

**REQUEST FOR PROPOSALS
NORTHWEST ARKANSAS NATIONAL AIRPORT**

Coffee-Focused Quick Service
Restaurant Concession



Issued By:
Northwest Arkansas National Airport
One Airport Blvd., Ste. 100
Bentonville, AR 72713

**REQUEST FOR PROPOSALS
COFFEE-FOCUSED QUICK SERVICE
RESTAURANT CONCESSION**

The Northwest Arkansas Regional Airport Authority is seeking written proposals from experienced and qualified Proposers to provide financing, design, development, construction, operation, and maintenance of a new Coffee-Focused Quick Service Restaurant Concession post security in the Northwest Arkansas National Airport.

The Northwest Arkansas National Airport is offering proposers some flexibility in their submissions, including timing of operations launch, percentage of fees to be paid by proposer and the Authority for tenant build out, percentage of concession fees paid to the Authority, optimal Hours of Operation, and finally product offerings proposed.

This document outlines the prerequisites, selection process and documentation necessary to submit a proposal for the Concession opportunity. Negligence or omission on the part of the Proposer in preparing any portion of the proposal confers no right to withdraw or make changes, additions, or deletions to the proposal after the proposal submission deadline.

The Northwest Arkansas National Airport looks forward to submissions and offers guidance below.

1.0 GENERAL REQUIREMENTS

Proposals must be received by the following on or before **October 29, 2021 @ 3:00 PM Central Standard Time.**

All proposals must be submitted via e-mail in an electronic format and sent to Andrew.Branch@flyxna.com and Sarah.Younger@flyxna.com. Hard copies will not be accepted.

On-site inspections are mandatory. The site visit is Friday October 8, 2021 @ 2:00 PM Central Standard Time.

Questions are encouraged and will be responded to in writing by **October 22, 2021**. Questions should be submitted to Sarah.Younger@flyxna.com and are due by **October 15, 2021**.

There will be no formal opening of the Proposals. It will be the sole responsibility of Proposers to ensure proposals are delivered electronically to the Northwest Arkansas National Airport by the appointed date and time. The Airport will not be liable for delays in delivery of proposals.

All information, data, documentation, and material submitted shall be considered public information. Any proprietary information, data, documentation, and material that the Proposer wishes to remain confidential (to the extent allowed under the laws of the State of Arkansas) should be clearly identified as such in the proposal and the Proposer must provide justification for such a request.

The Airport reserves the right to reject any and all proposals, to waive minor informalities and irregularities in the proposal submission process, to request additional information and data from

any or all proposers, to supplement, amend or otherwise modify the RFP prior to the closing date and time, to cancel this request with or without the substitution of another RFP, to reissue the RFP, or to accept a proposal which is considered to be in the best interest of the Airport.

Upon selection of a successful Proposer (hereafter referred to as “Concessionaire”), the Agreement to be executed shall include this RFP, any addenda thereto and the successful Proposer’s proposal shall be incorporated in and become a part of the final Lease & Concession Agreement.

By submittal of a proposal pursuant to this RFP, the Proposer certifies that no fee or commission, or any other thing of value, has been paid or agreed to be paid to any employee, agent, representative or official to procure the Agreement described in this RFP.

Proposals must conform to the requirements stipulated in this RFP. By submitting a proposal, each Proposer agrees that the proposal represents a firm offer to the Airport and that such offer shall remain open for acceptance until a Lease and Concession Agreement is executed by the Airport or for a period of no less than one hundred twenty (120) days from the date submitted, whichever occurs first.

Written proposals must include sufficient information to evaluate the following criteria:

- Proposer’s experience, background, and qualifications in developing, constructing, and operating a regionally or nationally branded Coffee-Focused Quick Service Restaurant
- Proposed Plan including proposed regionally or nationally branded Coffee-Focused Quick Service Restaurant
- Proposed Tenant Improvement Budget and Concept
- Proposed product offerings / preliminary pricing
- Proposed Rent & Percentage Fees
- Financial Capability
- Ability of Proposer to meet Airport’s indemnification, insurance, and performance bond requirements

All Proposers must have experience in operating a Coffee-Focused Quick Service Restaurant and must agree to the terms and conditions in the Agreement provided by the Airport Authority.

There will be no “formal” proposal opening for this RFP. Proposals will be reviewed and evaluated, after the published due date.

1.2 Equal Employment Opportunity

The Northwest Arkansas National Airport is an Equal Employment Opportunity (EEO) organization, which does not discriminate on the basis of race, religion, color, sex, age, marital status, national origin, sexual orientation, or the presence of any sensory, mental, or physical disability in consideration of a contract award. The successful Proposer will be required to comply with all federal, state, and local laws and regulations.

1.3 Prohibition Against Lobbying

The Proposer shall not lobby, either on an individual or collective basis, the Airport (its associated Authority employees, or outside advisors) or any federal, state, or local elected or public officials or staff regarding this RFP or its written proposal. Proposers, the Proposer’s acquaintances, friends, family, outside advisors, agents, or other representatives shall not contact the Airport (its associated Authority employees, or outside advisors) or any federal, state, or local elected or public officials or Airport staff to arrange meetings, visits, or presentations to influence the outcome of the selection process. Violation of this provision, by or on behalf of a Proposer, intentionally or unintentionally, will result in disqualification of the Proposer and/or rejection of a written proposal.

1.4 Solicitation Schedule

The following schedule has been established for this selection process:

<u>Scheduled Item</u>	<u>Scheduled Date</u>
Advertised and Posted on Airport website	September 17, 2021
Mandatory Pre-Proposal Meeting	October 8, 2021
Question/clarification deadline	October 15, 2021
Final addenda (if any) posted on Airport website	October 22, 2021
Response deadline	October 29, 2021
Interviews and Final Evaluation (if necessary)	November 1 – 19, 2021
Review with Board Business Development Committee	December 8, 2021
Final Agreement Approved by Board of Directors	December 15, 2021

1.5 Questions, Inquiries and Airport Contact

The Airport is committed to providing all interested parties with accurate and consistent information. To this end, from the date of this RFP through award of the Agreement, the Airport contact is sarah.younger@flyxna.com

All questions from Proposers must be submitted in writing, electronically, to sarah.younger@flyxna.com no later than October 15, 2021 (question/clarification deadline). It will be the sole responsibility of Proposers to ensure questions are submitted in a timely manner. Addendums to this RFP (if any), to provide clarification of written questions submitted by Proposer’s, shall be posted on the Airport’s website no later than October 22, 2021 (Addenda).

Oral communications and emails from the Authority, its staff, agents, employees or outside advisor, or any other person associated with this RFP shall not be binding on the Authority and shall in no way modify any provision of the RFP. Only formally issued addenda shall modify the terms of this RFP. Any addenda issued for this RFP will be published at the following website address: <https://www.flyxna.com/about-xna>. Proposers are responsible for checking the website prior to submission of proposals for any addenda. If you are unable to download the addenda, you may contact the Airport Contact noted in this Section.

2.0 SCOPE OF SERVICES AND OTHER REQUIREMENTS

2.1 Definition

For the purpose of this procurement, the term “Coffee-focused Quick Service Restaurant” is defined as a food service operation centered largely around a premium coffee beverage product line. The restaurant may also serve complimentary food and beverage options (examples include sandwiches, pastries, packaged snack foods, beer & wine for on-site consumption, and other items all to be approved by the Authority prior to offering to the public).

2.2 Scope and Purpose

It is the Authority's intent to secure a concession operator for the development, financing, design, construction, operation, and maintenance of a new Coffee-focused Quick Service Restaurant Concession. The restaurant and other amenities shall function as an Airport Concessionaire and will remit a portion of revenues to the Airport.

2.3 Basic Requirements

A. The selected Proposer shall provide a turn-key operation that includes all staffing, equipment and inventory and shall be responsible for all operational issues, janitorial services, maintenance, and trash removal incidental to the operation of the concession.

B. Plans and specifications (including design) must be submitted to the Airport for approval no later than 150 calendar days following Board approval of Lease and Concession Agreement. Construction of the project shall be completed no later than 9 months of approval of Lease and Concession Agreement.

2.3. Site Description

A. The Airport has designated the Premises as outlined on Exhibit A for the development of a new Coffee-focused Quick Service Restaurant. The Premises are comprised of approximately 1,200 square feet. The Site will be leased in “as is” condition and the Airport makes no warranty as to the present condition of the Premises to include, without limitation, any issue regarding access to the property or the use of the site for its intended purpose.

2.4 Airport Investment - Site Improvements

The Airport may make site improvements as follows, depending on agreed upon costs:

- Build-out of potential designated locations
- Utilities, including water and sewer stubbed connections, storm, gas, electric, telephone, fiber communication lines

Any additional improvements necessary for the development of the Facility may be at the sole cost

of the successful Proposer.

2.5 Environmental

It will be the sole responsibility of the Proposers to demonstrate knowledge of and compliance with all applicable environmental laws and regulations relating to the management and operation of the Facility.

3.0 TERM

3.1. Term

The term of this Agreement including renewal options shall not exceed ten (10) years. Proposer shall propose the initial term and renewal options. The term shall commence the first day of the month following the issuance of the signed Lease Agreement or no later than four (4) months from the Airport's approval of this Agreement. The construction period shall not exceed nine (9) months.

4.0 MINIMUM QUALIFICATIONS/OPERATIONAL SERVICE REQUIREMENTS

4.1. Minimum Qualifications

Proposers must have demonstrated experience in the development and operation of Coffee-focused Quick Service Restaurants and must state its level of experience. Proposers must have a minimum of five (5) years' continuous experience within the last ten (10) years in the operation and management of a Coffee-focused Quick Service Restaurant. In determining whether a Proposer has sufficient qualifications to operate a Coffee-focused Quick Service Restaurant at the Airport, the Authority will consider the Proposer's historical and existing financial stability, operating history of the Proposer and other information deemed relevant by Airport Staff.

The Proposer must be incorporated or organized under the laws of one state in the U.S. and must be authorized to do business in the State of Arkansas at the time of Agreement execution.

5.0 OPERATIONAL/SERVICE REQUIREMENTS

5.1. Minimum Development/Operational/Service Requirements

A. Successful Proposer shall, at its sole cost and expense, prepare and deliver to the Authority plans and specifications for the proposed structures and all other such work for Authority's review and written approval prior to commencement of construction. Successful Proposer shall be responsible for initiating and securing any required construction permits prior to commencing construction of this project.

B. The selected Proposer shall be responsible for the development, design, financing, construction, operation, and maintenance of a regionally or nationally branded Coffee-Focused Quick Service Restaurant.

C. Lessee shall meet the applicable State and/or local requirements related to storm waterrunoff generated on Premises.

D. Development Requirements - Interior and Exterior

1. Interior Operation - At a minimum, Proposer shall provide:

a. A building design for the proposed potential locations in Appendix A that will be dedicated to a Coffee-Focused Quick Service operation. The coffee-focused Quick service restaurant shall offer express coffee option menu, other food options, and possible incorporation of liquor/wine options.

5.2 Optional Services

Proposer may propose optional services that will enhance customer service and provide other amenities that the general public may wish to have available. Optional services may be included but are subject to Authority approval. Proposer may offer Quick food options, incorporation of liquor/wine bar, or other options that will pair well with the Coffee-Focused Quick Service Restaurant.

5.3 Prohibited Services

The following services shall not be allowed as part of this concession:

- a. Paid or unpaid parking or storage of vehicles (Airport passengers,customers, and tenants).
- b. Any form of advertising, banner ads or similar displays except for approved identification of operation; and
- c. Installation or operation of any antennae, satellite dish or other system for third party use.

6.0 GENERAL OPERATING AND SERVICE OBLIGATIONS

6.1 General Operating and Service Obligations

The successful Proposer, at its sole cost and expense, is required to establish, operate, and maintain a high-quality, well managed, and efficiently run regionally or nationally branded Coffee-Focused Quick Service Restaurant. The general operating and service obligations include but are not limited to:

- A. Always operate Facility in a manner approved by the Authority.
- B. Acquire all operating permits and licenses and comply with all applicable Airport, Federal, State, and County rules and regulations.
- C. The finished Facility shall be maintained in a first-class condition and at the sole cost and expense of the Proposer and shall include all structural/mechanical/utilities services.

- D. Maintain all equipment in good and safe operating order, free from known mechanical defects, and in a clean, neat, and attractive condition.
- E. Hours of operation will apply seven (7) days per week, 2 hours before the first flight is scheduled to depart (or whenever the TSA checkpoint opens, if later) and will remain continuously open until the last flight departs.
- F. The Authority is requesting proposers submit recommended Hours of Operation based on this type of service offering for maximization of costs and revenues.
- G. Keep the leased premises clean, business like and orderly always. Trash and other refuse must be placed in proper containers and screened from public view.
- H. Submit to the Authority for approval detailed written operating procedures on or before commencement date.
- I. Select and appoint a full-time, on-site manager for its operation.
- J. Maintain all required comprehensive general and automobile liability insurance, liquor liability and environmental liability coverage to cover loss, leakage, or spillage of fuel or gasoline products in such amounts as may be required by all applicable Airport, Federal, State, or local laws, rules, or regulations.
- K. All operations and development shall comply with the Northwest Arkansas Regional Airport Authority Non-Aeronautical Operating Procedures.

7.0 FEES/COMPENSATION

7.1. Financial Consideration

Lessee shall pay the Percentage Fees as outlined below for the Premises demised herein and for the rights and privileges granted by this Agreement:

Concession Fees: Lessee shall pay to the Authority Percentage Fees as determined by proposer. The Concession Fees shall be consideration for the concession privileges granted under this Agreement.

Percentage Fees: Lessee shall, upon Beneficial Occupancy, pay to the Authority, a Percentage Fee, during the term and renewal options of the Agreement. Proposer shall propose the percentage fees to be paid to the Authority.

8.0 SUBMISSION REQUIREMENTS

8.1 Proposal Format and Content

The Authority has made every effort to include enough information within this RFP for a Proposer to prepare a responsive proposal. Proposals must address each of the evaluation criteria in this RFP in a clear, comprehensive, and concise manner. Proposers are further advised that lengthy or wordy submissions are not necessary.

Each Proposer shall submit and provide all the following information in the order shown below and assembled as one with each section clearly marked:

- A. Identify Regionally or Nationally Branded Coffee-Focused Quick Service Restaurant concept and confirm square footage of area.
- B. Proposed initial term and renewal options.
- C. Proposed Percentage Fees to be paid to the Authority.
- D. Proposed capital investment for new Facility.
- E. Provide a written statement regarding the Proposer's ability to satisfactorily perform the Minimum Operational and Contractual Requirements as described in Section 4 and Section 5. This shall include name of business entity submitting the proposal, identifying the state and date of incorporation, if a partnership or joint venture, names and addresses of all partners or joint venturers. If an entity is created solely for the purpose of responding to this RFP, Proposer shall also provide written evidence that if chosen as the concessionaire, before commencing operations under the terms of the Agreement, it will be authorized to do business in the State of Arkansas.
- F. Evidence of Proposer's financial stability which shall include an Income Statement and Balance Sheet certified by a certified public accountant for the last completed fiscal year or calendar year. If the Proposer uses any sublessees, all financial information listed above must be submitted for each entity. Collusion among Proposers of the submission of more than one proposal under different names by any firm or individual shall be cause for rejection of all such proposals without consideration.
- G. Written description of Proposer's prior experience which shall include number of years in a coffee-focused Quick service restaurant business; and, where applicable, a list of specific clients along with addresses, client contacts, and phone numbers. On-airport experience is desirable.
- H. A pro forma statement from Proposer indicating estimated annual gross revenues for the first ten (10) years of Lease & Concession term and a proposed pricing schedule for the mandatory services.
- I. Proposer's Management and Operating Plan to include hours of operation and staffing; a description of Proposer's personnel management structure and qualifications of staff; and a general description of the program for meeting ACDBE goals.
- J. Written statement that the Performance Bond of \$50,000.00 as stated in Section 9, Paragraph 9.3 B can be provided in the form of a performance bond, letter of credit, or cashier's check.
- K. A Proposal Deposit in the form of a cashier's check in the amount of \$5,000 (Five Thousand Dollars) and payable to the Board as stated in Section 9, Paragraph 9.3 A. Said cashier's check shall be given as security to guarantee that if the proposal is accepted, the Lease and Concession Agreement will be executed and that all bond and insurance requirements will be met. The Proposal Deposit submitted by unsuccessful proposals will be returned following execution of a Lease and Concession Agreement with the successful Proposer.
- L. Written evidence of Proposer's ability to provide all forms of insurance as specified in Section 9, Paragraph 9.1.

9.0 CONTRACTUAL REQUIREMENTS

9.1 Insurance and Indemnification

A. The Proposer shall indemnify the Authority, their elected officers, agents, and employees from and against all losses resulting from or arising out of the Proposer's operations under this agreement. The Proposer assumes all risk incident to, or in conjunction with providing services and facilities.

B. Proposer shall, at its expense, maintain insurance in full force and effect during the term of the Agreement in such amounts as to meet the minimum limits of liability specified below, and insurance shall be placed with companies or underwriters authorized to do business in the State of Arkansas. Failure to obtain and maintain such insurance shall constitute a default under the Agreement. The insurance policies shall be a commercial General Liability and Automobile Liability insurance coverage to cover all operations of the Proposer and shall include, but not by way of limitation, bodily injury, property damage, products liability, automobile including owned, non-owned, leased, and hired, Workers Compensation and Employers Liability Insurance, Underground Storage Tank insurance, Pollution Legal Liability, and contractual coverage. The Authority and their elected and appointed officials, agents and employees shall be named as additional insureds with respect to Proposer's use of the Airport and the Premises which are subject of the Lease & Concession Agreement.

C. The Proposer's insurance shall be primary and non-contributory with any insurance maintained by the additional insureds. Lessee shall promptly upon execution of this Agreement, furnish to the Airport appropriate certificates of insurance and additional insured endorsements evidencing coverage affected and to be maintained for the term of the Lease & Concession Agreement.

D. The General Liability and Automobile Liability coverage shall not be less than One Million Dollars (\$1,000,000), combined single limit per occurrence with an annual aggregate coverage of Two Million Dollars (\$2,000,000) with a minimum limit of Five Million Dollars (\$5,000,000) per occurrence including excess. Proposer shall provide Underground Storage Tank insurance and Pollution Legal Liability to cover tanks and fueling operations. Coverage shall not be less than Five Million Dollars (\$5,000,000) per occurrence. Lessee shall maintain Liquor Liability insurance coverage in the amount of One Million Dollars (\$1,000,000) per occurrence with an annual aggregate coverage of Two Million Dollars (\$2,000,000) with a minimum limit of Five Million Dollars (\$5,000,000) per occurrence including excess.

9.2 Public Records

A. Each Proposer agrees that all information, data, documentation, and material submitted or provided by the Proposer shall become the property of the Airport and it shall not be returned to the Proposer. The Airport is subject to the open records requirements of Arkansas State Public Records Statutes. After Airport approval of a Lease and Concession Agreement, all information, data, documentation, and material submitted shall be considered public information and may be made available for inspection in accordance with the laws of

the State of Arkansas. Any proprietary information, data, documentation, and material that the Proposer wishes to remain confidential (to the extent allowed under the laws of the State of Arkansas) should be clearly identified in the proposal; however, such identification does not guarantee its confidentiality. Proposer specifically waives any claims against Airport related to the disclosure of any materials if made pursuant to a public records request.

B. Proposer must submit a letter stating reasons for claiming confidentiality for every type of information that may be stamped confidential. Failure to comply with these procedures may result in the disclosure of this information. Proposer may be required to intervene in any public records request to protect its rights to confidential or proprietary information.

9.3 Proposal Deposit and Performance Bond

A. A proposal deposit in the form of a cashier's check in the amount of Five Thousand Dollars (\$5,000), payable to the Northwest Arkansas Regional Airport Authority, must accompany proposal. Cash will not be accepted. Proposals that do not include a Proposal Deposit will not be considered. The Proposal Deposit shall be submitted with the understanding that it will guarantee that the Proposer will not withdraw the proposal for a period of one hundred twenty (120) days after the proposal submission deadline (due date) and that if the proposal is accepted by the Authority, the Proposer will, in a timely manner, enter into a Lease and Concession Agreement with the Authority substantially in the form as provided in the Request for Proposal. Failure upon the part of the successful Proposer to execute and deliver a Lease and Concession Agreement and any other required information, data, documentation, or material to the Authority and perform all related obligations within sixty (60) days after the date of written notice of award shall be just cause for cancellation of the award by the Authority and the forfeiture of the proposal deposit, which forfeiture shall be considered not as a penalty, but in liquidation of damages sustained by the Authority. The award of the Lease and Concession Agreement may then be made to another Proposer, or all proposals may be rejected at the Authority's sole discretion. The Authority will return the proposal deposit without interest to all Proposers who are not selected as the successful Proposer within five (5) working days after a Lease and Concession Agreement has been executed by the Authority with the successful Proposer. If the Authority elects to reject all proposals, the proposal deposit will be returned without interest to all Proposers within ten (10) working days of the decision to do so.

B. Proposer to obtain a bond or irrevocable letter of credit in the amount of Fifty Thousand (\$50,000) that assures the timely, full, and faithful performance of all the Proposer's obligations to the Authority.

9.4. ACDBE PARTICIPATION

A. In accordance with regulations of the U.S. Department of Transportation, 49 CFR Part 23, Subpart C, the Authority has implemented an Airport Concessions Disadvantaged Business Enterprise (ACDBE) concession plan under which qualified firms may have the opportunity to operate or participate in the operation of an airport business. An ACDBE goal of 0.03%, as measured by total estimated annual gross revenues, has been established. The Lessee shall take all necessary and reasonable steps to achieve this goal.

B. ACDBE participation may be in the form of one or more subleases, joint ventures, partnerships, or other legal arrangement meeting the eligibility standards in 49 CFR Part 23, Subpart C. If the Lessee qualifies as an ACDBE, the goal shall be deemed to have been met.

C. If the Lessee will be unable to achieve the ACDBE goal stated herein, it will be required to provide documentation demonstrating that it took all necessary and reasonable steps in attempting to do so, or that it is not economically feasible at this time to enter either a joint venture, sublease, partnership, or other eligible arrangement with a ACDBE firm.

9.5 Additional Information

Additional information about the proposer may be requested by the Authority later and prior to making a recommendation to the Authority for approval of a Lease and Concession Agreement.

10. EVALUATION CRITERIA

10.1 Evaluation Criteria

A. Each proposal will be reviewed by an Evaluation Committee comprised of Airport Staff. The Authority reserves the right to request additional information and clarification of any information submitted, including any omission from the original proposal. All proposals will be treated equally regarding this item. The Committee will evaluate proposals based on the guidelines set forth in this RFP and will present its findings to the Board Business Development Committee. Proposals will be evaluated on the following criteria:

1. Coffee-Focused Quick Service Restaurant Facility Design, Layout and Regional/National Branding

a. Proposer's sketch plan level or better facility design and layout for a new facility. Included will be an evaluation of proposed building materials and other facility aesthetics.

b. Proposed Regional or Nationally Branded Coffee-Focused Quick Service Restaurant

2. Financial Proposal and Stability

This shall include Percentage Fees to be paid to the Authority; proposed Capital Investment in new facilities; proposed pricing for mandatory and optional services; proposer's pro forma statement; and Proposer's income statement and balance sheet.

3. Experience, Management and Operational Plan

This shall include staffing, services to be provided to customers, experience of Proposer's executive management having oversight responsibilities, and hours of

operation.

4. Optional Services

List all optional services and amenities proposed to be offered to the public at the Facility. Optional Services proposed shall be given additional consideration.

B. The following evaluation criteria have been established to determine which Proposer will best meet the overall goals of the Board:

#	Element	Maximum Score
1	Proposed Tenant Improvement Design / Concept	20 pts
2	Proposed Tenant Improvement Budget / XNA % Share	20 pts
3	Proposed Product Offerings	20 pts
4	Proposer Financial Capability	10 pts
5	Proposed Rental Percentage to XNA	15 pts
6	Experience, Management and Operational Plan	15 pts

APPENDIX A
POTENTIAL LOCATIONS / SITES