

Request for Expressions of Interest (RFEI)

The St. John's International Airport Authority (SJIAA) is expanding their terminal and requests Expressions of Interest for Retail and Food & Beverage Concessions

**Expressions of Interest are due
June 30 at 2:00 P.M.**



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Section 1

GENERAL RFEI INFORMATION

A. Introduction and Purpose

The purpose of this Request for Expressions of Interest (RFEI) is to obtain information from the national, regional and local market regarding potential interest in developing and operating selected new retail and food & beverage outlets for the expanded east terminal and refresh the outlets in the existing terminal by qualified and experienced operators.

This RFEI provides specific instructions regarding what to include in the response to the Expressions of Interest. Compliance with these requirements is mandatory. Any failure to satisfy these requirements may be a sufficient basis for the St. John's International Airport Authority ("SJIAA") to disqualify a Proponent, although SJIAA reserves the right to waive any such non-compliance in its sole discretion.

SJIAA is soliciting Expressions of Interest from potential operators for the right to enter into non-exclusive Food & Beverage and Retail Concession Agreements at the Airport. Concessionaires will be selected through this public RFEI process. The RFEI provides the opportunity for all interested and qualified Food & Beverage and Retail operators to submit their concept(s) to develop and operate non-exclusive Food & Beverage and Retail outlets at the expanded Airport Terminal, which is scheduled to open in April 2018. We encourage the participation of local/regional/national food & beverage and retail businesses. This RFEI gives specific instructions regarding what to include in the Expressions of Interest proposal.

B. Concession Program Goals

SJIAA's goals for the new Terminal concession program are summarized below and are not ranked in any particular order. Proponents are encouraged to consider these goals when preparing their RFEIs:

- Create opportunities for qualified Food & Beverage and Retail operators;
- Where appropriate, ensure a mix of Local, Regional and National Market Presence;
- Create a *sense of place* that differentiates the Airport;
- Enhance the customer experience;
- Maximize sales through merchandising, marketing and competition;
- Provide quality customer service;
- Design, construct, operate and maintain esthetically appealing facilities; and
- Provide a professional, progressive image of the Airport, reflecting positively on our city and province.

C. Project Briefing Sessions

A Project Briefing Session is scheduled for **June 9, 2016 at 10:00 A.M. at the Airport Administration offices in the Terminal Building.** Attendance at this Project Briefing Session is encouraged. The purpose of the Session will be to provide an overview of the

concession opportunities and discuss the requirements and objectives of this RFEI. Please call 250.488.1891 or send an email (jim.meyer@snclavalin.com) to indicate your attendance at the Project Briefing Session. Proponents are requested to submit any questions or requests for clarification in advance of the Project Briefing Session. All questions and requests for clarification shall be submitted to Jim Meyer at jim.meyer@snclavalin.com (Tel: 250-488.1891).

D. Other Information Regarding RFEI Submittals

1. SJIAA reserves the right to select Proponents for the purpose of responding to an RFEI or to enter into an Agreement on the basis of the Expressions of Interest submitted and to negotiate with Proponents for modification to the Expressions of Interest submission.
2. SJIAA shall not be obligated to respond to any Expressions of Interest submitted, nor shall it be legally bound in any manner whatsoever by the receipt of an Expressions of Interest.
3. SJIAA shall not be liable for any Proponent's expenses associated with the preparation of its Expressions of Interest or SJIAA's consideration of it. The Proponent, if selected, shall not include any such expenses as part of its fee for performing the Services.
4. Any and all agreements arising out of the RFEIs submitted hereunder (including any negotiations that follow) shall not be binding on SJIAA, its officers, employees, or agents unless duly approved by SJIAA.
5. Statistical information contained in these documents is for informational purposes only. SJIAA is not responsible for any inaccuracies or interpretations of the statistical information provided during the RFEI process.
6. SJIAA reserves the right to postpone the RFEI Due Date and/or modify the requirements.
7. Any and all information submitted proposal response to the RFEI becomes the property of SJIAA.
8. In submitting the Expressions of Interest, the Proponent agrees that the concepts will remain valid for one hundred and eighty (180) calendar days after the RFEI Due Date and may be extended upon mutual agreement.

Section 2

GENERAL AIRPORT, PASSENGER AND AIRLINE INFORMATION

A. General Information

Passenger traffic has consistently grown at unprecedented rates over the last 10 years at the St. John's International Airport, with an annual growth rate of more than double the national average. There are more than 1.5 million passengers each year that travel through the airport's gates. As a result of the unprecedented passenger growth experienced over the last 10 years, a 10-year plan was announced in 2014 that includes an investment of \$245 million into the airport terminal to expand and enhance facilities in order to accommodate existing and anticipate future passenger traffic volumes.

St. John's International Airport Authority has been very active in recruiting new airlines and expanding the number of destinations served from its airport. Since 2007, the total airline seat capacity at the airport has grown by 35%, and will grow another 5% in 2016. Only two other medium- to large-sized airports in Canada have exceeded this pace of growth.

Presently, St. John's International Airport has three daily flights to Europe for at least six months of the year, including WestJet's services to London Gatwick and Dublin and Air Canada's daily, year-round service to London Heathrow. These European services have a large number of connecting passengers travelling through St. John's from other parts of Canada. The demand for more food, beverage and retail outlets is evident with the increase in these connecting passengers.

In addition to the increase in commercial airline activity, there has also been significant interest in land at the Airport for commercial development. At the beginning of 2016, the Holiday Inn Express Hotel opened for operations and there is a second hotel that has been approved for development. The concessions located in the Airport Terminal Building represent the closest food outlets to these hotels, which are within walking distance. The expanded concession business activity at the Airport also resulted from increases in the employee count to more than 1,500 employees on site.

B. Sense of Place

The original vision statement by John Hearn had a clear focus: the relationship of the people of Newfoundland with the sea and the sky. Masts evoke ships at their moorings, the roof articulation resembles the wings of an aircraft.

Canadian Maple wood, married to the polished metal, glass and the rough surfaces of Bell Island stone, provides a tactile frame poised between ruggedness and warmth, between the welcoming gesture an airport offers to the arriving traveler, and the stark beauty of the natural landscape.

C. Passenger Characteristics

In February 2016 a concession survey was conducted to understand the Airport's passengers' behaviour in relation to food & beverage and retail, as well as their general travel patterns and passenger characteristics. A total of 620 passengers completed the survey. In addition to this data, the Airport Authority participates in the Airport Service Quality Index (ASQ) that involves surveying passengers year-round to obtain their level of satisfaction on all elements of their airport experience. The following passenger profile was created using both sources:

ASQ Results:

Gender	
Male	50%
Female	50%

Purpose of Travel	
Leisure	53%
Business	36%
Other	11%

Arrival Before Flight	
Less than 30 minutes	1%
30-45 minutes	3%
45-60 minutes	14%
60-75 minutes	23%
75-90 minutes	21%
90-120 minutes	22%
120+ minutes	16%

Passenger Age	
16-21	5%
22-25	8%
25-34	16%
35-44	20%
45-54	22%
55-64	21%
65+	9%

Return Trips Per Year	
1-2	33%
3-5	34%
6-10	16%
11-20	11%
21+	6%

Concession Survey Results (February 2016):

Concessions Survey Results - Passengers	
Annual Household Income	\$113,000
Passengers accompanied by Meeters & Greeters	34%
Average # of Meeters & Greeters per passenger	1.7
Most Important Aspects when deciding to make a concession purchase	1. Quality 2. Selection
Passengers who purchased food & beverage	65%
Average spend of passengers who purchased F&B	\$8.96
Average spend of all passengers (inc. non-purchasers)	\$5.81
Passengers who purchased retail	15%
Average spend of passengers who purchased retail	\$13.36
Average spend of all passengers (inc. non-purchasers)	\$1.98

Why Passengers Don't Buy F&B	
Ate before airport	41%
Don't want to buy anything	34%
Other	25%

National Vs Local Brands (F&B)	
Combination of Both	58%
Mainly Local	17%
Mainly National	13%
No Preference	12%

National Vs Local Brands (Retail)	
Combination of Both	49%
Mainly Local	19%
Mainly National	7%
No Preference	25%

Preferred Food & Beverage Service
1. Fast Food / Food Court
2. Full Service Restaurant
3. Café
4. Cocktail Bar / Brew Pub

Most Requested Food Options
1. Healthy Food
2. Deli Sandwiches
3. Pizza
4. Wraps
5. Baked Goods / Pastries

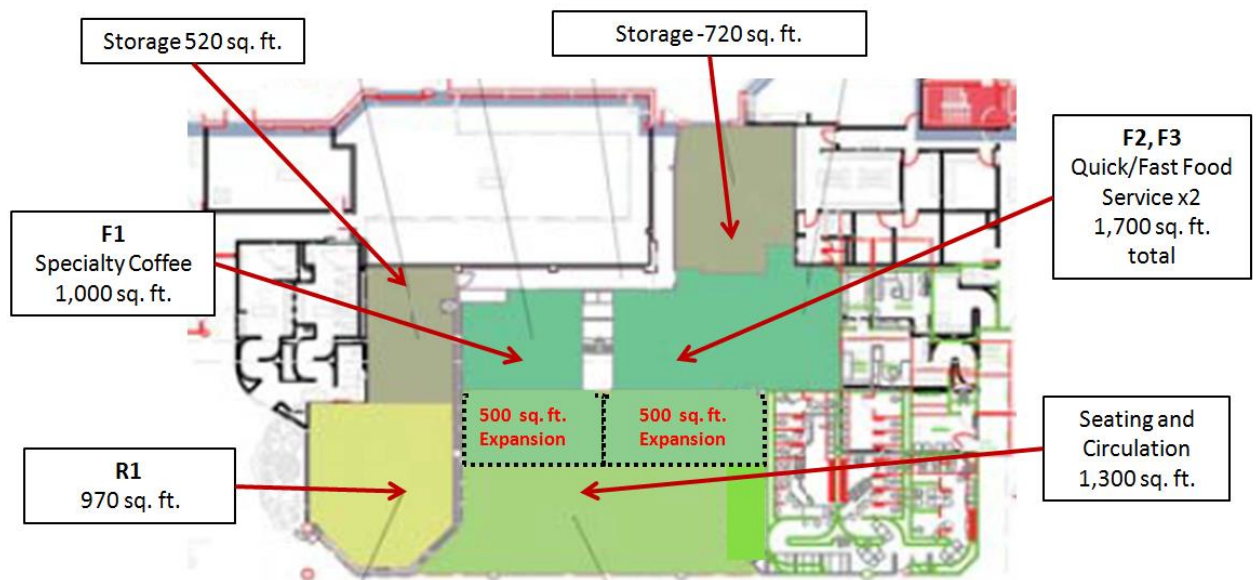
Most Requested Retail Options
1. Books / Magazines / Newspaper
2. Chocolates
3. Local Gifts
4. Pharmacy / Drug Store
5. Local Artwork

D. The Expanded and Current Terminal

The expansion of the Airport Terminal Building will be conducted in two phases: First phase: east expansion (2014 – 2018), approximately 145,000 square feet. Second phase: west expansion (2017 – 2021), approximately 72,000 square feet. The first phase, the east expansion is underway and will be completed by Spring 2018. This phase will add approximately 145,000 square feet to the three floors of the existing building and will significantly expand the range of passenger services, especially in the Departures Lounge. The west expansion will commence in 2017 and is expected to be completed in 2021. The focus of this 72,000 square foot expansion is on the arrivals area, with more baggage carousals being added, a further expansion to the Departures Lounge, three additional gates and passenger loading bridges, and an expanded Customs and Immigration area. Once complete, the total size of the Airport Terminal Building will be almost 400,000 square feet. The St. John's International Airport plays a key role as the premier gateway to the province. SJIAA is expanding its facility and services for the greater than 1.6 million annual passengers anticipated by 2020.

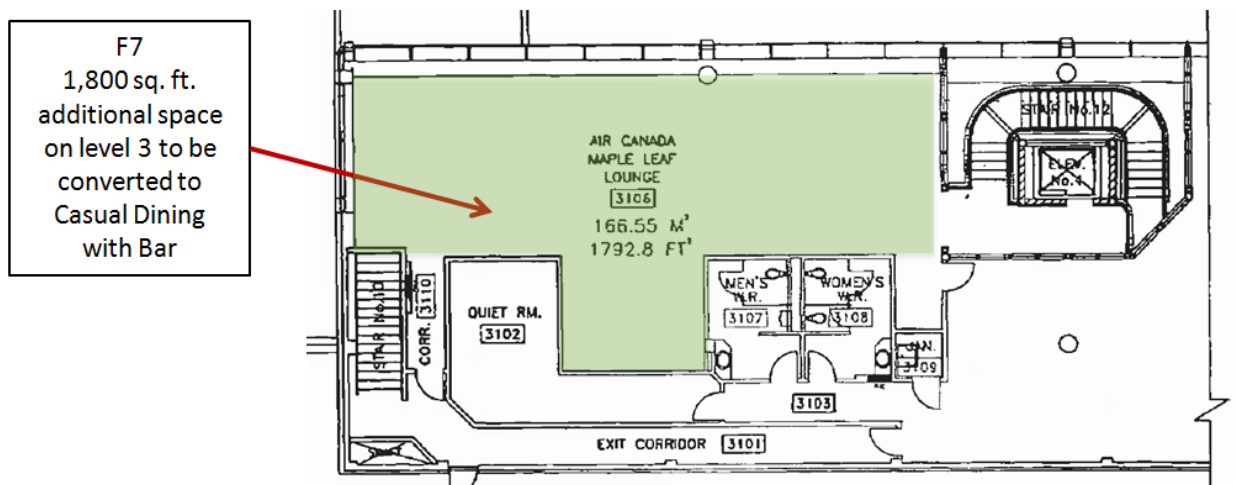
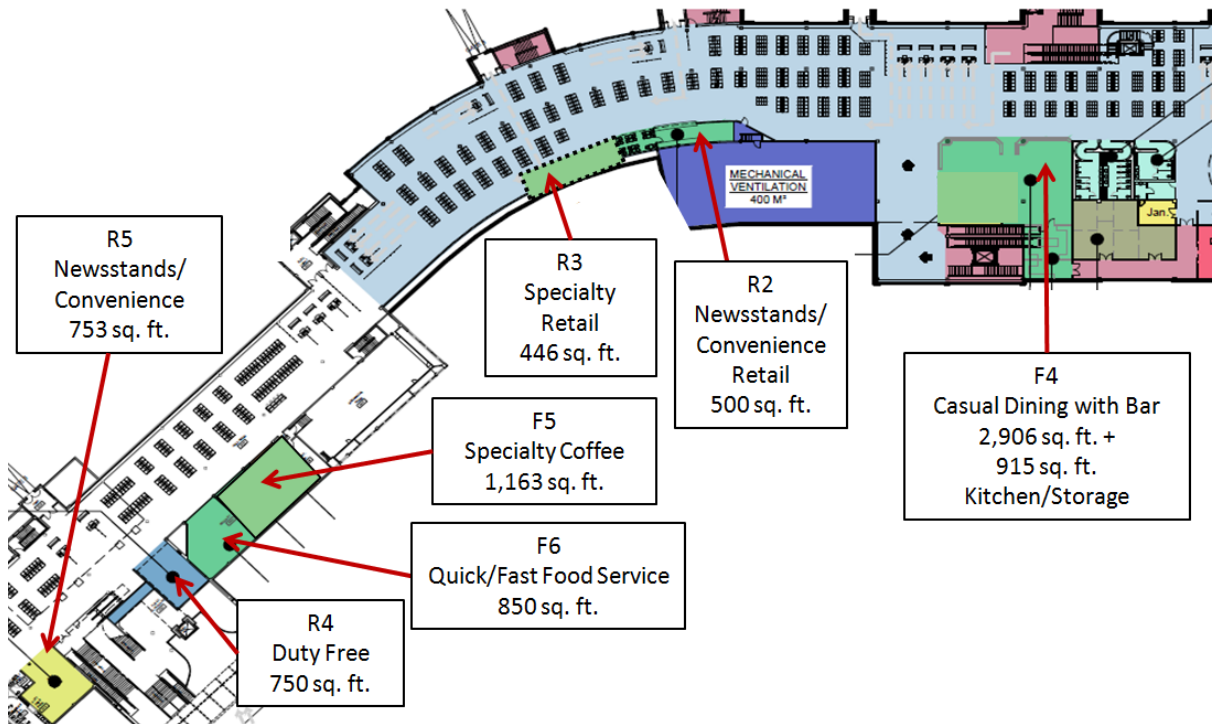
Existing Landside Terminal Renovation Plan

Please see Section 3 for details of each concession location shown below. “R” stands for Retail location and “F” stand for Food & Beverage location.



Existing Airside and East Expansion Plan

Please see Section 3 for details of each concession location shown below. “R” stands for Retail location and “F” stand for Food & Beverage location.



E. Current Airline Service

Air service at St. John's International Airport is provided by 8 airlines serving 11 major market destinations year-around and 8 seasonal destinations with nonstop flights.

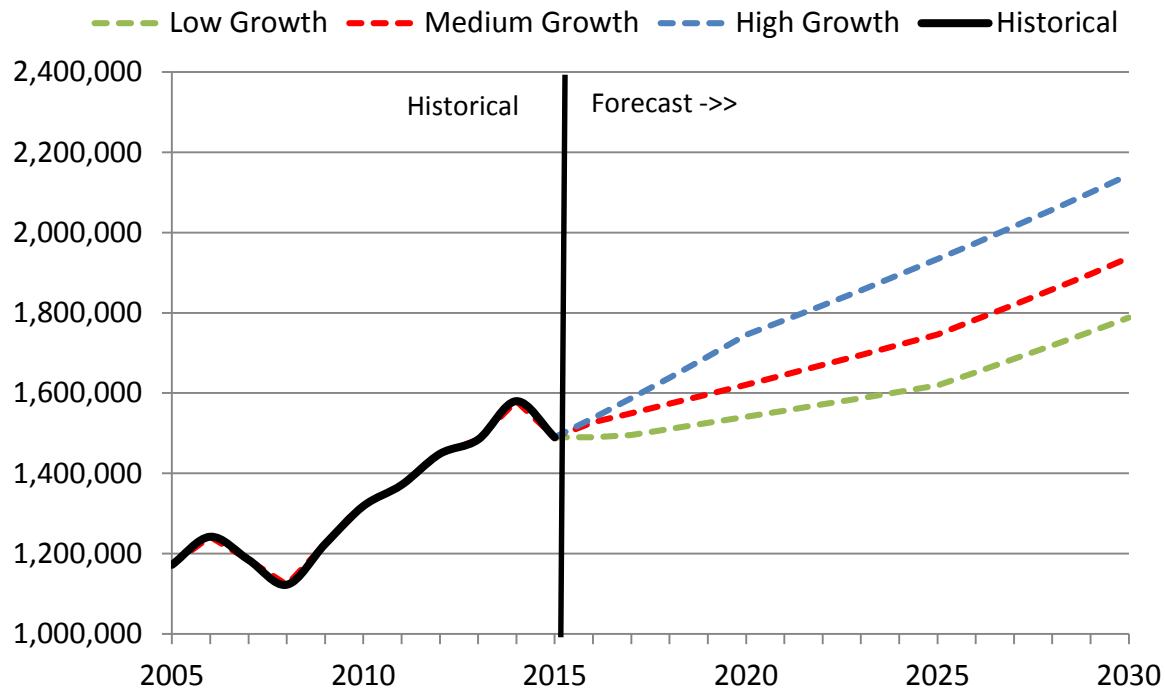


Airlines	Destinations
Air Canada	Halifax, London-Heathrow, Montréal–Trudeau, Ottawa, Toronto–Pearson
EVAS Air	Deer Lake, Gander, Goose Bay, Halifax,
Air Saint-Pierre	Saint-Pierre
Air Labrador	Deer Lake, Goose Bay, Blanc Sablon
Air Transat	Seasonal: Cancún, Halifax, Puerto Plata, Punta Cana, Varadero
National Airlines	Orlando/Sanford
Porter Airlines	Halifax
Provincial Airlines	Gander, Deer Lake, Stephenville, St. Anthony, Goose Bay
Sunwing Airlines	Seasonal: Cancun, Cayo Coco, Montego Bay, Punta Cana, Santa Clara, Toronto–Pearson, Varadero
WestJet	Halifax, Orlando, Toronto–Pearson Seasonal: Calgary, Dublin, London-Gatwick (commenced May 7, 2016), Ottawa, Punta Cana

Airlines	Destinations
WestJet Encore	Seasonal: Halifax

F. Passenger Traffic Forecast

Historical and Forecast Passengers



Year	Passengers Medium Growth
2016	1,527,174
2017	1,550,082
2018	1,573,333
2019	1,596,933
2020	1,620,887
2021	1,645,200
2022	1,669,878
2023	1,694,926
2024	1,720,350
2025	1,746,156
2026	1,783,000
2027	1,820,000
2028	1,858,000
2029	1,897,000
2030	1,937,000

SECTION 3

CONCEPT DESCRIPTION AND AVAILABLE LOCATIONS

A. General Descriptions of the Food & Beverage Concepts

SJIAA requests Proponents to offer concepts that match the following general descriptions:

- **Casual Dining with Bar:** Restaurant and bar with a kitchen and storage providing full alcoholic beverage service including beer, wine and/or liquor. Full menu serving freshly prepared hot and cold food items. Table service or a combination of counter and table service available with sufficient space for food preparations. “Grab-and-go” express counter also permitted and encouraged. (two airside locations)
- **Specialty Coffee:** Coffee and espresso drinks, tea and other non-alcoholic beverage service with a limited sandwich and/or dessert menu. Retail sales of ground and whole bean coffee. Counter service. (one groundside and one airside location)
- **Quick/Fast Food Service:** Food that is generally prepared and/or assembled as ordered. Alcoholic beverages permitted. Counter service. (one airside and two groundside locations)

SJIAA is seeking a contemporary concession program, which includes Food & Beverage concepts and offerings that offer quality products, value and time efficiency for the customer and that will reflect a Sense of Place. Proponents should develop their concession mix, concepts, and facility plans accordingly.

In addition, SJIAA is strongly encouraging Proponents to incorporate established local, regional or national Food and Beverage brands in their Expressions of Interest. Brands have proven to be popular and successful with passengers based on the recent passenger surveys.

B. Number and Location of Available Food & Beverage Locations

Three Landside Food & Beverage locations, and four Airside Food & Beverage locations in the East Terminal expansion area. These locations are shown on Attachment E.

Proponents may express interest on 1 or more locations and offer up to two (2) alternate concepts per location and may consolidate locations with the understanding that the SJIAA will, in its sole discretion, determine which concept is to be selected for that particular space.

The available F&B concession locations and areas are defined as follows

Food and Beverage Locations and Areas

Space Number	Concept Category	Approximate Area (sq. ft.)	Location
F1	Specialty Coffee	1,000	Landside
F2,F3	Quick/Fast Food Service x2	1,700 total combined	Landside
F4	Casual Dining with Bar	3,821	Airside
F5	Specialty Coffee	1,163	Airside
F6	Quick/Fast Food Service	850	Airside
F7	Casual Dining with Bar	1,800	Airside Third Level

C. General Descriptions of the Retail Concepts

SJIAA requests Proponents to offer concepts that match the following general descriptions:

- **Newsstand/Convenience Retail:** Offering a broad range of items generally sold in airport newsstands including local and national newspapers, magazines, periodicals, and books; traveler convenience items; candy, and other snacks; bottled water; disposable cameras and film; postcards; gifts and souvenirs (not to exceed 25% of available floor space); and health and beauty aids in convenient sizes.
- **Specialty Retail:** Offering Specialty Retail items that are produced locally in St. John's or the Newfoundland region. Merchandise is to be consistent with a single theme or product category, (e.g., wine, clothing, jewelry, candies, packaged specialty foods, art and craft items).
- **Duty Free:** Offering a range of top best sellers that are exempt from the payment of certain local or national taxes and duties.

SJIAA is seeking a contemporary concession program, which includes Retail concepts and offerings that offer quality products, value and time efficiency for the customer and that will reflect a local Sense of Place. Proponents should develop their concession mix, concepts, and facility plans accordingly.

In addition, SJIAA is strongly encouraging Proponents to incorporate established local, regional or national Retail brands in their Expressions of Interest. Brands have proven to be popular and successful with passengers based on the recent retail passenger surveys.

D. Number and Location of Available Retail Locations

Four airside retail locations, will be available and one landside location. The locations are shown on Attachment E.

Proponents may offer alternate concepts per location with the understanding that SJIAA will, in its sole discretion, determine which concept is to be awarded for that particular space. The available retail concession locations and areas are defined below:

Retail Locations and Areas

Space Number	Concept Category	Approximate Area (sq. ft.)	Location
R1	Newsstands/Convenience	970	Landside
R2	Newsstands/Convenience	500	Airside
R3	Specialty Retail	446	Airside
R4	Duty Free	750	Airside
R5	Newsstands/Convenience	753	Airside

E. Proponents May Be Awarded More than One (1) Space

Proponents may propose on, and may be awarded, one (1) or more Spaces, but SJIAA reserves the right to award no more than one (1) Space to any single Proponent.

F. Concession Utilities Provided by SJIAA

Concession Space				Electrical		Gas	Kitchen Exhaust				Plumbing					Comms/ Systems
Level	RFEI Location ID	Area (sq ft)	Proposed Use	Electrical Panel Size - Voltage	Circuit Breaker Size - Amps	Gas Supply	Kitchen Exhaust Chase	Rooftop Equipment Pad	Kitchen Exhaust cfm	Kitchen Makeup cfm	Water Pipe Size	Sanitary Waste Pipe Size	Refrigerant Relief	Grease Traps	Dish-washers	Telephone/Data Conduit Size
1	F1	1,000	Specialty Coffee	120/240V	400A, 120/208	N/A	YES	YES	BY TENANT		2"	4"	YES	YES	YES	1"
1	F2 and F3	1,700 combined	Quick/Fast Food x2	120/240V	600A, 120/208	N/A	YES	YES	BY TENANT		2"	4"	YES	YES	YES	1"
1	R1	970 + 520 storage	News & Gift	120/240V	100A, 120/208	NO	NO	NO	NO	NO	1"	2"	YES	NO	NO	1"
1	Storage Landside	720	Support and Storage	120/240V	60A, 120/208	NO	NO	NO	NO	NO	2"	4"	YES	NO	NO	1"
2	F4	2,906 + 915 kitchen	Casual Dining with Bar	120/240V	800A, 120/208	N/A	YES	YES	BY TENANT		2"	4"	YES	YES	YES	1"
2	F5	1,163	Specialty Coffee	120/240V	600A, 120/208	N/A	YES	YES	BY TENANT		2"	4"	YES	YES	YES	1"
2	F6	850	F&B - Quick Service	120/240V	600A, 120/208	N/A	YES	YES	BY TENANT		2"	4"	YES	YES	YES	1"
2	R2	500	News & Gift	120/240V	400A, 120/208	NO	NO	NO	NO	NO	2"	4"	NO	NO	NO	1"
2	R3	446	Specialty Retail	120/240V	400A, 120/208	NO	NO	NO	NO	NO	2"	4"	NO	NO	NO	1"
2	R4	70	Duty Free	120/240V	60A, 120/208	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	1"
2	R5	753	News & Gift	120/240V	100A, 120/208	NO	NO	NO	NO	NO	1"	2"	YES	NO	NO	1"
2	Storage Airside	1,260	Storage (for each unit)	120/240V	20A, 120/208	NO	NO	NO	NO	NO	2"	4"	YES	NO	NO	1"
3	F7	1,800	Casual Dining with Bar	To be - >>> determined												

Section 4

RFEI SUBMITTAL

A. Response to the RFEI

This concession opportunity will be of interest to parties that have experience related to owning and/or operating distinctive, successful food & beverage or retail concessions, and who have the necessary financial resources to establish and operate their concept(s) over the operating period.

The submission of an Expressions of Interest does not give rise to an obligation on the Respondent to enter into any contract or have any further dealings with SJIAA.

SJIAA will acknowledge receipt of all submissions. However, respondents will not hear further from YYT unless the Airport decides to further follow up or engage with one or more respondents in its sole discretion.

SJIAA will conduct further communications and SJIAA, in its sole discretion, including both respondents to this RFEI and any other parties identified by the Airport whether or not such parties have responded to this RFEI.

All costs incurred by respondents in the preparation of an Expressions of Interest shall be borne solely by the respondents.

Submissions must be delivered by courier or in person to:

MARIE MANNING
DIRECTOR, MARKETING AND BUSINESS DEVELOPMENT
ST. JOHN'S INTERNATIONAL AIRPORT
100 WORLD PARKWAY
ST. JOHN'S NL A1A 5T2
mmanning@stjohnsairport.com
709.758.8580

Attention: SJIAA Concessions RFEI

B. Submission Content

Interested parties should respond to this RFEI by providing the information described below:

- Management profile, including local/regional/national concept(s) portfolio, brands and affiliations including pertinent organizational data (see Attachment A – Organizational Data); and
- Illustrative Non-Binding Financial Pro-forma in Canadian dollars (see Attachment B - Illustrative Non-Binding Financial Pro Forma).

Submissions should include, in narrative form, the respondent's statement of interest with respect to developing a concession opportunity at the YYT terminal. The narrative should discuss, in as specific terms as possible, the respondent's concept for the concession(s) with perspective photographs/illustrations, including respondent's plan for financing the design, development and tenant construction fit-out of the concession concept(s).

Respondents should address any anticipated infrastructure requirements. Submissions should be accompanied by an illustrative, non-binding financial pro-forma, indicating important business case assumptions along with a non-binding minimal rental payment as well as based on percentage of gross revenue from operations.

SJIAA requests that you clearly define your concept(s), your product assortment, the design, the financial proposal and other elements requested below. Please take the time to carefully read and understand the RFEI requirements. Format, organization and content are all important so that the Selection Committee can conduct an accurate and complete review of the Expressions of Interest.

C. Minimum Qualifications

Proponents should demonstrate that the Minimum Qualifications listed below (unless otherwise authorized by SJIAA) have been met in order to have their Expressions of Interest considered:

1. Submit a complete Expressions of Interest;
2. Possess two (2) or more years of continuous experience within the last five (5) years in the ownership, management, or operation of Food & Beverage and/or Retail concepts; and
3. Be financially capable of undertaking the Capital Investment at the sole determination of SJIAA.

D. RFEI Submittals

One (1) original and five (5) copies, and 1 complete electronic copy in PDF format (stored on a USB flash drive) of the Expressions of Interest must be submitted. The Expressions of Interest submittal shall consist of the required documents in the sequence shown below. It is the Proponent's responsibility to incorporate all pertinent information to effectively present an Expressions of Interest and to communicate the Proponent's concept(s) and qualifications.

1. Experience of the Proponent

Describe the Proponent's specific experience with the ownership, management or operation of Food & Beverage and/or Retail facilities. Proponent's experience description must include a representative list of its Food & Beverage and/or Retail locations, the duration of time it has owned, managed or operated each location, and the revenues at each location over the past five (5) years. Provide a valid and current reference contact familiar with the Proponent's performance for each location.

2. Brand(s) and Concept(s)

Proponent shall submit the following information in sufficient detail to clearly define the proposed brand(s)/concept(s) for each Space proposed. Information provided by Proponent should focus on the following:

- a. Describe in detail for each proposed Space:
 - (1) The operating name(s), concept(s) and design(s) proposed for each location;
 - (2) The rationale for selecting the proposed brand(s)/concept(s);
 - (3) How the Proponent's brand(s)/concept(s) will provide quality products, value, and time efficiency for the customer; and
 - (4) How the Proponent's brand(s)/concept(s) will contribute toward the creation of a Sense of Place.
- b. Submit the proposed product list for each location.
- c. Describe any unique attributes of the proposed product list.

E. Proposed Minimum Facility Build-Out Investment

The Proponent shall provide a Proposed Minimum Facility Build-Out Investment per Square Foot for each proposed brand/concept as part of its Expressions of Interest. ***This information is to be provided using the form in Attachment C.***

F. Financial Projections

The Proponent shall provide a Pro-forma Operating Statement for each concession location, and in summary for all concession locations combined, in each Space on which it is proposing, which shall indicate the Proponent's projected gross sales and expenses. ***A separate Pro-forma shall be prepared for each of the first five (5) years of operation, on the form provided as Attachment B.*** The Pro-forma shall be evaluated by the Selection Committee in terms of reasonableness; demonstrated understanding of the proposed brand/concept; viability of the proposed operation; and ability to fund continuing operations from cash flow generated by the business.

G. Capital Investment

Proponent shall submit a financing plan and indicate the source of funding to be used for space improvements and working capital.

H. Financial Background

Include the following historical financial information for the Proponent. If Proponent is a joint venture, partnership or LLC, then the following information must be submitted for each separate entity in the joint venture, partnership or LLC:

- a.** Balance sheet and income statements for the last two (2) fiscal years prepared in accordance with generally accepted accounting principles, reflecting the current financial condition of Proponent. Also include an interim balance sheet and income statement of any significant financial events occurring subsequent to the closing date of the most recent financial statements;
- b.** Describe ownership of the Proponent;
- c.** Owners of closely held corporations must submit a personal financial statement current within three (3) months from the date of submittal;
- d.** At least three (3) business and two (2) financial references; and
- e.** Detail any changes in financial position for the past two years.

Section 5

BUSINESS INFORMATION

A. General Requirements

Selected Proponents will be required to plan, design, build-out, maintain, manage, staff and stock, at their sole cost, their designated concepts. Design, furnishings, fixtures, equipment and finish materials for all tenant improvements must be approved through the review process and approved by SJIAA prior to construction and installation. All products and services to be sold must receive SJIAA prior written approval.

B. Business Terms

1. Airport Terminal Occupancy Costs

a. Rent

For each Agreement Year throughout the Primary Term of the Agreement, Concessionaire shall pay SJIAA the greater of the Minimum Annual Guarantee (MAG) or Percentage Rent. Please indicate the MAG and Percentage Rent proposed for the first Agreement Year of the Primary Term. There is no Rent due during the Interim Term of the Agreement (during construction) prior to opening of the outlet.

b. MAG Adjustment

After the first Agreement Year, the MAG shall be set at eighty-five percent (85%) of the preceding Agreement Year's Rent according to the terms of the Agreement and will be escalated annually thereafter based on a Cost of Living adjustment of 2%.

c. Merchant Association Program (MAP) Fee

SJIAA will establish a merchant association comprised of the Airport's Concessionaires and Airport staff. MAP fees will be used by the merchant association to promote and advertise the concessions at the Airport. Concessionaires shall pay a MAP fee on a monthly basis in the amount of 0.3% of Gross Revenues.

d. Trash/Grease Collection Fee

Concessionaire shall dispose of all trash, refuse, debris, and recyclable material and grease in containers designated by SJIAA in assigned common areas. Concessionaire shall not place or leave or permit to be placed or left, in any part of the common areas, trash, refuse, debris, or recyclable material unless otherwise authorized by SJIAA to do so. The St. John's International Airport may, at any time, institute a trash and recyclable removal program and may therefore require the Concessionaire to pay a trash removal fee to be determined by SJIAA based on cost recovery calculations.

2. Agreement Term

All Agreements are projected to have an Interim Term, during which time Concessionaires shall develop their concession areas, and a Primary Term commencing on the date the expanded Terminal opens and expiring for the major food & beverage concessions at the end of one hundred and twenty (120) full calendar months or ten (10) years thereafter and for retail eighty-four (84) months. For coffee outlets the term is 60-84 months (5-7) years. In addition, there will be an option for a two (2) year renewal for all concessions.

C. Airport Environment

It is important for Proponents to note that the Airport environment presents the Concessionaire with a set of unique challenges which are not typical of an urban restaurant or shopping center setting.

1. The Airport customer has a limited amount of time to spend in the Food & Beverage and Retail facilities and must be served quickly.
2. Facilities must be open three hundred and sixty-five (365) Days a year with operating hours and staffing levels reflecting the fluctuation in seasonal and daily passenger traffic.
3. Airport-wide major flight delays are not uncommon. The Airport is affected by weather not only here, but in other geographic regions as well. Your operation plan must be flexible enough to provide extended hours to accommodate the additional business and customer service opportunities these delays afford.
4. Due to the geographic location of the airport, unexpected diversions can occur for medical or mechanical reasons, and can create a sudden influx of passengers.
5. There will be scheduled hours for deliveries which do not conflict with the Airport's peak passenger traffic time.
6. The Airport terminal is a non-smoking facility.
7. Customers are primarily airline passengers traveling with carry-on luggage and in some cases, baggage carts. Concession facility designs must clearly accommodate these conditions.
8. Passengers often travel across time zones and are therefore ready to purchase Food & Beverage and Retail merchandise at unusual hours. Food & beverage outlets need to provide food product appropriate for breakfast, lunch and dinner.
9. Each Concessionaire employee is an ambassador for the Airport and the region. Training is essential and should include knowledge of the terminal areas and other services to travelers.
10. The Airport is subject to specific federal security requirements and Concessionaire will be required to abide by all current and future requirements at all times.

D. Sales Reporting

Concessionaires will be required to provide monthly and annual sales reports. SJIAA prefers Concessionaires utilize a computerized reporting system and therefore reserves the right at any time during the Agreement, to request that the Concessionaire implement a computerized system designed to generate timely sales and Rent reports and to further modify the system from time to time. The Selected Proponents shall cooperate fully in the development and implementation of such a system.

E. Delivery Information

The Terminal has a Landside loading dock for the receiving and subsequent distribution of goods to storage areas and concession locations in the Terminal. SJIAA has issued terminal delivery procedures that best allow for the safe movement of delivery vehicles at the Airport. SJIAA may issue schedules of acceptable delivery times, locations, and points of access, and vehicle size restrictions. Concession storage areas are located in both the Landside and Airside of the terminal.

F. Support Space

The Airport shall have the authority to assign Support Space for office and/or storage uses directly related to Airport concession operations to Selected Proponents based on the total concession space under lease or on an as available basis. Support Space will be leased in as-is condition. Concessionaires, at their expense, will be responsible for constructing any improvements in their leased Support Space to meet their needs. Any such Tenant Improvements are subject to the prior written approval of SJIAA, in accordance with established procedures. No more than ten percent (10%) of the space at each Food & Beverage and Retail location serving the public may be used as Support Space.

Section 6

EVALUATION OF EXPRESSIONS OF INTEREST

A. Evaluation Criteria

The SJIAA Selection Committee will evaluate Expressions of Interest to determine which Proponents offer the best overall concepts for the Food & Beverage and Retail programs at the Airport, based on the evaluation factors listed below. The Selection Committee will use the evaluation factors listed below in evaluating Expressions of Interest, weighted according to the number of points assigned to each evaluation factor. SJIAA reserves the right to award a location to a lower scoring Expressions of Interest based on meeting its stated objectives and to ensure a variety of food & beverage and retail categories are selected.

1. **Brand(s)/Concept(s) Plan – 30 points**

Based on the perceived strength and quality of the proposed brand(s)/concept(s), the Proponent's rationale for selecting the proposed brand(s)/concept(s), the proposed product list, and the anticipated contribution of the proposed brand(s)/concept(s) toward the creation of a Sense of Place.

2. **Capital Investment; Facility Design and Quality of Improvements – 20 points**

Based on the Proposed Minimum Facility Build-Out per Square Foot shown on Attachment C, the proposed design and functionality of the proposed Tenant Improvements, and the quality and durability of proposed materials.

3. **Experience and Quality of Past Performance – 20 points**

Based on the Proponent's years of related experience, and the quality and successfulness of past performance in the ownership, management and/or operation of Food & Beverage and Retail facilities.

4. **Financial Offer – 20 points**

Based on the perceived reasonableness of the Proponent's Pro-Forma Operating Statement shown on Attachment B, the underlying assumptions supporting the Proponent's sales forecasts, an assessment of the Proponent's ability to sustain its projected sales, the financing plan and source(s) of funding the perceived ability of the Proponent to provide the projected revenues to SJIAA as shown in Attachment D.

5. **Management Plan – 10 points**

Based on the experience of the proposed management team, and demonstrated ability to provide high quality customer service.

B. Selection Process

1. No Late Expressions of Interest

Any RFEI received after 2:00 p.m. on the RFEI due date will be considered late and may not be evaluated by SJIAA.

2. Evaluation of Expressions of Interest

- a. Expressions of Interest failing to meet Minimum Qualifications, including completeness, format and content, may be rejected without further evaluation and Proponent will be so informed in writing.
- b. Each Expressions of Interest accepted by SJIAA will be evaluated by a Selection Committee designated by SJIAA.
- c. Each Expressions of Interest will be evaluated to determine how well it meets the evaluation criteria outlined in this RFEI.
- d. The SJIAA reserves the right to request additional information from Proponents to clarify the meaning of any portion of the written Expressions of Interest.
- e. Finalists may be required to make a presentation to Selection Committee members to explain the concept, design and business aspects of the Expressions of Interest and to respond to questions which might arise before and/or during the presentation.

3. SJIAA's Right to Negotiate Agreements

SJIAA reserves the right to negotiate with other Food & Beverage and Retail companies outside of the RFEI process, even if such companies did not participate in the RFEI process.

C. Submission Delivery

Submissions must include the respondent's complete contact information, including company name, principal contact name and title, mailing address, phone number, and electronic mail address of respondent's principal contact.

Respondents must submit five (5) complete hard copies, and 1 complete electronic copy in PDF format (stored on a USB flash drive) of their Expression of Interest with one (1) clearly marked "Original" copy.

By providing information as a response to this RFEI, respondents are consenting to its use and consideration by SJIAA. The airport will use commercially reasonable efforts to keep all Expressions of Interest information confidential but SJIAA shall not be liable for release of any information contained in an Expressions of Interest.

SJIAA may communicate with any single respondent or group of respondents to seek clarifications of or modifications to any Expressions of Interest without obligation to similarly communicate with or provide any such opportunity to any other respondent.

D. Questions

All questions concerning this RFEI may only be submitted by e-mail to: jim.meyer@snclavalin.com. Answers to submitted questions will be provided solely to the party submitting the question except where the Authority, in its sole discretion, determines the answer should be provided to some or all of the other responding parties.

Questions are to be submitted no later than Tuesday, June 28, 2016, 2:00 P.M. EST.

The Airport may, in its sole discretion, accept and respond to questions after that date.

E. Disclaimer re: Reliance on RFEI Information

The information, material and forecasts contained in this RFEI are provided solely for the general information of respondents and should not be relied upon by respondents without independent review and confirmation by respondents. Such information should not be considered to be either representations or warranties of SJIAA. The SJIAA is not responsible for the accuracy or completeness of the information or for any facts, conclusions, opinions, or any other matters derived by respondents therefrom.

E. RFEI Schedule: Activity Date & Time

Pre-bid Briefing: Thursday June 9, 10:00 A.M. EST

Questions due by: Tuesday, June 28, 2016, 2:00 P.M. EST

Submissions due by: Thursday, June 30, 2016, 2:00 P.M. EST

G. Submission Contents

- Organizational Data
- Illustrative Financial Pro Forma
- Narrative Description of Concepts and Brands
- Facility Build-out Investment
- Proposed Financial Offer

ATTACHMENT A:

Organizational Information

Disclosure of Interest

- If a private company – details of ownership of shares
- If a public company – details of any ownership of shares, in excess of 1% of total shares
- If a partnership – details of any partnership arrangement

Name of Respondent

Date Submitted

Head Office Address

Local Office Address

Respondent's Name

E-mail Address

Telephone number

Description of Respondent

a) Incorporated Company (Name):

Date and Place of Incorporation:

Name of principal officers and addresses:

Name	Addresses
President	
Vice-President	
Secretary	
Treasurer	
Others	

Names of Principle Shareholders

b) Partnership (Name):

Date and Place Established:

General or Limited Partnership

Partner names and addresses including
Manager Partner (if applicable):

Name	Addresses

c) Sole Proprietorship

Date and Place Established:

Name and Address of Sole Proprietor:

d) Other (please provide adequate details):

If the respondent is a subsidiary of, affiliated with or associated with other organizations, please provide details:

Organization and History (to be provided by all respondents)

List below two comparable operations you now own and operate:

Name	Type	Location	Gross Annual Sales
1)			
2)			

ATTACHMENT B:

Pro-forma Operating Statement

Proponents are to submit a separate Pro-forma Operating Statement for each concession location using the format shown on the following page. All Pro-forma Operating Statement sales estimates are to be based on the passenger estimates for the new Terminal. A sample form is provided below.

Illustrative Non-Binding Financial Pro Forma (*Example only*)

Pro Forma submitted must be in Canadian dollars.

CAPITAL INVESTMENT AND FORECASTED STATEMENT OF OPERATIONS					
Year	1	2	3	4	5
Revenue Sources (Provide in detail)					
Total Revenue					
Costs					
Rent (Separate line for each category)					
Wages & Salaries					
Benefits					
Supplies					
Purchased Inventory					
Utilities					
Insurance & Non- income Taxes					
Other (Please detail)					
Total Costs					
Net Operating Cash Flow Before Financing & Income Taxes					
Capital Costs					

ATTACHMENT C:

Facility Build-Out Investment Form

Submit one page for each concept/location proposed.

Proponent:

Food and Beverage or Retail Concept:

Space Number:

Facility Build-Out Investment

Type of Food & Beverage or Retail Unit	Proposed Investment per Square Foot-Hard Costs	Proposed Investment per Square Foot-Soft Costs	Total Proposed Investment per Square Foot	Total Proposed Investment
All locations	\$	\$	\$	\$

Concessionaire is required to allocate not less than 85% of the Proposed Facility Build-Out Investment must be expended on construction “hard costs” of materials, direct labor, equipment, finishes, signage, lighting, HVAC, and other construction costs exclusive of “soft costs” of design, engineering, construction supervision, permitting, specialist consultants, overheads, corporate construction administration, and other fees.

ATTACHMENT D:

Financial Offer

Percentage Rent and Minimum Guarantee

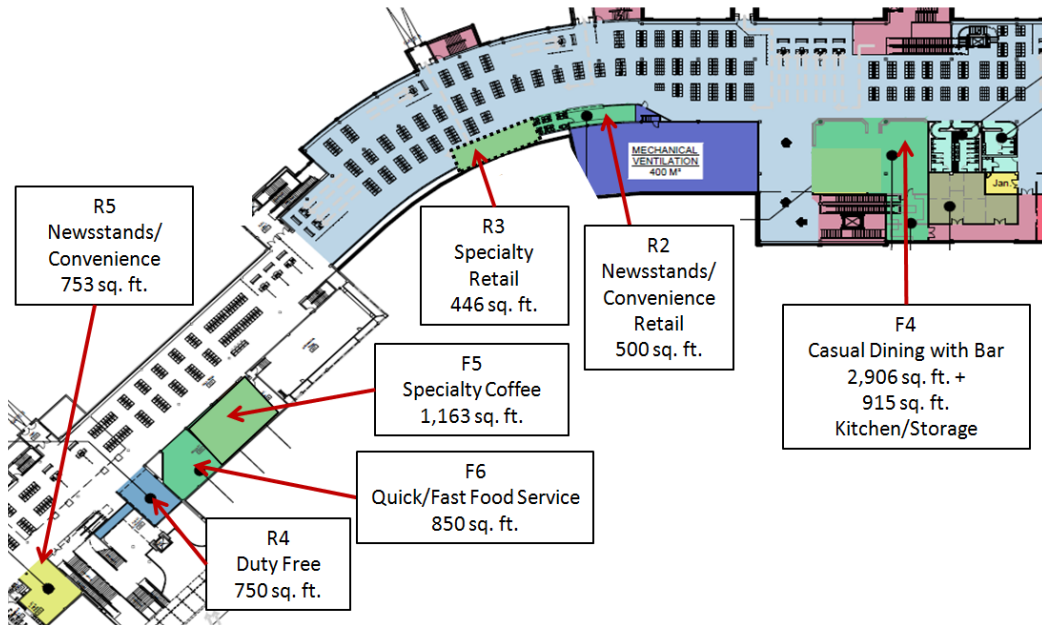
The Percentage Rent and MAG payable to SJIAA per concession location is to be listed by concept in the following table

Concept	Percentage	MAG	Location

ATTACHMENT E:

Concession Lease Drawings

East Terminal Expansion



Existing Terminal

