

March 6, 2023



Refreshing Travel

ACDBE Workshop

PRESENTED BY:

Palm Beach County Department of Airports



Opening Comments

ACDBE Workshop Event

- This is the first of multiple meetings to provide information to potential participants for the upcoming retail, food, and beverage RFP.
 - **More details to come!**
- All participants will be muted during the presentation.
- Post your questions in the chat box.
- Please e-mail your contact information to us at the general e-mail below.

General Email: properties@pbia.org

Questions and Answers: <https://www.pbia.org/business/bids/>

RFP PB 23-8 Retail, Food & Beverage Concession

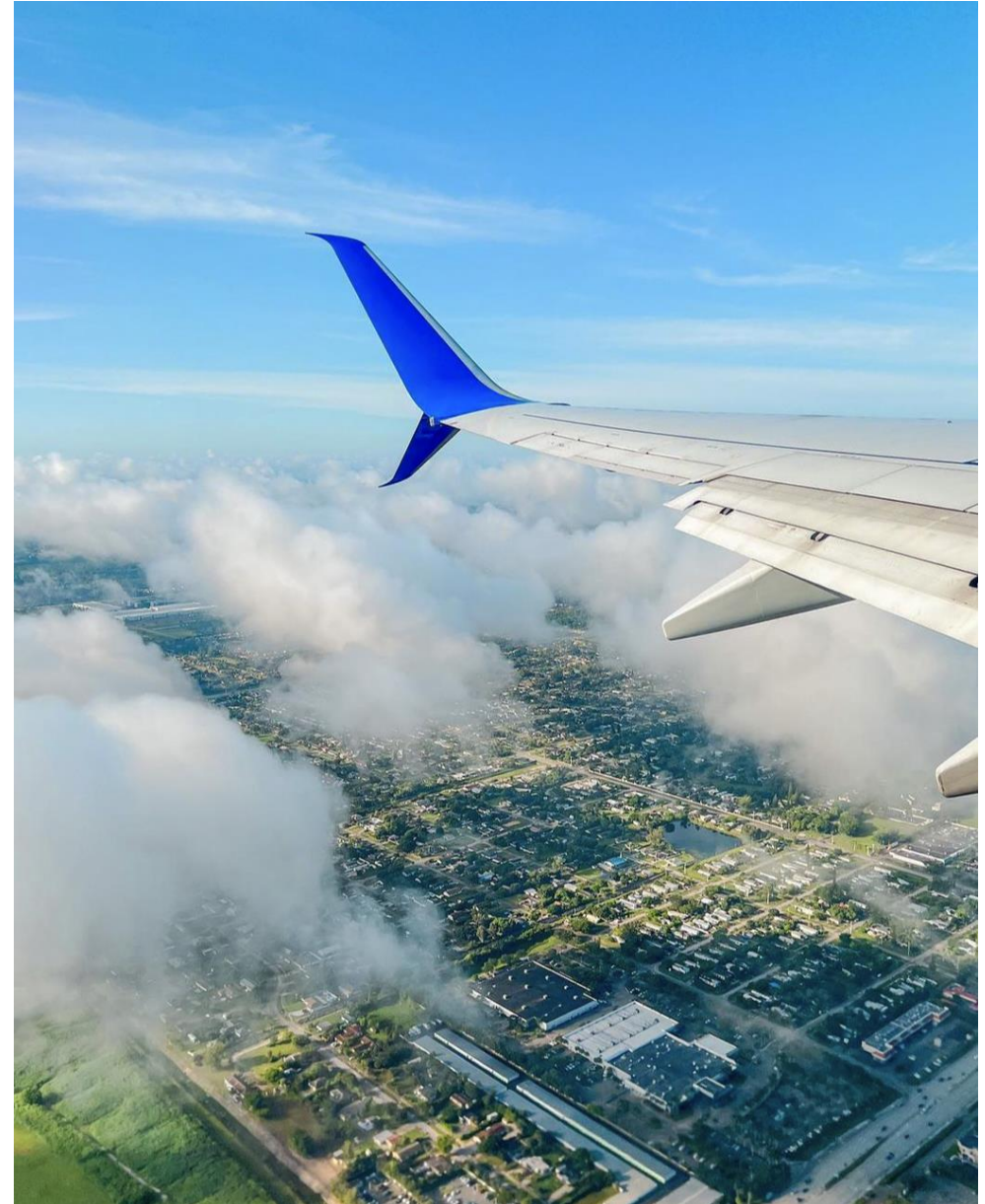
Introductions

- Laura Beebe, Director of Airports
- Ray Walter, Deputy Director Real Estate and Concessions
- Shawna Larose, Director of Airport Properties
- Darrell Searcy, CEO & Founder, Chandler Campbelle & Daschle

Agenda

Industry Outreach Event

- **Airport vs Street Operations**
 - Advantages & Disadvantages
- **Overview of Upcoming Opportunities**
- **ACDBE Certification**
 - What is it & why is it important?
- **Q&A**



Airport vs. Street

■ Concession Fees

- Prime concessionaires pay concession fees equal to the greater of a Minimum Annual Guarantee (MAG) or Percentage Rent.
 - F&B MAG FY2023: ~\$1.9M; F&B Actual Rent FY2022 ~\$2.4M
 - Retail MAG FY2023: ~\$3.1M; Retail Actual Rent FY2022 ~\$3.4M
- Annual audits are required of concession fees paid.

■ Hours of Operation

- Airports are open 24/7, 365 days per year, including holidays.
- Hours of operation are determined by the airport, not the concessionaire.
 - Typical hours - 16 hours per day, 365 days per year.
 - Flight delays and cancellations may require extended hours.
 - Must have staff to accommodate peak hour demand; cannot close during slow periods.
 - Airport is not responsible for revenue losses due to unanticipated closures.



HOURS OF OPERATION	
MONDAY	8:00AM-5:00PM
TUESDAY	9:00AM-7:00PM
WEDNESDAY	8:00AM-5:00PM
THURSDAY	8:00AM-5:00PM
FRIDAY	8:00AM-4:00PM
SATURDAY	CLOSED
SUNDAY	CLOSED

Airport vs. Street

■ Construction Costs

- Airport will provide shell space.
- Demolition may be required.
- Prime concessionaire pays the initial build-out costs for the concession spaces.
 - Average build out costs per square foot are three to four times higher than on the street.
 - Typical Minimum Capital Investment: F&B - \$700/SF+; Retail - \$350/SF+.
 - Mid-term refurbishment will be required, which is typically based on a percentage of the initial build-out costs.
 - All plans must be approved in advance by Airport.
 - Prime concessionaire will be required to provide bonds guaranteeing the completion of construction.
 - Audits will be required to demonstrate Minimum Capital Investment has been made.



Airport vs. Street

■ Pricing

- Food and beverage pricing will be subject to Airport approval.
- Prices for staple retail items will be subject to Airport approval.

■ Security and Operating Requirements

- Employees must be badged and pass required background checks.
 - 10-year background check, FBI fingerprint check.
- Deliveries must be scheduled and screened.
- Security requirements must be strictly adhered to at all times.
- Security requirements are subject to change at any time, which may result in higher operating costs.
- Airport is not responsible for revenue losses due to unanticipated closures.

Airport vs. Street

- **Support Areas**

- Limited storage, support spaces, and office spaces available.

- **Customer Service Standards**

- Customer service training will be required for all employees at concessionaire's cost based on Airport standards.
- Service standards established by the Airport must be maintained at all times and cannot vary by location.
- Airport may require any employee to be replaced. Typically for failing to satisfy standards, failure to comply with security requirements, and other similar causes.
- Requirements may become stricter at any time and changes could result in higher operating costs.

Airport vs. Street

■ Advantages

- Market generally has above average income.
- Travelers often have time on their hands.
 - Shopping and dining are entertainment.
 - A proven market that wants to shop/dine.
- High revenue potential.
- National exposure for small/local businesses working with experienced prime concessionaires.



Airport vs. Street

■ Disadvantages

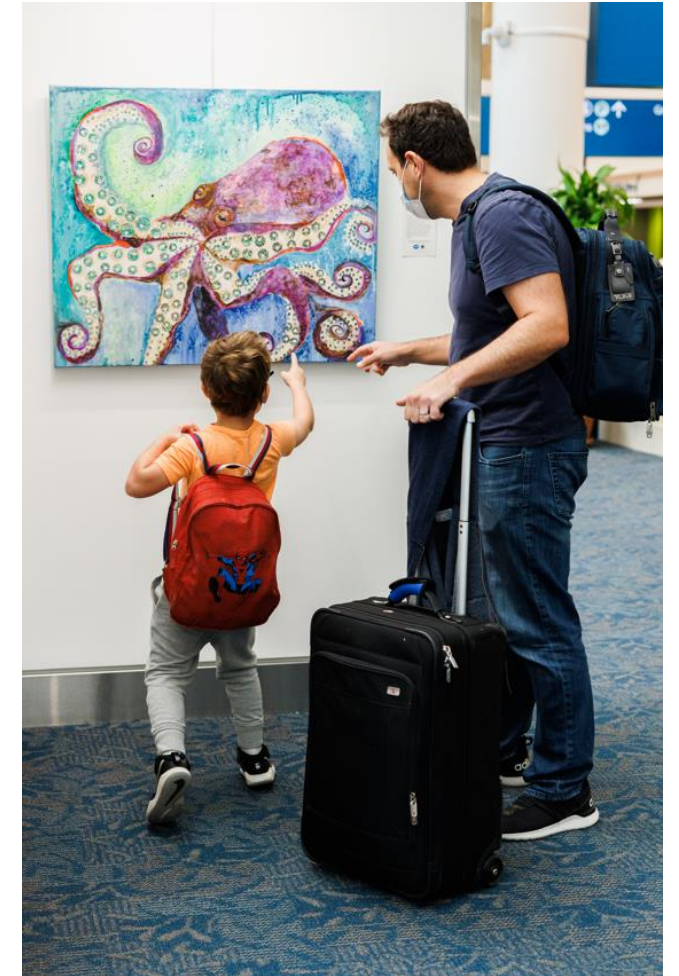
- Substantial capital and operating costs.
- High rental costs.
- Less control (e.g. hours, pricing, etc...).
- Increased security requirements.
- Greater financial risk (e.g. COVID-19 Pandemic, Great Recession, 9/11 Attacks, natural disasters, etc...).



Future RFP

GOAL: Elevating the Customer Experience

- Creating engaging customer experiences with **SOPHISTICATED**, but **NOT EXCLUSIVE**, concepts that provide a sense of place through innovative design features.
- Focusing on local, regional, and national concepts for restaurants.
 - Recognized/popular local/regional concepts.
 - High quality national brands.
 - If you can only find the restaurant in an airport, we do not want to see it at PBI!
- Incorporating local/regional products whenever possible.
- Providing a **VARIETY** of options for all price points, including healthy, kosher and vegan options.
- Including sustainable practices through packaging, reduction of food waste, use of energy efficient appliances, etc...



Two Opportunities

Combined Food, Beverage and Retail

- Two master agreements for food, beverage and retail will be offered. Each opportunity will include:
 - Retail, coffee, quick service, sit down restaurant, bar and vending concession spaces.
 - Concession spaces on each concourse and pre-security.
- Proposers may propose on both packages, but will not be permitted to be awarded both packages.
 - Competition is good!
- Proposers must have recent, relevant experience in operating similar concessions at other similarly-sized airports in order to be considered as a prime concessionaire.
- Proposers will be **strongly encouraged** to include local/regional partners and products.
- Focus will be on **project approach**, not price.



Ways to Become Involved

Small businesses should consider:

- Partnering with a Prime Concessionaire
 - Joint Venture
 - Subconcession
 - Franchise
- Acting as a Supplier
 - Merchandise
 - Food and Beverage Products
- Providing Services
 - Facility Maintenance
 - Janitorial
 - Financial
 - Staffing
- Offering Construction and Design Services



Keys to Success



CHANDLER
CAMPBELL
& DASCHLE



Started at PBI in 2013 with 1 employee
ACDBE Certified in All 50 States
Concessionaire in 37 Airports
330 Employees Nationwide

- Be Responsive
- Perform
- Under Promise & Over Deliver
- Attend Pre-Bid/Proposal Meetings
- Network with Prime Vendors
- Network with Industry Groups
- Hire The Best People

Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

Objectives of the ACDBE Program

- Federal program with the following objectives:
 - To ensure nondiscrimination in the award and administration of opportunities for concessions by airports receiving Department of Transportation (DOT) financial assistance;
 - To create a level playing field on which ACDBE's can compete fairly for opportunities for concessions;
 - To ensure that the department's ACDBE program is narrowly tailored in accordance with applicable law;
 - To ensure only firms fully meeting the eligibility standards are permitted to participate as ACDBE's;
 - To help remove barriers to the participation of ACDBE's in opportunities for concessions at airports receiving DOT financial assistance; and
 - To provide appropriate flexibility to airports receiving DOT financial assistance in establishing and providing opportunities for ACDBE's.

Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

ACDBE Eligibility

- Firm is 51% or more owned and controlled by one or more members of the presumed socially and economically disadvantaged groups.
- Owners are U.S. Citizens or lawfully admitted permanent residents.
- Firm does not exceed \$56.42 million average gross receipts over the preceding three years.
- Personal Net Worth of the socially-economically disadvantaged owner(s) does not exceed \$1.32 million.
- Owner(s) must control the firm's management and daily operations.
- Owner(s) must share in the risks and profits commensurate with their ownership interest.



Airport Concession Disadvantaged Business Enterprise (ACDBE) Program

Contract Goal

- Upcoming opportunities will include ACDBE contract goals.
- ACDBE contract goals are established based on relative availability of certified ACDBE firms within the market area.
- Local Small/Minority/Women-Owned Business Enterprise certifications cannot be counted toward contract goals, nor does it automatically qualify you as an ACDBE.
- Disadvantaged Business Enterprises (DBEs) certified under 49 CFR 26 may be certified as ACDBE's if they perform work relevant to the concession program.
- Construction/build-out of concession spaces cannot be counted toward ACDBE contract goals.



Resources

Where do you start?

- For more information about the ACDBE Program: <https://www.pbia.org/business/-business-dbe/>
- Palm Beach County Department of Airports provides application review services to local, minority and women-owned businesses seeking ACDBE certification.
 - Services are available to you and your business **free** of charge.
 - It can take up to 90 days from the date of submittal of a complete certification to become certified.
- For more information about services available contact:

Kenya Tucker, VP Operations
Chandler & Campbelle Investment Group
E-mail: kenya@chandlercampbelle.com
Phone: 561-461-6769



Stay Tuned for More Information

Dates are subject to change

ANTICIPATED SCHEDULE

<u>Date</u>	<u>Activity</u>
March 6, 2023	ACDBE Virtual Workshop
April 2023	ACDBE Matchmaker Event
May/June 2023	RFP Issuance
June/July	Mandatory Pre-proposal Conferences
August 2023	Proposals Due
September 2023	Selection Committee
October 2023	Board Approval

How Should I Prepare?

- Register as a vendor on the PBC Vendor Self-service Website:
<https://pbcvssp.co.palm-beach.fl.us/webapp/vssp/AltSelfService>
- Monitor the PBI Website for more information:
<https://www.pbia.org/business/bids/>
- Become ACDBE Certified: <https://www.pbia.org/business/-business-dbe/>
- Attend ACDBE Matchmaker Conference in April 2023.
- Establish partnerships with prime concessionaires.
- Attend the Mandatory Airport Concession Disadvantaged Business Enterprise (ACDBE) Pre-Proposal Conference June/July 2023.
- Send your contact information to: properties@pbia.org



Your Chat Questions Answered!

Submit written follow-up questions to: properties@pbia.org