Response: Gross Sales to be reported to MBJ is sales for the concession, tax does not belong to the Concession and is not to be reported.

Question: Can the Minimum monthly Guarantee be distributed according to seasonality, if the MAG will be met?

Response: This is not what pertains now, but we are reviewing and will advise of any change.

Question: Is it possible to offer a signing bonus (down payment or entrance fee) within the economic offer?

Response: No.

Question: In the "Souvenirs and Gifts" concepts shops, it will be allowed to sell products at the point of sale, such as bubble gums, candies, chocolates, small snacks to immediate consumption? In other words, impulse products for take and go?

Response: Yes, only in the Convenience concept.

Question: Within the categories in souvenir shops, can we sell water and local beer to take away?

Response: No, water, soda and juice in the Convenience concepts only.

Question: Within the categories in Souvenirs and Gifts shops, can we sell typical gourmet products packaged from Jamaica?

Response: No

Question: Within the categories in Souvenirs and Gifts shops, it's allowed to sell gourmet Chocolates with a Jamaican sense of place package?

Response: No

Question: Within the categories in Souvenirs and Gifts and Convenience, it's possible to sell Appleton Rum?

Response: No

Question: Within the categories in Souvenirs and Gifts shops, it's allowed to sell handcrafted jewelry?

Response: Yes

Question: When is the Food and beverages tender for the public area to be released?

Response: Possibly late 2020.

Question: If a space is allocated for a certain concept, but we believe that another concept may work better, is it possible to submit a proposal?

Response: Yes, but it should not be similar to other proposed concepts in the RFP.

Question: We consider that the experience criteria is relevant and critical. Since the 10% of the experience evaluation weight on the decision. How crucial is the decision based on a competitor without experience?

Response: The RFP shows the weighting.

Question: Does the design concept have to be signed for a local architect?

Response: All proponents are expected to meet all required governmental guidelines. While the architect does not need to be local, there may be guidelines regarding approvals for architectural work.

Question: What is the construction working hours?

Response: 11pm to 5am dependent on flight operation. Outside of the operating hours of the airport.

Question: The construction must be done in 60 days after the adjudication? except for some locations in the west area?

Response: The RFP indicates fitout time for stores and kiosks.

Question: What type of air conditioning is allowed by the airport and where in the commercial spaces is the connection point?

Response: Each concession will have their individual units.

Question: Where is the electrical panel located within the commercial spaces?

Response: Inside each concession space

Question: Does the airport facilitate the network point in the commercial space? or does each concessionaire have to get it with a local company?

Response: Each company will get connectivity from one of the two companies which provides services at the airport.