

**ADDENDUM #1
TO
Request for Proposals for a Food, Beverage and Retail Concession at
Norman Y. Mineta San Jose International Airport**

- 1. Section 1.4 of the Request for Proposals for a Food, Beverage and Retail Concession (“RFP”) is amended to read as follows:**

“1.4 SCHEDULE OF EVENTS

The following is a schedule of the major events associated with this food, beverage and retail RFP process.

PROPOSAL AND AWARD SCHEDULE	DATES
→ RFP Issuance	Oct. 12, 2007
→ Mandatory Pre-proposal Conference and Site Tour	Oct. 30, 2007
→ Final RFP Questions Due	Nov. 6, 2007
→ RFP Addendum Posted on www.sjc.org	Nov. 20, 2007
→ RFP Second Addendum Posted on www.sjc.org	Dec 4, 2007
→ Proposals Due to Airport	Jan. 24, 2008
→ Notification of proposers who don't meet Minimum Experience and Qualifications	Jan. 31, 2008
→ Oral Interviews and Presentations of Finalists	Feb. 27-28, 2008

“

- 2. All references to January 10, 2008 regarding RFP proposal submission are amended to “January 24, 2008 at 2:00 PM”.**

- 3. Section 4.3.21 is amended to read as follows:**

“4.3.21- Facilities Design and Construction Coordination (20 page maximum)

Proposer shall submit a narrative description and drawings or photographs of the proposed capital improvements to be made to the common area space and the dominant design theme in sufficient detail to facilitate evaluation of the quality and design of the proposed improvements.

The Proposer will be required to follow the Airport's overall building design standards and concession tenant design guidelines and criteria, but should detail how it envisions incorporating these guidelines into an overall image for the concessions program. Proposer should identify the in-house architectural

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capabilities or any architectural design teams to be used, specifying prior experience in the design and design review of airport, shopping and dining facilities (including resumes and project experience) with photographs attached.

In addition to Conceptual Drawings and Project Specifications, submittal documents shall include, at a minimum, two (2) copies of the color Board or artist's renderings depicting design, color and materials of all exposed finishes within the Concession Area.

Final Design and finish materials must be approved by the Airport's Site and Architectural Review Committee through the City's Design Review Process.

The Proposer must also provide its procedures for coordinating design and construction, including but not limited to, field inspection and tenant assistance; as well as its understanding of the permitting process at the Airport."

4. Additional Information for Proposers not provided in the RFP:

The City of San Jose has recently released an Official Statement for the Issuance of 2007 Airport Revenue Bonds. This document provides a considerable amount of information regarding Airport statistics, assumptions, revenues, and projections as well as certain provisions of airline agreements and overall financial health of the Airport. Proposers are encouraged to download and review the document at: www.sjc.org

SAN JOSE DEMOGRAPHICS

The City of San Jose Department of Public Works maintains a website with City demographic data at: <http://www.sanjoseca.gov/planning/Census/default.asp>

Below are a few excerpts from the page:

The California Department of Finance estimated that the population of San Jose was 973,672 on January 1, 2007, which is up from 957,915 on January 1, 2006. That change reflects a growth of 1.6 percent. San Jose continues to grow and thrive, which has resulted in it being named as the 10th largest city in the United States.

The population growth can be attributed to the construction of new housing, the great innovations in the technology field, the beautiful weather and environment, and the rich diversity of people, all of which makes San Jose a great place to live and work.

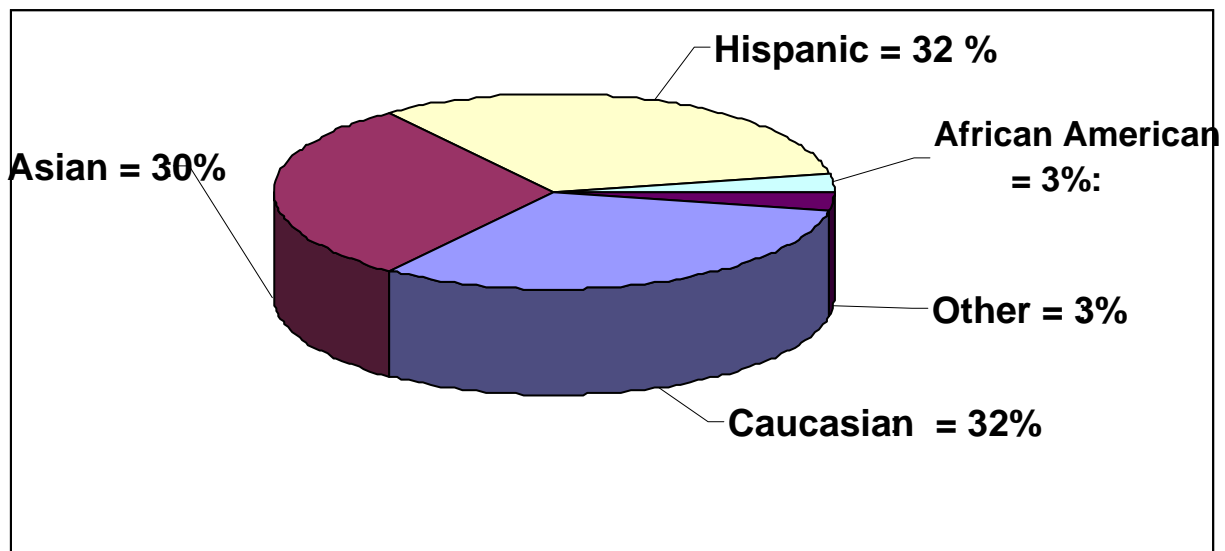
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ETHNICITY: (2006 Aproximations)

The Demographic Numbers are 2006 approximations:

Caucasian:	32 %
Hispanic:	32 %
Asian:	30 %
African American:	3 %
Other:	3 %

- The “Hispanic” category includes: Mexican, Puerto Rican, Cuban, etc.
- The “Asian” category incl: Chinese, Filipino, Japanese, Asian Indian, Korean, Vietnamese, Cambodian, Hmong, Laotian, Thai, etc.
- The “Other” category incl: Hawaiian, Guamanian, Pacific Islander, Samoan, etc.



AGES (Below are estimations for 2006)

- The median age is 35 years old
- Approx: 199,000 people are between the age of 0 and 14
- Approx: 125,000 people are between the age of 15 and 24
- Approx: 135,000 people are between the age of 25 and 34
- Approx: 160,000 people are between the age of 35 and 44
- Approx: 130,000 people are between the age of 45 and 54
- Approx: 84,000 people are between the age of 55 and 64
- Approx: 48,000 people are between the age of 65 and 74
- Approx: 37,000 people are over the age of 75

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NOTE: There are approx: 470,000 males and 447,000 females.

INCOMES: (Below are estimations for 2007)

- The estimated 2007 Average Household Income in San Jose is: \$98,171
- Approx: 35,000 households have an income less than \$25,000
- Approx: 49,000 households have an income between \$25,000 and \$49,000
- Approx: 51,000 households have an income between \$50,000 and \$75,000
- Approx: 44,000 households have an income between \$75,000 and \$100,000
- Approx: 58,000 households have an income between \$100,000 and \$150,000
- Approx: 36,000 households have an income between \$150,000 and \$250,000
- Approx: 8,000 households have an income between \$250,000 and \$500,000
- Approx: 2,700 households have an income greater than \$500,000

OCCUPATIONS: (Below are estimations for 2007)

- Approx: 101,000 people work in a blue collar job
- Approx: 296,000 people work in a white collar job
- Approx: 58,000 people work in a service or farming job

LANGUAGES: (Below are estimations for 2006)

- English is spoken in approx: 45% of San Jose households
- Asian/Pacific Islander is spoken in approx: 24% of San Jose households
- Spanish is spoken in approx: 23% of San Jose households
- Other languages are spoken in approx: 8% of San Jose households

5. Questions asked regarding the RFP:

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1. At the Pre Proposal Conference it was mentioned that the City will install Terrazo in the seating areas and the Concessionaire will reimburse the City \$35/sq. ft. Does this mean \$35 times the Concessionaire's square footage? Also, since the Retail operators do not require seating area, does this only apply to Packages 3 and 4?

The \$35/sq. ft. reimbursement requirement applies only to the common seating areas in Packages 3 and 4.

2. Reference was made to deliveries being made to a remote facility from which deliveries would be made to the Airport locations. Answers to the question are critical to a meaningful financial proposal, as it could change the operator's cost structure considerably.

The tenant will be responsible for the cost of screening and delivery. The delivery system is only conceptual at this time with no substantive details.

3. It was stated that Packages 1 and 2 could consist of only "retail type" units, and Packages 3 and 4 could consist of only F&B type units. Does that preclude the proposal for a News/Cafe or Bookstore/Cafe (coffee items, bakery items, etc.) in Packages 1 and 2?

For the purposes of this RFP only proposals for retail operations will be considered in Packages 1 and 2 and only proposals for food and beverage will be considered in Packages 3 and 4.

4. A midterm investment of 25% of the original capital investment is required. Some operators invest an uncommon amount of capital investment initially, to ensure durability for the long term necessitating lower mid-term refurbishment. However, in essence, the requirement, as written, penalizes such an operator. For such an operator, the midterm refurbishment should be inversely proportional, rather than directly proportional, to the initial investment. Can the requirement be altered to take this fact into consideration?

The initial capital investment should be driven by the design criteria for the Airport. Some operators may choose to exceed those standards but others may choose not to. Given the potential disparity of construction costs, the City believes that it is reasonable to spend 25% of the original capital investment to keep the concession facilities in "like new" or "first class" condition.

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5. In spite of the several mentions of the phasing of opening of the sections of the Airport, we find it difficult to determine exactly what locations are due to open when. Would it be possible to provide a matrix by location, by package, showing each location, with the projected approximate opening dates, and in the case of the interim locations, the projected closing dates?

See Attached Matrix (Attachment 1)

6. Page 32 of the RFP states that the MAG will commence on the "Commencement Date". Does this refer to the "Third Commencement Date" as defined on page 33?

Yes

7. Page 64: TAB L: 4.3.21 Facilities Design and Construction (20 page maximum): Paragraph 3 "In addition to Construction Drawings and Project Specifications, submittal documents shall include, at a minimum, two (2) copies of the color Board or artist's renderings depicting design, color and materials of all exposed finishes within the Concession Area" Does the Authority really required Construction Drawings and Project Specifications as part of the RFP submission? Or is the use of these terms and error in terminology?

See Amended RFP Section 4.3.21 Above.

8. Exhibit A6 – Conceptual Concession Sites for North Concourse/Terminal B and Page 11: 1.5.3: Package III – Food & Beverage. Page 11 states there are 4,400 sq ft in Package 3 in Terminal A and 7,175 sq ft in Package 3 in North Concourse, with an additional 1,375 additional square footage for seating for a total of 12,950 sq ft. However, Exhibit A6 shows a total of 8,550 sq ft for the three Package 3 parcels in the North Terminal. Does that represent 7,175 plus the 1,375 additional square feet for seating? Is there no allowance for seating in Terminal A?

See Attached Matrix (Attachment 1)

9. Page 11: 1.5.3: Package III – Food & Beverage and Exhibits A5 and A6. Is it possible to get unit numbers for each of the individual concession spaces or package group?

The City will assign designators to the blocks of space that will additionally be referenced on the attached matrix (Attachment 1).

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10. Page 60: TAB I: Section 4.1.16: Tenant Mix and concession Plan (20 pages maximum): Paragraph 1. As we read this paragraph, we understand that we can propose any number of units; that we can redesign the size and shape of units including changes to demising blocks and that the total number of concession units is open to the proposer. Is our understanding correct?

Yes

11. Will the architectural record drawings and specifications include for building sections that establish ceiling heights and storefront conditions of Terminal A, A+, Terminal B, and North Concourse?

In some cases the design of the concessions shell spaces have not yet been finished. The City will work with the successful proposer to ensure that they have the necessary information in a timely manner.

12. Can the proponents receive architectural design elevations of the various storefront requirements?

These are not available at this time and will not be before the proposal due date for this RFP.

13. Exhibit M: Page 11 Concessions Tenants Improvements Design Criteria. How do we go about purchasing Construction Records documents for all terminals, both new and existing? We understand that the North Concourse is now available; the rest of the terminal drawings were to be available as of November 1, 2007. Is that the case?

The section referenced is in the context of the successful proposer(s) purchasing the Construction Records in order to produce detailed construction documents on tenant improvements. The design of the concessions shell spaces for Terminal A and Terminal B will be finished in early 2008. For the RFP the City does not require proposers to provide concepts that would require the level of construction detail that will be provided by construction record documents. The City will work with the successful proposer to ensure that they have the necessary information in a timely manner for the preparation of detailed concession build-outs.

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14. Section 4.3 page 53 Submission Requirements. Our proposals are typically created with publication software other than Word in order to include graphics, photos, etc. We can provide the CD in Word, however, what aspects of the proposal are to be included on the CD. Can we include just the prose portions of the proposal and eliminate from the CD the photos, renderings, layouts, etc.?

A CD with just prose in Word is sufficient. The successful proposer may be required to provide the information after award in a format acceptable to the Airport.

15. In the RFP, it appears the City/SJC is offering a great deal of flexibility to proposers to reposition space and mix of food/beverage and retail. Does this mean that within Package 5, spaces designated as food/beverage be changed to retail and vice versa?

No. Proposers are to bid on the packages as written in the RFP with no exceptions.

16. Will this same flexibility be available to Packages 1 through 4? That is, within a package can the proposer reposition or alter the mix and size of spaces for food/beverage and retail?

Size of individual units may change but use and overall foot print must remain the same.

17. For Packages 1 through 5, can the amount of retail square footage be modified so it is higher than that specified in the RFP? Can food/beverage footprints be combined with retail footprints thus commingling venues within a space? Again, where this flexibility starts and stops? Further, how would the City compare such variations to ensure uniform, equitable and fair evaluation?

No. Square footages must remain the same as outlined in the RFP. For the purposes of this RFP only retail will be permitted in those areas identified in the RFP as retail and food and beverage in those areas identified in the RFP as food and beverage. The City will follow the process outlined in the RFP.

18. There appears to be a greater percentage of square footage associated with food/beverage than to retail space. However, the RFP allows flexibility to change the mix spaces. Does the City/SJC want to retain a specific percentage split between food/beverage and retail?

Use cannot be changed, so the percentage split between food/beverage and retail would remain the same.

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19. Which airlines have signed airline use and lease agreements for the new terminals? Do these leases designate specific terminal assignments? If yes, please identify airlines for renovated Terminal A and Terminal B. What measures are in place to ensure the timely move of airlines from Terminal C to the new/renovated terminals?

The fully executed Airline agreements are not due to the Airport until December 1, 2007. As such the Airport will answer this question in the Second Addendum. The Agreements do not specify which terminal airlines will be assigned. As mentioned in the pre-proposal meeting, the Airport is transitioning to all common use gates. The lease agreements provide for Common Use of ticket counters and gate space and as such Airlines may move and the timeframe for such moves could be short. The Lease agreements do not define which counter or gate as the gates/ticket counters will remain at the control of the Airport. As such the Airport makes no warranties that airlines will remain at any particular gate or terminal. Terminal C will be demolished by approximately July 2010 and as such all airlines will have had to transition to the other terminals.

20. Which airlines are going to Terminal A and which to Terminal B? With long term or short term leases? Which airlines? Which airlines have not signed current use and lease agreements for the new/renovated terminals?

See response for question number 19 above.

21. Given the schedule in the RFP/attendant documents and assuming the City/SJC finalizes selection/award/signing of the agreement in April 2008, what is the best estimate for an Effective Date of the Concession Agreement?

This date is dependent on approval of the agreement by City Council. Actual dates for approval are not known at this time.

22. Assuming all plans are prepared/permitted in a timely manner, how many days from the Effective Date of the concession Agreement with the City/SJC give the concessionaire Notice to Proceed (NTP)? Do any spaces or terminal areas have priority over others? Which ones and why?

The City continues to work on an answer for this question and will respond in Addendum #2.

23. What assurance can you give that suitable resources are in place to process/approve and permit submittals in a timely manner to avoid costly delays; particularly when submittals are complete and correct?

The City continues to work on an answer for this question and will respond in Addendum #2.

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<p>24. With reference to comments made at the Mandatory Pre-proposal Meeting, will the “internal” proposal processes conducted with the new concessionaires/tenants allow all and any to propose on new additional spaces or will the “internal” proposal process be selective? If selective, please describe the criteria to be used to pre-qualify the internal proposer pool for new additional spaces.</p>
<p>See RFP section 3.1.2 “Future Premises”.</p>
<p>25. Will more retail or food/beverage space be added after the initial awards? Can you tell us what amount for food/beverage and retail?</p>
<p>Yes, it’s probable that additional space will become available during the term of the agreement. The amount of future space is unknown at this time. See RFO Section 3.1.2 “Future Premises”</p>
<p>26. If additional space is awarded in the future via the internal proposal process, will the new space come under the agreement and term in place or will a new agreement be executed? With a new term? If it is added by amendment to the existing agreement, how will recoupment of investment be handled? Will the existing term be extended for just the term for the additional spaces?</p>
<p>See RFP Section 3.1.2 “Future Premises”</p>
<p>27. If Package 5 is awarded, what protection will be put in place to ensure sub-concessionaires are charged at cost for common area fees, marketing fees, etc. and that such fees are not “marked up” by the Developer?</p>
<p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>28. If Package 5 is awarded to a third-party management/developer (not a prime operator) and the developer subleases 100% of the square footage to subtenants is there a limit to the amount of square feet one sub-concessionaire or subtenant is allowed to sublease?</p>
<p>No</p>
<p>29. Under Package 5, if a prime operator offers a proposal; will the requirement to sublease 75% of the square footage be applicable throughout the entire term of the lease? Would “no more than 25% of square footage” requirement apply if the prime operator subleases the space to a sister or affiliated company?</p>
<p>Yes – a prime operator will have the 75% of the square feet sublease requirement throughout the term of the lease. Yes – the prime operator cannot lease more than 25%. Any sister or affiliated companies are included in the 25%.</p>

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<p>30. The refurbishment requirement of 25% of initial capital investment seems high. Specifically what do you envision the refurbishment covering? Further, the time period (approximately 6 months) is very short for such a significant investment. Please explain in more detail your justification for such terms, particularly given this contract is non-exclusive.</p> <p>See Section 22.5 of the Exemplar Agreement. See response to question number 4 above.</p>
<p>31. If contracts are awarded for Packages 1 through 4, will a tenant committee be organized or some other form of tenant representation organization to plan, implement and account for timely expenditure of marketing funds? If so, how does City/SJC envision using these fees for marketing the prime concession program? Will all new non-prime concessionaires coming in outside the prime contracts be required to contribute marketing fees? In what amount? How will City/SJC ensure accountability regarding collection and expenditure of the marketing fees?</p> <p>See RFP Section 3.4.2 "Marketing Fund". The City will develop a fair and equitable program.</p>
<p>32. Is it possible to submit our response on CD or thumb drive and not provide hard copies?</p> <p>Hard copies must be provided. See RFP Section 4.3 "Submission Requirements"</p>
<p>33. When submitting bids on multiple packages, our understanding is that these would be in separate proposals. Is that correct or can they be combined into a single document?</p> <p>A separate proposal is required for each package.</p>
<p>34. On the potential proposed single supplier delivery process, can the Airport inform us what the expected costs would be to the tenants?</p> <p>See response to question number 2 above.</p>
<p>35. Please re-confirm the phasing program as was outlined in the RFP?</p> <p>The phasing program/plan remains as outlined in the RFP.</p>

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36. There was discussion at the pre-proposal meeting regarding one location specified as retail being permitted to sell food and beverage, i.e., coffee. Will there be other retail units allowed to sell food and beverage; which ones; and to what extent? Further, will food and beverage units be permitted to sell retail and under what level of restriction?

Retail stores will be permitted to sell bottled beverages and non-refrigerated prepackaged snacks. Food and Beverage will be able to sell only retail products that are specific to that particular concept. This is subject to Section 4.13 of the Exemplar Agreement- "Directors Approval of Product and Services". See response to question number 3 above.

37. Please define the storage areas and their square footage.

These have not yet been defined but there may be storage available in the North Concourse and Terminal A+.

38. Please provide more detailed Tenant Design Criteria.

See Exhibit M "Concession Tenants Improvements Design Criteria" of the Exemplar Agreement. A more detailed Tenant Design Manual will be available after the selection process is completed. The existing criteria should be sufficient for the proposal submissions required under this RFP.

39. The RFP states that some locations will have utilities provided but only to 100 feet from the location. Can you provide the distance of the utilities from each unit?

This is not available at this time. Also see response to question 40 below.

40. What capacity do existing and/or proposed electrical panels have and how far from the units are the electrical panels?

The renovation and new construction underway takes into account the electrical needs of the potential concessions and consequently most of the electrical service is being upgraded, however this design is not yet complete. The units are all within 100 feet of a panel location.

41. Will there be moving sidewalks in Terminal B?

No.

42. Regarding the scoring measurement of the financial elements of the proposal, is the MAG measured in Year One only or across the contractual term?

Year One

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43.	Does the mid-term refurbishment include the flooring in the food court areas and if so will the Airport spend the capital to be passed on to the tenant?
	No.
44.	Does the \$70 per square foot capex requirement in the seating area include the \$35 per square foot for the terrazzo flooring?
	Yes. See response to question number 1 above.
45.	Can you clarify that there will be no requirement for a “buy-out” of existing concessionaire facilities?
	There is no requirement for a “buy-out” of existing concessionaire facilities.
46.	Concession Agreement Section 1 – Definition: Page b-8, Item (vii): Gross Revenues Please clarify that performance allowances, special purchase allowances, credits, rebates and discounts from concessionaire suppliers are NOT to be included in Gross Revenues.
	Subsection (vii) of the definition of Gross Revenues will be deleted from the Concession Agreement. The City will not expect the performance allowances, special purchase allowances, credits, rebates and discounts to be included in Gross Revenues.
47.	Concession Agreement 4.7.1.6 - What factors will be taken into consideration in determining whether relocation of operations would be burdensome to the concessionaire?
	Section 4.7.1.1 provides that the Director has the authority to make this determination and the items will be handled on a case by case basis.
48.	Concession Agreement Section 4.7.1.1 Modification of Concession Area Please clarify that any relocation, expansion or contraction of size or area at the discretion of the Director should be exercised in a manner that will minimize the financial impact on the concessionaire and that there should be a process for appeal.
	The section referenced in the Concession Agreement will remain as written. See question number 47 above.
49.	Concession Agreement 4.7.1.3 Allowable Improvement Costs -Please define “allowable improvement costs.”
	See Section 22.6 “Allowable Improvement Costs” in the Exemplar Agreement.

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<p>50. Concession Agreement Section 4.7.3.1 Modification by Airline & section 6.1.2.3 MAG Abatement due to decline in Passenger Activity This section is overall enplanements and not specific to any gate or specific concession area.- Please clarify the language that appears to contradict each other. Section 4.7.3.1. states that expansion or contraction as a result of relocation of airline or airline gate will not affect the MAG; however, Section 6.1.2.3.1 states an adjustment in MAG should enplaned passengers drop 25%.</p>
<p>Reduction in concession space would result in a reduced MAG (see Exemplar Agreement, Section 6.1.2.2.2) but reduction in enplanements at a particular gate/area/unit without hitting the overall Airport wide enplanement threshold as described in Section 6.1.2.3.1 would not result in MAG abatement.</p>
<p>51. Concession Agreement Section 4.11.3 Mobile Carts -Please confirm that it is a mandatory requirement that carts be housed when not in use, what is considered an “excessive” line, for what reasons, etc.?</p>
<p>Inoperative or inactive mobile equipment should not be in public view. Consideration of excessive lines in the referenced section is “as determined by the Director” and will be handled on a case by case basis.</p>
<p>52. Concession Agreement 4.11.9 Revision to Marketing Plan - If a decline in revenue is attributable to a decline in passenger flow in the area, what action will City/SJC take with concessionaire to remedy?</p>
<p>The language referenced will remain as written. The intent of the language is not for a specific area but overall decline in passenger traffic.</p>
<p>53. Concession Agreement Section 4.16.7 Price Surveys - Would the airport confirm that identification of facilities for offsite comparisons for price surveys would be agreed upon jointly between concessionaire and the Director.</p>
<p>Language referenced will remain as written.</p>
<p>54. Will the city consider an extension of thirty days to the submittal date in respect to the busy retail holiday period?</p>
<p>The City will extend the proposal submittal due date to January 24, 2008 at 2:00 P.M. See amended RFP Section 1.4 above.</p>
<p>55. Does the City have projected enplanements by concourse and/or terminal for each year during the term of the Concession Agreement?</p>
<p>No, the City only projects enplanements for the entire Airport.</p>

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56. Will the City confirm and detail for each package the existing concessions that will be available along with the new space?

The RFP Exhibits show existing and new spaces. See attached matrix (Attachment 1) and revised exhibits A2-A6.

57. Package V – Developer is required to sublease at least 75% of sf. Should this be revised to also include 75% of projected gross revenues as a measuring device so a Prime Concessionaire cannot “cherry pick” and operate the best locations in the program? Would that include space which is occupied as a joint venture where the Developer has partial ownership of the operator?

See response to question number 29 above. The referenced language will remain as written.

58. How are product delivery and trash removal currently handled for concessions? What are the current charges?

The City continues to work on an answer for this question and will respond in Addendum #2.

59. Has the City decided to implement the centralized system and if so, what are the anticipated costs for both retail and food & beverage uses?

See response to question number 2 above.

60. Will the City provide electronic copies (or links on its website) of all of the existing concession agreements?

The City continues to work on an answer for this question and will respond in Addendum #2.

61. How many grease traps will be required to be installed? Will the City be installing any necessary centralized grease trap systems as part of base building work?

The City is providing a centralized grease trap for the concession in the center of the North Concourse, those between column lines 27 and 39. Concessions in the North Concourse and Terminal B outside of this area will require a new grease trap to be provided by the successful proposer. For Terminal A, the City is still in design of this area. We anticipate that we will provide two grease traps, one on each side of the future TSA checkpoint to serve concessions in this vicinity. Concessions in Terminal A outside of these areas will require a new grease trap to be provided by the successful proposer.

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<p>62. How does the City define “shell condition” with respect to new space delivery?</p>	<p>Similar to conventional retail shell space. Unfinished interiors, concrete floor, lease line walls without interior wall board, no ceiling. Utilities as described in question numbers 39 and 40.</p>
<p>63. Will all utilities be provided in adequate sizes and capacities to the lease lines at the City’s expense?</p>	<p>See responses to question numbers 39 & 40 above.</p>
<p>64. Will the City agree to a ‘first refusal’ agreement that allows the awarded incumbent first consideration on future space – if it meets certain performance criteria?</p>	<p>No. See RFP Section 3.1.2 – “Future Space”</p>
<p>65. What are the current rates for utilities?</p>	<p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>66. For bidders on Package V, shouldn’t the Percentage Fee be expressed in terms of a percentage of Sub-concessionaire’s gross rents and not gross revenues?</p>	<p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>67. Package V Marketing Fund – may the funding be limited to ½% of Sub-concessionaire’s monthly gross revenues for non-operating Developers?</p>	<p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>68. What utilities will be charged to concessions and what are the current rates for each?</p>	<p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>69. Will the City consider a reduction in the Faithful Performance Guarantee amount over the term of the Agreement if there have not been any material or monetary defaults during the first 2 or 3 years? For example, down to 3 months of the current MAG in Year 3?</p>	<p>No</p>

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70.	Will the City allow assignments for internal corporate restructurings, to parents or affiliates? Will public offerings be excluded from the restriction?
	See Section 18.2 "Prohibition on Assignments, Transfers or Sublease" of the Exemplar Agreement.
71.	Minimum Investment Costs – are the amounts required for each concession location or can the minimum be achieved if the average cost for all units in the Package exceeds the minimum requirement?
	See Section 22.4.1 "Minimum Capital Improvement Expenditure" of the Exemplar Agreement
72.	May the cap on design and engineering costs be increased to preferably 20%? If not, then 15%?
	No.
73.	May the cost definition also be modified to include construction financing costs and insurance premiums?
	No.
74.	Will the City modify to allow for cost information to be provided within 180 days before an Event of Default is declared?
	No.
75.	Mid-Term Refurbishments – will the City change the timing to be between 5 to 5.5 years from the 3 rd Commencement Date instead of the stated period in case the Commencement Dates are delayed due to construction or other reasons?
	No.
76.	Are taxes currently assessed? If so, what are the current rates? Who pays?
	The City does not directly assess taxes on the concession areas. See Sections 6.1.7 and 17 of the Exemplar Agreement regarding the Concessionaire's responsibility for payment of taxes arising from its operations at the Airport.

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<p>77. How will the 51% low/moderate income job requirement be measured for a non-operating Developer proposing on Package V versus a prime concessionaire or individual package operators?</p>	<p>Each concessionaire will be required to meet the job creation and reporting requirements under Section 5.2 of the Exemplar Agreement, regardless of whether the concessionaire is a non-operating Developer, a prime concessionaire or an individual package operator. See Section 4.11.10 of the Exemplar Agreement regarding minimum requirements for subconcession agreements.</p>
<p>78. Why is the City requiring the developer to provide confidential and detailed internal corporate EBITDA estimates as part of the proposal? How will this information be used by the City in the evaluation?</p>	<p>This information is needed as part of the City's due diligence. Public disclosure of information is referenced in the RFP Section 3.20.</p>
<p>79. To what extent will the City modify the Agreement if awards are made to non-operating Developer(s) so as to make it applicable to a master lease of the concession program by a non-operator? These would include many references or definitions. For example, the definition of Gross Revenues mentioned above.</p> <p>80. Another example is to modify several provisions to the effect that "Concessionaire shall use commercially reasonable efforts to cause (or require, etc) its Sub-concessionaires" or substantially similar language to reflect that certain of the "concession operating" type of provisions are direct obligations of the Sub-concessionaire concession operator entities (in lieu of the non-operating Developer).</p>	<p>The City continues to work on an answer for these questions and will respond in Addendum #2.</p>
<p>81. When is the First Commencement Date anticipated to occur?</p>	<p>This is not known at this time as its dependant on award of the agreement and approval of the contract by the City Council.</p>
<p>82. May the Second and Third Commencement Dates be subject to Force Majeure?</p>	<p>See Section 29.6 "Force Majeure" of the Exemplar Agreement</p>
<p>83. When are the City's NTPs issued (at what stage in the process)? Are there any delays between issuance and when construction can commence?</p>	<p>See Section 22.3 "Approval of Plans and Specifications" of the Exemplar Agreement</p>

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84.	<p>Definition of Concession Improvements/Furnishings, Trade Fixtures and Equipment – Will the City base these on approved Final Construction Plans (and not the Proposal) so that changes may occur (some of which may be required by base building construction activities)?</p> <p>Yes, it is the intention that Concession Improvements will be defined in the approved final construction plans not the proposal conceptual plans. See amended RFP Section 4.3.21 above.</p>
85.	<p>Expiration Date – may this be modified to reflect the 10th anniversary of the Third Commencement Date (instead of the set date)?</p> <p>No</p>
86.	<p>For non-operating Developers, may the definition of Gross Revenues be modified to reflect the programs Sub-concessionaire’s collected gross rents (minimum plus percentage) less any extra charges?</p> <p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
87.	<p>Will the City consider additional exclusions to the definition of Gross Revenues as is typical in the airport concession and retail shopping center industries?</p> <p>No. See response to question number 46 above regarding the deletion of performance allowances, special purchase allowances, credits, rebates and discounts from definition of Gross Revenues.</p>
88.	<p>Will the City add a provision to the effect that in the event of any conflicts or inconsistencies between the Proposal and the Agreement, the Agreement will control?</p> <p>See Section 1.12.4 “RVP vs. Exemplar” of the RFP</p>
89.	<p>Will the City consider modifications to the definition of Unavoidable Delay, including acts of or threats of terrorism, for example?</p> <p>No</p>
90.	<p>In <u>Section 2.1.1.2</u>, May the time period for notice of existing concession vacation dates be modified to 30 days?</p> <p>No.</p>
91.	<p>In <u>Section 2.3</u>, may the time period for accepting possession before an Event of Default be modified to 30 days?</p> <p>No.</p>

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92.	In <u>Section 3.1</u> , May the phrase no other purpose be modified with “unless otherwise expressly permitted hereunder”?
No.	
93.	For non-operating Developers may language be modified in several instances (Section 3.2.3 is an example) to provide “and to <i>use commercially reasonable efforts</i> to cause Sub-concessionaires to operate and maintain...”.
No.	
94.	In <u>Section 4.4</u> , will “grab and go” concepts be restricted under in-flight catering?
No.	
95.	In <u>Section 4.5.2</u> , will city provide additional communal waste/recycling areas in addition to concession space allocated?
The City continues to work on an answer for this question and will respond in Addendum #2.	
96.	In <u>Section 4.7.1.1</u> , may the reasons for modifications to the Concession Area be limited to changes due specifically to permit airline or airport non-concession operations or for life-safety issues requiring changes?
No, the language referenced will remain as written.	
97.	In <u>Section 4.7.1.4</u> , may the ten percent limit be increased to 20% and may the time period be extended to 180 days?
No, the language referenced will remain as written.	
98.	In <u>Section 4.7.1.6</u> , will the City revise to reflect the decision to be mutual rather than solely with the Director?
No, the language referenced will remain as written.	
99.	In <u>Section 4.7.2</u> , may the language be modified as suggested above in Section 4.7.1.1?
No, the language referenced will remain as written.	
100.	Will the City delete <u>Section 4.7.3.1</u> (second one on page B-25) in its entirety? If not, it should be negotiated to reflect that MAG is suspended and in lieu thereof, payment of percentage rent and extra charges only.
No, the language referenced will remain as written.	

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<p>101. Will the City make <u>Section 4.9</u> subject to Force Majeure?</p> <p>See Section 29.6 “Force Majeure” of the Exemplar Agreement</p>
<p>102. In <u>Section 4.11.7.1</u>, is Airport Management defined?</p> <p>Reference to “Airport Management” will be changed in the Exemplar to “Director”.</p>
<p>103. In <u>Section 4.11.9</u>, is Marketing Plan defined?</p> <p>See Page B-11 “Marketing Plan” of the Exemplar Agreement.</p>
<p>104. Further, in <u>Section 4.11.9</u>, with respect to requirement to provide a new Marketing Plan if there has been a consistent decline in revenues per enplanement, will the City provide an exception to providing a revised Marketing Plan (i) where overall enplanements drop below 75% of base year enplanements; and/or (ii) where passenger traffic flow patterns with respect to any concession location have been impacted by Airport operations (such as gate allocation changes, security issues etc?</p> <p>No</p>
<p>105. Will the City modify <u>Section 4.11.10.2</u> for non-operating Developers? There needs to be a provision for assignment of Sub-concession Agreements to the City or its designee if there is any termination.</p> <p>No.</p>
<p>106. In <u>Section 4.11.18</u>, may the date be changed to April 1?</p> <p>No.</p>
<p>107. In <u>Section 4.12</u>, is Retail Concession Area defined?</p> <p>See page B-12 “Retail Concession Area” of the Exemplar Agreement</p>
<p>108. Will the City modify <u>Section 4.16.1</u> to reflect pricing as set forth in the Agreement? City is suggesting a Street pricing plus (up to)10%. If a Proposer offers a pure street pricing average (versus street plus 10%), how will this be scored in the evaluation?</p> <p>The language referenced and evaluation criteria will remain as written.</p>
<p>109. In <u>Section 4.16.2</u>, May alcoholic beverages and all sale/promotional items (which are already being “discounted”) be excluded from the employee discount requirement?</p> <p>No.</p>
<p>110. In <u>Section 4.16.6</u>, is Product defined?</p> <p>See Section 1 page B-12 “Product” of the Exemplar Agreement</p>

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<p>111. In <u>Section 4.17</u>, is Food & Beverage Concession Area defined?</p> <p>The City will change to “Concession Area” in the final agreement with the winning proposer(s).</p>
<p>112. In <u>Section 4.20</u>, will the City consider being more specific on operating hours (especially for specialty retail and bar concessions) that are subject to modification if traffic warrants? Specialty Retail from 7am to 10pm, bars not open before permitted by law, and F&B units not offering breakfast from 6am to 10pm, for example.</p> <p>This item will be dependant on flights as detailed in Section 4.20 and Exhibit D of the Exemplar Agreement.</p>
<p>113. Will the City provide an office for the manager and other staff within the Airport on a rent free basis?</p> <p>No.</p>
<p>114. What happens if Concessionaire or any Sub-concessionaire has an existing exclusive contract that would be breached if required to comply with <u>Section 4.29</u>?</p> <p>Respondents will need to take this into consideration when submitting a proposal in response to the RFP. Proposers will be responsible to clear any conflicts.</p>
<p>115. What happens if this materially impacts the brand values of a Sub-concessionaire?</p> <p>Respondents will need to take this into consideration when submitting a proposal in response to the RFP. Proposers will be responsible to clear any conflicts.</p>
<p>116. What happens if by accepting exclusive products this impacts the sales and income to a developer?</p> <p>Respondents will need to take this into consideration when submitting a proposal in response to this RFP. Proposers will be responsible to clear any conflicts.</p>
<p>117. In <u>Section 5.2.2</u>, how will the 51% low/moderate income job requirement be measured for a non-operating Developer? May this be passed on to the sub-concessionaires?</p> <p>Proposers must submit with their proposal a proposed Concessionaire’s Hiring Plan for Low and Moderate Income Jobs. In the event that a proposer’s plan includes requirements for its sub-concessionaires, this issue should be addressed in the Hiring Plan. See Section 3.24 “Section 108 Loan Requirements” of the RFP.</p>

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118. In <u>Section 6.1.4</u> , is Annual Adjustment defined?
See Sub Section 6.1.2.1.2 of the Exemplar Agreement
119. In <u>Section 6.1.6</u> , may the fund be required from Sub-concessionaire's at ½% of their monthly gross revenues (for non-operating Developers)?
The City continues to work on an answer for this question and will respond in Addendum #2.
120. What taxes are currently assessed under <u>Section 6.1.7</u> ?
See response to question number 76 above
121. In <u>Section 6.4</u> , will the City negotiate less of a security deposit (say 3 months of MAG) based on adequate financials from the Concessionaire being approved by the City?
No.
122. In <u>Section 7.4</u> , will the City increase the underpayment to 3% (and not due to simple clerical error) before reimbursement of audit is required?
No
123. May the time period in <u>Section 7.5</u> be increased to 120 days (Subs required to provide by 90 days to Concessionaire)?
No
124. In <u>Sections 10.1, 10.2, 11.1, 11.2, etc.</u> , will the City change its standard from "sole active negligence or sole willful misconduct" to "negligence or willful misconduct? A deletion of any contrary waivers or indemnity requirements is also requested.
No. The referenced provisions in the Exemplar Agreement will remain as written.
125. In <u>Section 14.1</u> , will all utility hookups be subject to prior inspection before the Proposal is submitted or the Agreement signed following any award by the City? If not, will the City delete the acceptance language and reflect what the City is required to provide? Will the City provide and include a utility matrix for each concession location under the Agreement to reflect the capacities the City will provide for the intended uses? Will the City stub all of the utilities to the lease lines of each of the concession locations?
No, See question numbers 39 & 40
126. With respect to <u>Section 15.1</u> , will the City carve out its negligence or willful misconduct from the limitation of liability?
No. The referenced provisions in the Exemplar Agreement will remain as written

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<p>127. In <u>Section 15.2.3</u>, are Food Court Common Areas or Common Area defined?</p>
<p>See page B-3 "Common Area" of the Exemplar Agreement</p>
<p>128. In <u>Section 16.1</u>, will the City be responsible for all base building ADA issues and improvements etc in the Concession Area?</p>
<p>No, only in non-leased areas adjacent to concessions.</p>
<p>129. Under <u>Section 18</u>, will the City allow assignments for internal corporate restructurings, to parents or affiliates? Will public offerings be excluded from the restriction?</p>
<p>See response to question number 70 above.</p>
<p>130. In <u>Section 22.5.1</u>, will the City change the timing to be between 5 to 5.5 years from the 3rd Commencement Date instead of the stated period in case the Commencement Dates are delayed due to construction or other reasons? Similar question for the "September 15, 2015" reference in <u>Section 22.5.2</u>.</p>
<p>No. See response to question number 75 above.</p>
<p>131. In <u>Section 22.6.2</u>, may the cap on design and engineering costs be increased to preferably 20%? If not, then 15%? May the cost definition also be modified to include construction financing costs and insurance premiums?</p>
<p>No. See response to question number 72 above.</p>
<p>132. In <u>Section 22.9.5</u>, why must contractors have previous airport construction experience? Does that not limit the ability of ACDBE firms to compete for the business?</p>
<p>The airport construction environment has unique challenges and requirements including security, operational and scheduling. Should the contractor have no airport experience, the Airport has concerns that the timeframe to learn these unique challenges and requirements may delay construction. Additionally when bidding, contractors need to fully understand these challenges in order to accurately assess their costs. The City has no indication that this requirement limits the ability of ACDBE firms to compete for the business.</p>

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<p>133. In <u>Section 22.9.7</u>, what are the estimated costs for the use of this law enforcement officer? Is it for the entire site, by concession location, by number of employees? How is it determined?</p> <p>This issue will need to be dealt with on a case by case basis and is subject to a security plan that may be required as part of the construction submittals. In some cases the area can be temporarily removed by means of blocking off the construction area and thus removing it from the sterile area. For more specific information see Section 3.11 "Construction" of the RFP.</p>
<p>134. In <u>Section 23</u>, is the City willing to make the events of default subject to notice and cure periods as is standard in the industry and force majeure? In some instances no cure period is provided whatsoever.</p> <p>The referenced section of the Exemplar Agreement shall remain as written. Cure provisions for certain defaults are provided for in Section 23.10. See Section 29.6 of the Exemplar Agreement regarding force majeure.</p>
<p>135. In <u>Section 24.3.1</u>, will the City provide notice and cure periods in addition to those specified as well as being subject to force majeure? These damages should be the direct responsibility of the Sub-concessionaire's for a non-operating Developer.</p> <p>The referenced section of the Exemplar Agreement shall remain as written.</p>
<p>136. In <u>Section 25</u>, will the City be willing to modify the "as is" provisions to provide what base building work, systems and utilities the City is going to provide at the Airport?</p> <p>No.</p>
<p>137. In <u>Section 29.6</u>, can the definition of Force Majeure be amended to include acts or threats of terrorism and acts of war, riots, civil unrest etc?</p> <p>No. The referenced language will remain as written.</p>
<p>138. <u>Exhibit C</u> – may the Developer submit its own street pricing policy?</p> <p>No</p>
<p>139. <u>Exhibit D</u> – will this be revised to reflect obligation of Sub-concessionaires for non-operating Developers?</p> <p>No.</p>
<p>140. Exhibit F- May the deductibles or self insured retentions have to be in excess of \$250,000 before approval is required?</p> <p>No</p>

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141.	Exhibit F May the acceptability of insurer provision be more objective by setting forth a minimum Best's rating?
No	
142.	Exhibit F Sub-concessionaire coverage – will the City revise to reflect that Sub-concessionaires are required to name the Concessionaire as an additional insured (as well as the City) instead of vice versa as currently drafted?
No	
143.	Exhibit G-May the various references to “invitees” be deleted?
No.	
144.	Exhibit G-Will the standard for the City be revised to “negligence or willful misconduct” as previously mentioned?
No.	
145.	Exhibit H- Will this exhibit be revised to reflect that it applies to the Sub-concessionaires in the event of an award to a non-operating Developer?
No	
146.	Exhibit H- Will a labor peace agreement be required as part of the proposal?
<p>Proposers are to demonstrate in their proposals how they will take adequate steps to prevent labor disputes or unrest from occurring during the term of the agreement. Failure to address this topic in the submission of the proposal will deem the proposal non-responsive. Proposers are free to submit any plan or program which it currently implements or which it proposes to implement which demonstrates good work environment and adequate plans or programs to prevent disruption in services due to disputes with its employees. Examples of labor peace plans or programs are provided in the RFP Exhibit H-7 and H-8. The Agreement with the successful proposer will include provisions regarding labor peace based on the successful proposer's response to the RFP requirement.</p>	
147.	Exhibit L- Advertising & Promotions – Will the City consider the awarded proposer locate promotional material within the airport outside of concession area to support and help promote the airport concession program – examples such as, but not limited to, leaflets, location maps, posters, sales/awareness signage?
No	

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148. Exhibit M:-Strong Design Control – As the City has expectations about providing “strong design control” in the concession locations, will the City be requesting proposers to provide their own history of complying and enforcing strong design controls as part of the evaluation criteria?

See amended RFP Section 4.3.21 above.

149. Exhibit M:-Public Works Department – how are concession plans delivered to the Department? Is there an additional step in the permitting process for this review?

The City continues to work on an answer for this question and will respond in Addendum #2.

150. Exhibit M:-Temporary Power – how will temporary power be supplied to the Sub-concessionaire’s general contractors for construction of the concession locations? Will there be any charge for temporary power? Temporary power will be provided from the same panels as the permanent concessions power.

The City continues to work on an answer for this question and will respond in Addendum #2.

151. Exhibit M:-Signage – is there a separate permitting process for Sub-concessionaire signage?

No

152. Exhibit M:-Natural Gas – Is this available in the North Concourse only? If so, what is the capacity per line for each of the six (6) services? What are the capacities for each of the other food & beverage locations in the RFP?

The City continues to work on an answer for this question and will respond in Addendum #2.

153. Exhibit M:-Additional Utilities – in order to determine whether additional expansion of base building systems is necessary, will the City provide information on the current overall available systems and capacities for all utilities for each concession location being offered in the RFP? Will the City provide information on where Sub-concessionaires will have to go to obtain additional services and capacities?

See response to question numbers 39 & 40 above.

154. Exhibit M:-Other than locations in the North Concourse, where will food & beverage Sub-concessionaires tie into grease waste lines?

See response to question number 61 above.

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<p>155. Exhibit M:-Pages 46-52 and 59-67 appear to be duplicates relating to grease, exhaust and phone. Are these pages referencing different locations or is this a duplication?</p>
<p>Pages 46-52 are in the context of Section 6.0 "Retail" and pages 59-67 are in the context of Section 7.0 "Food and Beverage".</p>
<p>156. Will there be a list of Certified ACDBE's in the SJC area available to the potential Developer/Primes?</p>
<p>CalTrans maintains a searchable database/directory at: www.californiaucp.com</p>
<p>157. Will the Pre Proposal attendance list be made available?</p>
<p>Yes, it has already been posted on the Airport's website.</p>
<p>158. Timing- with the holiday season within the time period of the RFP response (loss of 15 working days) is the airport willing to extend the time an additional 15 days to the 31st of January? This is very important for the developer model because all four packages must have responses.</p>
<p>The City has extended the response date to January 24, 2008 at 2:00 P.M. See amended Section 1.4 above.</p>
<p>159. Can there be an extension of the turn in time to 5:00 PM on the 31st?</p>
<p>No, except the date has been extended to January 24, 2008 at 2:00 p.m.</p>
<p>160. Will passenger profiles/demographics be provided?</p>
<p>See above for demographics for the City. Passenger specific demographics are not available at this time.</p>
<p>161. What are the existing passenger numbers per terminal?</p>
<p>See Section 1.1.2 "Historical Data" in the RFP</p>
<p>162. Will airline schedules be provided by hour by day?</p>
<p>This information can be obtained on the Airport's website at www.sjc.org.</p>
<p>163. Will the identity of the selection committee be forth coming?</p>
<p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>164. Will the packages be changed in such a way as to give one package to a prime and the remaining three to a Developer?</p>
<p>No.</p>

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<p>165. Will there be an opportunity to ask questions on the addendum?</p> <p>No.</p>
<p>166. Will the Airport provide international and domestic airline destinations?</p> <p>SJC currently has direct flights to- Atlanta, Austin, Boise, Boston, Burbank, Cabo San Lucas-Mexico, Chicago(Midway), Chicago (O'Hare), Dallas/Ft. Worth, Denver, Guadalajara, Honolulu, Houston, Las Vegas, Los Angeles, Minneapolis, Morelia-Mexico, Newark, New York (JFK), Ontario-CA, Orange County, Phoenix, Portland-OR, Reno, Sal Lake City, San Diego, Santa Barbara, Seattle, Washington DC/Dulles</p>
<p>167. Please provide an enplanement forecast for the future.</p> <p>Detailed information is available in the above referenced Official Statement for the Issuance of 2007 Airport Revenue Bonds.</p>
<p>168. Confirm specialty stores versus retail stores description.</p> <p>For the purposes of this RFP they are the same.</p>
<p>169. Identify the Duty Free operator and their term and locations.</p> <p>DFS currently operates the retail locations. They do not currently have a Duty Free store.</p>
<p>170. During construction what will be the max capacity of the terminals?</p> <p>At Terminal A there will be 17 gates with holdrooms and passenger boarding bridges and one location for ground boarding of commuter aircraft. At Terminal C there will be 14 ground boarding locations.</p> <p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>171. What is the final capacity after all phases are completed?</p> <p>There will be 28 gates with holdrooms and passenger boarding bridges and one location for ground boarding of commuter aircraft. These gates will be used in a shared use operation which will result in a higher number of passengers using each gate during the day than do so now.</p> <p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>172. How are the qualified responders going to be notified?</p> <p>Via letter and email.</p>

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173. How much prep time will be given for oral presentations?
Detail will be provided in the oral presentation invitation letters.
174. When is the award date?
Projected to be Spring 2008.
175. What are the required hours of operation?
This item will be dependant on flights as detailed in Section 4.20 and Exhibit D of the Exemplar Agreement. See question number 112 above.
176. Exceptions to the draft lease agreement have to be made available in the RFP response. Can the Airport confirm this? The acceptance of the Exemplar Concession agreement in the proposed time in the RFP is too short to receive proper legal advice.
There are to be No Exceptions to the RFP or the Exemplar Agreement.
177. Page 25 – Will enplanements in the future be provided in a timely basis every month?
The Airport provides on a monthly basis activity reports to interested parties. The information is also made available on the Airports website at http://www.sjc.org/newsroom/activity.html
178. Page 29 – Non exclusive. Will the developer have a “right of first refusal”?
No. See response to question number 64 above.
179. Page 34- Staff Wages. Please provide the current staff wages and benefits.
The City continues to work on an answer for this question and will respond in Addendum #2.
180. Does the airport want an executive summary? If not why not?
It can be incorporated in the cover letter in proposers response.
181. Page 46- “Product Exclusive Right” If the Developer/Prime already has long termed contracts with resources how will the Airport handle a possible conflict?
See responses to Questions numbers 114-116 above. Respondents will need to take this into consideration when submitting a proposal in response to the RFP. Proposers will be responsible to clear any conflicts.

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<p>182. The stated MAG is \$4 million and we assume this is based on after the completion of all airport construction phases. Please confirm.</p> <p>It is fully explained in Section 6 “Fees & Deposits” of the Exemplar Agreement as it relates to Section 2.1.</p>
<p>183. If the Developer is awarded the contract will F&B Primes and retailers have the opportunity to have all locations or do they have to split?</p> <p>Proposers to Package V are expected to submit a leasing plan and they will be expected to execute that plan.</p>
<p>184. Please explain the packages as to when and how they will be developed as to who is coming and going?</p> <p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>185. Page 21 – Customer Service training is mentioned. What is the cost? Is there a copy of the training manual?</p> <p>The program is still being developed. There is no anticipated cost to the proposer at this time.</p>
<p>186. Can the technical due diligence be performed after the selection is made?</p> <p>No.</p>
<p>187. Page 33 – Availability of space – is there office space available and what is the cost of the office and storage space per square foot?</p> <p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>188. Page 33- Please explain Term of Agreement. Please explain the commencement dates in relation to DBO?</p> <p>See Section 2 “Term of Agreement” of the Exemplar Agreement.</p>
<p>189. Page 36 – Terrazzo Floor. Why is it being replaced? What is the square footage? What are the costs?</p> <p>The Terrazzo floor is not being replaced. The Airport expects the successful proposer(s) to pay for the costs associated with the installation of the floor in the common seating areas. See response to question number 1 above and Section 3.10 “Development Requirements” of the RFP. For square footage refer to Sections 1.5.4 and 1.5.3 of the RFP.</p>

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<p>190. Page 39 – CAM – What are services? How much do they cost? Is there a fee per square foot?</p> <p>The services are any that are necessary to keep the space in a clean and sanitary condition. Services are to be provided by the selected proposer at the selected proposer's sole cost.</p>
<p>191. Page 44 – "Green Seal" More explanation and more information as the website is very limited.</p> <p>Section 3.25 of the RFP and Section 4.5 of the Exemplar Agreement outline this requirement.</p>
<p>192. Developer model – Does the developer give one package for the total response or four individual responses totaled?</p> <p>One package. See Sections 1.0 paragraph "e", 1.5.4 and 1.5.5 of the RFP.</p>
<p>193. Does the page count increase for the developer if only one package is used?</p> <p>No.</p>
<p>194. Page 70 – Does the Airport want the rent paid by the developer to the City listed or the rent concessionaire pays the developer?</p> <p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>195. Can the Exhibit forms be rewritten in Excel?</p> <p>Yes, but Excel forms will not be provided by the Airport.</p>
<p>196. Page 70 Historical Retail Data – Is these five years of history?</p> <p>This section is not historical data but a proposed concession plan.</p>
<p>197. Does the Airport want detailed layouts and designs per location?</p> <p>Yes.</p>
<p>198. Does the Airport understand that by DBO the designs, concepts and brands could change? Will the Airport allow for these changes? Reference Tab 4.3.16) (5.12)</p> <p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>

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<p>199. Please define the “West addition” in Terminal A. Please provide lines of demarcation.</p> <p>This is the expanded concession area being constructed on the west side of Terminal A commonly referred to as the “Bump Out” of Terminal A. See revised Exhibit A-5 of the Exemplar Agreement, blocks TA-15 through TA-19.</p>
<p>200. Please provide a complete and detailed construction schedule.</p> <p>See Section 1.3 “Construction Timetable” which represents the best information available at this time.</p>
<p>201. What is the Airport’s definition of Kiosks?</p> <p>See Exemplar Agreement – Exhibit M – “Tenant Improvement Design Criteria” Section 1.3</p>
<p>202. Existing terminals A/C locations. Will these be managed by the winning proposer?</p> <p>The City continues to work on an answer for this question and will respond in Addendum #2.</p>
<p>203. Can the developer change concepts between F&B and Retail? (Terminal A+ Floor 2 as a specific example)</p> <p>No.</p>
<p>204. Will the developer get “first right of refusal” for the Terminal B Phase 2?</p> <p>No, See response to question number 64 above.</p>
<p>205. Are the terminals A/B connected through the departure level?</p> <p>In the future, yes.</p>
<p>206. Is the Airport requesting construction drawings, specifications, color boards be provided in the response of the RFP? Can the developer assume that requirements in paragraphs 3 and 4 in Tab L 4.2.21 are the responsibility of the successful proposer and are not to be included in this RFP response? If the response of the Airport is negative, please provide detailed base building construction drawings as well as the tenant design outline drawings on the date of addendum.</p> <p>See response to question number 7 above and amended Section 4.3.21 of the RFP.</p>
<p>207. Is the Airport going to provide more detailed drawings so that the architects can create conceptual drawings detail that have been requested?</p> <p>No. See response to question number 7 above.</p>

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208. What is the City's logic for limiting a Package 5 awarded operator/developer to just 25% of operations because there are several major airports with successful concession programs where operator/developers operate far more than 25%?

The City continues to work on an answer for this question and will respond in Addendum #2.

209. Can the City provide a list of all available concession spaces, noting which are landside and which are airside?

Yes. See matrix attached to this addendum (Attachment 1), Airside is referred to as post-security and landside is referred to as pre-security.

210. What are the storage opportunities for the program? If they have to be built into the program, it may considerably limit the concession offering opportunities. Has a commissary system been planned at this time?

See Question number 37 above. Additional storage may be located in un-programmed space in North Concourse and Terminal A+. No commissary system has been planned at this time.

211. Evaluation Points: On page 51, subsection 2.7 this clearly provides an unfair advantage to a developer who will subcontract 100% of the space and must be removed or added back to subsections 2.5 and 2.6. And, the way this is written, a proponent could get more points for subcontracting a space to be unbranded out-of-town operator than a proponent who licenses and operates a popular San Jose branded restaurant. Is that what the City wants?

The City continues to work on an answer for this question and will respond in Addendum #2.

212. Section 4.29.1 -There must be an exception made for agreements in existence and accepted as part of the RFP award.

See responses to question numbers 114-116 and 182 above. Respondents will need to take this into consideration when bidding on the contract. Proposers will be responsible to clear any conflicts.

213. Section 4.7- What if there is not acceptable alternative space; can the awarded operator opt out of a relocation and get net book value paid and terminate the lease as to the specific premises?

Section 4.7 "Relocation Expansion or Contraction of Operations" of the Exemplar Agreement provides how this will be handled by the City.

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214. Section 11.1- Should the city be liable for any joint negligence, not just “sole” negligence?
No. See response to question number 124 above.
215. Exhibit G If invitees include airport passengers, then all references to invitees should be deleted because a concessionaire cannot be liable for what passengers bring into the Airport.
No change is being made to Exhibit G See response to question number 144 above.
216. Exhibit G Section 2(a) we request that “during the term of the Agreement” be inserted after “any Hazardous Material release”.
No change is being made to Exhibit G.
217. Exhibit G – Section 2(a) Same as question above, shouldn’t the city be liable for joint negligence?
No
218. Exhibit G – Section 4(b) & 5(c) We request that “during the term” to be added to the end of the last sentence in these sections.
No change is being made to Exhibit G.
219. Exhibit G Section 7(b) We request that the following be added at the end of the last sentence: “or if Concessionaire is prohibited from use of the Concession Area for more than 30 days”.
No change is being made to Exhibit G.
220. Are you entertaining a 3 rd party delivery company to handle airside deliveries?
See response to question number 2 above.
221. Please explain Airline operations and changes to the placement of airlines and how that will all happen.
See question number 19 above
222. Doug’s slide showed a pre-security location on the first floor in the North concourse. What package is it?
See attached matrix (Attachment 1) and revised Exhibit A-6, Package 1- retail
223. Can the airport provide sales info on existing tenants?
See Page 6 & 7 Tab II.c of the RFP

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224. Regarding the slide presentation, you said in the RFP you could not propose food and beverage in retail spaces and you couldn't propose retail in food and beverage spaces. In the arrivals area on the slide presentation you showed café seating for a retail location. Could you clarify?

See response to question number 3 above

225. 3.6 Worker Retention – Is there going to be some methodology to disperse the workers amongst the packages?

The City continues to work on an answer for this question and will respond in Addendum #2.

226. Will lease outline drawings be made available and are there tenant design criteria that you would like us to adhere to.

There is a tenant design guideline in the RFP. Lease outline drawings cannot be provided at this time as the building is still in the development stage.

227. Can the deadline for the proposal submissions be moved to January 31, 2008?

No, but the City has extended the date to January 24, 2008 at 2:00 p.m. See amended Section 1.4 of the RFP above.

228. Can any food or beverage service (coffee, wine or convenience store food items, for example) be offered through package 1 or 2? If yes, can you specify where and under what condition?

See response to question number 36 above

229. Section 4.1 Evaluation – On what specific criteria will the 300 possible points for the oral presentation be awarded?

The City continues to work on an answer for this question and will respond in Addendum #2.

230. Section 4.1 – How would the comparison be done between the calculated average score of Packages 1,2,3 and 4 and the highest ranked package 5 if there are no proposals to one or more of the individual packages? Would the City reissue the RFP so that the remaining proposers to individual packages are not automatically excluded from the selection process?

The City continues to work on an answer for this question and will respond in Addendum #2.

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231. In Terminal A, Package 2 space 800 sq ft - is this space intended to be pre or post security? If post security, is this space accessed through the labeled package 2 1125 sq. ft.?

See attached matrix (Attachment 1) and revised Exemplar Agreement Exhibit A-5. This is a pre-security retail block #TA-22.

232. Is there any financial aid for small local restaurateurs with the high cost of the airport project?

The City continues to work on an answer for this question and will respond in Addendum #2.

233. The Roster of Certifying Agencies (CALTRANS) to apply for the Disadvantaged Business Enterprise Program on the (CALTRANS) website. The representative said to complete and mail the application to Sacramento, CA for approval. The certification approval process could take three months to process. The cut off date of 1/10/08 to submit the RFP is less than the expected approval time required by (CALTRANS) to process my application. The approval of the application could be processed and completed in less time, however, three months is the normal time required to process the application. Please advise me on my application status with the possibility of (CALTRANS) certification incomplete on the cut off date of 1/10/08.

See Section 3.23 and Exhibit C of the RFP.

234. I wanted to ask if CADD drawings would be made available for the locations.

No.

235. This may have come up at the pre-proposal Conference, but will SJC make available to proponents .dwg or AutoCadd files of the concession spaces?

The design of the concessions shell spaces for Terminal A and Terminal B will be finished in early 2008. At that time the City will provide the successful proposer with the necessary electronic files in a timely manner for the preparation of detailed concession build-outs.

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236. SJC staff said at the pre-proposal conference that the addendum will provide an answer as to whether the airport is considering a third party distribution system and center to handle product deliveries. Should SJC believe a third party system is necessary, we urge them to utilize models where the airport funds this cost via security funding (e.g. Toronto Airport). If the third party cost is passed on to Concessionaires, it will, as would in almost any business, result in higher prices to consumers.

See response to question number 2 above.

237. I had heard earlier that there was a passenger survey taken and results would be coming. It was mentioned at the meeting what new flights passengers wanted. Was this a result of this passenger survey? Do you have more detailed survey info, questions asked, and total final passenger survey results you can email to me? Can I find this on your website?

The City continues to work on an answer for this question and will respond in Addendum #2.