

Questions and Answers

August 30, 2018

Q1: Will points be awarded based on the MAG (Minimum Annual Guarantee)?

Yes, points will be awarded based on the proposed MAG.

Q2: Can you clarify the MAG?

- a. For the Prime package, the minimum allowable MAG to be bid will be established at 80% of the previous year's rent (concession's fees).
- b. The MAG for the individual packages (Medium and Small Locations) will be established separate from the Prime package MAG.
- c. For the Prime package, the submitted proposed MAG must equal 85% of the total proposed concessions fee for year one (1).
- d. The MAG in subsequent years will be 85% of the total fees paid the previous year. The MAG will never fall below any preceding year's MAG (except in exceptional circumstances).

Q3: Can you clarify the percentage fee calculation?

It is expected that we will request one flat rate for all sales. We will not break down sales by category (e.g., food vs alcohol).

*Disclaimer: RFP Terms and Conditions have not been finalized and are subject to change.

Questions and Answers

August 10, 2018

Q1: Does SJC have career fairs or programs?

SJC does, from time to time, host career fairs. Airport Tenants are invited to participate. You can find a list of current employment opportunities on our website at <https://www.flysanjose.com/employment>

Q2: When is the proposal due?

The proposal due date for any and all packages will be identified in the RFP released in the Fall of 2018, but the expected due date will be during Q1 of 2019.

Q3: How can small businesses compete with big corporations/brand names?

The packages are structured to provide opportunities for both small and big corporations alike. Small businesses may propose on any package as long as they meet the minimum qualifications. All businesses will be evaluated using the same scoring and evaluation criteria.

Q4: Are there fees attached to storage and TSA screening?

Yes. Storage area for Fiscal Year 18-19 is currently leased at the rate of \$54.72 per square foot per year, and is subject to change annually based on the current Airport established Rates and Charges.

The Concessionaires pay for the TSA required screening of all products including those stored onsite at the Airport and/or coming from an offsite location. The cost associated with the screening is negotiated and agreed upon based on the number of screening hours and cost share allocation established by the Concessionaires.

Q5: Do you allow multiple concessions with the same concept?

Due to the linear layout of the terminal, we will allow multiple concessions with similar/same concepts, provided they are not within the same "zone", or proximity to one-another. The Airport shall determine the final concept mix that best enhances customer service to the passenger while providing the highest level of revenues.

Q6: When will the RFP be released?

The RFP is projected to be released in the Fall of 2018.

Q7: Where are the primes distributed in the terminal?

We currently have 4 Prime Operators: Pacific Gateway Concessions (Food & Beverage), HMS Host (Food & Beverage), Hudson (Retail) and PRI-San Jose (Retail). Please refer to the concession maps provided on <https://www.flysanjose.com/RFP2018> for concession locations.

Q8: What is the airport living wage?

The Airport Living Wage requires Airport businesses to provide their covered employees with a minimum compensation rate. The 2018 Fiscal Year rate along with additional information can be found at: <https://www.flysanjose.com/living-wage>

Q9: Please provide a list of the Prime Operators who hosted a booth.

Company Name	First Name	Last Name	Phone Number	Email
SSP America	Heather	Barry	720-329-8673	Heather.Barry@foodtravelexperts.com
Paradies Lagardère	Alice	Cheung	404-924-0169	Alice.Cheung@paradies-na.com
Delaware North	James	Wilson	716-253-7458	JWilson2@delawarenorth.com
PRI-San Jose*	Lisandra	Matote-DeJesus	408-786-7614	lisandra@proresourcesinc.com
Mission Yogurt	Alea	Kilgore	417-849-9887	alea@dia-food.net
PGC	Erik	Ward	415-686-1105	eward@gopacificgateway.com

*PRI is a current Prime Operator offering current opportunities for specialty retail and packaged food kiosks

Q10: Please release copies of those in attendance at the events

Copies of the sign in sheets and companies that RSVP'd to the event are now posted to <https://www.flysanjose.com/RFP2018>

Q11: What is the current construction living wage?

Not less than the general prevailing rate of per diem wages and the general prevailing rates for holiday and overtime work must be paid when any construction and related work is performed on Airport property. Copies of the Department of Industrial Relations (DIR) Wage Index are on file with the City's Office of Equality Assurance and can be obtained by interested parties.

<http://www.sanjoseca.gov/index.aspx?NID=768>

Q12: Do you know approximate dates of pre-proposal meetings?

Dates for the Pre-Proposal Meeting have not yet been established, but will be released as part of the RFP in the Fall of 2018.

Q13: What is the average dollars per enplaning spent at SJC?

Current Food and Beverage sales per enplanement (SPE) as of May 2018 is \$6.83

Q14: How is the rent structured for the two independent sites?

The same rent structure shall be used for all packages. The selected proposer shall pay the greater of a minimum annual guarantee (MAG) or a percentage fee. MAG in succeeding years shall be set at 85% of the previous year's total concession fees paid or the previous year's MAG.

Q15: How is parking structured for concessionaires?

There are two employee parking areas available conveniently located near both Terminal A and Terminal B. There is a shuttle bus that runs between Terminal A and Terminal B. There is a fee for employee parking. The current rates are as follows and subject to change:

- Terminal A Parking Garage (across the street from Terminal A) is \$45 per month plus a one-time \$20 set up fee.
- Lot 4 (Near Terminal B) \$100 per month plus a one-time \$20 set up fee.

All permits are non-transferrable. Company shared parking permits are not available.

Q16: Do you have a sample RFP for review?

No. Each RFP is unique and developed according to the terms and conditions established for the RFP. The current RFP for the Food & Beverage Concession Program is under development and shall be released in the Fall of 2018.

Q17: Is there any TI allowance offered by SJC for build out?

The City of San Jose does not currently have a TI allowance.

Q18: Is there a minimum dollar per square foot requirement for build out of space? I believe this was \$500 to \$750 per sq/ft correct?

The RFP will have a minimum dollar per square foot capital investment. We anticipate that it will be in the range of \$500-\$750 per sq/ft, however, we have not finalized the minimum capital investment at this time. The posted RFP will establish the minimum capital investment for each package. As stated in

the sessions, construction costs can be in excess of the established minimum capital investment and proposers are encouraged to research the current market value for construction in the San Jose area.

Q19: Are we able to come to SJC and meet with SJC Concessions team to discuss needs and requirements SJC is seeking for these spaces before the RFP is released?

If you are interested in setting up a meeting, please email itosk@sjc.org.

Q20: What storage/office space is available to tenants?

There is storage space in the Terminal B basement as well as Office Space in both Terminal A and B. For the current Fiscal Year 2017-2018, the rates are as follows:

- Storage space in the basement is currently \$54.72 per square foot annually.
- Office space is \$283.34 per square foot annually.

Rates are adjusted annually.

Q21: Is there any badging restrictions for concessionaires?

All Concessionaires and staff must clear a TSA required background check. Additional information can be found at <https://www.flysanjose.com/badging-office>

Q22: Are you open to offering up a different space to an independent?

At this time, it is expected that the current space identified in Packages II and III will be the only spaces available as independent locations.

Q23: You talked about more “open” concepts, does that mean removing the air handlers that are right in front of the current spaces? and if so, is that something that the port will pay for?

The air ventilators must remain in place. Proposers must design their concepts around the air ventilators.

Q24: Can we find out what airlines fly out of what gates?

A copy of the current gate assignments has been posted to <https://www.flysanjose.com/RFP2018>. Gate assignments are reassigned annually on July 1. Please be aware that gate assignments are not fixed. SJC has a common use gate system which means that any airline can be placed on any gate as needed.

Q25: Can we also get a daily flight schedule for each gate?

Flights can and do change daily from individual gates, so we therefore do not have a flight schedule by gate.

Q26: Do you have demographics for the passengers of San Jose?

Demographic information can be found at <https://www.flysanjose.com/air-service-development>.

Q27: What are the Minimum Years' Experience and Minimum Gross Revenue Requirements for Subconcessionaires?

Minimum Years' Experience and Minimum Gross Revenue requirements have not been established. The RFP when it is released in the Fall of 2018 will outline the minimum qualifications for each package. It is, however, expected that the minimum years' experience and minimum gross revenue requirement will be different from the Prime Package vs. the two independent packages.