



AVIATION DEPARTMENT - Fort Lauderdale-Hollywood International Airport
2200 SW 45th Street, Suite 101 • Dania Beach, Florida 33312 • 954-359-6100

ADDENDUM NO. 5

Solicitation No.: RLI#20160425-0-AV-01
Solicitation Title: Advertising and Display Concession

Date of Addendum: September 1, 2017

Attention all potential bidders:

Information included in this Addendum is for clarification purposes. This Addendum SHOULD be returned with your RLI submittal.

To all prospective bidders, please note the following changes and clarifications.

The following questions/answers are clarifications to Addendum #1:

7. Question: Who owns the existing advertising display equipment; the airport, or the incumbent concessionaire? And what is the status of the equipment moving forward with regards to this RLI?

Answer: Concessionaire owns the equipment. Contractually, the Concessionaire must remove the equipment at the expiration of the agreement, however, all terms are subject to negotiation. County is free to negotiate with selected respondent in the best interest of the County.

a. If the airport owns the equipment:

i. Will the winning proposer be allowed to utilize any of the existing displays?

Answer: Not applicable as the airport does not own the existing equipment/displays.

ii. Is the winning proposer expected to remove existing equipment and should therefore plan for that cost in their capital investment proposal?

Answer: Not applicable as the airport does not own the existing equipment/displays.

b. If the incumbent owns the equipment:

i. And the incumbent wins the concession, will they be required to remove all existing displays and replace with new equipment?

Answer: The existing agreement requires the incumbent to remove equipment at the expiration of the agreement; however, all terms are subject to negotiation. County is free to negotiate with selected respondent in the best interest of the County.

ii. If a new company wins the concession, will the incumbent be required to remove all existing displays and repair walls to “like new” standards?

Answer: Section 13.4 of the existing agreement requires the incumbent to remove equipment at the termination of the agreement. There is an expectation the incumbent will restore the walls to their original condition prior to the commencement of the new contract.

iii. If a new company wins the concession, can they acquire existing equipment from the incumbent?

Answer: The successful respondent may negotiate with the owner of the existing equipment; however, the County may require new equipment to be utilized from any successful respondent in the best interest of the County.

12. Question: Are there projected future passenger counts broken out by terminal?

Answer: The Airport is not currently in possession of specific data of future passenger counts by terminal, nor does the airport have a specific percentage of patrons who utilize Fort Lauderdale- Hollywood International Airport (FLL) and reside outside of Broward County. FLL's FAA-approved forecast is below. Also to note, future airport development may include:

- a. the relocation of one or more airline operations to different terminals or concourses
- b. the creation of sterile connectors to permit passengers to traverse between all concourses and terminals once past security screening checkpoints.

	Fiscal Year	Baseline Forecasts
Passenger Enplanements		
Base Year	2015	13,214,469
Base Year + 5	2020	16,393,229
Base Year + 10	2025	18,236,616
Base Year + 15	2030	20,310,217
Base Year + 20	2035	22,300,000

13. Question: What is the policy for staffed booths or manned exhibits?

Answer: Limited space is available in the terminals. Staffed booths and manned exhibits are difficult to accommodate, therefore any advertising opportunities utilizing staffed booths or manned exhibits may be nonexistent. Any such opportunities would need to be coordinated and approved with the County in advance.

19. Question: What is the size of the digital displays over the escalators in Terminal 2 and Terminal 4? How old are these displays?

Answer: The displays are 16.4' x 9.02' in size. The digital displays were new devices installed at the Airport in 2015.

20. Question: Can the airport supply better maps with displays indicated? The maps are hard to read and color icons are difficult to understand.

Answer: The maps are available on the Aviation website as Attachment 4 of the RLI and can be enlarged for easier viewing.

23. Question: What percentage of airport traffic is cruise industry related?

Answer: The Aviation Department does not have specific data pertaining to this question; however, it has been estimated that approximately 15% to 20% of FLL's passenger count is cruise industry related during the cruise season.

26. Question: If possible, please provide revenue by location. Especially concerning the exterior displays.

Answer: It is not possible for the Aviation Department to provide revenue information by specific location. However, on average Terminal 1 represents approximately 37% of the revenue, Terminal 2 represents approximately 23% of the revenue, Terminal 3 represents approximately 25% of the revenue and Terminal 4 represents approximately 15% of the revenue.

27. Question: If possible, please provide revenue by advertising client.

Answer: It is not possible for the Aviation Department to provide revenue information by client.

40. Question: Would the County please provide a copy of the latest terminal maps and connector walkways?

Answer: The maps are available on the Aviation website as Attachment 4 of the RLI and can be enlarged for easier viewing.

The following are questions submitted during the Second Inquiry Period and the corresponding answers:

1. Question: Weighting and Scoring of the Proposals: We note that the Selection Negotiations Committee (SNC) has been identified.

a. Please identify what instructions the SNC will be given prior to scoring the proposals?

Answer: Please refer to Addendum #1, question #35. Evaluation criteria is not weighted. The members of Selection Committee after the review of submittals and discussions or presentations will discuss the foregoing and ask questions, if necessary. They will then vote on the final ranking.

b. What does FLL consider to be the most and least important in considering the responses, including but not limited to projected revenue; MAG and splits; capital investment; local participation; and experience?

Answer: As this is a Request for Letters of Interest (RLI) versus a Request for Proposals (RFP), the proposal is reviewed in its entirety and the Selection Committee does not give any of the criteria a specific value or rating. As a point of reference, in a RFP procedure, the proposal is evaluated based upon weighted criteria which are assigned points or a percentage. Please refer to the Selection Process section of the RLI on page 8, specifically, Review of Written Submittals and Other Matters and Technical Staff Participation/Review Responses.

“Review of Written Submittals and Other Matters:

Each Respondent should submit documents that provide evidence of capability to participate in this solicitation. Written submittals should be limited to a maximum of fifty (50) pages, excluding financial information, contracts, litigation and other contract dispute information, renderings, layouts, drawings and finishing boards. Attached to this RLI is a list of minimum requirements and evaluation factors that will be used by the agency staff to prepare an analysis of the capability of each Respondent (**see**

Attachment 1). This list is a tool that may be analyzed by the SNC in making its decision regarding eligibility to participate.”

“Technical Staff Participation/Review Responses:

After the closing date of the RLI, the Aviation Department's technical staff will review and summarize the responses for the SNC. Technical staff will have only such authority as may be delegated by the SNC or the Board. Without such delegated authority, technical staff serves purely in an information gathering capacity and prepares a matrix of responses submitted by the firms. The matrix contains the “Minimum Requirements” and items described in the “Evaluation Criteria” section of this RLI (**see Attachment 2**). It also contains the results of staff research and reviews of responses and Respondents. The matrix is a tool that the SNC may use in its decision-making process.”

2. Question: Two large digital wall displays were installed in key advertising locations over the escalators in Terminal 2 and Terminal 4 during 2015. They have not reached the normal lifespan of the equipment. Removing the monitors creates unnecessary waste, as an additional 2-3 years of quality operation should be expected from this equipment. However, this item *can and will* create a distinct advantage for the incumbent if they bid and are not required to remove and replace the monitors. Other proposers will have to earmark capital to install new equipment in the digital locations, or negotiate an amortized purchase agreement with the incumbent, while the incumbent can allocate this capital investment into other areas.

a. Please advise if

i. the incumbent will be required to remove the equipment and restore the locations regardless of the SNC's recommendation for award?

Answer: Contractually, the incumbent must remove the equipment at the expiration of the agreement. However, all terms are subject to negotiation. County is free to negotiate with selected respondent in the best interest of the County.

ii. all respondents will be required to install new equipment on these digital locations if the respondent includes digital signs in these locations as part of its proposal?

Answer: There is no specific requirement for the type of equipment to be utilized by respondents, in this location or any other. Respondents may propose as they see fit. Terms will be negotiated with the selected respondent in the best interest of the County.

iii. conversely, the Airport will consider purchasing the equipment from the incumbent at an amortized cost, and make it available equally to all respondents? This process guarantees a fair and level playing field for the respondents. Replacement of the equipment could and would fall to the respondent when the existing digital equipment reaches the normal life expectancy.

Answer: The Airport does not plan on purchasing these displays or any other equipment from the incumbent or for a successful respondent. Any equipment utilized by the respondent shall be provided by the respondent. In the event it is decided the wall displays are to be utilized in the new advertising program, the successful respondent may negotiate with the incumbent for the purchase or use of the wall displays; however, the County may require new equipment to be utilized from any successful respondent.

3. Question: The FAA has determined that ACDBE participation in advertising concession agreements can be based upon a percent of Goods and Services, and that professional services including sales commissions or appropriate consultant fees fall into the Goods and Services category. This ruling was considered and approved during the tenure of the current FLL advertising contractor.

The FAA considered the disparate operations of retail and food & beverage contracts which require a much larger workforce and a constant replenishment of goods, creating a natural opportunity to engage ACDBE firms. Further, retail and food & beverage contracts share a minute percent of gross revenues compared to advertising concessions - often only 10-15%.

a. Please confirm that the ACDBE participation can and will be based upon the FAA approved percent of Goods and Services, rather than the calculations required of retail or food and beverage operations which utilize a percent of gross sales, as was the rule when Broward awarded the current advertising concession contract in 2007. Mandating 10% of gross revenues as the participation goal (not required by FAA), plus a minimum 60% of gross revenue to BCAD, creates a *minimum* of 70% of gross revenues the advertising concessionaire will be required to pay, while absorbing all the capital and operating expense.

Answer: The 10% goal is based on the current manner in which Airport Concession Disadvantaged Business Enterprise (ACDBE) participation has been obtained on the existing advertising contract at the Fort Lauderdale-Hollywood International Airport (FLL), which is as a percentage of gross receipts. This is permitted under the FAA's guidance on counting ACDBE Advertising Services. The FAA permits the counting of participation of ACDBE goods and services providers towards an advertising concession goal regardless of whether the goal was based on a calculation involving gross receipts. In such an instance, the actual dollars that the percentage goal

represents would be used to determine whether the awarded vendor was meeting the goal. The Aviation Department has estimated the total revenue for this agreement to be \$5,000,000 (over a five year term). The 10% goal would then translate to \$500,000 in goods and services participation over a five year term – or \$100,000 per year. If a respondent is unable to meet the established ACDBE goal, in full or in part, the respondent should submit the “DBE/ACDBE Application for Evaluation of Good Faith Effort” form (Attachment 3B to the RLI) along with all documents in support of the good faith efforts made to meet the goal.

4. Question: We respectfully request that the September 8, 2017 deadline for submittals be extended for one month to allow prospective bidders to incorporate the information that is now available following the August 10 tour of Terminal 1, Concourse A and Terminal 4, Concourse G East; and answers to the questions allowed in Addendum #3, which are due by August 17 but no date for a response from BCAD is noted.

Answer: Please refer to Addendum #4 as the due date of proposals has been extended to September 22, 2017 at 4:30 p.m.

5. Question: Are there projected future passenger counts broken out by terminal? What percentage of airport patrons are from outside Broward County?

Answer: There is no data available showing projected passenger count broken down by terminal, nor is there data available reflecting the percentage of patrons outside of Broward County. According to US Department of Transportation data, FLL currently handles approximately 53% of the tri-county (Miami-Dade, Broward, Palm Beach) domestic origin and destination traffic.

FLL is currently ranked as the 21st busiest airport in the U.S. with 29.2 million passengers in 2016, up 8.4% over the previous year. FLL is expected to be the 19th busiest airport in the United States by the end of 2017. In the last five years, total passenger traffic has increased by 35%, or approximately 10 million passengers. September 2017 will be the 42nd consecutive month of growth in total passenger traffic and 2017 is anticipated to be the fourth consecutive year of double digit international growth. Traffic is expected to increase 4.6% to 7.1% annually, resulting in 34.7 to 38.1 million passengers per year by 2020.

All other terms, conditions and specifications remain unchanged for this RLI.

NAME OF COMPANY: _____