

Attachment 1
Package SVC-2
Automated Retail Vending Concession
Released: 04/28/2017

Package Summary and Requirements

Summary

The Dallas Fort Worth International Airport (DFW) is seeking proposals from a qualified company to install, manage, maintain and operate Automated Retail Vending in all 5 terminals.

The Retail Vending locations are comprised of a minimum of 10 and a maximum of 13 units. The units must be various retail vending/robotic machines. Products shall include but not limited to, branded electronics, phones and accessories; travel necessities; hair care products; health, beauty, skin, and nail care products; male grooming products; select clothing; baby care essentials; pet care products and other items that will be utilized by the traveling public.

The Dallas/Fort Worth Airport will provide electricity in the initial current locations, where applicable. The selected company will provide the installation of all required power, and data lines for future locations at their expense at pre-approved designated areas.

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Package Summary and Requirements

Space Identifier	Near Gate	Proposed Concept	Square Footage	Term in Years
Up to 13 units	TBD	Automated Retail Vending Concession	Subject to Machine size and space allocation	3

*Based on the first year performance, DFW has the right to request additional or reduce number of units.

** DFW Reserves the right to review and approve brand concepts and placement to prevent product conflicts with adjacent concessions offerings.

Product Description	Bid Range	Proposed
Automated Retail Vending Concession	12-15% of gross sales	
RDAs	11-14%	
Branding	8-10%	
Minimum Annual Guarantee	\$25,000 per Unit	XXXXXXXXXXXXXXXX

CATEGORY: Automated Retail Vending Concession- Proposed alternate Minimum Annual Guarantee (MAG) will not be accepted.

PACKAGE ACDBE/M/WBE Goals:

Area	Goal	Proposed
ACDBE	0%	
M/WBE	0%	

For more information on ACDBE/M/WBE requirements, see section 2.4.

PROPOSER'S ACKNOWLEDGEMENT FOR PACKAGE SVC-2

Name and Title of Signer: _____

(Print or Type)

Signature: _____ Date: _____

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Minimum Qualification Requirements

All minimum qualification requirements noted in this section are pass/fail and must be met for a proposal to be reviewed and considered by the Selection Committee.

Proposer Experience

Proposer must provide ownership and/or management history and meet the following;

- Providers must have at least three years of continuous experience in a retail vending concession business within the last ten years with annual gross vending sales of not less than \$625,000.

Proposers may be newly-formed entities (joint ventures, limited liability companies) provided that the Proposer is qualified as follows:

1. Owners who own an aggregate of 49% or more of the proposing entity must satisfy the Proposer Experience Requirements. For example, if the Proposer is comprised of two members owning 51% and 49% respectively, the entity will be considered qualified if either the 49% or 51% member satisfies the Proposer Experience Requirements. If the Proposer is comprised of three members, owning 40%, 35% and 25% respectively, then the entity will be deemed qualified if two of the three members each satisfy the Proposer Experience Requirements.
2. If the entity is owned 50/50, then at least one owner must satisfy the Proposer Experience Requirement.

In all events, the Selection Committee must be satisfied that the party or parties satisfying the Proposer Experience Requirements will be in control of the proposing entity.

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Proposal Evaluation Criteria

The proposal evaluation criteria has been established to assist the Selection Committee in determining which proposer will provide the best overall mix of products, service, choice and quality for DFW Airport passengers and employees, as well as revenue to the Airport. The Selection Committee reserves the right to deviate from the evaluation criteria, in its sole discretion.

The evaluation categories are as follows:

Criteria	Possible Points
Concept (Brand and Merchandise/Services Lists)	30
Innovation (Technology trends)	20
Experience (Customer Service, Operations, Design and Transition)	20
Revenue Generation Percent Rent Offer	30
TOTAL	100

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TAB 1- Executive Summary

Provide an executive summary which answers each of these questions regarding how you are the best operator and best concept for DFW Airport. This section is your opportunity to communicate your company's abilities and your concept's strengths to DFW, and should highlight key information regarding your proposal including:

1. Who is the proposing entity?
2. How does this entity meet the minimum experience requirements of this RFP?
3. What comparable experience does your company have in operating this concept or similar concepts?
4. How does your concept meet the minimum requirements for concept fit?

TAB 2- Concept Description/Fit: (30 Points)

Under this tab you must clearly state that all specifications will be met or exceeded as described in detail within the RFP. Provide pictures and any unique capabilities, assets or attributes of your concept you propose to install at DFW Airport.

A) Brand

Provide information to clearly define the proposed Retail Vending. The information should include the following elements (if applicable).

1. Answer the following questions as they relate to the proposed concept(s)/brand(s):
 - How many units have you operated simultaneously?
 - What were your current/prior system-wide sales, average sales per unit, and annual percentage growth?
 - What is the average transaction value for this concept/brand?
 - Provide a brand breakdown by location for what you are proposing for DFW Airport.

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B) Sales Potential

Please explain your projected sales by location. Submit **Attachment 2: Sales Expectation Information**.

C) Merchandise/Services List

Proposer **must** submit a proposed merchandise services list with prices for each location within the package. This submittal must include all products that will be sold at the Airport location.

The merchandise services list must include:

- a. Retail product types, brand names, sizes, prices – if applicable
- b. Merchandise list must be provided for each brand being proposed.

All prices must adhere to the Airport's street-pricing, which requires merchandise/products/services sold at DFW Airport to be priced within ten percent (10%) of the operator's other locations or to similar outlets within a twenty (20) mile radius of DFW Airport. It is expected that merchandise/products/services sold at this location adapt to changing passenger preferences and demographics. Refer to Article 6 of the Draft Concession Lease Agreement for further information.

Final service and merchandise lists with prices will need approval by Concessions Department prior to opening of the location.

TAB 3- Innovation (20 Points)

Automated retail vending machines must have the latest technology and provide quick-purchase opportunity to passengers 24 hours a day/7days a week. Describe how your concept will capitalize on emerging technology trends and customer experience enhancements.

- 1) How will you utilize technology to advance your product or service?
- 2) How will incorporating these features will drive revenue or increase customer service?
- 3) What technology advances, if any, will be utilized to assist with the operation of the location?

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TAB 4 - Customer Experience/Operations (20 Points)

A) Customer Service

DFW Airport relies on excellent customer service, which can be achieved through enthusiastic interaction with passengers, innovation, technology and creating a “WOW” experience while providing a welcoming ambience. Our passenger service amenities are expected to master the basic precepts of clean, working and friendly at all times.

1. Provide your customer service policy.
2. Explain how your company ensures an outstanding customer experience.

B) Operations Overview

The Automated Vending operation must be a 24 hour operation that offers branded products for retail sale. The equipment and technology must provide quick automated service to meet the needs at DFW Terminals and offer an alternative shopping source for the traveling public. The machines will be placed in high traffic, non-retail areas or in designated amenities alcoves of the terminals to allow passengers the opportunity to make quick purchases through an automated system 24 hours a day 7 days a week. The machines shall offer a variety of products and must be branded for ease of recognition by passengers wanting to make purchases.

Any advertising revenue on machines that the owner of the concessions operation receives must be approved by, and subject to revenue share with, DFW as proposed above. Proposer must complete and submit Product Pricing List. This submittal must include all products that will be sold at each Airport location.

1. The selected company will install future electrical in mutually agreed locations. Maintenance must be available 7 days a week and repairs made within twenty-four (24) hours of notification. The initial installation of all equipment for the specified concession will be completed between the hours of 10 p.m. and 4 a.m.
2. The selected company must have staff available seven days per week to inspect, clean and replenish the machines and equipment.
3. All machines/equipment must be kept clean and fully stocked. Damaged machines or vending enclosures must be repaired or replaced within 24 hours. Lighting and any automated screens must work at all times. Audio is not permitted from the retail vending machines.

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4. The Airport is a dynamic facility that is constantly changing. The selected company may be required to relocate the concessions operations and/or equipment/machines from time-to-time as requested by the Airport as well as additional locations may be required during the contract term.
5. The cost to relocate or add machines is borne by the selected company including the installation of power/data, electrical plugs, and enclosures as mentioned in RFP.
6. All deliveries of machines, equipment and inventory for the secure side of the terminals will take place via the Air Operations Area (AOA) of the airport. This will require \$10,000,000 insurance, special driver training, and badging with full FBI background check.
7. Proposer must provide a comprehensive operational plan including restocking procedures, transaction processing, and service schedule. The service schedule should reflect the frequency of site visits to address maintenance, repairs, and operational enhancements as may be needed.
8. Safety and Security - All products must meet the health requirements regulated by the state. No out of date products of any kind will be tolerated. All products must be clearly marked with "sold-by"/expiration date. In the event any food product is offered as part of your concession it will be subject to state health requirements and must be stocked in accordance with appropriate expiration dates.
9. All locations must be branded, easily recognized and accessible for all customers.
10. All machines must be able to accept various forms of payment for services including Visa, MasterCard, Discover and American Express.

c) Location Design/ADA Compliance

Design and finish materials for all tenant improvements must be approved through the Airport Design Review Process. The selected proposer will be required to completely design and install equipment. The Design Criteria Manual as well as the CADD Standards Manual, Construction and Fire Prevention Standards, Tenant Design Manual, and Construction Permit Fee Schedule can be found at www.dfwairport.com/concessions.

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1. Provide a rendering showing proposed machine/equipment design for each brand.
2. Provide a representative sample of materials and colors with a description to be used.
3. Clearly state that all ADA Compliance specifications will be met or exceeded as described in detail below.

Design Requirement:

ADA Compliance

See the link below to the most current accessibility guidelines, the 1012 Texas Accessibility Standards.

<https://www.tdlr.texas.gov/ab/abtas.htm>

Vending Machine Specifications:

All machines shall be new or like new built after 2005 with GFCI protection installed in the machines (see National Electrical Code below). Each machine shall be “technology capable” with technology providing remote monitoring for real-time transaction data inventory management and self-diagnostics. In addition, each machine shall have both “contact-less” and “contact” credit card readers accepting all major credit cards.

Installation of all electrical and data connections will be the responsibility of the Concessionaire. Concessionaire must provide detailed information on whether you plan to use 2005 or later machines that have Ground Faulty Circuit Interrupters (GFCI).

2014 National Electrical Code Article 422 – Appliances 422.51 Code-and-Plug Connected

Cord-and-plug-connected vending machines manufactured or remanufactured on or after January 1, 2005, shall include a ground default circuit-interrupter as an integral part of the attachment plug or located in the power supply cord within 12 inches of the attachment plug Cord-and-plug-connected vending machines not incorporating integral GFCI protection shall be connected to GFCI protected outlet.

Section 422.51 was added to the 2005 Code to provide added safety to consumers who purchase items from cord-and-plug-connected vending machines. The U.S. Consumer Product Safety Commission (CPSC) has investigated four electrocutions in four separate incidents since 1995 and three incidents involving vending machines that were nonfatal shocks. Those investigations spurred this new requirement,

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with an enforcement date of January 1, 2005, that new and remanufactured vending machines be provided with a GFCI as an integral part of the power supply cord within 12 inches of the attachment plug. However, a machine plugged into a GFCI protected outlet is permitted.

D) Transition Plan

You will need to be fully operational by November 1, 2017.

1. Describe your Transition Plan with a completion date of November 1, 2017. The Transition Plan should include staffing, equipment changes and implementation schedule.

TAB 5 - Revenue Generation (30 Points)

Proposer must complete and sign **Attachment 1** with proposed MAG, percentage rent, and advertising/branding percentage rent.

Tiered or graduating percentages will not be accepted.

The selected company upon execution of the Agreement will provide a bond or cash deposit in the amount equal to one-fourth (1/4) the minimum annual guarantee as a security and performance deposit. The security and performance deposit shall remain effective throughout the term of the contract and shall be increased if the yearly guarantee amount is increased.

Financial Information

The following information is needed for proposal evaluation:

1. Proposer shall complete the **Estimated Investment, Exhibit C.**
2. Proposer shall complete the **Pro Forma, Exhibit D.**

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ADVERTISING POLICY

DALLAS FORT WORTH INTERNATIONAL AIRPORT BOARD

Description:

- This action is intended to create an objective and enforceable standard for advertising by the public at the Airport. The primary purpose of the Airport is to facilitate affordable air travel. The Airport is not a public forum, and it is the intent of the Airport Board not to designate the Airport's advertising facilities as a public forum for the dissemination, debate or discussion of political, social or religious issues. It is the intent of the Airport Board to preserve said facilities for commercial advertising only.
- This action is also intended to prohibit advertising of tobacco products and sexually-oriented businesses, as well as any commercial advertisement that is misleading, fraudulent, obscene or otherwise inappropriate for viewing by the traveling public.
- This action is also intended to prohibit commercial advertisements by business entities or persons whose goods or services are not offered at the Airport but that are in competition with business entities or persons whose goods or services are offered at the Airport.
- To the extent necessary and appropriate, the Chief Operating Officer, the General Counsel, and the Vice President of Revenue Management, or their designees, shall determine whether a particular advertisement is prohibited by this policy.

BE IT RESOLVED BY THE DALLAS-FORT WORTH INTERNATIONAL AIRPORT BOARD:

That Airport staff and contract marketing agents shall not allow in any Airport advertising facilities available to the public: (1) political, social or religious advertising, (2) commercial advertising of tobacco products, sexually-oriented businesses, or any commercial advertisement deemed by the Vice President of Revenue Management to be obscene, misleading, fraudulent or inappropriate for viewing by the traveling public, or (3) commercial advertising by business entities or persons whose goods or services are not offered at the Airport but that are in competition with business entities or persons whose goods or services are offered at the Airport. The Chief Operating Officer, the General Counsel, and the Vice President of Revenue Management shall determine by simple majority whether a particular advertisement is prohibited by this policy.