

PHX DVT GYR

 CITY OF PHOENIX AVIATION DEPARTMENT

Revenue Contract Solicitation (“RCS”) Request for Responses

DEVELOP & OPERATE COMMON-USE AIRPORT LOUNGE AVN RCS 18-016

SCHEDULE OF EVENTS

All dates are subject to change without prior notice.

The City of Phoenix is not responsible for cost or losses incurred by any Respondent in the preparation of a Response or due to date changes.

| ACTIVITY (All times are local Phoenix time) | DATE |
|---|----------------------|
| Publish RCS | April 30, 2018 |
| Pre-Response Meeting at 1:00 p.m. Business Outreach Meeting to follow. Tour will begin immediately after the Pre-Response & Business Outreach Meeting | May 10, 2018 |
| Question Deadline: Submittal of Written Questions by 11:00 a.m. | May 18, 2018 |
| Answer Deadline: Answers to Written Questions | May 31, 2018 |
| Solicitation Deadline: Response due by 11:00 a.m. | June 26, 2018 |
| Responsiveness & Responsibility Determination | June 29, 2018 |
| Award Recommendation to Phoenix City Council | November 14, 2018 |
| Commencement of Contract | December 1, 2018 |

Submit Responses and requests for alternate formats to:

Janet Erin Lee
Procurement Officer
City of Phoenix Aviation Department
2485 East Buckeye Road, Phoenix, AZ 85034-4301
602-273-2768 (TEL) / 800-781-1010 (TTY)
busopps.aviation@phoenix.gov

<https://www.phoenix.gov/solicitations/1474>

This RCS is issued pursuant to Phoenix City Code Chapter 43 and Administrative Regulation 3.10.
This RCS does not commit the City to award any contract(s).

CITY OF PHOENIX
Aviation Department
AVN RCS 18-016 Develop and Operate Common-Use Airport Lounge

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SECTION I – INTRODUCTION

**CITY OF PHOENIX
Aviation Department
Contracts & Services
2485 East Buckeye Road,
2nd Floor
Phoenix, AZ 85034**

The City of Phoenix Aviation Department (“Aviation”) is seeking sealed responses from qualified Respondents to develop and operate a common-use airport lounge facility in Terminal 4, N4 concourse (International concourse) at Phoenix Sky Harbor International Airport (“PHX”). The Successful Respondent will enter a Concession Lease Agreement (“Contract”) with City of Phoenix (“City”).

The common-use airport lounge must offer access programs to passengers of its partner airlines and other clients or customers (including day pass customers) wishing to pay for lounge access at Phoenix Sky Harbor International Airport. The premises will be developed, operated, and managed by the Successful Respondent to provide a relaxing common-use lounge.

The City of Phoenix Aviation Department’s desired outcomes from this solicitation process are to:

- Optimize sales and revenue over the term of the Contract;
- Improve the quality and uniqueness of the lounge facility, emphasizing local culture and Arizona destinations in the design of the facility and in food and beverage offerings; creating a sense of place that reflects our region;
- Select a Respondent with experience operating successful common-use airport lounges in the US and/or abroad.

A. BACKGROUND

By passenger count, Phoenix Sky Harbor International Airport is the eleventh busiest airport in the United States, serving 43.9 million passengers in 2016. The International Concourse in Terminal 4 (“T4”) hosts American Airlines, Air Canada, British Airways, WestJet, and Volaris.

Beginning May 2018, Condor Airlines will offer seasonal twice-weekly non-stop service to Germany.

T4 enplaned passengers by airline and calendar year are shown on the table below. The City makes no representation or warranties, expressed or implied, as to the accuracy or relevancy of the statistical data. These enplanement numbers are reported by the airlines and the Respondent assumes all risk associated with using the data, including its accuracy, relevance, and/or materiality to the formulation of its Response.



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From January 2017 through December 2017, PHX facilitated 1,534,923 international enplanements.

| T4 Passengers | | | |
|-----------------|------------------|------------------|------------------|
| Airline | 2015 | 2016 | 2017 |
| Air Canada | 11,993 | 9,639 | 11,096 |
| American | 846,392 | 832,475 | 859,036 |
| British Airways | 7,771 | 7,972 | 7,965 |
| Southwest | 521,308 | 612,695 | 623,079 |
| Volaris | 1,372 | 3,774 | 3,689 |
| Westjet | 28,069 | 29,752 | 30,058 |
| Total | 1,416,905 | 1,496,307 | 1,534,923 |

The current common-use lounge Contract was entered into as a pilot program to test market viability for a Common Use lounge with a total lounge area of 2,985 square feet.

Number of guests and gross sales totals for the current Terminal 4 common-use airport lounge were:

| Dates | Guests | Gross Sales |
|----------------|----------------|--------------------|
| July 2016 | 3,858 | \$96,851 |
| August 2016 | 3,980 | \$100,528 |
| September 2016 | 4,152 | \$104,964 |
| October 2016 | 4,842 | \$121,279 |
| November 2016 | 5,372 | \$133,587 |
| December 2016 | 5,348 | \$132,467 |
| January 2017 | 5,582 | \$138,473 |
| February 2017 | 5,566 | \$138,170 |
| March 2017 | 6,431 | \$160,036 |
| April 2017 | 6,780 | \$168,066 |
| May 2017 | 6,447 | \$159,487 |
| June 2017 | 6,179 | \$153,473 |
| July 2017 | 6,029 | \$148,884 |
| August 2017 | 6,248 | \$154,758 |
| September 2017 | 6,438 | \$159,361 |
| October 2017 | 7,189 | \$177,183 |
| November 2017 | 7,631 | \$187,948 |
| December 2017 | 7,839 | \$195,109 |
| Total | 105,911 | \$2,630,624 |



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B. DEFINITIONS

The following definitions apply to this Revenue Contract Solicitation (RCS). There are additional definitions in the attachments, exhibits, and appendices. If there is a conflict between these definitions and the definitions in the attachments, exhibits and appendices then the definitions in the attachments, exhibits and appendices govern those documents.

AGGRIEVED PARTY means a person or a business that intends a Response that alleges a mistake, impropriety or defect in the solicitation will harm the person or business.

AIRPORT means Phoenix Sky Harbor International Airport in accordance with the context of the contract.

CONTRACT includes any, and all City of Phoenix Aviation Department contracts, subcontracts, agreements, leases, subleases, licenses, permits, concessions or other documents, however denominated that grant or convey a right or privilege on an Airport.

DAYS means calendar days, except as otherwise expressly provided in this RCS.

DISCUSSIONS means an exchange between the procurement officer and one or more Respondents submitting Responses determined to be Reasonably Susceptible Responses.

GOOD CAUSE means substantial grounds or evidence based upon facts not in dispute as determined by the procurement officer that the failure by an aggrieved party or a Respondent to submit a timely Response, protest or appeal was beyond its control due to misinformation relayed in writing by a city employee.

JOINT VENTURE (JV) means an association between two or more persons, partnerships, corporations, or any combination thereof, formed to carry on a single business activity.

LEASE is a written agreement with the City to conduct business on City property.

PROGRAM means collectively the proposed common-use lounge in T4.



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REASONABLY SUSCEPTIBLE RESPONSE means a Response that, based on the evaluation criteria, has a substantial chance of resulting in a Contract award.

RESPONDENT means an individual, partnership, JV, corporation or firm that submits a Response to the City to perform services requested by a RCS.

RESPONSE means a written response to this Revenue Contract Solicitation.

RESPONSIBLE means to be fully capable of meeting all requirements of the solicitation, including possessing the capacity, operational and financial capability, and integrity to perform as contractually required.

RESPONSIVE means an offer or Response that on its face satisfies all material requirements of the solicitation.

REVENUE CONTRACT SOLICITATION (RCS) A solicitation for revenue contracts, including all amendments or supplements thereto.

SUBCONTRACTOR means an individual, partnership, JV, corporation or firm that holds a contract at any tier below the Lease, including a vendor under a purchase order.

SUBTENANT a person or entity that leases property from Respondent.

SUCCESSFUL RESPONDENT means an individual, corporation, firm or JV that has been selected by the City to perform services requested by a RCS.

C. MINIMUM QUALIFICATIONS

Each Respondent must demonstrate in their Response that they meet the minimum qualifications listed below and include all information requested in this section or the Response will be rejected as non-responsive.

Respondents must demonstrate and submit documentation providing evidence that the minimum qualifications listed below have been met in order to have their Response considered. **City of Phoenix Aviation Department reserves the sole right to determine if Respondents meet the minimum qualifications.**

1. Three (3) or more years of continuous experience within the last five (5) years operating and managing a common use lounge in an airport.
2. Minimum annual gross sales receipts in excess of \$500,000 per an airport lounge.



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Respondents must also provide:

- A. Three (3) business references (Exhibit 3);
 - a. One business reference must be from a financial institution.
 - b. One business reference must be from an airline, which the Respondent served the airline's passengers through a partnership or an agreement.
 - c. One business reference must be from a current or former airport sponsor in which the Respondent operates or has operated a common-use airport lounge.
- B. Evidence of financial capacity to design, construct, operate, and maintain concept submitted in Response (Exhibit 4).
- C. The required Response Guarantee.
- D. Evidence of ability to obtain the required insurance; such as a commitment letter from an underwriter confirming that Respondent is insurable for the required coverages in the required limits.

D. GOOD STANDING

Any Respondent that currently contracts with the City must be in good standing for its Response to be considered responsive. For purposes of this RCS, good standing refers to compliance with all contractual provisions, including payment of financial obligations.

E. OUTREACH REQUIREMENTS

The Contract is subject to ACDBE Program requirements issued by USDOT in 49 CFR Parts 23 and 26. Despite the lack of a race- and gender-conscious ACDBE participation goal for this Contract, the Agency must track and report ACDBE and DBE participation that occurs as a result of any procurement, JV, goods/services, or other arrangement involving an ACDBE or DBE. For this reason, the Successful Respondent must provide all relevant information to enable the required reporting.

Phoenix Sky Harbor International Airport has a national market for small business participation. Successful Respondent is required to provide a corporate Small Business Participation Plan within 60 days following Contract execution for City approval; such approval must not be unreasonably withheld. The Plan must contain strategies to foster small business participation and information concerning the small businesses, including names of firms and addresses.

Every year on the anniversary date of the Contract, Respondent is required to provide to Airport any material changes to its Airport approved plan.



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Furthermore, Successful Respondent is required to comply with Airport ACDBE Program Plan and 49 CFR Parts 23 and 26. Respondent must track and report all ACDBE, DBE, and/or small business participation that occurs at Airport as a result of a contract, procurements, purchase orders, subleases, JV, goods/services or other arrangements involving sub-tier participation. Such documentation must be entered monthly into the internet based reporting program Business2Government (B2G) System at www.phoenix.diversitycompliance.com.

F. CONTRACT TERM & CONTRACTUAL RELATIONSHIP

The Contract will become effective on the date of execution by the City (“Effective Date”). On or about December 1, 2018 (“Commencement Date”), the Successful Respondent will begin to develop and Operate a Common-Use Airport Lounge in accordance with the Contract. The information in this RCS is not intended to completely define the proposed contractual relationship to be entered into by the City and the Successful Respondent. A copy of the draft Contract is attached as Exhibit 1.

G. EXECUTION OF CONTRACT

The Aviation Department will send the final Contract to the Successful Respondent after Phoenix City Council approves the Award Recommendation. Within sixty (60) days from Phoenix City Council approval, the Successful Respondent must sign and submit the final Contract to the City. The City may request City Council approval to award the Contract to the next highest scored Respondent in the event the City does not receive the signed Contract and all other required documentation from the successful Respondent within 60 days. The Contract terms may be amended at the sole discretion of the City at any time during the RCS process and/or prior to execution.

If the recommended Respondent is subject to regulation by the Arizona Corporation Commission (ACC), it must be authorized or in the process to be certified to transact business in Arizona and be in good standing with the ACC at the time it signs the Contract.

H. GUARANTEE INSTRUMENTS

Response Guarantee: Each Response must be accompanied by a ten-thousand dollar (\$10,000) Response Guarantee in the form of a cashier's check payable, without condition or restrictive endorsement, to the City of Phoenix for each Response. **Each Respondent’s Response Guarantee must be submitted in a**



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separate sealed envelope clearly marked “Response Guarantee” along with the Response.

Response Guarantees of all unsuccessful Respondents will be returned, without interest, immediately after formal award of the Contract has been made by the Phoenix City Council or after all responses have been rejected by the City.

The Response Guarantee of the Successful Respondent must be returned, without interest, immediately after Successful Respondent has furnished the City with the Performance Guarantee instruments and insurance policies required by the Contract. Should the Successful Respondent fail to execute the Contract or furnish the Performance Guarantee instruments or insurance within 60 days of City Council approval of the Contract, then the Successful Respondent’s Response Guarantee will be forfeited as liquidated damages.

I. PRE-RESPONSE MEETING

Respondents are strongly encouraged to attend the Pre-Response meeting that will be held at the City of Phoenix Aviation Department Offices, 1st Floor, Phoenix Aviation Advisory Board (PAAB) Room, 2485 E. Buckeye Road, on the date and time listed on page 1. In addition, a Business Outreach meeting will be offered immediately following this meeting. A tour of the current club space will be offered if necessary. Please email: busopps.aviation@phoenix.gov to register for this meeting and tour.

J. QUESTIONS AND ANSWERS (Q&A) PROCESS

Respondents are strongly encouraged to read this RCS in its entirety, including all attachments, exhibits, and appendices. Failure to read and/or understand any portion of this RCS will not be cause for waiver of any portion of the RCS or subsequent Contract.

If Respondents discover any mistakes, improprieties, or defects, they may submit a report of any mistakes, improprieties, or defects in writing to the Procurement Officer, Janet Lee, (busopps.aviation@phoenix.gov) no later than the question deadline listed on page 1.

All questions about this RCS must be submitted in writing no later than the question deadline listed on page 1 to busopps.aviation@phoenix.gov. All written questions will be responded to in writing and available at: <https://www.phoenix.gov/solicitations/1474>.



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K. AMENDMENTS TO RCS

Aviation may amend this RCS before or after the solicitation deadline listed on page 1. Changes to this RCS will be in writing as an addendum and posted at <https://www.phoenix.gov/solicitations/1474>.

All persons and businesses that received the initial RCS issuance notice will be notified that the addendum is available to download.

Respondents may not rely on any statement by any City employee, consultant, or official regarding this RCS unless the statement made is posted as an addendum or confirmed in writing as part of the Q&A process.

L. RESPONDENT EXCEPTIONS

The City will award the Contract on a fair and competitive basis and will not accept any changes to the material provisions or requirements of this RCS. Respondents that take exception to, add to, or subtract from any material provision or requirement of this RCS may be considered as attempting to change the provisions or requirements of this RCS to gain an unfair advantage over other Respondents. Responses including such exceptions or changes, or that are conditional, are subject to rejection as non-responsive Responses. Non-material exceptions or changes will only be considered if approved by the City during the Q&A process. No new exceptions or changes will be considered after the recommended Respondent has been identified.

M. AIRPORT SECURITY

Individuals assigned to work at Phoenix Sky Harbor International Airport premises as a result of this RCS must pass a fingerprint-based Criminal History Records Check, pass a Federally-mandated Security Threat Assessment, and obtain an Aviation-issued security credential or badge.

Successful Respondent must comply with all airport security requirements.

Visit: <https://skyharbor.com/docs/default-source/default-document-library/newcompanyinformationmanual.pdf> for current information and <https://skyharbor.com/Business/RulesAndRegulations> for current Airport Rules and Regulations.



SECTION II – SCOPE OVERVIEW AND EVALUATION CRITERIA

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The Successful Respondent will be responsible for the design, construction, maintenance, and operation of a common-use airport lounge on the mezzanine level of the international concourse in Terminal 4. The Premises, identified in Exhibit 12, is approximately 9,532 square feet, and includes direct access to stairs and elevator, restrooms, and large windows with excellent views of the airfield and the greater Phoenix and Tempe areas. The Successful Respondent will create and operate a peaceful, relaxing lounge that emphasizes local culture and Arizona destinations in the design and in food and beverage offerings, creates a sense of place that reflects our region, and provides (not limited to):

- Access to customers flying on any airline, regardless of class of ticket, for a fee;
- Access to customers belonging to partner organizations (airlines, credit card companies, etc.) with complimentary lounge membership benefits;
- Complimentary, high-speed Wi-Fi access to customers;
- Has a variety of seating options, including desk workspaces, tables, lounge chairs, and at least one bar;
- A variety of food options, including hot and cold items;
- A variety of beverage options, including hot and cold tea, soft drinks, wine, beer, and liquor;
- Current, complimentary, local and national newspapers;
- Television service, including local and national news and live sporting events; and
- Personalized customer service.

The Successful Respondent must:

- Conduct operations in a professional, business-like manner so as not to disturb or be offensive to other tenants or patrons;
- Maintain hours of operation as approved by the Aviation Director. Business hours will be seven days a week, 365 days per year, opening at least ninety minutes prior to the first scheduled daily flight departure from Terminal 4, and remaining open at least thirty minutes after the final departure from the Terminal 4 N4 concourse. If there are delays in flight departure times for flights departing the Terminal 4 N4 concourse, Lessee shall stay open at least thirty minutes after the late flight(s) depart(s). Business hours may be subject to change.
- Maintain a minimum of one (1) badged employee on the premises in charge of business operations during business hours.
- Submit monthly reports to Aviation. The monthly report will be due within 20 days after the close of each month, and must include a detailed statement of gross sales, and any deduction(s) from gross sales, for the preceding month. The monthly report must be prepared in accordance with Generally Accepted Accounting Principles (GAAP) and certified by a responsible financial officer of



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the Successful Respondent, and must be submitted in a format approved by Aviation.

- Have a current valid AZ Liquor License before or on Commencement Date.
- Not provide or sell additional services unless approved in writing by the Aviation Director.
- Not use or permit use of leased space(s) for any activity not expressly permitted in the Contract.

A. CONTRACT TERM

The Contract term will be five (5) years, with two (2) one-year extension options, which will be exercised at the sole discretion of the Aviation Director.

B. EVALUATION CRITERIA

All responsive and responsible Responses will be evaluated based on the following criteria. The sub-criteria, listed in their respective tabs under Section III, “Response Instructions,” “Delivery of Responses,” will be considered by the evaluation panel, but are neither individually weighted, nor listed in order of importance. This is a best-value-to-the-City-procurement.

| | |
|---|--------------|
| A. Financial Criteria | 0-200 Points |
| B. Qualifications and Experience Criteria | 0-250 Points |
| C. Business Operations Criteria | 0-300 Points |
| D. Concept Design Criteria | 0-250 Points |

Total Points Available

1000 Points

Financial Criteria: Respondent will be evaluated on its proposed first year Minimum Annual Guarantee.

Qualifications and Experience Criteria: Respondent will be evaluated on both Respondent’s experience and General Manager Experience. Respondent experience will be evaluated based on Respondent’s experience designing, constructing, operating, and maintaining common-use lounges at domestic and international airports. General Manager experience will be evaluated based on General Manager’s experience managing day-to-day operations of a common-use airport lounge, including managing staff, ensuring customer service standards are met, and preparing and executing orders and operating budgets.

Business Operations Criteria: Respondent will be evaluated on its ability to monetize the lounge through corporate partnerships, day passes, and sales of goods and services. Respondent will also be evaluated on its organizational ability to support and



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staff the lounge and on its customer service plan. Respondent will also be evaluated on its proposed capital investment and financial projections for the term of the lease.

Concept Design Criteria: Respondent will be evaluated on its lounge layout, design, plan to phase construction in order to maintain a temporary lounge facility during construction.



SECTION III – RESPONSE INSTRUCTIONS

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A. DELIVERY OF RESPONSES

Each Respondent must submit the following information in a sealed package marked with the Respondent's name, address, and the name of this RCS on the outside of the sealed package:

- Respondent's Name
- Respondent's Address (as shown on the Certification Page)
- AVN RCS 18-016
- RCS Response to: Develop & Operate Common-Use Airport Lounge

One (1) original Response, eight (8) hard copies of the Response, and one (1) electronic copy of the Response on a USB drive, using unlocked pdf format and in the same page order as the hard copy.

Each Response must include all of the following and must be organized using the Tab numbers listed below:

Tab 1: RESPONSE TABLE OF CONTENTS AND SUBMITTAL REQUIREMENTS

1. Table of Contents for entire Response, including page numbers
2. Notarized Affidavit (Exhibit 7)
3. Letter of Declaration / Equal Pay (Exhibit 8)
4. Conflict of Interest and Solicitation Transparency Disclosure Form (Exhibit 9)
5. Form EO1: Statement of Small Business Outreach Form (Exhibit 11)

Tab 2: MINIMUM QUALIFICATIONS

Each Respondent must demonstrate in their Response that they meet the minimum qualifications listed below and include all information requested in this section or the Response will be rejected as non-responsive. **City of Phoenix Aviation Department reserves the sole right to determine if Respondents meet the minimum qualifications.**

1. Three (3) or more years of continuous experience within the last five (5) years operating and managing a common-use lounge in an airport.
2. Minimum annual gross sales receipts in excess of \$500,000 per an airport lounge.

Respondents must also provide:

- A. Three (3) business references (Exhibit 3);
 - a. One business reference must be from a financial institution.
 - b. One business reference must be from an airline, which the Respondent



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- served the airline's passengers through a partnership or an agreement.
- c. One business reference must be from a current or former airport sponsor in which the Respondent operates or has operated a common-use airport lounge.
 - B. Evidence of financial capacity to design, construct, operate, and maintain concept submitted in Response (Exhibit 4).
 - C. The required Response Guarantee.
 - D. Evidence of ability to obtain the required insurance; such as a commitment letter from an underwriter confirming that Respondent is insurable for the required coverages in the required limits.

Tab 3: FINANCIAL CRITERIA

Throughout the term of the Contract, the Successful Respondent must pay a Minimum Annual Guarantee (MAG) or Percentage Rent derived from gross sales, whichever is greater. Percentage Rent is set at 13% of gross sales.

Successful Respondent's first year MAG is based on the Respondent's proposed MAG. **Proposed MAG must be greater than \$350,000.** In subsequent years of the Contract, MAG will be established at 85% of the annual rent revenues paid during the preceding year or 103% of MAG for the prior year, whichever is greater.

Respondent must provide the following information:

1. Complete Exhibit 2

Tab 4: QUALIFICATIONS AND EXPERIENCE CRITERIA

- A. **Respondent Experience:** Respondent is required to provide qualifications and experience that demonstrate they are the most qualified and have the best experience to develop and operate successfully the proposed lounge at Phoenix Sky Harbor Airport (PHX).

Respondent must provide the following information:

1. An Executive Summary of Respondent's Qualifications and Experience developing, operating, and maintaining common-use airport lounge facilities at domestic and/or international airports.
2. Three business references that are familiar with the Respondent's operations (Exhibit 3).
 - a. One business reference must be from a financial institution which



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can provide Respondent's financial capability to perform under this Contract.

- b. One business reference must be from an airline which, under partnership or agreement, Respondent served the airline's passengers in Respondent's lounge facilities.
- c. One business reference must be from a current or former airport sponsor in which the Respondent operates or has operated a common-use airport lounge.
 1. Respondent may, at its discretion, provide up to two additional business references from current or former airport sponsors in which the Respondent operates or has operated a common-use airport lounge (for a maximum total of three business references from current or former airport sponsors).

- B. General Manager (GM) Experience:** Respondent must identify a full-time, dedicated on-site General Manager (GM), who will be responsible for the management and oversight of the day-to-day operations of the common-use lounge. Respondent's GM should have, within the last three years, a minimum of one year of experience managing and supervising lounge services in an airport.

Respondent should provide details demonstrating its General Manager having the best qualifications, experience, and ability to develop and manage the proposed lounge at Phoenix Sky Harbor Airport (PHX).

Respondent must provide the following information:

1. An Executive Summary of proposed General Manager's experience managing and supervising airport lounges.
2. Proposed General Manager's resume.

Tab 5: BUSINESS OPERATIONS CRITERIA

A. Capital Investment

Successful Respondent will be required to invest and to build out and furnish the common-use airport lounge. **Respondent must propose an initial capital investment that must be greater than \$250.00 per square foot.**

Respondent must provide the following information:

1. Complete Exhibit 5



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B. Financial Projections (Pro Forma)

Respondent must indicate the projected gross sales and expenses for each year of operation, including optional extension years. The Pro-forma shall be evaluated by the selection panel in terms of reasonableness; demonstrated understanding of the proposed location; viability of the proposed operation; and ability to fund continuing operations from cash flow generated by the business.

Respondent must provide the following information:

1. Complete Exhibit 6
2. Please submit in writing the underlying assumptions and any additional documentation supporting sales projections. The underlying assumptions information should not exceed one (1) 8.5" by 11" type-written page.

C. Marketing Plan: Monetization of Partnerships (Airlines, Credit Card Companies, etc.)

Respondent must demonstrate they have contractual relationships with organizations whose customers will use the common-use lounge under that organization's contract, and with no direct fee to the customer.

A percentage of the gross revenues to the successful Respondent under these contracts are an important source of revenue to PHX. Therefore, the Respondent should provide evidence of existing contractual relationships and a plan to generate new contractual relationships to grow the lounge's customer base.

Respondent must provide the following information:

1. A summary and evidence of existing contractual relationships with organizations whose customers will use the lounge;
 - a. Acceptable evidence may include, but is not limited to, copies of contracts or agreements, letters of reference, or letters of commitment.
 - b. Acceptable organizations may include, but are not limited to, airlines and credit card companies.
2. A summary and evidence of the financial effect of such relationships;
 - a. Acceptable evidence may include, but is not limited to, copies of contracts or agreements identifying a minimum monthly or annual fee paid by the organization to the Respondent in exchange for



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providing lounge access to customers at other airports, sales records for the previous three years identifying fees paid by the organization to the Respondent, or letters of agreement with organizations identifying an agreed upon rate with a pro forma for the term of the contract attached.

- b. A plan to generate contractual relationships with other organizations to grow the lounge's customer base and Respondent's gross sales.

D. Marketing Plan: Daily Passes

Respondent shall describe the daily passes it will offer to customers not affiliated with partner organizations.

Respondent must provide the following information:

1. A comprehensive list of all daily passes it will offer, which must detail the services and amenities the pass will give the customer access to and the respective price.
2. A plan to grow the number of customers that purchase daily passes.

E. Marketing Plan: Other Goods / Services

Upon commencing operations, the successful Respondent must provide to customers, at a minimum:

- i. Complimentary, high-speed Wi-Fi access;
- ii. A variety of food options, including hot and cold items;
- iii. A variety of beverage options, including hot and cold tea, soft drinks, wine, beer, and liquor;
- iv. Current, complimentary, local and national newspapers; and
- v. Television service, including local and national news and live sporting events.

Respondent shall identify any goods or services that will be provided, whether complimentary or for cost, to customers of the lounge.

Respondent must provide the following information:

1. A detailed list of goods and services, including any locally sourced products that will be available to lounge customers;
2. The cost to customers for such goods and services;
3. A plan to grow the use/purchase of such goods and services.



SECTION III – RESPONSE INSTRUCTIONS

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- F. **Management Plan: Organizational Structure:** Respondent must provide details regarding its organizational structure and demonstrate how local operations will be supported by corporate leadership.

Respondent must provide the following information:

1. Names, titles, and experience summaries for its corporate leadership;
2. An organizational chart;
3. Respondent's strategy for ensuring local operations are supported by corporate leadership.

- G. **Management Plan: Staffing Plan:** Respondent must define local management frontline, and support staff positions.

Aviation is dedicated to exceptional customer service and will require the successful Respondent to operate concession spaces in an efficient, customer friendly, well-run manner to meet the needs of customers. Existing common club room employees who have worked at T4 have developed invaluable knowledge and experience regarding PHX operations and the professional handling of conditions specific to an airport, such as sudden influxes of customers during peak periods of the day, changes in airline schedules, impact of weather conditions, etc.

The successful Respondent and their Partners must hire from the pool of employees who are employed by the current T4 common use club operator in similar job classifications and retain those employees for 120 days from Commencement Date.

The Successful Respondent and their Partners may only interview employee candidates outside this group of T4 common club room employees when there are no longer any employees of the current T4 common club room available to hire in similar job classifications.

Respondent must provide the following information:

1. Descriptions of each position that will staff the lounge;
2. A sample schedule by shift for one month of operations;
3. Descriptions of the hiring process, employee training program, benefits available to employees, incentive programs, and how the Respondent ensures compliance with and educates its employees of the Equal Pay Acts.



SECTION III – RESPONSE INSTRUCTIONS

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H. **Management Plan: Customer Service Plan:** Respondent must clearly define its customer service strategy and demonstrate how it will provide first-class service.

Respondent must provide the following information:

1. Description of Respondent's customer service program and philosophy;
2. Description of Americans with Disabilities Act (ADA) and customers with special needs program;
3. Description of customer dispute resolution program.

Tab 6: CONCEPT AND DESIGN CRITERIA

Respondent must demonstrate its proposed lounge facility layout, facility design, and the construction phasing plan and schedule that will allow Successful Respondent to maintain a temporary lounge that is open during construction of lounge improvements.

1. Description of layout, including any unique attributes, and the floor plan.
2. Description of design, including any unique attributes;
 - a. Architectural renderings including:
 - i. Exterior – overall design to include color scheme, signage and graphics, lighting, etc.
 - ii. Interior – overall design to include color scheme, materials, lighting, displays, bars, lounge areas, tables, chairs, etc.
3. Detailed approach to phasing the construction of the lounge space, including key milestones and total project timeline while continuing to keep a temporary lounge operational until construction is completed.

Responses must be received by Aviation's administrative receptionist at the address listed on page 1, during the normal business hours of 8:00 a.m. to 5:00 p.m., before the solicitation deadline listed on page 1. Respondents may correct or withdraw their Response(s) any time before the solicitation deadline listed on page 1.

Responses received after the deadline date and time will be rejected as non-responsive unless Good Cause is shown. If a late Response is submitted, the Aviation Department will document the date and time of the submittal of the late Response, keep the Response and notify the Respondent that its Response was disqualified for being a late Response.



SECTION III – RESPONSE INSTRUCTIONS

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B. FORM OF RESPONSE

Responses must conform to the format specified above. Responses that are incomplete, obscure, conditional, or contain additions not requested, changes, or exceptions to material provisions or requirements of this RCS, or irregularities of any kind, are subject to rejection as non-responsive.

Forms are provided as Exhibits of the RCS to organize the information to be submitted in each Response. The forms must be submitted, with no modifications, additions, or conditions, in the Response in the size in which they are provided with the same font style and size used on the Exhibits. Each Respondent is responsible for ensuring the forms are complete.

Where financial or numerical data is provided, the Respondent is responsible for the accuracy of its numbers and calculations. All dollar amounts must be in U.S. dollars.

The original Response and each hard copy must be submitted in a 3-ring 8.5" x 11" binder. Responses are limited to thirty (30) double-sided (or 60 single-sided), letter-size pages typed in 12 point Arial font. The pages of each Response must be numbered. Exhibits and financial information, including the Pro Forma, will not be counted towards the 30 double-sided (or 60 single-sided) page limit.

Respondents are responsible for reading and complying with all requirements of this RCS.



SECTION IV – DETERMINATION OF RESPONSIVENESS AND RESPONSIBILITY AND EVALUATION

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A. **RESPONSIVENESS AND RESPONSIBILITY**

All Responses will be reviewed for responsiveness and responsibility, documentation of minimum qualifications, completeness, and adherence to the RCS requirements.

The qualifications will be reviewed by the Procurement Officer or an evaluation panel in accordance with the criteria set forth in the RCS. If the Respondent's Response is deemed not responsive or not responsible, as defined in Definitions, Section 1B, of this RCS, or does not meet the minimum qualifications, then no additional opportunity to supplement the qualifications will be afforded to the Respondent.

City reserves the sole right to determine the sufficiency of qualifications and experience of all Respondents.

B. **EVALUATION PANEL**

The Aviation Director will appoint an evaluation panel to evaluate all responsive Responses and recommend the Respondent to be awarded the Contract resulting from this RCS. The Procurement Officer may accept the evaluation panel's recommendation and submit it to the Phoenix City Council for approval, or may reject the recommendation. If only one Response is responsive to this RCS, then the Aviation Director shall have the discretion to determine whether the evaluation panel(s) or staff will evaluate the responsive Response.

The evaluation panel may interview all Respondents or create a short-list of Respondents to interview. The same evaluation panel will be used for the short-list and the interview process. A short-list of Responses, when used, is a list of Responses identified by the evaluation panel, based on the evaluation criteria in this RCS, as those that have a substantial chance of resulting in contract award in comparison to all responsive Responses submitted. The evaluation panel may consider information from the interviews that clarifies the written Responses.

The evaluation panel will score the Responses by consensus based on the evaluation criteria. The City will retain the consensus scoring for each criterion for each Respondent. The City does not retain individual panelists' scores.

C. **DISCUSSIONS**

The Procurement Officer may hold Discussions, based on the evaluation panel's review. Discussions may be conducted orally but shall be confirmed in writing. In conducting Discussions, the Procurement Officer may not disclose any information derived from Responses submitted by competing Respondents. The Procurement Officer may request Response revisions from all Respondents with whom discussions were held. The Procurement Officer will facilitate the evaluation of any revisions in the revised Responses resulting from the discussions.



SECTION V – GENERAL TERMS AND CONDITIONS OF THE RESPONSE

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A. SOLICITATION TRANSPARENCY POLICY

1. Commencing on the date and time a solicitation is published, potential or actual Respondents (including their representatives) shall only discuss matters associated with the solicitation with the Mayor, any members of City Council, the City Manager, any Deputy City Manager, or any department director directly associated with the solicitation (including in each case their assigned staff, except for the designated procurement officer or their designee) at a public meeting, posted under Arizona Statutes, until the resulting agreement is awarded or all Responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the same or similar solicitation. As long as the solicitation is not discussed, potential or actual Respondents may continue to conduct business with the City and discuss business that is unrelated to the solicitation with the City staff who is not involved in the selection process.
2. Potential or actual Respondents may discuss their Response or the solicitation with the Mayor or one or more members of the Phoenix City Council, provided such meetings are scheduled through the Procurement Officer, and are posted as open meetings with the City Clerk at least 24 hours prior to the scheduled meetings. The City Clerk will be responsible for posting the meetings. The posted notice will identify the participants and the subject matter, as well as invite the public to participate.
3. With respect to the selection of the successful Respondent, the City Manager and/or City Manager's Office will continue the past practice of exerting no undue influence on the process. In all solicitations of bids and proposals, any direction on the selection from the City Manager and/or City Manager's Office and Department Head (or representative) to the proposal review panel or selecting authority must be provided in writing to all prospective or actual Respondents.
4. This policy is intended to create a level playing field for all Respondents, assure that contracts are awarded in public, and protect the integrity of the selection process. **RESPONDENTS THAT VIOLATE THIS POLICY WILL BE DISQUALIFIED.** After official Notice is received by the City for disqualification, the Respondent may follow the Protest process, unless the Solicitation is cancelled without notice of intent to re-issue.
5. "To discuss" means any contact by the potential or actual Respondent, regardless of whether the City responds to the contact. Respondents that violate this policy will be disqualified until the resulting agreement is awarded, or all Responses are rejected and the solicitation is cancelled without any announcement by the Procurement Officer of the City's intent to reissue the



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same or a similar solicitation. The City interprets the policy as continuing through a cancellation of a solicitation until Council award of the agreement, as long as the City cancels with a statement that the City will rebid the solicitation.

B. EQUAL OPPORTUNITY & NONDISCRIMINATION ASSURANCE

The City extends to all Respondents an equal economic opportunity to compete for City business and strongly encourages the participation of ACDBE firms and Small Business. The Successful Respondent is required to adopt and incorporate the following nondiscrimination policy statement in all contractual arrangements (49 CFR Part 23.25):

The *Successful Respondent* will not exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of this contract covered by 49 CFR Parts 23 and 26 on the basis of race, color, sex, or national origin. In fulfilling ACDBE Program requirements, the *Successful Respondent* will not, directly or through contractual or other arrangements, use criteria or methods of selection that have the effect of defeating or substantially impairing accomplishment of the objectives of the ACDBE Program with respect to individuals of a particular race, color, sex, or national origin. The Successful Respondent further agrees to meet the non-discrimination requirements provided in 49 CFR Part 26, §26.7 with respect to the award and performance of any sub-concession agreement, management contract or subcontract, purchase or lease agreement, or other agreement covered by this subpart.

C. AWARD RECOMMENDATION

All award recommendations will be posted on the following phoenix.gov website: <https://www.phoenix.gov/finance/business-opportunities/bid-awards-and-recommendations>

When the City posts the award recommendation, the procurement file for this RCS will be available upon request for review. The procurement file consists of the RCS, any addenda, advertising documents, Responses, evaluation process documents, pre-response meeting documents, Q&A, signed conflict of interest statements used in this process and confirmation of the RCS's posting to the phoenix.gov solicitation website.

D. DISCLOSURE OF CONFIDENTIAL AND PROPRIETARY INFORMATION

1. All materials submitted by Respondents are the property of the City and become a matter of public record available for review pursuant to Arizona law. A Respondent may request specific information contained within its Response be treated by the procurement officer as confidential or proprietary



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(collectively confidential) provided the Respondent clearly labels the information "confidential". To the extent necessary for the evaluation process, information marked as "confidential" will not be treated as confidential.

2. Once the procurement file becomes available for public inspection, the procurement officer will not make any information identified by the Respondent as "confidential" available to the public unless necessary to support the evaluation process or if specifically requested in accordance with applicable public records law. When a public records request for such information is received, the procurement officer will notify a Respondent in writing of any request to view any portion of its offer marked "confidential." The Respondent will have seven (7) calendar days to obtain a court order enjoining such disclosure. If the Respondent does not provide the procurement officer with a court order enjoining release of the information during the designated time period, the procurement officer will make the information requested available for inspection.

E. CITY'S RESERVATION OF RIGHTS

The City may:

1. Accept or reject any or all Responses in whole or in part;
2. Cancel this RCS in whole or in part;
3. Negotiate any Response elements in a manner that does not create an unfair advantage for any Respondent;
4. Reissue this RCS with or without modification;
5. Waive any non-material defects in any Response or the procurement process; and
6. Take any other legal action deemed to be in the City's best interest.

F. CITY'S RIGHT TO DISQUALIFY FOR CONFLICT OF INTEREST

The City may disqualify a Response if the Respondent has a real or apparent conflict of interest disclosed in its Response or discovered from any other source. During the term of the Contract resulting from this RCS, the Successful Respondent's employees may not be involved in any other Aviation-related business, including as an employee, owner, subtenant and/or joint venture partners, or consultant, which presents a real or apparent conflict of interest. All determinations regarding conflicts of interest will be made at the sole discretion of the Aviation Director, whose decision is final.



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G. RESPONDENT INCURRED COSTS

All costs incurred by the Respondent in connection with this RCS must be borne solely by the Respondent. Under no circumstances will the City be responsible for any costs associated with the Respondent's Response or the RCS process.

H. CITY'S SOLE DETERMINATION OF RESPONSIVENESS AND RESPONSIBILITY AND RIGHT TO INVESTIGATE

Responses will be reviewed for documentation of minimum qualifications, completeness, and compliance with the RCS requirements. The City reserves the sole right to determine responsiveness and responsibility, which includes the City's determination of the Respondent's integrity, skill, capacity, experience, and facilities for conducting the work to be performed.

The City's determination as to whether a Respondent is responsible will be based on the information furnished by the Respondent, interviews (if any), and any other sources the City deems appropriate. Award of the Agreement resulting from this RCS will not be made until such investigations, which each Respondent agrees to permit by submitting its Response, are made by the City as it deems necessary.

I. RESPONDENT CERTIFICATION AND AFFIDAVIT

By submission of a Response, each Respondent certifies it has not paid or agreed to pay any fee or commission, or any other item of value contingent on the award of a Contract to any employee, official or current contracting consultant of the City. Any Respondent that is unable to comply with any required certifications may be disqualified.

In compliance with Arizona Revised Statutes §§ 1-501 and 1-502(D), the City will require any Successful Respondent that submits its Response as a sole proprietorship or as an individual to complete the Affidavit of Lawful Presence posted at <https://www.phoenix.gov/Documents/lawfulpresence.pdf> prior to the award of any Contract resulting from this RCS process.

J. PROTEST POLICY

1. Conditions for Protest:

- a. An aggrieved party may protest the contents of the RCS up to seven (7) calendar days before the solicitation deadline listed on page 1 when the protest is based on alleged mistakes, improprieties or defects. If an aggrieved party submits a protest based on alleged mistakes,



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improprieties or defects, they must also submit a Response by the solicitation deadline listed on page 1 if they want to be considered for award of the Agreement. Any potential Respondent should identify any alleged mistakes, improprieties or defects through the Q&A process in Section I (J).

- b. Respondents may protest an adverse determination issued by the procurement officer regarding whether the Respondent is responsible or its Response is responsive within seven (7) calendar days of the date the Respondent was notified of the adverse determination.
- c. Respondents may protest an award recommendation within seven (7) calendar days of its posting at:
<https://www.phoenix.gov/finance/business-opportunities/bid-awards-and-recommendations>

If the Respondent can establish that it had a substantial chance of being awarded the contract and will be harmed by the recommended award. The date the Award Recommendation Notice is posted will initiate the seven (7) day Protest Period. That is, the date the Notice is posted will be day zero (0), with the following day counted as day one (1) and so forth through Close of Business (5:00 PM local Phoenix time) on calendar day seven (7).

2. Submitting a Protest

- a. Protests received after the protest due dates set forth in this RCS will not be considered, except for Good Cause.
- b. In the event the aggrieved party submits a public records request after receiving the applicable notice but prior to the deadline to file a protest, the procurement officer will extend the deadline one day for every day between the day the City receives the public records request and the day the public records are produced, the request is otherwise addressed by the City or a court of competent jurisdiction enjoins disclosure of the requested records.
- c. To be considered, all protests must be submitted in writing and must include:
 - RCS number and title;
 - Name, address, telephone number, and email address of the protester;
 - Detailed statement of the legal or factual basis of the protest including any copies of relevant documents;
 - The relief requested;



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- Signature of the protester or its authorized representative;
 - A Respondent protesting an award recommendation will also establish in its protest that it had a substantial chance of being awarded the Agreements and will be harmed by the recommended award.
- d. The procurement officer for the solicitation has the authority to review, decide and settle protests.
- e. Deadlines in the solicitation are not required to be postponed solely on the basis of receiving a solicitation protest. Only upon written notice from the procurement officer will a solicitation deadline be postponed, at the City's sole discretion.
- f. The procurement officer will issue a protest decision in writing within a reasonable period of time stating the reason for the protest decision and advising the aggrieved party or respondent of its right to appeal in accordance with Phoenix City Code.
- g. The procurement officer will not review any supplements or amendments to a Respondent's original protest or any additional protests submitted by the same Respondent. The procurement officer will provide the recommended Respondent copies of award recommendation protest(s) and the City's written decision by fax or email and regular mail with return receipts requested for all methods of delivery.

K. LEGAL WORKER REQUIREMENTS

The City is prohibited by A.R.S. § 41-4401 from awarding an agreement to any RESPONDENT who fails, or whose subcontractors fail, to comply with A.R.S. § 23 214(A). Therefore, RESPONDENT agrees that:

1. RESPONDENT and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A.
2. A breach of warranty under paragraph 1 will be deemed a material breach of the Agreement and is subject to penalties up to and including termination of the Agreement.
3. The City retains the legal right to inspect the papers of the RESPONDENT or subcontractor employee(s) who work(s) on this Agreement to ensure that RESPONDENT or subcontractor is complying with the warranty under paragraph 1.



SECTION VI – EXHIBITS

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EXHIBIT 1

DRAFT CONTRACT

Available at: <https://www.phoenix.gov/solicitations/1474>



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EXHIBIT 2

Proposed First Year Minimum Annual Guarantee (MAG)

Table 1: Proposed First Year Minimum Annual Guarantee (MAG)

| Proposed First Year MAG | Proposed First Year MAG - Written in words |
|-------------------------|--|
| \$ _____ | _____ |

Respondents that propose an amount less than the First Year Minimum MAG of \$350,000 will be deemed non-Responsive.

ATTEST:

(Company Name)

(Witness Signature)

BY: _____
(Signature of Chief Financial Officer)

(Printed Name of Chief Financial Officer)

DATE: _____

Phone No.: _____



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EXHIBIT 3

Respondent Business References

Minimum Qualifications: Respondent must provide three business references that are familiar with the Respondent's operations.

- a. One business reference must be from a financial institution which can provide financial verification.
- b. One business reference must be from an airline which, under partnership or agreement, Respondent served the airline's passengers in Respondent's lounge facilities.
- c. One business reference must be from a current or former airport sponsor in which the Respondent operated a common-use airport lounge.
 - i. Respondent may, at its discretion, provide up to two additional business references from current or former airport sponsors in which the Respondent operates or has operated a common-use airport lounge (for a maximum total of three business references from current or former airport sponsors).

Respondent must list contact information for the business references in the spaces provided below.

1) Financial Institution Reference Contact Name:

Reference Contact Title: _____

Financial Institution Name: _____

Address: _____

Phone #: _____ Email: _____

2) Airline Reference Contact Name: _____

Reference Contact Title: _____

Airline Name: _____

Address: _____

Phone #: _____ Email: _____



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3) Airport Reference Contact Name: _____

Reference Contact Title: _____

Airport Name: _____

Annual Gross Receipts per Airport Lounge: _____

Address: _____

Phone #: _____ Email: _____

4) (OPTIONAL): Airport Reference Contact Name: _____

Reference Contact Title: _____

Airport Name: _____

Annual Gross Receipts per Airport Lounge: _____

Address: _____

Phone #: _____ Email: _____

5) (OPTIONAL): Airport Reference Contact Name: _____

Reference Contact Title: _____

Airport Name: _____

Annual Gross Receipts per Airport Lounge: _____

Address: _____

Phone #: _____ Email: _____



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EXHIBIT 4

Minimum Qualifications Verification

Financial Capacity to Design, Construct, Operate, and Maintain Concept submitted in Response.

Respondent must clearly demonstrate its financial ability and operating capability for the proposed non-exclusive Common-Use Airport Lounge. The Respondent must submit financial documents that demonstrate its sustainability and ability to operate throughout the 7-year term of the Lease as follows:

Respondents must include the following documents with your Response for the most recent two (2) calendar / fiscal years:

- 1) Two (2) copies of audited corporation Financial Statements prepared and audited by an independent, licensed CPA according to Generally Accepted Accounting Principles (GAAP) and including a balance sheet, income statement, cash flow statement, and accompanying accountant's notes.



SECTION VI – EXHIBITS

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EXHIBIT 5

Proposed Capital Investment

Respondent must propose an initial capital investment that must be greater than \$250.00 per square foot. The premise is approximately 9,532 square feet.

| Proposed Initial Capital Investment | Proposed Capital Investment - Written in words |
|-------------------------------------|--|
| \$ _____ | _____ |

Respondents that propose an amount less than the \$250.00 per square foot capital investment will be deemed non-Responsive.

ATTEST:

(Company Name)

(Witness Signature)

BY: _____
(Signature of Chief Financial Officer)

(Printed Name of Chief Financial Officer)

DATE: _____

Phone No.: _____



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EXHIBIT 6

Financial Projections: Pro-Forma (Available for download)

| GROSS RECEIPTS (SALES) | Year 1 | | Year 2 | | Year 3 | | Year 4 | | Year 5 | | Year 6 | | Year 7 | |
|---|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|
| | | % of sales |
| Sales: Terminal 4 | | | | | | | | | | | | | | |
| | | % | | % | | % | | % | | % | | % | | % |
| | | % | | % | | % | | % | | % | | % | | % |
| Total Gross Receipts | \$ - | 100% | \$ - | 100% | \$ - | 100% | \$ - | 100% | \$ - | 100% | \$ - | 100% | \$ - | 100% |
| | | % of |
| Cost of Goods Sold (COGS) | | % | | % | | % | | % | | % | | % | | % |
| Gross Profit | | % | | % | | % | | % | | % | | % | | % |
| Other Income (please list): | | | | | | | | | | | | | | |
| | | % | | % | | % | | % | | % | | % | | % |
| | | % | | % | | % | | % | | % | | % | | % |
| Total Income net of COGS | | % | | % | | % | | % | | % | | % | | % |
| OPERATING EXPENSES | | | | | | | | | | | | | | |
| Payroll | | % | | % | | % | | % | | % | | % | | % |
| Payroll taxes and employee benefits | | % | | % | | % | | % | | % | | % | | % |
| Percentage rent | | % | | % | | % | | % | | % | | % | | % |
| Franchise or license fees | | % | | % | | % | | % | | % | | % | | % |
| Repairs and maintenance | | % | | % | | % | | % | | % | | % | | % |
| Support space rent | | % | | % | | % | | % | | % | | % | | % |
| Office, storage, distribution expenses | | % | | % | | % | | % | | % | | % | | % |
| Utilities | | % | | % | | % | | % | | % | | % | | % |
| Insurance | | % | | % | | % | | % | | % | | % | | % |
| Credit card fees | | % | | % | | % | | % | | % | | % | | % |
| Licenses and permits | | % | | % | | % | | % | | % | | % | | % |
| Administrative and general | | % | | % | | % | | % | | % | | % | | % |
| Other operating expenses (please list): | | % | | % | | % | | % | | % | | % | | % |
| | | % | | % | | % | | % | | % | | % | | % |
| | | % | | % | | % | | % | | % | | % | | % |
| | | % | | % | | % | | % | | % | | % | | % |
| | | % | | % | | % | | % | | % | | % | | % |
| Total Operating Expenses | \$ - | % | \$ - | % | \$ - | % | \$ - | % | \$ - | % | \$ - | % | \$ - | % |
| EBITDA | | % of sales |
| Earnings before Interest, Tax, Depreciation, and Amortization | \$ - | % | \$ - | % | \$ - | % | \$ - | % | \$ - | % | \$ - | % | \$ - | % |
| | | % of |
| Interest, Depreciation, and Amortization | | % | | % | | % | | % | | % | | % | | % |
| NET PROFIT OR LOSS BEFORE TAX | \$ - | % | \$ - | % | \$ - | % | \$ - | % | \$ - | % | \$ - | % | \$ - | % |
| Annual Gross Sales per S.F. | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | |
| Annual Gross Sales per Enplaned Passenger | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | | \$ | |
| Annual percent change in Gross Sales from prior year | | | % | | % | | % | | % | | % | | % | |



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EXHIBIT 7

AFFIDAVIT

Assurances

The undersigned Respondent hereby submits to the City of Phoenix (City) the enclosed Revenue Contract Solicitation Response (Response) based upon all terms and conditions set forth in the City's Revenue Contract Solicitation (RCS) and referenced materials. Respondent further specifically agrees hereby to provide services in the manner set forth in the Response submitted by Respondent.

The undersigned Respondent acknowledges and states, under penalty of perjury, as follows:

1. The City is relying on Respondent's submitted information and the representation that Respondent has the capability to successfully undertake and complete the responsibilities and obligations submitted in its Response and in the resulting Contract.
2. The City has the right to make any further inquiry it deems appropriate to substantiate or supplement information supplied by Respondent.
3. Respondent has read and fully understands all the provisions and conditions set forth in the RCS documents, upon which its Response is based.
4. The forms and information requested in the RCS are complete and made part of Respondent's Response. The City is not responsible for any Respondent errors or omissions.
5. This Response may be withdrawn by requesting such withdrawal in writing at any time prior to the Response deadline but may not be withdrawn after such date and time.
6. The City reserves the right to reject any and all Responses and to accept the Response that, in its judgment, will provide the best quality of service to the City at reasonable rates.
7. This Response is valid for a minimum of 120 days subsequent to the RCS Response deadline.
8. All costs incurred by Respondent in connection with this Response will be borne solely by Respondent. Under no circumstances will the City be responsible for any costs associated with Respondent's Response or the RCS process.
9. Respondent has not in any manner, directly or indirectly, conspired with any person or party to unfairly compete or compromise the competitive nature of the RCS process.
10. The contents of this Response have not been communicated by the undersigned nor by any employee or agent to any other person engaged in this type of business prior to the official opening of this Response.
11. To the best of the Respondent's knowledge, the information provided in its Response is true and correct and neither the undersigned Respondent nor any Partner, corporate officer or managing employee have ever been convicted of a felony or a crime involving moral turpitude.



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**CITY OF PHOENIX
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Contracts & Services
2485 East Buckeye Road,
2nd Floor
Phoenix, AZ 85034**

Name of **Respondent's** Company (Legal Name): _____

Printed Name of Authorized Person: _____

Title: _____

Business Address of Respondent: _____

Telephone: _____ Email: _____

Signature of Authorized Person*: _____

*Must be signed by an individual authorized to contractually bind the Respondent's company.

NOTARIZED

State of _____ County of _____

This Affidavit was subscribed and sworn to before me this _____ day of _____, 20__ by
_____ (full name of the affiant).

Notary Public (signature)

Affix Notary Seal



SECTION VI – EXHIBITS

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EXHIBIT 8

LETTER OF DECLARATION

The undersigned Respondent agrees to comply with the provisions of the Federal **Equal Pay Act of 1963**, State **A.R.S. § 23-341**, and City **PCC 18-21** regarding equal wage and compensation rates for employees, as it applies to its activities under this Lease.

I declare under penalty of perjury that the foregoing is true and correct.

By: _____
Print Name

Signature

Date: _____

PHOENIX CITY CODE (PCC)

ARTICLE V. SUPPLIER’S AND LESEE’S EQUAL EMPLOYMENT OPPORTUNITY REQUIREMENTS

18-21 Requirements of suppliers and lessees

Any supplier/lessee in performing under this contract will not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The supplier and/or lessee must ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability, and must adhere to a policy to pay equal compensation to men and women who perform jobs that require substantially equal skill, effort, and responsibility, and that are performed within the same establishment under similar working conditions. Such action will include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training; including apprenticeship. The supplier further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract. The supplier/lessee further agrees not to discriminate against any worker, employee or applicant, or any member of the public, because of sexual orientation or gender identity or expression and will ensure that applicants are employed, and employees are dealt with during employment without regard to their sexual orientation or gender identity or expression*

*Last sentence applies to lessees who employ more than 35 employees.



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FEDERAL

Equal Pay/Compensation

The Equal Pay Act requires that men and women in the same workplace be given equal pay for equal work. The jobs need not be identical, but they must be substantially equal. Job content (not job titles) determines whether jobs are substantially equal. All forms of pay are covered by this law, including salary, overtime pay, bonuses, stock options, profit sharing and bonus plans, life insurance, vacation and holiday pay, cleaning or gasoline allowances, hotel accommodations, reimbursement for travel expenses, and benefits. If there is an inequality in wages between men and women, employers may not reduce the wages of either sex to equalize their pay

STATE

23-341. Equal wage rates: variations: penalties: enforcement

A. Notwithstanding the other provisions of this chapter, no employer will pay any person in his employ at wage rates less than the rates paid to employees of the opposite sex in the same establishment for the same quantity and quality of the same classification of work, provided, that nothing herein will prohibit a variation of rates of pay for male and female employees engaged in the same classification of work based upon a difference in seniority, length of service, ability, skill, difference in duties or services performed, whether regularly or occasionally, difference in the shift or time of day worked, hours of work, or restrictions or prohibitions on lifting or moving objects in excess of specified weight, or other reasonable differentiation, factor or factors other than sex, when exercised in good faith.

B. Any employer who violates subsection A of this section is liable to the employee affected in the amount of the wages of which such employee is deprived by reason of such violation.

C. Any affected employee may register with the commission a complaint that the wages paid to such employee are less than the wages to which such employee is entitled under this section.

D. The commission will take all proceedings necessary to enforce the payment of any sums found to be due and unpaid to such employees.

E. Any employee receiving less than the wage to which such employee is entitled under this section may recover in a civil action the balance of such wages, together with the costs of suit, notwithstanding any agreement to work for a lesser wage.

F. Any action based upon or arising under this section will be instituted within six months after the date of the alleged violation, but in no event will any employer be liable for any pay due under this section for more than thirty days prior to receipt by the employer of written notice of claim thereof from the employee.

G. The burden of proof will be upon the person bringing the claim to establish that the differentiation in rate of pay is based upon the factor of sex and not upon other differences, factor or factors. 23-341



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7. Disclosure of conflict of interest:

Are you aware of any fact(s) with regard to this solicitation or resulting contract that would raise a “conflict of interest” issue under City Code Section 43-34?

“An elected City official or a City employee will not represent any person or business for compensation before the City regarding any part of a procurement, including any resulting contract, if during the time the elected official is or was in office or the employee is or was employed by the City such elected official or employee played a material or significant role in the development of the solicitation, any other part of the procurement, or the contract award.”

- I am not aware of any conflict(s) of interest under City Code Section 43-34.
- I am aware of the following potential or actual conflict(s) of interest:

8. Notice Regarding Prohibited Interest in Contracts

State law and the Phoenix City Charter and Code prohibit public officers or employees, their close relatives, and any businesses they, or their relatives, own from (1) representing before the City any person or business for compensation, (2) doing business with the City by any means other than through a formal procurement, and (3) doing business with the City without disclosing that the person has an interest in the contract. This prohibition extends to subcontracts on City contracts and also applies to parent, subsidiary, or partner businesses owned by a public officer or employee. See A.R.S. Sections 38-501 through 38-511, for more information (City Charter, Chapter 11, applies the state conflict-of-interest law to City employees).

Please note that any contract in place at the time a person becomes a public officer or employee may remain in effect. But the contract may not be amended, extended, modified, or changed in any manner during the officer’s or employee’s city service without following city administrative regulations.

Are you aware of any fact(s) with regard to this contract that would raise a “conflict of interest” issue under A.R.S. Sections 38-501 through 38-511? (See Arizona Revised Statutes regarding conflict of interest at www.azleg.gov).

- I am not aware of any conflict(s) of interest under Arizona Revised Statutes Sections 38-501 through 38-511.
- I am aware of the following conflict(s) of interest:



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9. Acknowledgements

Solicitation Transparency Policy – No Contact with City Officials or Staff During Evaluation

- I understand that a person or entity who seeks or applies for a city contract, or any other person acting on behalf of that person or entity, is prohibited from contacting city officials and employees regarding the contract after a solicitation has been posted.
- This “no-contact” provision only concludes when the contract is awarded at a City Council meeting. If contact is required with City official or employees, the contact will take place in accordance with procedures by the City. Violation of this prohibited contacts provision, set out in City Code Sections 2-190.4 and 43-36, by respondents, or their agents, will lead to **disqualification**.

10. Fraud Prevention and Reporting Policy

- I acknowledge that the City has a fraud prevention and reporting policy and takes fraud seriously. I will report fraud, suspicion of fraud, or any other inappropriate action to: telephone no. 602-261-8999 or 602-534-5500 (TDD); or aud.integrity.line@phoenix.gov.

The purpose of the fraud policy is to maintain the City's high ethical standards. The policy includes a way for our business partners to report wrongdoing or bad behavior. Suspected fraud should be reported immediately to the Phoenix Integrity Line. The City has adopted a zero-tolerance policy regarding fraud.

OATH

PRINT NAME

TITLE

SIGNATURE

DATE

COMPANY (CORPORATION, LLC, ETC.) NAME and DBA



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EXHIBIT 10 SUPPLEMENTAL TERMS AND CONDITIONS TO ALL AIRPORT AGREEMENTS

A. Definitions

1. "Airport" means Phoenix Sky Harbor International Airport, Phoenix Deer Valley Airport and/or Phoenix Goodyear Airport, in accordance with the context of the contract.
2. "Contract" includes any and all City of Phoenix Aviation Department contracts, subcontracts, agreements, leases, subleases, licenses, permits, concessions or other documents, however denominated that grant or convey a right or privilege on an Airport, and to which this Exhibit is annexed and made a part thereof.
3. "Contractor" means every lessee, sublessee, licensee, permittee, concessionaire or other person, firm or corporation exercising a right or privilege on an airport pursuant to a contract, and includes Contractor's heirs, personal representatives, successors-in-interest and assigns.
4. "Premises" means the leasehold or site occupied by Contractor pursuant to the lease, license or permit that is the subject of this Contract.

B. Assurances

1. Contractor shall furnish its services on a fair, equal and not unjustly discriminatory basis to all users of the Airport.
2. Contractor shall charge fair, reasonable and not unjustly discriminatory prices for each unit or services; provided that, Contractor may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers. Non-compliance with this requirement shall be a material breach of this Contract for which the City of Phoenix shall have the right to terminate this Contract and any estate created herewith, without liability therefor; or, at the election of the City of Phoenix or the United States, either or both of said Governments shall have the right to judicially enforce said requirement.
3. Contractor warrants that no person shall, on the grounds of race, creed, color, national origin, sex, age or disability, be excluded from participating in any activity conducted on or from the Premises, or otherwise be excluded from the benefits offered by Contractor to the general public. Contractor further warrants that it will comply with all pertinent statutes, Executive Orders, and rules promulgated thereunder, to assure that no person is excluded on the grounds of race, creed, color, national origin, sex, age, or disability, including, without limitation, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990.



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4. As a part of the consideration for this Contract, Contractor does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Premises for a purpose for which a DOT program or activity is extended for another purpose involving the provision of similar services or benefits, Contractor shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Code of Federal Regulations, Title 49, DOT, Subtitle A, Office of the Secretary of Transportation, Part 21- Nondiscrimination in Federally-Assisted Programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964, as said regulations exist and may be amended from time-to-time.

If this Contract is a lease, then this Covenant is hereby made a covenant running with the land for the term of the lease, and is judicially enforceable by the United States.

5. As a part of the consideration of the Contract, Contractor does hereby covenant and agree that: (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) in the construction of any improvements on, over or under such Premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; and that the contractor shall use the Premises in accordance with all other requirements imposed pursuant to 49 C.F.R. Part 21, as it may be amended.

If this Contract is a lease, then this Covenant is hereby made a covenant running with the land for the term of the lease, and is judicially enforceable by the United States.

6. The foregoing discrimination covenants are a material part of this Contract and for breach thereof the City of Phoenix shall have the right to terminate this Contract and to reenter and repossess the Premises and facilities thereon, and hold the same as if said Contract had never been made. This provision does not become effective until the procedures of 49 C.F.R. Part 21 are followed and completed, including expiration of appeal rights.
7. Contractor agrees to insert the foregoing six provisions in any contract by which Contractor grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on or from the Premises.
8. Contractor agrees that it will undertake an affirmative action plan in conformance with 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin or sex be excluded from participating in any employment, contracting or leasing activities covered in 14 C.F.R. Part 152, Subpart E. Contractor assures that no person will be excluded on such grounds



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from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Contractor further agrees that it will require its covered suborganizations to provide assurances to Contractor that they similarly will undertake affirmative action programs and that they will require like assurances from their suborganizations, as required by 14 C.F.R. Part 152, Subpart E.

9. City of Phoenix reserves the right to further develop, improve, repair and alter the Airport and all roadways, parking areas, terminal facilities, landing areas and taxiways as it may reasonably see fit, free from any and all liability to Contractor for loss of business or damages of any nature whatsoever to Contractor occasioned during the making of such improvements, repairs, alterations and additions.
10. The City of Phoenix reserves the right, but is in no way obligated to Contractor, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Contractor in this regard.
11. Contractor acknowledges that this Contract is subordinate to any existing or future agreement between the City of Phoenix and the United States concerning the development, operation or maintenance of the Airport. In the event that FAA or its successors require modifications or changes in the Contract as a condition to the obtaining of funds for improvements at the Airport or as a requirement of any prior grants, Contractor hereby consents to any and all such modifications and changes as may be reasonably required and agrees that it will adopt any such modifications or changes as part of this Contract.
12. The Contract is subordinate to the reserved right of the City of Phoenix, its successors and assigns, to occupy and use for the benefit of the public the airspace above the Premises for the right of flight for the passage of aircraft. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft through said airspace or in landing at or taking off from, or operation on an Airport.
13. Contractor agrees to comply with the notification and review requirements as required by Title 14 of the Code of Federal Regulations, 14 C.F.R. Part 77- Objects Affecting Navigable Airspace, in the event future construction of a structure is planned for the Premises, or in the event of a planned modification of a structure on the Premises. Contractor shall submit the required FAA Form 7460-1— Notice of Proposed Construction or Alteration—and provide documentation showing compliance with the federal requirements. Once the FAA has completed the aeronautical study, Contractor shall provide to the City of Phoenix the FAA determination letter on proposed construction and any impact to air navigation. Contractor covenants for itself, its successors and assigns that it will not erect or permit the erection of any structure or permit the growth of any tree, on the Premises above the mean sea level elevation for: (1) Phoenix Sky Harbor International Airport, 1,133 feet; (2) Phoenix Goodyear Airport, 968 feet;



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(3) Phoenix Deer Valley Airport, 1,476 feet. As a remedy for the breach of said covenant the City of Phoenix reserves the right to enter upon the Premises and remove the offending structure or cut the offending tree, all at the expense of Contractor.

14. Contractor, by accepting this Contract, covenants for itself, its successors and assigns that no use will be made of the Premises that might in any manner interfere with the landing and taking off of aircraft from the Airport, or otherwise constitute a hazard to air navigation. As a remedy for the breach of said covenant the City of Phoenix reserves the right to enter upon the Premises and cause the abatement of such interference, all at the expense of Contractor.
15. Contractor acknowledges that nothing contained in this Contract shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. §40103(e).
16. This Contract and all the provisions hereof are subordinate to whatever rights the United States now has or in the future may acquire affecting the control, operation, regulation and taking-over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during a time of war or national emergency.
17. If the Contract involves construction, the contractor shall carry out the project in accordance with FAA airport design, construction and equipment standards and specifications current on the date of project approval.
18. Contractor is encouraged to use fuel and energy conservation practices.

C. City of Phoenix Equal Employment Opportunity Requirement

1. If Contractor is by this Contract a supplier to, or lessee of, the City, then the requirements of the Phoenix City Code, Chapter 18, Article V applies, including the agreement that:

“Any supplier/lessee in performing under this contract shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, sex, national origin, age, or disability, nor otherwise commit an unfair employment practice. The supplier and/or lessee shall ensure that applicants are employed, and employees are dealt with during employment without regard to their race, color, religion, sex, national origin, age, or disability, and shall adhere to a policy to pay equal compensation to men and women who perform jobs that require substantially equal skill, effort, and responsibility, and that are performed within the same establishment under similar working conditions. Such action shall include but not be limited to the following: employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of



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pay or other forms of compensation; and selection for training; including apprenticeship. The supplier further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or services in connection with this contract.”

Supplier/lessee further agrees that this clause will be incorporated in all subcontracts, job-consultant agreements or subleases of this agreement entered into by supplier/lessee.

If the supplier/lessee employs more than thirty-five employees, the following language shall be included as the last paragraph to the clause above:

“The supplier/lessee further agrees not to discriminate against any worker, employee or applicant, or any member of the public, because of sexual orientation or gender identity or expression and shall ensure that applicants are employed, and employees are dealt with during employment without regard to their sexual orientation or gender identity or expression.”

2. *Documentation.* Suppliers and lessees may be required to provide additional documentation to the Equal Opportunity Department affirming that a nondiscriminatory policy is being utilized.
3. *Monitoring.* The Equal Opportunity Department shall monitor the employment policies and practices of suppliers and lessees subject to this article as deemed necessary. The Equal Opportunity Department is authorized to conduct on-site compliance reviews of selected firms, which may include an audit of personnel and payroll records, if necessary.

D. Immigration Reform and Control Act of 1986 (IRCA)

Contractor understands and acknowledges the applicability of the IRCA to it. Contractor agrees to comply with the provisions of IRCA as it applies to its activities under this Contract and to permit the City of Phoenix to inspect its personnel records to verify such compliance.

E. Conflict of Interest

Contractor acknowledges that the terms and conditions of Arizona Revised Statutes (A.R.S.) § 38-511 are incorporated into this Contract.

F. Legal Worker Requirements

The City is prohibited by A.R.S. § 41-4401 from awarding an agreement to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees that:



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1. Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A.
2. A breach of warranty under paragraph 1 shall be deemed a material breach of the Agreement and is subject to penalties up to and including termination of the Agreement.
3. The City retains the legal right to inspect the papers of the Contractor or subcontractor employee(s) who work(s) on this Agreement to ensure that Contractor or subcontractor is complying with the warranty under paragraph 1.

G. Disadvantaged Business Enterprise Requirements

1. To the extent that this Contract is covered by 49 C.F.R. Part 26, Contractor agrees that this Contract is subject to the requirements of the U.S. Department of Transportation Regulations at 49 C.F.R. Part 26. The Contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Contractor shall carry out applicable requirements of 49 C.F.R. Part 26 in the award and administration of DOT assisted contracts. Failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

Contractor agrees to include the foregoing statement in any subsequent Contract that it enters and cause those businesses to similarly include said statement in further agreements.

2. To the extent that the Contract is a concession agreement covered by 49 C.F.R. Part 23, the concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 C.F.R. Part 23.

The concessionaire or contractor agrees to include the above statements in any subsequent concession agreement or contract covered by 49 C.F.R. Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.

H. No Boycott Provision

If Contractor is providing services, supplies, information technology, or construction work for City of Phoenix by entering into this Contract, Contractor certifies that it is not currently engaged in, and agrees for the duration of the Contract to not engage in, a boycott of Israel, as defined in A.R.S. § 35-393 *et al.*



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Exhibit 11

FORM E01

**STATEMENT OF SMALL BUSINESS OUTREACH COMMITMENT
(Due with Response at Time of Submittal)**

On behalf of the Respondent, I certify under penalty of perjury that the following information is true and correct.

If selected as the Successful Respondent, the Successful Respondent will:

- 1) Fulfill all required Small Business Outreach Requirements and submit a Small Business Participation Plan along with all required supporting documentation within 60 days following contract execution;
- 2) Submit to Airport any material changes to its Airport-approved Small Business Participation Plan along with supporting documentation of efforts to foster small business participation;
- 3) Comply with the Race- and Gender-Neutral post-award requirements stated in the ACDBE Program Plan and Contract Clause; and
- 4) Track and report all ACDBE, DBE, and/or small business participation that occurs at Airport as a result of contracts, procurements, purchase orders, subleases, JV, goods/services, or other arrangements involving sub-tier participation. Such participation and document must be entered monthly into the web-based reporting program Business2Government (B2G) System at www.phoenix.diversitycompliance.com.

Company Name: _____

Company Mailing Address: _____

Print Name: _____

Title: _____

Email Address: _____

Phone Number: _____

Signature: _____

Date: _____



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EXHIBIT 12

PREMISES

