Hartsfield-Jackson
Atlanta International Airport®

Concessions Outreach

Tuesday, September 27, 2022
8:30 a.m. - 12:30 p.m.
GICC

- Procurement Updates
- Contracting Updates
- DOs and DON'Ts
- Non-Responsive Prevention
- Supplier Resources

Hartsfield-Jackson
Atlanta International Airport®

CITY OF ATLANTA

Department of Procurement (DOP)

Kevin Floyd
Innovation Resources
Director

Procurement Updates

- Revised Instructions to Proponents
- Revised Required Submittal Forms package
- Updated all Procurement Forms and Templates
- Launched first-ever monthly supplier newsletter- P.E.N
- Developed Procurement Branding, Vision Statement, and Goals
- Roll out of Procurement Social Media Accounts

Contracting Updates

- Contract to be released with Solicitation package
- Standard Terms and Non-Negotiable items will be included
- Acceptance of the terms and any deal-breaker items must be included in supplier response
- Failure to accept the City’s terms, or significant red lines to the agreement could result in a lower score or the submission being deemed non-responsive

DOs and DON'Ts

DOs

- When completing a solicitation, always use the submittal checklist
- Remember JV entities must submit 3 forms: 1 for the JV, and 1 for each separate entity
- Attend pre-bid/proposal conferences, it's an opportunity to network
- When responding to solicitations, make sure to include all documents/forms requested. Failure to do so may result in your proposal disqualification

DON'Ts

- Don't prolong submitting your solicitation. Edits are allowed up until the due date
- Don't forget to have a team review your final submission
- Don't forget the question-and-answer period of your solicitation
- Don't submit questions about a solicitation to anyone, except for the assigned Procurement Professional

Non-Responsive Prevention

- **Form 1 – Illegal Immigration Reform and Enforcement Act (IIREA) is incorrect.**
  -Proponents mistakenly place their EIN number and wrong date in.
  -Proponents forget to provide the title of the authorized agents to sign.

- **Form 2 - Contractor Disclosure and Declaration Form is incorrect or incomplete.**
  -When proponents answer “Yes” to any question, they fail to provide any supporting material.
  -Proponents fail to provide correct information. Ex. Did you have a contract with the City in the last 5 years? The City will often find that they have had contracts when they say they didn’t.
  -JV entity AND the multiple partners all need to provide a completed Form 2.

- **Joint Venture Teams that submit bids fail to sign the JV Agreement and fail to provide Form 2 and 3’s.**

- **Georgia Secretary of State Authorization docs.**
  -Proponents fail to provide authorization documents to transact business in Georgia.

Non-Responsive Prevention

- **Misalignment of dates**
  – Dates provided by the notary conflict with signature dates of the bidder. Remember, the notary is supposed to be attesting that you signed in front of them.

- **Insufficient number of references.**
  -If asked for 3 reference, please submit 3 references from 3 different sources.

- **Missed Due Date.**
  -Proposals are due by 2pm ET sharp. Start uploading your proposal early but in no event less than 3 hours ahead of the solicitation close to account for any issues.

- **Failure to submit all documents.**
  -Always do a final walk through of all your documents to make sure you have not forgotten anything. Have a colleague do a peer review as well.

Supplier Resources

- Supplier Training sessions:
  - Oct 5: 11:00- 12:30PM
  - Oct 19: 10:30- 11:30AM
  - Nov 2: 11:00- 12:30PM
  - Nov 16: 10:30- 11:30AM
  - Dec 7: 10:30- 12:30PM

- Recordings of training sessions and training guides available online @ www.atlantaga.gov> Business> Suppliers

- Follow us on Social Media
  -ATLProcurement - @ATLProcurement - atlprocurement -ATL Procurement

- Stay tuned for more exciting updates to come!

Congratulations!

- Congratulations on your acceptance into the Georgia Department of Transportation's registry of certified Airport Concessions Disadvantaged Business Enterprises (ACDBE).
- In order to maximize your contracting opportunities, we have several suggestions that we would like to offer to make this a more successful process.

Hartsfield-Jackson Atlanta International Airport®

CITY OF ATLANTA

Mayor's Office of Contract Compliance (OCC)

Bruce Bell
OCC Director

Keys to Success #1

- Attend pre – bid/ pre – proposal conferences
- Attend outreach sessions
- Monitor Office of Contract Compliance and Department of Procurement websites for business opportunities
- Apply for Disadvantaged Business Enterprise (DBE) certification with the Georgia Department of Transportation at (404) 631-1990

Keys to Success #2

- Participate in local business development programs
- Identify a mentor
- Become a member of a local trade/business organization
- Ensure bonding and insurance are in place
- Contact other local diversity programs for procurement opportunities

49 CFR § 23.55 - How do recipients count ACDBE participation toward goals for items other than car rentals?

- **(a)** You count only ACDBE participation that results from a commercially useful function.
- **(b)** Count the total dollar value of gross receipts an **ACDBE** earns under a **concession** agreement and the total dollar value of a **management contract or subcontract** with an **ACDBE** toward the goal.
- **(c) ACDBE** sub-concession agreements or subcontractor agreements with a non-ACDBE are not counted towards the goal.

How do recipients count ACDBE participation toward goals for items other than car rentals?

Part 2

- **(d)** In a **joint venture**, only gross receipts for work performed by the **ACDBE** with its own forces count toward **ACDBE** goals.
- **(e)** Count the entire amount of fees or commissions charged by an **ACDBE** firm for a *bona fide* service, provided that, as the **recipient**, you determine this amount to be reasonable and not excessive as compared with fees customarily allowed for similar services.
- **(f)** Count 100% of the cost of goods obtained from an **ACDBE** manufacturer.

How do recipients count ACDBE participation toward goals for items other than car rentals?

Part 3

- **(g)** Count 100% of the cost of goods purchased or leased from a **ACDBE** regular dealer.
- **(h)** Goals for goods purchased from an **ACDBE** that is neither a manufacturer nor a regular dealer:
  - **(1)** Count the entire amount of fees or commissions charged for assistance in the procurement of the goods, provided that this amount is reasonable as compared with fees customarily allowed for similar services. Do not count any portion of the cost of the goods themselves.
  - **(2)** Count the entire amount of fees or transportation charges for the delivery of goods required for a **concession**, provided that this amount is reasonable as compared with fees customarily allowed for similar services. Do not count any portion of the cost of goods themselves.

How do recipients count ACDBE participation toward goals for items other than car rentals? Part 4

- **(i)** A non-certified **ACDBE** firm's participation, does not count towards **ACDBE** participation goals.
- **(j)** Work performed or gross receipts earned by a firm after its eligibility has been removed does not count toward **ACDBE** goals.
  - However, if an **ACDBE** firm certified on April 21, 2005, is decertified because one or more of its disadvantaged owners do not meet the **personal net worth** criterion or the firm exceeds business size standards of this part during the performance of a contract or other agreement, the firm's participation may continue to be counted toward **ACDBE** goals for the remainder of the term of the contract or other agreement (but not extensions or renewals of such contracts or agreements).

How do recipients count ACDBE participation toward goals for items other than car rentals?
Part 5

- **(k)** Costs incurred in connection with the renovation, repair or construction of a **concession** facility (sometimes referred to as the “build-out”) are not counted.
- **(l)** Car rental companies' participation are not counted toward **ACDBE** achievement goal.

ACDBE Goals for Upcoming Concessions Opportunities

- The ACDBE goals for upcoming concessions opportunities will be 32.46%.

- Insurance and Bonding
- Financial Review
- Minority Surety Initiative

CITY OF ATLANTA

Department of Finance
Office of Enterprise Risk Management

Jerry Deloach
Chief Risk Officer

CONCESSIONS OUTREACH

Enterprise Risk Management

- Insurance and bonding requirements for all City projects
- Financial Review of responses to solicitations
- Minority Surety Initiative

Risk Factors

- Evaluation consists of different criteria:
  - Nature of the project
  - Scope of work
  - Estimated contract value
  - Duration of project

- Requirements vary by type and size of projects

General Requirements

- City of Atlanta reserves the right to adjust or waive any or all requirements.
    - Any/all questions and requests for changes to the requirements must be submitted in writing to the assigned contracting officer.
- Evidence of insurance and/or bonds is required before any work begins.
    - Certificate of Insurance
    - Completed bond certificates

CONCESSIONS OUTREACH

Hartsfield-Jackson Atlanta International Airport®

General Requirements cont.

- Acord form or any insurance certificate is acceptable.
- Companies underwriting coverage must have an A. M. Best’s rating of A- and be a financial size category of class IX or better.
- The name and project number must appear on the certificate in the description of operations section.
- The certificate holder address should appear as follows:
  - City of Atlanta, 68 Mitchell Street, Ste. 9100, Atlanta, GA 30303

Insurance Required for Duration of Contract

- Insurance/bonds shall be maintained during the entire length of the contract.
  - Includes extension periods (renewals and/or amendments)
  - Until all work is satisfactorily completed as deemed by City
- City reserves the right to inquire into the adequacy of coverage and negotiate adjustments.
- City of Atlanta is entitled to broader coverage.

CONCESSIONS OUTREACH

City of Atlanta as Additional Insured

- City must be covered as ***Additional Insured*** on all required policies with the exception of Worker's Compensation & Professional Liability.
- Confirmation of such shall appear on the insurance certificate.
- Proof of such is required in the form of an ***Additional Insured Endorsement*** for each policy.

Hartsfield-Jackson Atlanta International Airport

Notice of Cancellation & Renewal Certificates

- Contractor must, within two business days of receipt, forward to the City all notices concerning cancellation of coverage. All notices under this provision shall be emailed to:
  RiskCOI@AtlantaGa.Gov
- Contractor must provide certificate evidencing policy renewals or changes to required policies of insurance at least 15 days prior to the expiration of previously provided certificates.

CONCESSIONS OUTREACH

Subcontractor Compliance

- Compliance is required by all **prime contractors**, as the City's contract is with the prime only.
  - It is the sole responsibility of the prime to ensure that any/all subcontractors are properly insured for the type and amount of work required under the contract.

Joint Ventures

- The Joint Ventures (JV) is required to meet the insurance requirements.
- If Company A/Company B, a JV is selected, The JV company must submit insurance documents evidencing compliance in the JV name.
- BONDS: The JV entity's name must appear on the bonds.
- If two companies join to form one company such as an LLC (AB, LLC) the insurance and bonds must be in the name of the LLC.
- Ultimately, the company name(s) that appears on the contract must be the same names(s) that appears on the insurance and bonds.

Insurance Coverages

Worker's Compensation and Employer's Insurance

- Worker's Compensation Insurance covers injuries suffered by employees within scope of employment.
- For those contractors employing three or more full time employees, it is required by state law that the contractor maintain insurance to cover each and every employee engaged in work under the contract.
- Workers' Compensation….Statutory
- Employer's Liability
  - Bodily Injury by Accident/Disease $1,000,000 each accident
  - Bodily Injury by Accident/Disease $1,000,000 each employee
  - Bodily Injury by Accident/Disease $1,000,000 policy limit

CONCESSIONS OUTREACH

General Liability Insurance

- This insurance provides coverage to the insured from claims by other parties for bodily injury and/or property damage.
- Contractor shall maintain general liability insurance in an amount NOT less than **<u>$1,000,000</u> per occurrence subject to a <u>$2,000,000</u> general aggregate per project.** This can change based on evaluation of risk factors.
- Additional insured endorsement is required.

Hartsfield-Jackson
Atlanta International Airport®

Automobile Liability Insurance

- This coverage offers protection from third party liability claims associated with the ownership and/or operation of an automobile.
- Contractor must maintain business automobile liability insurance in an amount not less than $1 million bodily injury and property damage combined single limit.
- All vehicles <u>requiring access to the restricted areas of the Airport</u> must be covered by an automobile liability policy in the minimum amount of **$10 million.**
- Additional insured endorsement is required.

Other Insurance Requirements

- Builder’s risk/installation floater
- Professional liability/errors and omissions coverage
- Pollution liability insurance
- Cyber liability insurance
- Excess umbrella liability

CONCESSIONS OUTREACH

Hartsfield-Jackson
Atlanta International Airport®

Concessions Contracts

- Performance Bond
- Payment Bond
- Lease Guarantee Bond

Payment and Performance Bonds for Concessions Contracts

- A payment bond and a performance bond are required for the build-out of the concession space.
- These bond requirements may be passed on to the contractor performing the build-out construction.
- The City of Atlanta must be listed as the co-oblige on the bonds.

Lease Guarantee Bond

- A lease guarantee bond serves as a guarantee that the terms and conditions outlined in the concessions lease agreement will be met. These terms usually include rent payments, maintenance of the property, times of operation and early termination of the lease.

CONCESSIONS OUTREACH

Proposed Changes to the Financial Review and Responsibility

- The City will no longer use the current version of Form 3. Instead, Enterprise Risk Managment has proposed a tiered approach to review financial information.
- For concession contracts valued under $1 million, the proponent will be required to provide a statement on company letterhead that it is financially capable of providing the service requested by the City of Atlanta. This certification is required to be signed by the Chief Executive Officer, Chief Operating Officer AND Chief Financial Officer or equivalent positions based on the organizational structure of the proponent. The City will provide the language required to be placed on letterhead of the proponent.
- For concession contracts valued between $1 million to $3 million, the proponent will be required to provide a statement on company letterhead that it is financially capable of providing the service requested by the City of Atlanta. The certification is required to be signed by the Chief Executive Officer, Chief Operating Officer AND Chief Financial Officer or equivalent positions based on the organizational structure of the proponent. The proponent will also provide a letter of reference from its financial institution that the proponent is in good standing.

Proposed Changes to the Financial Review and Responsibility cont.

- For concession contracts valued above $3,000,001, the proponent will be required to provide a statement on company letterhead that it is financially capable of providing the service requested by the City of Atlanta.
  - The certification is required to be signed by the Chief Executive Officer, Chief Operating Officer, AND Chief Financial Officer or equivalent positions based on the organizational structure of the proponent.
- The proponent will also provide a letter of reference from its financial institution that the proponent is in good standing. If selected, the proponent will be required to provide additional financial information.

CONCESSIONS OUTREACH

Minority/Small Business/Disadvantaged Business Surety Initiative

- The City of Atlanta remains committed to developing a Minority/Small/Disadvantaged Business Surety Initiative.
- The Surety Initiative will require the assistance and support of the Broker for Insurance and Risk Management Consulting.
- The Surety Initiative is a main requirement for the broker and is incorporated in the request for proposal related to those services.
- The Surety Initiative will require time to fully deploy with an expected date no later than July 1, 2023.

CONCESSIONS OUTREACH

Hartsfield-Jackson Atlanta International Airport®

Contacts

- **Jerry L. De Loach**, Chief Risk Officer | Office of Enterprise Risk Management|City of Atlanta – Department of Finance | City Hall Tower | 68 Mitchell Street SW, Suite 9100 | Atlanta, GA 30303 | 404.330.6684 ***Phone*** | 404-416-6752 | ***E-fax*** 404-526-4091 | jeldeloach@atlantaga.gov
- **Kathy Lloyd**, Risk Manager | Office of Enterprise Risk Management|City of Atlanta – Department of Finance| City Hall Tower | 68 Mitchell Street SW, Suite 9100 | Atlanta, GA 30303 | 404.569.0754 | KLloyd@atlantaGa.gov
- **Loreal M. Drisker**, Workers Compensation Risk Manager | Office of Enterprise Risk Management|City of Atlanta – Department of Finance| City Hall Tower | 68 Mitchell Street SW, Suite 9100 | Atlanta, GA 30303 | ***Phone*** | 470.891.9892 | lmdrisker@atlantaga.gov
- **Jimmy Porter**, Risk Manager | Office of Enterprise Risk Management|City of Atlanta – Department of Finance| 72 Marietta Street | Atlanta, GA 30303 | ***Phone*** | 678-523-0903 |jmporter@atlantaga.gov
- **John Smith**, Sr. Risk Analyst | Office of Enterprise Risk Management|City of Atlanta – Department of Finance| 6000 N Terminal Parkway | Atlanta, GA 30303 | ***Phone*** | 470.279.0140| jowsmith@atlantaga.gov

Hartsfield – Jackson Atlanta International Airport **Concessions Opportunities**

DEPT. OF AVIATION

Hartsfield-Jackson Airport (ATL)

Marlene Coleman
Airport Concessions Director

Concessions Program

Hartsfield-Jackson Atlanta International Airport

- **Vision**
  - To be a global leader in concessions excellence

- **Mission**
  - To provide an industry leading concessions program that optimizes revenues and delights passengers through an outstanding level of quality, selection, convenience and fair value.

Concessions Program Goals

- Provide best-in-class customer service
- Create a “Sense of Place”
- Opening day fresh standards
- ACDBE program leadership
- Strong revenue growth
- A variety of “high-quality” concepts
- Dynamic Business Environment

Hartsfield-Jackson
Atlanta International Airport®

Package Structure

Package Goals

- Incorporate emerging needs and trends
- Promote interest and competition
- Create destinations within the concourses
- Modernize the program
- Meet passenger needs
- Generate Revenue
- Create business opportunities for large, medium and small operators

Concept Descriptions

- Fast Casual
- Branded Gourmet Coffee
- Bar w/ Food
- Quick Serve Deli & Salads
- Gourmet Market & QSR
- Travel Essentials
- Convenience Market
- Fast Casual w/ Bar & Coffee
- Gourmet Market w/ Bar
- Candy
- Accessories
- Skin Care/Cosmetics
- Gift Shop
- Newsstand
- Jewelry or Cosmetics
- Newsstand w/ Coffee
- Bistro w/ Coffee
- Branded Deli
- Passenger Service
- Tech Retail
- Automated Retail
- Smart Café
- Sleep Units
- Common Use Lounge

Business Opportunities

Hartsfield-Jackson Atlanta International Airport

17 Packages

101 locations

3 Food & Beverage
5 Single Packages
4 Retail
3 Hybrids
2 Service

PHASE II Package 2-F1

Hartsfield-Jackson Atlanta International Airport

6 locations on Concourses B

8,619 sq. ft.

Food and Beverage Concessions Space

1 Fast Casual Sandwiches/Soup/Salad
1 Branded Gourmet Coffee
1 National Brand Gourmet Coffee
1 QSR Deli & Salads
1 CD – Open Concept
1 Bar w/Food

PHASE II Package 2-H1

Hartsfield-Jackson
Atlanta International Airport®

8 locations on
Concourses C,E & F

13,711 sq. ft.
Hybrid Concessions Spaces

2 Gourmet Coffee
2 Gourmet Markets
1 Bar w/ Food
1 Fast Casual w/ Bar and Coffee
1 Travel Essentials
1 Convenience Market

PHASE III Package 3-H1

Hartsfield-Jackson
Atlanta International Airport®

11 locations on Concourse B & C

13,375 sq. ft.
Hybrid Concessions Space

3 QSR
2 Snack
1 Branded Gourmet Coffee
1 National Brand Gourmet Coffee
1 National Banded Apparel
1 Gourmet Market
1 News
1 Bookstore

PHASE III Package 3-H2

Hartsfield-Jackson Atlanta International Airport

11 locations on Concourse A, T & ATR

18,642 sq. ft.

Hybrid Concessions Space

3 Gourmet Market
2 News
1 Casual Dining
1 Bar w/ Food
1 Personal Care
1 Accessories
1 Bistro

PHASE III Package 3-F1

Hartsfield-Jackson Atlanta International Airport

2 locations on Concourse E

18,024 sq. ft.

Food and Beverage Concessions Space

1 Gourmet Market
1 Food Court

(Approx. 11 Units)

PHASE III Package 3-F2

Hartsfield-Jackson Atlanta International Airport

3 locations on Concourse E

8,248 sq. ft.

Food and Beverage Cconcessions Space

2 Casual Dining
1 Bar w/ Food

PHASE III Package 3-R1

Hartsfield-Jackson Atlanta International Airport

6 locations on Concourse A & ATR

6,229 sq. ft.

Retail Concessions Space

3 Newsstand
1 News w/Coffee
1 Cosmetics
1 Local Products

PHASE III Package 3-R2

Hartsfield-Jackson Atlanta International Airport

4 locations on Concourse A,B,T & ATR

2,512 sq. ft.

Retail Concessions Space

4 Tech Retail

PHASE III Package 3-R3

Hartsfield-Jackson
Atlanta International Airport®

6 locations on
Concourse A,C & T

8,515 sq. ft.
Retail Concessions Space

**2 National
Branded Apparel
3 Newsstand
1 Bookstore
1 Multi Brand
Retail**

PHASE III Package 3-R4

Hartsfield-Jackson
Atlanta International Airport

13 locations on
Concourse B, C, T & ATR

10,789 sq. ft.
Retail Concessions Space

6 News
2 News w/ Gift
1 Gift Shop
1 Candy
1 Accessories
1 Skincare
1 Jewelry/Cosmetics

PHASE III Package 3-S1

Hartsfield-Jackson
Atlanta International Airport

1 location on Concourse E

2,901 sq. ft.

Service Concessions Space

Common Use Lounge

PHASE III Package 3-S2

13 locations on
Concourse A, B, C, T & ATR

2,668 sq. ft.
Service Cconcessions Space

4 Tech Retail
5 Automated Retail
2 Passenger Service
1 Sleep Unit
1 Smart Cafe

PHASE III Single Packages

Hartsfield-Jackson
Atlanta International Airport®

PACKAGE SP1
Concourse A
174 sqft

PACKAGE SP2
Concourse B
152 sqft

PACKAGE SP3
Concourse C
340 sqft

PACKAGE SP4
Concourse E
187 sqft

PACKAGE SP5
Concourse T
148 sqft

Target RFP Release Dates

- Phase II
  - 4^{th} Quarter 2022
- Phase III
  - 1^{st} Quarter 2023

Hartsfield-Jackson
Atlanta International Airport®

THE NUTS & BOLTS OF…….

Disadvantaged Business Enterprises (DBE); *and*

Airport Concession Disadvantage Business Enterprises (ACDBE)

GEORGIA DEPT. OF TRANSPORTATION (DOT)

Menelik R. Alleyne, Esq.
Asst. Administrator,
EEO Division

Sept. 27, 2022

CONCESSIONS OUTREACH

- Disadvantage Business Enterprises (DBE) – 49 CFR 26

- Certification Eligibility:
  - Black, Hispanic, Asian, Native-American ***or*** a Woman;

  - Own & Control 51% of your business;

  - PNW ***less than*** $1.32M;

  - Gross receipts less than $28.48M

CONCESSIONS OUTREACH

- Airport Concession Disadvantage Business Enterprises (ACDBE) – 49 CFR 23

- Certification Eligibility:
  - Black, Hispanic, Asian, Native-American ***or*** a Woman;
  - Own & Control 51% of your business;
  - PNW ***less than*** $1.32M;
  - Gross receipts less than $56.42M;
  - Must have a "*presence*" at the airport (i.e., booth, desk, office, dispatch, etc.)

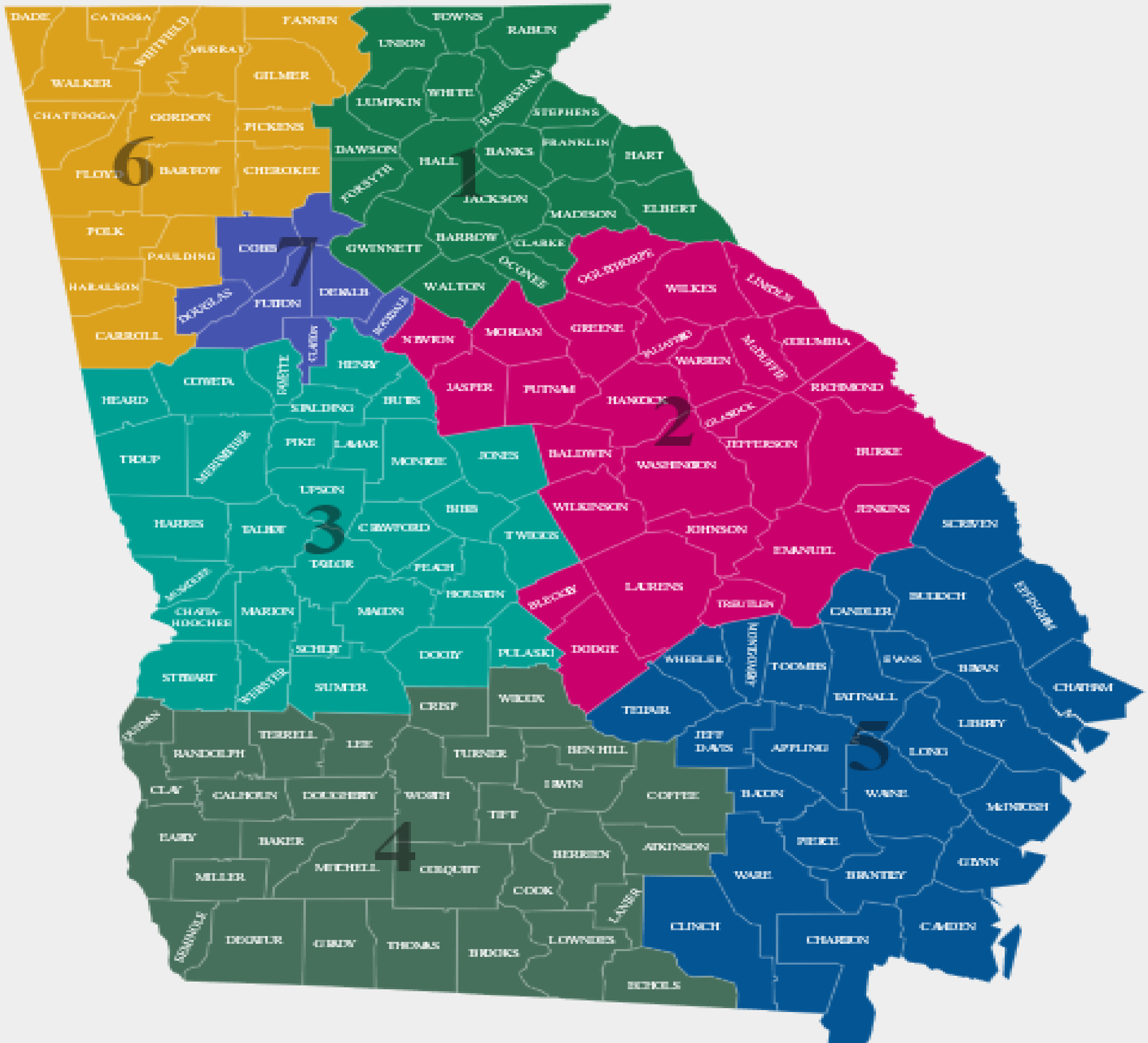
CONCESSIONS OUTREACH

- The APPLICATION Process:

- Our partner, ***MARTA, certifies firms located in Clayton, DeKalb & Fulton***
- ***www.itsmarta.com/dbe-program.aspx***

- ***GDOT certifies all other Counties in the State***
- ***www.gdot.ga.gov/PS/Business/DBE***

CONCESSIONS OUTREACH



CONCESSIONS OUTREACH

- The APPLICATION Process (cont.):
- Review of Documentation;
- Interview of the Principal;
- Site Visit; and

* *Final determination made within 90 days* *

CONCESSIONS OUTREACH

Hartsfield-Jackson
Atlanta International Airport®

- Once Certified as an ACDBE:
- Issued a letter of Certification;
- Placed in the UCP Directory;

** Must file an Annual "No Change" Affidavit (ANCA) **

CONCESSIONS OUTREACH

- Once Certified as an ACDBE (cont.):

- Once certified, firms have access to a cadre of Supportive Services;

- Support and assistance is provided to ensure meaningful engagement;

- Access is provided to business development opportunity, training, one on one assistance and matchmaking; and

- This support is applicable to federal and state funded project activity.

CONCESSIONS OUTREACH

Support Services Providers:

- **Construction Estimating Institute** (**CEI**) supports GDOT's federally funded projects

www.gadbesupport.com
1-800-423-7058

- **MH Miles** supports GDOT's state funded projects

www.gdotstateprojects.com
1-678-420-5500

CONCESSIONS OUTREACH

Hartsfield-Jackson Atlanta International Airport®

- The ***ULTIMATE CHAMPION*** for Black and Minority Owned Businesses!!!

- Still, always ***MORE and Better*** for our DBEs!!!

Hartsfield-Jackson
Atlanta International Airport®

Best Practices for Operating at Hartsfield-Jackson Atlanta International Airport

AIRPROJECTS, INC.

Ann Ferraguto
Principal | Consultant

Presentation Overview

Hartsfield-Jackson Atlanta International Airport®

- **Presentation Objectives**
- **Department of Aviation Guiding Principles**
- **Operating a Concession Business at the Airport**
  - Airport Fast Facts
  - Common Terminology
  - Dining and Retail Operations
  - Security and Badging
  - Key Operating Standards
  - Lease Agreement
  - Rent Structure
  - Tenant Improvement Design and Construction

Presentation Objectives

Hartsfield-Jackson Atlanta International Airport®

The purpose of this session is to provide:

- Information to prospective tenants considering concession opportunities at Hartsfield-Jackson Atlanta International Airport (HJAIA)
- General information about operating an airport concession
- Key aspects about the airport operating environment
- Important obligations of concession tenants at HJAIA

DOA Guiding Principles

Hartsfield-Jackson
Atlanta International Airport®

- Right-sizing and modernizing existing program, including adding desired/needed concepts to the program mix
- Creating destinations within the concourses and maximizing use of the existing real estate and infrastructure
- Creating new concession opportunities

Operating at HJAIA

Airport Fast Facts

Hartsfield-Jackson Atlanta International Airport®

ATL Passengers:

57% Female 43% Male	53% Between 35-54 years old	89% Domestic Travel	60% Leisure Travelers	62% Traveling Alone [1]

74% Depart on Weekdays	36% have <1hr Dwell Time	39% Spend <30 min. in Commercial Area	Average Amount Spent: $40.50

[1] "Passengers' Satisfaction with Commercial Area," ATL Airport Performance Report, Q1 2022, *ACI*

Airport Fast Facts

Hartsfield-Jackson Atlanta International Airport

- **2019 Enplanements:** 55.25 million
- **Average 2019 Airside Sales per Square Foot:**
  - Food Service: >$1,900
  - Convenience Retail: >$2,200
  - Specialty Retail: >$1,200

1

Top Retail Categories

- Travel Essentials
- Gifts/Souvenirs
- Confectionary/Packaged Foods
- Sundries
- Clothing/Accessories
- Cosmetics/Fragrances
- Electronic Products

Top Food Service Purchase Locations

- 53% Fast Food/Grab & Go/Quick Service
- 24% Gourmet Coffee
- 17% Full-Service Restaurant
- 11% Bar/Pub

[1] "Passengers' Satisfaction with Commercial Area," ATL Airport Performance Report, Q1 2022, *ACI*

Common Terminology

Common Terminology

Captive Audience

“Wants” versus “Needs”

Common Terminology

Hartsfield-Jackson Atlanta International Airport

- Concession
- Enplanement
- Sales per Enplanement

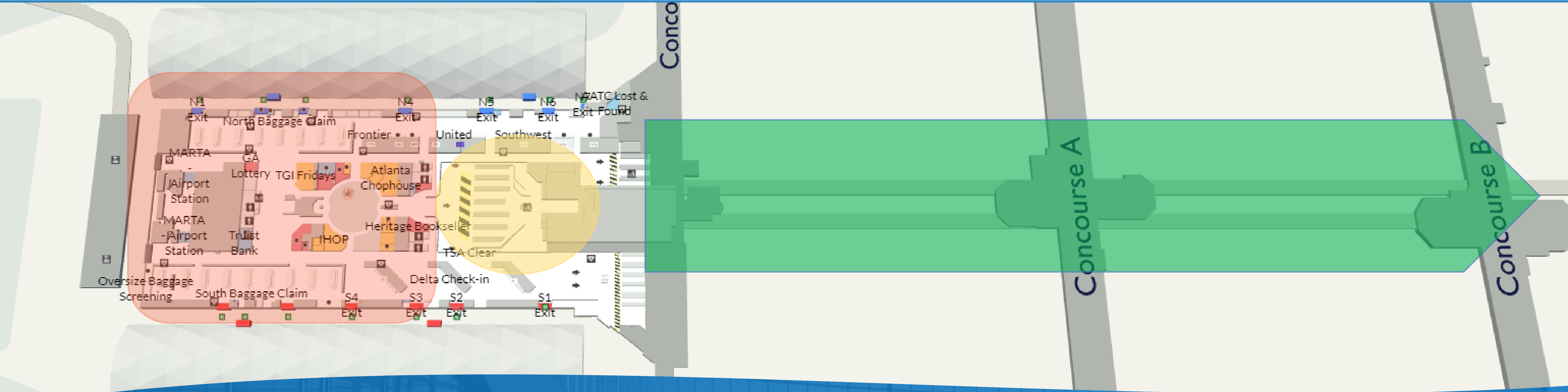
Common Terminology

Hartsfield-Jackson Atlanta International Airport®

Concession Categories

- **Food Service**
  - Quick service/Fast casual/Market
  - Casual Dining
  - Snack/Coffee/Bakery
  - Bar with Food
- **Convenience Retail**
- **Specialty Retail**
  - Apparel & Accessories
  - Tech Retail
  - Personal Care
  - Books
  - Travel Products

Common Terminology



Pre-Security and **Post-Security** or **Landside** and **Airside**

AOA – Airport Operations Area

ACDBE – Airport Concessions Disadvantaged Business Enterprise

SIDA – Security Identification Display Area

DOA – Department of Aviation

Hartsfield-Jackson
Atlanta International Airport®

Airport Operating Standards

"The City's vision is to be the global leader in airport efficiency and exceptional customer service."

Airport Operating Standards

All operational decisions must be approved by the DOA and comply with the specific policies set for the Airport as defined in the following:

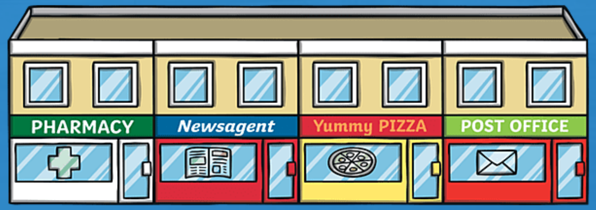
- *Compliance Manual*
- *Design and Construction Guidelines Manual for Concessions New Construction and Modification*
- *ATL Concession Pricing Policy*

Airport Operating Standards

General Differences between Airport Operations and Street Operations:

- Longer hours of operation
- Potentially higher operational and buildout costs
- Passenger/customer flows
- Staffing requirements
- Security
- Typically higher productivity
- Concession operation is at the discretion of the City

vs.



Airport Operating Standards

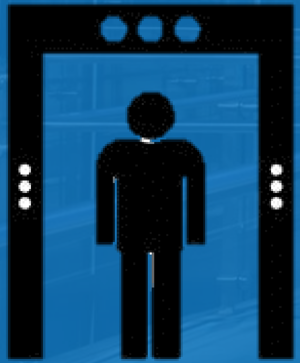
Hours of Operation

- Open to public 7 days per week, 365 days per year
  - DOA determines the minimum hours of operation based on flight schedules and traveler demand
  - Holiday hours may be reduced
  - Required to remain open to accommodate flight delays

Airport Operating Standards

Hartsfield-Jackson Atlanta International Airport®

Security and Badging



Airport ID badges, approved by the Aviation General Manager, must be worn and visible at all times in restricted areas

Cost to concessionaires ≈ $110/employee

Training, background checks, proof of citizenship, and valid ID are required to obtain an Airport ID

All employees must pass through security screening to access concourses and public aircraft departure areas

Airport Operating Standards

Hartsfield-Jackson
Atlanta International Airport®

Customer Service

- Sufficient number of trained personnel working onsite everyday
  - Onsite manager needs to be available during normal business hours
- Provide detailed customer receipts
- Friendly and courteous service to customers
- Neat, clean, and appropriately attired appearance at all times
- Respond to customer inquiries or complaints from DOA management within 48 hours
- Employees must be well-informed about the Airport and be able to provide directions and know where/how to obtain requested items, services, or information
- Merchandise must be stocked in sufficient quantities
  - Approx. 5,000 – 150,000 passengers per concourse per day[1]

[1]Estimate based on 2019 EPAX per concourse per month

Airport Operating Standards

Hartsfield-Jackson Atlanta International Airport

Waste Disposal & Deliveries

Trash

Concessionaires are responsible for placing trash in designated receptacles as directed by the DOA. Collection service is provided by a third-party contractor; all costs associated with removal will be charged to the Concessionaires

Recycling

Concessionaires should recycle cardboard, co-mingled paper, plastic, aluminum, and rinsed glass

All recycling must be free from food scraps

Used Cooking Oil

Concessionaire is responsible for transporting all grease to designated collection containers approved by the DOA to be collected by a DOA-approved certified liquid waste removal company

Materials

All single-use food items (takeaway containers, cutlery, napkins, bags, straws, etc.) must be made of compostable materials

Deliveries

All deliveries must take place at night. Restocking of inventory must occur during non-business hours.

Additional Requirements

Signage

- All internal and external signs must be DOA-approved
- Signs and associated materials must be clean and in good condition at all times
- Prices must be clearly displayed (either by item or category)
- Flashing or blinking signs are prohibited

Repairs and Maintenance

- Maintenance and facility upkeep in the leased space is the sole responsibility of the Concessionaire (includes HVAC system, floors, walls, equipment, and other non-airport-maintained systems and components)

Storage

- Limited storage space is available for lease
- Must be kept organized, clean, and pest free

Lease Agreement

Lease Agreement

Key Terms

- **Lease Term**
  - 7 to 10 years
- **Straight-line depreciation** of leasehold improvements
- **Non-Exclusive**
- **Marketing Fee** (0.5% of sales)
- **Minimum Investment**

- **Key documents to review**
  - Operating Standards Manual
  - Pricing Policy
  - Compliance Manual
  - Tenant Design Standards

Rent Structure

Concessionaires will pay the greater of the following on a monthly basis:

- **Minimum Annual Guarantee (MAG)**
  - The minimum rent that is due annually to the DOA
  - One-twelfth is payable monthly to the DOA by the Concessionaire
- **Percentage Rent**
  - Percentage of Gross Receipts
  - Proposed by the Concessionaire

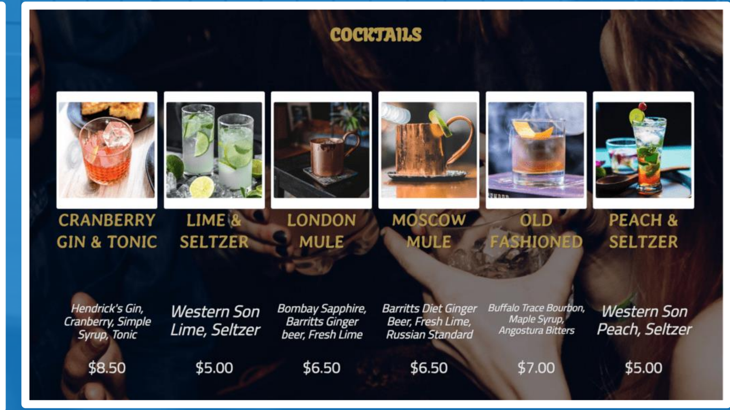
Airport Operating Standards

Hartsfield-Jackson Atlanta International Airport®

Pricing Policy

- The "ATL Concession Pricing Policy" applies to all concessionaires and is intended to promote a high level of customer service and support a reasonable financial return
- **"Street Price"** – the price charged for an equivalent item at comparable business locations in the Greater Atlanta Area
- To determine fair, reasonable, and comparable prices, Concessionaires must conduct a price comparison and submit prices for approval that are not more than Street + 15%
- All product pricing must be displayed, including pour sizes and pricing for beer and wine

	SMALL	MEDIUM	LARGE	XLARGE
The Italian	$6.99	$8.99	$10.99	$12.99
The Favorite	$6.99	$7.99	$8.99	$10.99
Big Bird	$5.99	$7.99	$9.99	$11.99
Albacore Tuna	$7.99	$10.99	$13.99	$16.99
BBQ Special	$5.49	$7.49	$9.49	$11.49
The Big Roy	$6.99	$8.99	$10.99	$12.99
The Hawaiian	$5.99	$7.99	$9.99	$11.99
The Don	$5.99	$7.99	$9.99	$11.99
Meatball Marinara	$6.99	$9.99	$12.99	$15.99
Chicken Wrap	$4.99	$5.99	$6.99	$7.99
The Sarah	$5.99	$7.99	$9.99	$11.99
Scotty Rock	$5.99	$7.99	$9.99	$11.99
The Unusual	$6.99	$8.99	$10.99	$12.99
London Sp.	$6.99	$8.99	$10.99	$12.99



Tenant Design Process

Tenant Design Process

- Concessionaire is responsible for design, construction, and associated costs of fixtures, furnishings, floor coverings, decorations, finishing, equipment, and all other leasehold improvements
- Designs must be professionally drawn and submitted for approval to the DOA
  - Designs that emphasize the sense of place are encouraged
- Design and Construction must comply with Airport's *Design and Construction Guidelines Manual for Concessions New Construction and Modification*

Opportunities for All Businesses

Varied Concession Opportunities

Direct Operation

Best suited for:
Experienced businesses with proven, successful concepts that can:

- Operate 365-days per year during required hours
- Support volume of Airport business
- Cover costs of operation without jeopardizing business stakeholder wellbeing

Subtenancy or Joint Venture

Best suited for:
Experienced businesses prepared to undertake a portion of a larger concession operation

- Access to a larger opportunity
- Benefits of working with a partner
- Sharing of necessary capital funding
- Sharing of operational and management responsibilities

Sale of Product

Best suited for:
Businesses not prepared to operate at the Airport, but with the capability to produce product inventory to sell to an Airport concessionaire

- Brand exposure
- Lower risk/financial burden
- Creating a sense of place through the concession program

Operating at ATL

Hartsfield-Jackson
Atlanta International Airport®

- Great opportunity to serve the traveling public
- Extend your business' reach to the national, and international, community
- Operate in a vibrant and dynamic environment

Become part of the ATL Community!

- Surety Bonds
- Pre-Qualification Process
- Bond Claim Process

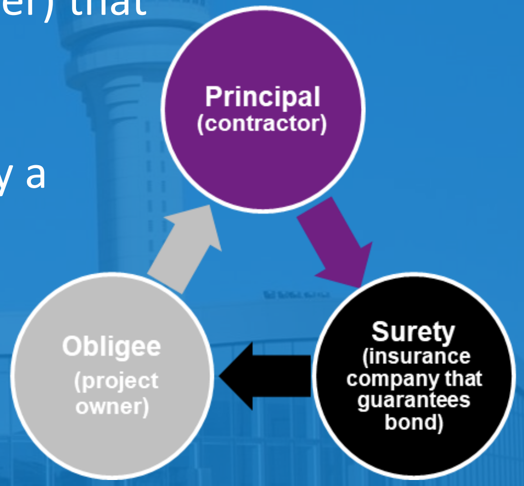
WILLIS TOWERS WASTON

Jeremy Rose
Sr Vice President - Surety

CONCESSIONS OUTREACH

What is a Surety Bond?

- A surety bond is a three-party agreement where the Surety company assures the Obligee (owner) that the Principal (contractor) will perform their duties as per their contract.
  - **Surety:** Party that guarantees the performance of stated obligation of the principal Usually a corporate surety company
  - **Obligee/Beneficiary**: Party that is the beneficiary under the terms of the bond
  - **Principal/Client**: Party responsible for fulfillment of obligation
- Surety companies operate on a different business model than traditional insurance, as surety is written on the basis of ZERO losses
- A surety company is to be indemnified and reimbursed for any loss, fees or other expenses incurred on behalf of a principal.



CONCESSIONS OUTREACH

Hartsfield-Jackson Atlanta International Airport

Prequalification Process

- Background of Company
  - Resumes of key personnel
  - Organizational Chart
  - Continuity planning
  - Banking Relationships
- 3 years of Financial Information
  - CPA Audited or Reviewed Statements
- Copy of the Contract or Agreement
  - Project Terms and Conditions
- Anticipated Surety Needs
  - Surety will look to establish an ongoing program to meet clients' business needs
- Indemnity Agreement
  - If surety suffers a loss, they will look back to the principal to be made whole

Character	• Does the principal have the reputation/integrity and track record to perform their contracts?
Capital	• Does the principal have the financial wherewithal to finance the new project (setup, mobilization, payroll) as well as other current obligations and any problems that may arise?
Capacity	• Does the principal have the skill, experience, knowledge, staff and equipment necessary to perform their contracts?

Bond Claim Process

The claims investigation is the surety's first line of action once it has either been placed on notice of an alleged default or learned of a pending action that may place the contractor into default under the contract. The investigation will include:

- Contract Review – determine full extent of the responsibility of all parties to each other
- Contract Progress – determine what has transpired between the principal and owner
- Legal Position – using their in-house surety legal team, surety will evaluate its obligations to both owner and principal

It's in the surety's best interest to take prompt action to complete the investigation. Benefits of quick action include:

- Keeps the project moving
- Will likely save the surety money in the long run
- May prevent contractor default

Options available to the surety to remedy a performance default:

- Tender Option – replace contractor to finish the work
- Takeover Option – surety becomes responsible for completing the remaining work
- Obligee to Complete Option – surety allows the obligee to complete
- Cash Settlement Option – surety and obligee agree to a settlement

Hartsfield-Jackson
Atlanta International Airport®

Invest Atlanta Small Business Funding Options!

September 27, 2022

INVEST ATLANTA

Lonnie Saboor
Director
Small Business
Development

CONCESSIONS OUTREACH

Introductions

Lonnie Saboor
Director, Small Business Development
404-614-8292
lsaboor@investatlanta.com

Cynthia Freeman
Small Business Loan Analyst
404-614-8294
cfreeman@investatlanta.com

For more information and to watch our seminar online, visit

www.investatlanta.com/smallbusiness

All applications will be processed through our online portal Neighborly

CONCESSIONS OUTREACH

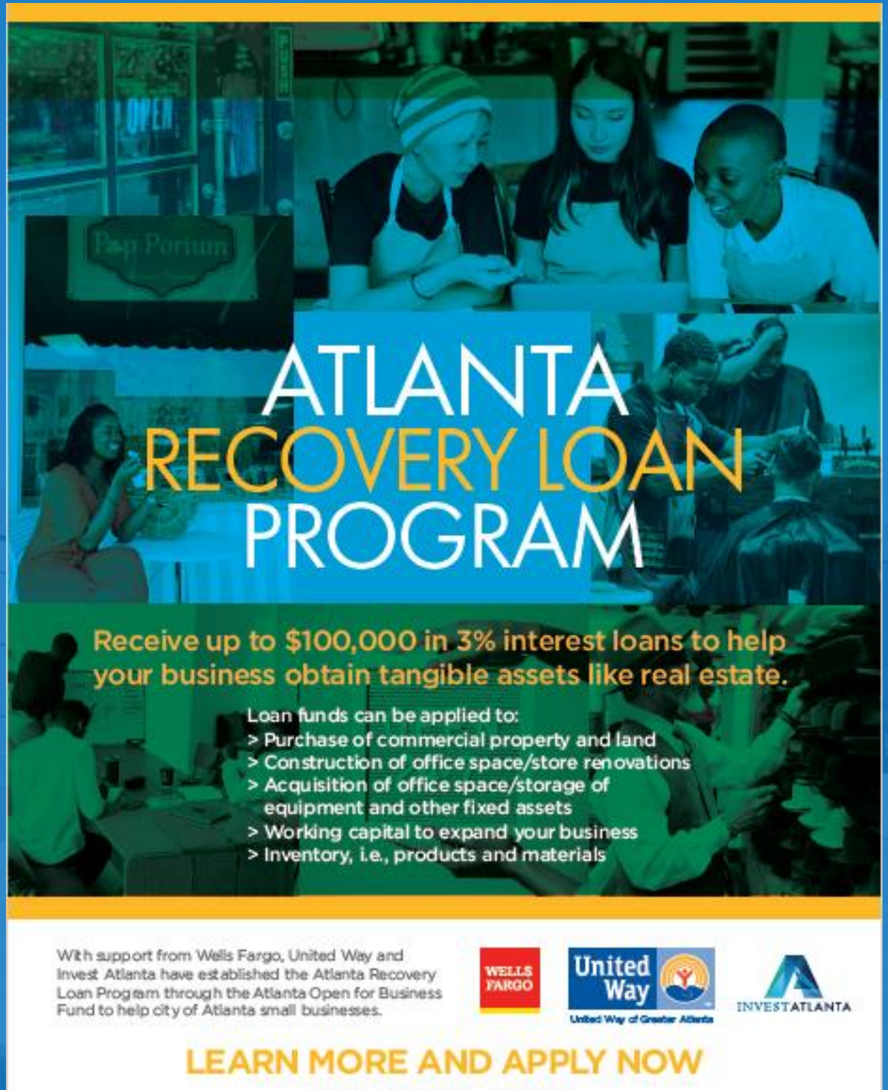
Hartsfield-Jackson Atlanta International Airport®

Atlanta Recovery Loan Program ($5.7M)
$25,000-$100,000 Interest Rate not to exceed 3% with a term not to exceed seven years.

Assists small and medium-sized businesses with affordable loans to revitalize neighborhoods and promote business development.

Eligible small businesses for the first time can also include: 1) Home based businesses within the CDIA census tracts (Community Development Impact Areas) with at least a two-year business track record are eligible; and 2) Businesses located at Hartsfield-Jackson Atlanta International Airport.

Funds can be used for real estate acquisition, renovation, equipment, furniture, fixtures, inventory and working capital. Participation loans up to 10% of total project cost not to exceed $150,000 are also available.



CONCESSIONS OUTREACH

Atlanta MicroEnterprise Loan Fund

Up to $5,000   Interest rate: 0% Fixed

Assists permitted street vendors in the city of Atlanta by providing support for the purchase of vending and food carts and the operation of kiosks that are compliant with the vending ordinance.

Atlanta Forward Loan Fund

$5,000-$20,000 Interest Rate: 2% Fixed

Provides financial assistance to small businesses and startup companies located within accelerators, incubators and co-working spaces in the city of Atlanta.

Community Loan Fund

$10,000-$50,000 Interest Rate: 3% Fixed

Provides funds for existing companies improving commercial property purchasing equipment, furniture, fixtures and working capital paying off high-

Invest Atlanta Small Business Loans

Business Improvement Loan Fund

Up to $50,000   Interest Rate 1-4% Fixed

Encourages the revitalization of targeted business districts and supports development in other eligible areas. Commercial Property owners can also qualify.

Phoenix Loan Fund

$10,000-$100,000 Interest Rate ½ of Prime +2% Fixed

Private Financing - 67%, Phoenix Fund - 33%

Provides loans for the construction or renovation of privately owned commercial buildings or the purchase of equipment, furniture, fixtures, inventory and working capital needed to operate a business.

Create or retain one job for each $25,000 loaned

CONCESSIONS OUTREACH

Invest Atlanta Small Business Loans

Atlanta Catalyst Fund
$50,000-$100,000
Seeks to spur job creation and economic development by providing small business lending in distressed neighborhoods in the city of Atlanta

Opportunity Loan Fund
$200,000 Interest Rate ½ of Prime +2% Fixed
Supports job creation by providing gap funding to small and medium-sized businesses creating new quality jobs

Empowerment Zone Loan Fund
$50,000-$200,000 *Interest Rate* 0% to prime + 2% *Fixed*
Provides small business funding to stimulate economic development in the Empowerment Zone

SBA 504 Loan Program
Up to $5.5 million Interest Rate based on 10-year Treasury Note - Offers financial assistance to small, minority and female-owned businesses relocating or expanding in the city of Atlanta for commercial property acquisition, renovation and fixed equipment
50% - bank loan, 40% - CDC/SBA direct loan and 10% - Equity Injection

CONCESSIONS OUTREACH

Hartsfield-Jackson Atlanta International Airport®

Application Checklist

Section A: Personal Information
1. Loan Request Application Form
2. Management Resume: Provide complete resume(s) of all individuals including key managers (copy form as needed)
3. Personal Financial Statement - Complete this form for: (1) each proprietor, (2) each limited partner who owns 20% or more interest and each general partner, (3) each stockholder owning 20% or more voting stocks and each corporate officer and director; or (4) other person(s) or entity (ties) providing a guaranty on the loan

Section B: Business Plan and Projections
4. Two years Financial Projections
5. 12-Months Cash Flow Projections (working capital loan requests)
6. Narrative assumption to Financial Projections and Cash Flow Analysis
7. Complete the Sources and Uses Form (Include all NEW funds for the project)
8. Business Plan: Include a description of management, feasibility analysis, assumptions, site evaluation and marketing strategy

Section C: Financial Information
9. Interim Profit & Loss and Balance Sheet: Within 30-90 days old for business being 1) acquired, 2) existing/expanded and; 3) affiliates (20% or more ownership interest by any of the owners/shareholders of proposed borrower)
10. Business Financial Statements and Tax Returns: Income statements, balance sheets and tax returns for three prior years-end time periods for existing business and any affiliates
11. Personal Tax Returns: Completed federal tax returns for the past three

Section D: Applicable Information
12. Copy of Proposed Real Estate Purchase Agreement (IF APPLICABLE)
13. Uniform Franchise Offering Circular (IF APPLICABLE)
14. Copy of Proposed Franchise Agreement or Letter of Approval from Franchisor (IF APPLICABLE)
15. Copy of Existing or Proposed Lease Agreement (s) (IF APPLICABLE)
16. Two estimates of equipment to be purchased (IF APPLICABLE)
17. At least two different contractor estimates on construction projects (IF APPLICABLE)
18. List of inventory items to be acquired and list how working capital will be used (IF APPLICABLE)
19. Bank Decline or Commitment Letter(s) (IF APPLICABLE – Some loan programs may require a bank decline letter)
20. Technical Assistance Organizational Support Letter within the last year

Section E: Additional Information
21. Labeled pictures of the exterior and interior of the business location
22. City of Atlanta Business License
23. Copy of Articles of Incorporation or Partnership Agreement for Corporation or Partnership
24. If not a U.S. citizen, please attach proof of resident alien status (PHOTOCOPY both sides of “Green Card”)
25. Does the company or any owner have existing tax liens? ❑ Yes ❑No (if

CONCESSIONS OUTREACH

Hartsfield-Jackson Atlanta International Airport®

Application Process

Step 1

Take the Online Small Business Loans Seminar

Step 2

Apply Online through the Neighborly Portal

Online Seminar & Application can be found at www.investatlanta.com/smallbusiness

All application fees are currently waived due to COVID through **December 31, 2022**

CONCESSIONS OUTREACH

Technical Assistance

- Small Business Development Center at Georgia State University
  Receptionist (404) 413-7830, atlanta@georgiasbdc.org
  www.gsu.edu/sbdc

- Urban League of Greater Atlanta
  Yasmine Edge, 404.659-1150, yedge@ulgatl.org
  www.ulgatl.org

- SCORE Atlanta
  404-331-0121, admin.0048@scorevolunteer.org

- Georgia Statewide Minority Business Development Center
  Donna Ennis (404) 894-2096
  www.georgiaMBDC.org

- ATLinBusiness website https://www.atlinbusiness.com Click on Connect

THANK YOU!

Hartsfield-Jackson Atlanta International Airport®

INVEST ATLANTA

Thank you

CONCESSIONS OUTREACH

- Today's presentation, concession location roster and maps will be available on ATL.com, by end of day Tuesday, September 27, 2022.

CONCESSIONS OUTREACH

Hartsfield-Jackson Atlanta International Airport

- Questions are due:
  - Close of business on Friday, September 30, 2022.
- Email all questions to:
  - DOP@atlantaga.gov
  - Subject: Concessions Outreach