

Request for Proposals (RFP)
ADDENDUM NUMBER THREE (3)
DATE: April 24, 2025

PROJECT: Valet Parking Concession Agreement
Birmingham-Shuttleworth International Airport
Birmingham, Alabama

From: Birmingham Airport Authority (BAA)
5900 Messer Airport Highway
Birmingham, Alabama 35212

To: All Participants

General:

This addendum will form a part of the RFP and modifies the original Request for Proposals (RFP) document. The following changes take precedence over items in the RFP. Any portion of the RFP not changed by this Addendum remains in effect. Recipients of the Addendum are advised to provide this Addendum to anyone to whom they further distribute without the BAA's knowledge.

Participants in this RFP are required to acknowledge receipt of this Addendum in their proposal. Failure to do so may subject Proposer for disqualification.

ADDITIONAL INFORMATION/CLARIFICATIONS/DESCRIBED BELOW:

Please note that the Proposal due date has been extended until May 14, 2025. All proposals are due by 2:00 PM the latest on May 14, 2025.

1. **Question:** Does the page limit include the audit pages?

Answer: NO. The Financials are excluded from the 50-page count.

2. **Question:** Does the ACDBE goal include the SBE requirement or is that in addition?

Answer: ACDBE Goal of 9% is separate from the SBE recommendation. SBE is only a recommendation not a requirement.

3. **Question:** Does BAA have data on social media engagement?

Answer: See attached three documents that show our engagement during most of 2024 Instagram, Facebook, and LinkedIn. X doesn't provide comparable data. This is not specific to parking, but rather the results of our social media efforts. Time period for the performance data was November 2023 – October 2024.

4. **Question:** How is overflow handled?

Answer: There is no overflow lot for valet.

5. **Question:** Is the Airport planning to demo the building on the lot? Can we have full or partial access to the building? We may need it to securely store keys and to maximize vehicle storage.

Answer: After review and consideration, the Authority has determined that the building located in the Valet Storage Area shall be demolished while maintaining the external pole lighting in the parking lot. For the Authority to remove the building in a safe and timely manner with minimal impact on the valet operation, at the commencement of the new valet operation, the existing valet storage space located on the 3rd floor of the Parking Garage shall be used as the Valet Storage Area. The garage storage location shall be used by the operator until the building has been demolished, and the pavement has been returned to a useable condition. Once the building is demolished and the pavement is repaired the valet operation shall be transitioned from the garage to the remote storage area. During the transitional phase, access at the garage valet storage area shall be controlled through the airport badge access control system. The remote Valet Storage Area shall be controlled by the Concessionaire's access control system. The anticipated date for the removal of the building and transitioning the storage area from the parking garage to the remote Valet Storage Area is October 31, 2025. The Concessionaire shall occupy approximately 49,982 square feet in the remote Valet Storage Area after the building is removed. The Agreement and associated references to this location will be updated in addendum #4.

6. **Question:** What are the hours of operation?

Answer: Hours of Operation are depicted in the Exemplar Concession Agreement Exhibit B – Concession Standards, Section 8.

“Concessionaire shall provide valet services for public parking operations, from two (2) hours prior to the first scheduled airline departure at the Airport through one (1) hour after the last actual airline arrival or the arrival of all valet customers scheduled to arrive at the Airport (the “Hours of Operation”). The Hours of Operation shall account for any aircraft delays.

7. **Question:** Will the area lighting and gates be functional at the storage lot? If the area lights go out, do we call BAA?

Answer: All electrical components at the Valet Storage Area shall be the responsibility of the Concessionaire. The maintenance responsibilities are depicted in Exhibit C of the Exemplar Concession Agreement. The lights and gates will be functioning at the time the Concessionaire takes over the storage lot.

8. **Question:** Will the current storage area of 315 valid parking spaces be part of this opportunity?

Answer: No. The Valet Storage Area is depicted in the RFP as Exhibit A-3

9. **Question:** Regarding the ACDBE qualification, is it needed at the time of the proposal or when the contract is executed?

Answer: Yes. You must have your ACDBE partner at the time of the proposal.

10. **Question:** Other than financials, is there 50-page limit?

Answer: Yes. There is a 50-page limit excluding the financials, back/front cover, tabs, dividers, cover letter and table of contents.

11. **Question:** Explain the concessions fee versus the minimum annual guarantee.

Answer: The Privilege Fee due to the Authority is the higher of Concession Fee(s) or the Minimum Annual Guarantee.

- In the proposal, the proposer must propose the Concession Fee as a percentage of Gross Receipts for the valet service and any other proposed services, as defined in the Exemplar Concession Agreement. Proposer may propose the same or a different Concession Fee for the services that it proposes to offer. For the first year, the Concessionaire will only pay the Concession Fee.
- Beginning in the second agreement year, the Minimum Annual Guarantee as defined in Section 7 of the Exemplar Concession Agreement commences in an amount equal to 85% of the first agreement year's total Concession Fee payments to the Authority. Each Agreement year thereafter, the Minimum Annual Guarantee will be equal to 85% of the Concession Fee payment for the prior year, except that it shall not never be less than the Minimum Annual Guarantee for the second Agreement Year.

12. **Question:** Does the authority have any data with regards to social media of traffic?

Answer: See answer to questions number 3

13. **Question:** What's the overflow lot for valet?

Answer: There is no overflow lot for valet.

14. **Question:** Is the airport planning on demolishing that building in the middle of the lot?

Answer: Please see answer #5.

15. **Question:** Could the Airport provide access to the current agreement with the incumbent valet operator for reference?

Answer: A copy of the current agreement and amendment is attached.

16. **Question:** Will the existing valet podium remain available for the new operator, or will the awarded operator need to provide a new podium?

Answer: The valet podium will remain available for the new operation. But it will be the responsibility of the new concessionaire to maintain or replace if they would like to have a different valet podium with their branding on it.

17. Question: Will internet services be provided by the Airport, or will the operator be responsible for procuring independent service?

Answer: Concessionaire will be responsible for procuring independent internet services.

18. Question: Section 4, Sub-Part K "Badging Requirements & Fees", mentions the fine for not returning the badges can we be provided with the cost (if any) for each of our staff to be badged by the airport?

Answer: Badging Fees and Charges are attached as part of Addendum #2, Question 6.

19. Question: Could you confirm on average what's the current earliest and latest scheduled flight times at BHM?

Answer: The flight schedules vary by day however; a typical day would have the earliest daily departure at 5:00am with the earliest arrival at 7:00am. The last daily departure is typically around 8:00pm with the latest arrival around 12:00am. These times are not exact as all flight schedules are subject to change. It shall be the responsibility of the Concessionaire to monitor the flight schedules to ensure that the Hours of Operation outlined in Section 8 of the Concession Standards are followed.

20. Question: What entity currently manages the FIDS (Flight Information Display System) at the Airport? If selected would the new operator have the ability to work with them to gain access to an open APIs to integrate their valet system?

Answer: The Authority's IT department manages the Airport FIDS. The Concessionaire will be able to work with our IT department and see capabilities of integrate systems.

21. Question: Page 6, Section E – Concession Fee and Payment Provisions: It states that concession fees are due monthly in advance, without demand. Since concession fees are based on a percentage of gross revenues generated, can the Airport clarify how the operator would calculate and remit the fee in advance before final monthly revenue reconciliation is completed?

Answer: Payments of one-twelfth (1/12) of the MAG shall be due on the first of every month. Any Concession Fee more than one-twelfth (1/12) of the MAG shall be due on the 10th day of every month. Every month of the Term, the

Concessionaire shall submit a Monthly Statement of Gross Receipts (with payment) on the 10th day of each month showing the previous month's activity. The Monthly Statement of Gross Receipts form is attached as Exhibit G of the Agreement.

22. Question: Section E(iv), Security Deposit, how will the 3-month deposit be calculated? Also, Does the airport hold onto the deposit after Year 1 or is it returned to the operator?

Answer: The initial Security Deposit shall be calculated using the first 3 months of projected Airport Concession Fees. After the first agreement year, the Authority shall re-evaluate the Security Deposit based on the prior year's activity and actual Concession Fees paid. The Security Deposit is required each year of the agreement.

23. Question: Section 7 Proposal Content:
Should proposers document both their proposed MAG (Minimum Annual Guarantee) and Concession Fee structure? Additionally, to earn full points in Section 4, would the Airport want to see a detailed explanation of how the proposer derived revenue projections, concession fee percentages, and MAG proposals?

Answer: There is no MAG to propose. The Concessionaire shall only propose a Concession Fee as a percentage of Gross Receipts for the valet services as well as any additional services it wishes to perform. The MAG is calculated using the first Agreement year's actual payment to the Authority. The Authority would appreciate a detailed explanation of how the proposer derived revenue projections.

24. Question: Is the Airport open to allowing demand-based pricing strategies to be used for the valet services?

Answer: The Concessionaire shall propose any pricing strategies as part of Section 3 of the Proposal.

25. Question: To confirm: Will concession fee percentages split be calculated after all applicable sales tax and credit card processing fees?

Answer: The Concession Fee shall be a percentage of Gross Receipts. The Authority has refined the definition of Gross Receipts and will amend the Exemplar Agreement as:

All amounts, net of documented credits or refunds to Customers, received (whether by cash, credit or otherwise) from or on behalf of a Customer, billed (whether

collected or not), delivered and/or realized by the Concessionaire or any subcontractor of Concessionaire related to Concessionaire's Permitted Use, as authorized by this Agreement, without deduction or offset, and, without limiting the generality of the foregoing, all revenue derived from Concessionaire's operations in connection under the terms of this Agreement, without deduction or offset, unless specifically excluded as provided in this Agreement. For the purposes of calculating the Concession Fee under this Agreement, Gross Receipts shall exclude the following: (i) Sales, use, and taxes - Amounts collected from customers solely as sales, use, or similar taxes and required to be remitted to any governmental agency, provided such taxes are separately stated and not retained by the Concessionaire; (ii) Gratuities - Voluntary gratuities or tips received by employees that are either (a) paid directly by customers to employees and not retained by the Concessionaire, or (b) pooled and distributed to employees in accordance with applicable law; (iii) Refunds and chargebacks - Bona fide refunds or credits issued to customers for overcharges, complaints, or cancellations, and amounts charged back to the Concessionaire due to credit card disputes, provided that the original transaction was previously included in Gross Receipts; (iv) Third party-funded discounts or coupons - The value of any discount, promotion, or coupon provided to a customer where the discount is fully funded and reimbursed by a third party; (v) Reimbursed operating expenses - Any amounts reimbursed to the Concessionaire by the Airport or a third party for expenses incurred on their behalf, including but not limited to damage claims, vehicle towing, or emergency services; and (vi) Insurance proceeds - Amounts received as proceeds from insurance policies in connection with property damage, theft, liability, or business interruption.

26. Question: Exhibit C references significant maintenance obligations, including repairs and a 15% administrative fee. Does the Airport have a detailed asset list outlining which assets are owned and maintained by the Authority (beyond basic building structures)?

Answer: The question was regarding the office and kiosk. The office and kiosk are the responsibility of the Concessionaire to maintain. The Concessionaire must provide and maintain the furnishings at each leased area.

27. Question: Prior to transition, will the Airport ensure that valet facilities are up to the stated maintenance standards, or will the incumbent be required to restore facilities to original conditions as per their contract obligations?

Answer: The Premises shall be received by the successful proposer in an "as-is" condition, however, the Authority will ensure that facilities are acceptable prior to any transition.

28. Question: Does the Airport have an established structure or checklist for pricing audits, or will the selected operator be responsible for developing it?

Answer: Section 13.3 of the Exemplar Concession Standards outlines the basic requirements for the pricing adjustments and audits. The Concessionaire may propose any additional factors to.

29. Question: The Street Pricing Rule mentions that "significantly higher prices" could result in a default. Can the Airport define what constitutes "significant" in this context? Currently the off-airport parking is \$10/Day and could impact this clause. Would there be an indexing methodology that both parties could work on together to ensure compliance over time?

Answer: The Concessionaire shall propose prices that are not significantly higher than those of current products available at comparable locations. \$10/day off-airport parking is not a comparable product to valet services. The Authority and Concessionaire will work together to ensure pricing is both competitive and reasonable.

30. Question: How does the Airport intend to calculate the 9% DBE participation goal? Will it be based on gross revenues generated, concession fee payments by operator, or another basis?

Answer: In accordance with 49 CFR Part 23, the ACDBE participation percentage is calculated based on the total gross receipts generated under the concession agreement, not solely on the value of supply or service expenditures. This means that any ACDBE participation whether through joint ventures, subcontracted services, or the procurement of goods must be measured as a percentage of the total revenue received from operating the concession at the airport.

31. Question: Would the airport be open to automated DBE participation reporting?

Answer: Thank you for your question. Currently, DBE participation is tracked through our B2GNow system, while ACDBE participation is monitored separately through internal reporting and documentation requirements.

We are open to automated ACDBE participation reporting, provided the proposed system:

- Meets FAA reporting and documentation requirements under 49 CFR Part 23,
- Accurately tracks gross receipts or eligible ACDBE transactions, and

- Provides verifiable data that can be reviewed during audits or compliance reviews.

Please feel free to share additional details about the proposed reporting system, and we will evaluate its compatibility with our internal tracking procedures.

32. Question: Does the Airport have available future enplanement projections specifically for O&D (Origin & Destination) passenger revenues?

Answer: BHM O&D Passenger Projections can be found on slide #8 of the presentation conducted at the Pre-Proposal Conference on April 16, 2025, at 2:00pm CST.

33. Question: Is the Airport open to incorporating a performance-based bonus structure to further incentivize high-quality service and operational excellence?

Answer: The Concessionaire shall propose any products and services offered in Section 3 of the Proposal.

34. Question: Per section IV(K) on page 8 of the RFP, is the background check mentioned to be performed by the concessionaire or BHM? If it is provided by BHM, is there a cost for said background check?

Answer: The background check shall be completed by the BAA as a part of the badging requirements. All costs associated with badging shall be incurred by the Concessionaire. The badging fees and charges are attached in Addendum #2. Question# 6.

35. Question: Per section VI (B) on page 13 of the RFP, can the required audited financial statements, forms and appendix documents be excluded from the 50-page maximum length of the proposal?

Answer: The audited financial statements, forms, and appendix documents are excluded from the 50-page maximum.

36. Question: Please provide a list of liquidated damages (per section 11 on page 42 of the RFP) the current parking operator has incurred over the past two years.

Answer: The current agreement does not include liquidated damages.

37. Question: Can BHM provide editable pdf proposal forms?

Answer: Attached Fillable Proposal Forms PF-1 through PF-9.

38. Question: For Section 4 – Financial Projections Form (Rent Stipulation) – is there a format BHM wants proposers to use?

Answer: Attached is a template pro-forma for proposers if necessary.

39. Question: Sample Agreement, Exhibit E: Can we satisfy the General Liability requirement with a combination of our primary and excess policies?

Answer: The Authority is reviewing this request and will respond further in Addendum # 4

40. Question: Sample Agreement, Exhibit E: We respectfully request a waiver to the Cyber Insurance requirements that we have primary & non-contributory and 30-day cancellation notice provisions in our policy.

Answer: The Authority is reviewing this request and will respond further in Addendum # 4

41. Question: Sample Agreement, Exhibit E: We respectfully request the crime insurance section not have a waiver of subrogation provision.

Answer: The Authority is reviewing this request and will respond further in Addendum # 4

42. Question: Sample Agreement Page 9, Section 7.1: Is BAA willing to move the due date of this report (and subsequent payment) to the 15th of each month?

Answer: No. The due date will remain on the 10th of each month.

43. Question: Sample Agreement Page 9, Section 6.1, C: Can credit card fees be deducted prior to concession/rental calculation?

Answer: Credit card fees may not be deducted.

44. Question: Sample Agreement Page 12, Section 9.1: Can the security Deposit be in the form of an annually renewable performance bond?

Answer: A Security Deposit greater than \$10,000 must be in the form of a letter of credit.

45. Question: Once we fill the facility with valet cars, will the Airport provide additional space for parking? Or will the operator be allowed to close the service if we fill. The removal of all valet storage from the garage will certainly make the new valet lot fill by mid-week.

Answer: Additional parking space will not be provided when the Valet Storage Lot is full.

46. Question: Given the fifty (50) page proposal page limit, we request that the required Financial Statements (Section 4) be excluded from the page count.

Answer: The audit and financial statement page counts are excluded from the proposal submittal page count.

47. Question: Proposal Form (PF-9) - Lawsuits states: "Any lawsuits in which the Proposer, its parent company, or any of its owners or partners have been a party at any location, either as a defendant, plaintiff, or other named party, along with the final disposition of the lawsuit." This requirement is quite broad. Will the Authority accept responses limited to a specific time period, such as the past five years?

Answer: Proposers may limit their responses to lawsuits filed in the last 10 years.

48. Question: Will the Proposal Forms (Exhibit C) that are required as a cover sheet be included in the total page count limit?

Answer: Section Tabs and the Proposal Form cover sheets are not included in the total page count.

49. Question: Proposal Forms (Exhibit C) - Will any additional supporting documents requested on the proposal forms be included in the total page count? For example, on PF-2, we are required to attach the Articles of Organization.

Answer: Requested attachments are not included in the total page count.

50. Question: Will the successful proposer be charged rent on the office provided?

Answer: The successful proposer will not be charged rent on the office space provided.

51. Question: What is the current Minimum Annual Guarantee and Concession Fee for the Concession deal?

Answer: The current Concession Fee is 30% and the Minimum Annual Guarantee is \$800,000.

52. Question: Can the BAA provide the last 2 monthly statements of Gross Receipts for the current deal?

Answer: Please see attached.

53. Question: For the Sales numbers provided in page 24-26, are these Gross Revenues or Revenue Net of Sales tax? Does the current Provider charge sales tax on Gross Revenues? If so, what is the sales tax percentage?

Answer: Gross revenue number does not include tax. Please refer to City and County Sales Tax rates.

54. Question: How many cars are permitted to be parked on the curbside Valet Staging Area and for what period of time may they be parked there?

Answer: The number vehicles that can be held in the Staging Area will depend on the size of the vehicle and the manner in which they are parked. The Authority has not specified the length of time a vehicle may be staged in the Valet Staging Area. The Concessionaire must use its best judgement to operate the business in conformance with the standards provided.

55. Question: How often is the valet operation full/closed?

Answer: The Authority does not have a statistic for how often the current operation is full and/or closed.

56. Question: RFP Pg. 40, Section 4E states “maintain and monitor all changeable message signs...” Does the Authority anticipate giving the concessionaire access to the signs so that we may change messaging? Also, does “maintain” mean that the concessionaire will be required to pay for related R&M expenses?

Answer: The Concessionaire must provide and maintain any signs needed to operate its business. It may need signs at the Valet Staging area or to have messaging on its website that communicates service status with its customers. The Authority will coordinate with the successful proposer on any proposed signage during their implementation planning.

57. Question: Is the valet currently open 24/7? Can you provide a copy of the current work schedule by day of the week?

Answer: See answer to question # 6.

58. Question: RFP Pg. 42, Section 11 references violations and fines. Can you please provide a dollar amount of violations and fines assessed by year for each of the last three (3) years?

Answer: There are no written violations under the current agreement. Fines related to badging can be found in addendum #2 Question # 6. Violation fines can be found in exhibit D, Section 11 of the exemplar agreement.

59. Question: Sample Agreement, Section 18. Indemnification – This section differs from the indemnification requirement on page 11 of the RFP. Can you please clarify which indemnification requirement will be included in the final agreement?

Answer: The indemnification requirement in the Exemplar Concession Agreement shall be the final language in the agreement.

60. Question: Will lighting in the storage lot be repaired by the Airport at the time the operator occupies the lot?

Answer: The lighting in the storage lot be repaired by the Authority prior to the commencement of the valet agreement. It will be the responsibility of the Concessionaire to maintain the lighting after occupancy.

61. Question: Will the Airport maintain infrastructure, such as lighting, over the course of the agreement?

Answer: Please review the Exhibit C Maintenance Matrix of the Exemplar Agreement to determine maintenance responsibilities for each leased area.

62. Question: Does the Airport have any required specifications for access control to the storage lot?

Answer: No. Proposer must propose the type of access control it plans for the storage lot. The Airport Authority would need access for emergency response.

63. Question: Will the Airport consider dedicating 10 spaces in the garage for high-end valet customers' vehicles? The customer is going to see the movement of the storage of their vehicles from covered parking to uncovered as a degradation of service.

Answer: Space will not be provided in the garage. The Concessionaire may propose to erect covered storage at the Valet Storage Lot for high-end valet customer vehicles.

64. Question: For the sake of security, may we use some space in the existing building in the storage lot?

Answer: Please see the answer to Question 5.

65. Question: May we rehab the wash rack for customer use? This would be a significant customer service enhancement.

Answer: Please see the answer to Question 5.

66. Question: May we use a bond to meet the security deposit?

Answer: Please see the response to Question 44.