



# Request for Proposal

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## **Advertising Concession**

**Issued: December 1, 2017**

**Department of Port Control  
Cleveland Hopkins International Airport  
5300 Riverside Drive  
P.O. Box 81009  
Cleveland, Ohio 44181-0009  
Phone: 216-265-2693  
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Affidavit

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## INTRODUCTION

The City of Cleveland ("City"), through its Department of Port Control ("Department") is the owner and operator of Cleveland Hopkins International Airport ("CLE"). The City seeks to enhance CLE's advertising program in terms of concept, display types, space usage and diversity of display sizes. The concession opportunity consists of developing, constructing, installing, operating, maintaining and selling indoor terminal advertising services, outdoor advertising signage to include in-gate entertainment containing advertising, and non-traditional advertising and sponsorships, on Airport property.

The City invites experienced, highly motivated and creative advertising companies that can demonstrate a successful track record of establishing and maintaining revenue producing advertising programs within airport facilities to submit proposals.

Qualified firms, either singly or in joint venture or other legal arrangements, (collectively, "Firm") must have the requisite, demonstrated competence and experience in, and a thorough knowledge of, the required services.

This Request for Proposal is intended to find an advertising company that can create a unique advertising program that satisfies the City's objectives for a comprehensive Airport advertising program. These objectives include:

- (A) Obtaining diverse advertising forums including advance technology displays that create an attractive environment for the traveling public, while minimizing visual clutter and distractions to instructional signage;
- (B) Utilizing space in ways that optimize advertising effectiveness and revenue generation;
- (C) Maximizing participation from local Cleveland support companies and establishments while achieving a complimentary mix of local, state and national advertisers;
- (D) Reflecting contemporary advertising approaches; and
- (E) Reflecting designs that are architecturally integrated into CLE facilities, aesthetically pleasing and consistent with the Airport's finishes and the facilities surroundings.

A pre-proposal conference will be held at Cleveland Hopkins International Airport, Cleveland Plus Conference Room, located on the Baggage Claim Level across from carousel #3, 5300 Riverside Drive, Cleveland, Ohio 44135 on

Tuesday, December 12, 2017 at 12:00 p.m., local time. At that time interested parties may ask questions pertaining to this Request for Proposal. A tour of the terminal building and a self-guided tour of the consolidated rental car facility will follow the pre-proposal conference. For reasons of security, those planning to attend the pre-proposal conference must register by 4:00 p.m. local time on Thursday, December 7, 2017 by e-mail to [smuia@clevelandairport.com](mailto:smuia@clevelandairport.com), to ensure escort paperwork is completed for the tour. Prospective Firms are encouraged to attend the conference although attendance is not mandatory.

Each Firm shall submit nine (9) complete proposals, consisting of one (1) unbound original and seven (7) identical bound copies and one (1) CD-ROM or USB memory stick containing the proposal and all attachments in Portable Document Format ("PDF") to the City **no later than 4:00 p.m. local time on Wednesday, January 17, 2018**. No proposal shall be accepted after that time unless such date or time is extended pursuant to a written addendum issued by the City.

Sealed proposals may be mailed to the address below and must be identified on the outside of the envelope(s) as: **Proposal: Advertising Concession**

Cleveland Airport System  
Department of Port Control  
Administrative Offices  
5300 Riverside Drive  
P. O. Box 81009  
Cleveland, Ohio 44181-0009  
**Attention:** Sharri Muia, Contracts & Procurement Manager

**The City reserves the right to reject any or all proposals or portions thereof, to waive irregularities, informalities and technicalities, to re-issue or to proceed to obtain the services desired otherwise, at any time or in any manner considered in the best interest of the City. The Director may, at his sole discretion, modify or amend any and all provisions of this notice or the Request for Proposal.**

The Department has instituted a program whereby interested parties may receive this Request for Proposal through the City's website and the Department's website along with all applicable documentation and mailing lists. Please refer to the following websites for access to the Request for Proposal:

<http://www.city.cleveland.oh.us/CityofCleveland/Home/Government/CityAgencies/Finance/RFP>

<http://www.clevelandairport.com/company/business-opportunities/bids-rfps>

**NOTE: In an effort to comply with the City's green initiatives, the Department will advertise all future Requests for Proposal and Requests for Qualifications on the websites listed above together with all supporting documentation. A Letter of Invitation will be released as notification of the publication of Request for Proposal or Request for Qualifications for future projects.**

All future documentation, including addenda, response to questions, schedule changes, additional requirements for the Advertising Concession Request for Proposal will be posted on the above sites as no additional paper mailings will be made for this proposal. Upon receipt of a Letter of Invitation, it is requested that interested Firms contact Sharri Muia via e-mail: [smuia@clevelandairport.com](mailto:smuia@clevelandairport.com) as confirmation of receipt and interest.

## **1. PURPOSE OF REQUEST**

The City is inviting written proposals from Firms interested in providing a coordinated advertising program. The City defines the advertising program as including, but not limited to, flat-screen video monitor systems, various mass media communication devices ("Digital Advertising"), artwork, display cases, free standing displays, wall mounted displays, dioramas, and other similar advertising ("Traditional Advertising") for the purpose of promoting or displaying the products or services of various industries, manufacturers, companies and persons.

## **2. DESCRIPTION OF ADVERTISING CONCESSION**

### 2.1 Area and Scope of Concession.

The selected Firm shall be allocated and provided with such wall and other space within and about CLE's passenger terminal building, whether or not contiguous, with the existing terminal structures, parking garages, surface lots and specifically including the remote rent-a-car facility (collectively "Airport facilities") as approved and authorized from time to time by the Director. Space availability is indicated in **Appendix 1**. The space shall be used solely for the installation and maintenance of Digital Advertising and Traditional Advertising (collectively "Advertising"). Firms may use any or all of the locations as part of a proposal for additional advertising concepts. If any additional advertising concepts are proposed, the Firm shall separately describe the additional advertising concepts, the locations of same, the additions, modifications and equipment associated with such additional advertising concepts, as well as the capital investment associated with the additional advertising concept.

Firms may propose other sites on the Airport's properties or within the buildings indicated in Appendix 1 believed to be suitable for display of advertising.

However, the City makes no representations that any such sites will ultimately be permitted to be devoted to advertising purposes, or that sites devoted to advertising shall continue to be devoted to such use. In the City's sole discretion, any or all of such sites may be deemed best suited for other City purposes or left vacant. Nothing in this Request for Proposal shall be deemed or construed in any manner to limit the City's discretion to ultimately determine which sites identified by a Firm will be used for the display of Advertising.

Firms are encouraged to submit proposals that include, but are not limited to, modern advertising concepts such as web advertising and utilization of state of the art display mediums. The selected Firm must install, at its own cost, all such mediums and at least four (4) back-lit wall dioramas or four (4 tension fabric displays) and two (2) flat screen digital monitors at CLE for the City's exclusive use for display of information. The Director, subsequent to the award of the concession, will establish the number, location and size of the displays.

Additional capital investment required for the concession includes: (i) installation and maintenance of courtesy telephone boards or equivalent technology; (ii) touch-screen airport directories that will be updated by CLE staff; (iii) upgrade of the Baggage Claim Welcome Centers and calling board with hotel and rental car advertisements in baggage claim. All Proposers must include as part of their proposal an updated schematic that allows travelers to contact their respective hotels and rental car agencies to meet Airport standards; (iv) one (1) sponsored play area on each concourse; (v) one (1) sponsored lactation station on each concourse; (vi) security checkpoint bin advertising, and; (vii) a minimum of one (1) gate hold business work area/device charging area per concourse.

The concession agreement ("Agreement") requires daily inspections and cleaning of all Advertising and the selected Firm is required to take all necessary actions to maintain the Advertising in "as new" condition. In addition, no blank Advertising space will be permitted at any time. If the selected Firm does not have replacement advertising content, the selected Firm is required to immediately install public service content or filler content to supplement current advertising partners. It is the selected Firm's responsibility to locate this suitable public service content, subject to the Director's approval. At the discretion of the Director, City's promotional materials may be substituted for public service content.

The City will award the selected Firm a concession agreement for a term not to exceed ten (10) years, plus a three (3) year option term at the City's discretion. The selected Firm shall have the non-exclusive right to sell Advertising in the areas described herein. The nature and character of the Advertising installed or erected shall at all times be subject to the prior written approval of the Director. No Advertising shall be erected, installed or placed in any area, except as set forth in the Agreement.

## 2.2 Available Advertising Locations.

The current locations of available advertising space are indicated in **Appendix 1**.

From time to time, during the term of the Agreement, the City may refurbish one or more of the concourses and/or the main terminal areas. In connection with any such refurbishment, or for other reasons in the City's discretion, the selected Firm may be required to operate from different or fewer locations. If the City is unable to find a replacement location for any Advertising Unit resulting in the substantial reduction of space more than 10%, then the minimum annual guarantee will be adjusted, pro rata, based on the number and type of Advertising Units remaining; however, the percentage fee will not be adjusted.

The Director may require the selected Firm to operate at additional locations, at any time, during the term of the concession agreement, which additional locations may be in existing concourses, buildings or structures or in any additional concourses, terminals and structures that may be opened by the City at CLE for operation during the term of the Agreement. In such event, the minimum annual guaranteed concession fee will be adjusted pro rata, in a mutually agreed upon manner.

## 2.3 Installation, Maintenance and Repair Responsibilities.

The selected Firm shall, at its own cost and expense, provide, install and maintain all Advertising, including electrical connections, necessary to conduct its business at CLE.

In addition to ordinary maintenance, which shall be performed continuously as a nominal operating expense, selected Firm agrees to accrue three percent (3%), of gross receipts, (as defined in Section 2.5) from all sales activities conducted under the Agreement and to expend such funds for the refurbishment and betterment of the Airport.

## 2.4 Competition.

The selected Firm will be granted the non-exclusive right to establish and operate an advertising concession on the Airport's properties or within the buildings indicated in Appendix 1. It is understood that the City may operate, or have operated by another, various mass media communication devices which may contain advertising including, but not limited to, flight information display systems, baggage information display systems and gate information display systems. Such operations are not included within the non-exclusive rights granted to the selected Firm, although the City may choose to enter into a separate agreement with the selected Firm for the advertising portions of such mass media devices.



Such non-exclusive rights of the selected Firm shall not be deemed to limit the right of the City to permit tenants of CLE to advertise their goods and services in their leased premises, or elsewhere, on the Airport's properties or within the buildings indicated in Appendix 1 as may be permitted by the City. The rights granted to the selected Firm shall not be deemed to automatically apply to the exterior of other non-Airport Terminal Buildings, or to any present or future structures or buildings, not described in 2.1

### 2.5 Concession Fee to the City.

Prospective Firms should propose a Minimum Annual Guarantee (MAG) concession fee for each year of the Agreement as well as a percentage of gross receipts realized in excess of MAG.

- (A) The City has determined that as a concession fee for the first full year of the term, subject to adjustment as set forth below, the selected Firm shall pay, to the City, a Minimum Annual Guaranteed Concession Fee of no less than Seven Hundred Thousand Dollars (\$700,000.00), payable in twelve (12) equal monthly installments;
- (B) AND a Percentage Fee to be proposed of gross receipts realized by the selected Firm from all Advertising, in excess of the MAG, whichever is greater.

The Minimum Annual Guaranteed Concession Fee ("Concession Fee") shall be adjusted on the first anniversary of the Agreement and at the end of each twelve (12) month period thereafter, for the next ensuing twelve (12) month period, with said Concession Fee being the sum of money representing eighty-five percent (85%) of the Concession Fee payable for the previous twelve (12) month period calculated in accordance with this Section; provided, however, that in no event shall said Concession Fee for the next twelve (12) month period be less than Seven Hundred Thousand Dollars (\$700,000.00).

In addition, any office or support space needed and any utilities necessary to manage this concession will be charged by the City at levels consistent with annual budgeted rates & charges or pro-rata calculations as necessary.

## **3. GENERAL TERMS AND CONDITIONS OF THE CONTRACT**

### 3.1 Term and Termination.

- (A) The term of the concession agreement shall be for an operating period consistent with the selected Firm's capital investment, commencing on the effective date of a concession agreement with the City. However,

the term length shall not exceed ten (10) years, with one (1) three year option at the City's discretion.

- (B) The City may terminate the contract at any time for cause upon failure to perform in a manner satisfactory to the City after the selected Firm has received written notice as provided in the contract. Such written notice may specify, among other matters, bankruptcy, unsatisfactory adherence to schedules, or unsatisfactory performance of services.
- (C) If at any time during review or audit of the selected Firm and its ACDBE subcontractors the City determines that the selected Firm and its ACDBE subcontractors are not functioning in good faith, the selected Firm must submit a corrective action plan within sixty (60) calendar days of the written findings. The City will then review the corrective action plan and, if acceptable, will provide written approval of the plan. If the selected Firm does not meet the provisions of the corrective action plan and the City continues to find the selected Firm and its ACDBE subcontractors not to be functioning in good faith or in non-compliance with the nondiscrimination provisions of this contract the City shall impose such sanctions as it may determine to be appropriate, including but not limited to (i) cancellation, termination or suspension of the contract; or (ii) suspension from participation in future Airport contracts.
- (D) The City may terminate the contract for cause and without any prior notice should the selected Firm fail to maintain any licenses or permits as required by the contract or fail to adhere to the City's and/or Department's applicable rules and regulations.
- (E) The City may, at any time and in its sole discretion, without cause and upon one hundred twenty (120) calendar days' written notice, discontinue the contract entirely. Such discontinuance of the contract by the City shall not constitute a breach of the contract by the City and the City shall have no obligation or liability whatsoever; and selected Firm shall make no claim for payment of damages or of any cost or expense incurred in connection therewith.
- (F) Failure of the selected Firm to strictly enforce a subcontract agreement with any of its subcontractors shall be considered a default by the selected Firm and grounds for termination of its contract with the City.

### 3.2 Insurance.

The selected Firm, at its expense, shall at all times during the term of the contract resulting from this Request for Proposal, maintain the following insurance coverage. The insurance company(ies) providing the required insurance shall be authorized by the Ohio Department of Insurance to do business in Ohio and rated "A" or above by A. M. Best Company or equivalent. The selected Firm, as contractor, shall provide a copy of the policy or policies and any necessary endorsements, or a substitute for them satisfactory to and approved by the Director of Law, evidencing the required insurances upon execution of the contract.

- (A) Business Automobile Liability insurance to cover each vehicle used in the performance of the contract in an amount not less than a combined single limit of Two Million Dollars (\$2,000,000.00) for bodily injury (including death at any time occurring) and property damage each occurrence.
- (B) Commercial general liability insurance covering the selected Firm and the City, as their interest may appear, against claims for bodily injury (including death at any time occurring), personal injury, and property damage occurring in, on or about the Premises, such insurance shall have a combined single limit of not less than Two Million Dollars (\$2,000,000.00) each occurrence.
- (C) Workers' compensation and employer's liability insurance as provided under the laws of the State of Ohio.
- (D) Statutory unemployment insurance protection for all of its employees.
- (E) Maintain such other insurance policies as may be reasonably required by the City.

### 3.3 Surety Bond/Letter of Credit.

The selected Firm shall furnish to the City a surety bond or an irrevocable letter of credit, equal to one (1) year of MAG in the form deemed satisfactory to the City as security for each year of the contract term. Approval of the performance bond will be subject to approval of the City, which shall not be unreasonably withheld. Said bond or irrevocable letter of credit shall guarantee the performance by the selected Firm of all terms, covenants and agreements to be observed and performed by the selected firm under the contract.

### 3.4 Exclusive Contract.

The rights and privileges granted the selected Firm will be non-exclusive.

## **4. GENERAL INFORMATION**

### 4.1 Submission of Proposals.

- (A) Each Firm shall provide all information requested by the City in this Request for Proposal. Firms must organize their packages to address each of the elements outlined and in the same order listed in Section 6 of this Request for Proposal.
- (B) Firms are advised to carefully read and complete all information requested in the Request for Proposal. If the Firm's response to this Request for Proposal does not comply with the conditions for submittal, it shall be considered unacceptable by the City and may be rejected without further consideration.
- (C) The City wishes to promote the feasible use of recycled and environmentally sustainable products and to minimize waste in its operations. To that end, all Proposals should comply with the following guidelines unless absolutely necessary, copies should minimize or eliminate use of non-recyclable or non-re-useable materials. Materials should be in a format permitting easy removal and recycling of paper. A Firm should, to the extent possible, use products consisting of or containing recycled content in its proposal including, but not limited to, folders, binders, paper clips, diskettes, envelopes, boxes, and the like. Do not submit any or a greater number of samples, attachments or documents not specifically requested.

### 4.2 City's Rights and Requirements

- (A) Under the laws of the State of Ohio, all parts of a proposal, other than trade secret or proprietary information may be considered a public record which, if properly requested, the City must make available to the requester for inspection and copying. Therefore, to protect trade secret or proprietary information, Firms should clearly mark each page, but only that page, of its proposal that contains that information. The City will notify the Firm if such information in its proposal is requested, but cannot, however, guarantee the confidentiality of any proprietary or otherwise sensitive information in or with the proposal. Blanket marking of the entire proposal as

"proprietary" or "trade secret" will not protect an entire proposal and is not acceptable.

- (B) The Director, at his sole discretion, may require any Firm to augment or supplement its proposal or to meet with the City's designated representatives for interview or presentation to further describe the Firm's qualifications and capabilities. The requested information, interview, meeting or presentation shall be submitted or conducted, as appropriate, at a time and place the Director specifies.
- (C) The City reserves the right, at its sole discretion, to reject any proposal that is incomplete or unresponsive to the requests or requirements of this Request for Proposal. The City reserves the right to reject any or all proposals and to waive and accept any informality or discrepancy in the proposal or the process as may be in the City's best interest.
- (D) All proposals will remain in effect and be subject to selection by the City until the earlier of the execution of a final contract or one hundred eighty (180) calendar days after the deadline for submission ("Proposal Expiration Date"). Until the Proposal Expiration Date, Firm agrees that its proposal shall remain in effect, as submitted, and subject to selection by the City.

#### 4.3 Airport Concessions Disadvantaged Business Enterprise Program

In accordance with the regulations of the United States Department of Transportation, 49 CFR, Part 23, the City of Cleveland, Department of Port Control has implemented an Airport Concessions Disadvantaged Business Enterprise Program ("ACDBE"). This program applies to all recipients that received a grant for airport development at any time after January 1988 that was authorized under Title 49 of the United States Code. The objectives of the ACDBE program are to ensure nondiscrimination in the award and administration of opportunities for concessions by airports receiving DOT financial assistance; to create a level playing field on which ACDBEs can compete fairly for opportunities for concessions; to ensure that the Department's ACDBE program is narrowly tailored in accordance with applicable law; to ensure that only firms that fully meet this part's eligibility standards are permitted to participate as ACDBEs; to help remove barriers to the participation of ACDBEs in opportunities for concessions at airports receiving DOT financial assistance; and to provide appropriate flexibility to airports receiving DOT financial assistance in establishing and providing opportunities for ACDBEs.

An ACDBE Goal of **twelve percent (12%)** has been established for this Agreement. ACDBE participation may be in the form of one or more joint

ventures, partnerships, subcontracts or other legal arrangements meeting the eligibility standards in 49 CFR Part(s) 23 and 26.

According to the federal regulations, governing the ACDBE program, build-out related to the advertising installation is not subject to the ACDBE program regulatory guidance. The City requests and supports any voluntary inclusion efforts made by the selected Firm to use certified DBE, ACDBE, minority and female owned business for the build-out, construction and installation of the advertising concession program.

The selected Firm will be required to submit information concerning the ACDBE firm(s) that will participate in this Agreement including the name and address of each Concessionaire and Sub-concessionaire, the estimated annual gross receipts to be earned by each named Concessionaire, a description of the legal arrangements to be utilized and the total overall estimated annual gross receipts to be earned.

If a Firm is unable to achieve the ACDBE goals stated herein it will be required to provide documentation in its proposal demonstrating that it took all necessary and good faith efforts in attempting do so, or that it is not economically feasible at this time to enter into either a joint venture, partnership, subcontract or other eligible arrangement with a ACDBE firm.

The selected Firm will be required to comply with the Department's ACDBE Program for the entire term of the contract.

ACDBE certified firms can be located in updated DBE Unified Certification Program ("UCP"). The UCP Directory can be obtained at the Ohio Department of Transportation's UCP website at: <http://www.dot.state.oh.us/Divisions/ODI/SDBE/Pages/DBE-Directory.aspx>.

All proposed sub-concessionaires listed in your Proposal must receive written Board of Control and Consultant Review Committee ("CRC") approval in advance. The sub-concessionaires you propose will be considered the sub-concessionaires that you will use in the Agreement, if awarded to you. After award, if the Firm seeks termination or substitution of a sub-concessionaire, the request must be submitted in writing to the Office of Compliance and Inclusion ("OCI"). Additionally, refer to **Appendix 2** regarding the City's Sub-contractor Addition and Substitution Policy and Procedure (This policy includes concession substitutions and additions). The City reserves the right to approve an award, but not approve a proposed sub-concessionaire.

In addition, the City of Cleveland is firmly committed to assisting ACDBE firms through its contracting activities, and the City intends to contract with Firms that

share that commitment. Firms shall make every effort to use ACDBEs where available and practical.

Please be aware that the participation of ACBDE firms listed in your Proposal will be monitored by the Department's OCI office throughout the duration of the Agreement. The selected Firm will be responsible for providing the Department's OCI office with any and all information necessary to facilitate this monitoring, including sub-concession agreements and other necessary information. Selected Firm will have monthly reporting requirements through the OCI office. The selected Firm will be required to provide sub-concessionaire agreements to the OCI office.

If at any time during review or audit of the selected Firm and its ACDBE sub-concessionaires, the City determines that the selected Firm, and its ACDBE sub-concessionaires, are not functioning in good faith, the selected Firm must submit a corrective action plan within ten (10) calendar days of the written findings. The City will then review the corrective action plan and, if acceptable, will provide written approval of the plan. If the selected Firm does not meet the provisions of the corrective action plan and the City continues to find the selected Firm and its ACDBE subcontractors not to be functioning in good faith or in non-compliance with the nondiscrimination provisions of the Agreement the City shall impose such sanctions as it may determine to be appropriate, including but not limited to (i) cancellation, termination or suspension of the Agreement; or (ii) suspension from participation in future Department contracts.

It is the City's objective that the ACDBE performs a commercially useful function. An ACDBE is considered to perform a commercially useful function when it is independently responsible for the execution of a distinct element of the work of a contract and carries out its responsibilities by actually performing, managing and supervising the work involved. In light of industry practices and other relevant considerations, the ACDBE must have a necessary and useful role in the transaction of a kind for which there is a market outside the context of the ACDBE program. In the event sub-concessionaires performance is in the form of a joint venture partnership, OCI will adhere to the guidelines provided in Airport Concessions Disadvantaged Business Enterprise Joint Venture Guidance.

#### 4.4 Outreach Events.

All Firms must affirm their commitment to supporting and/or participating in Department sponsored outreach events aimed at attracting and educating small, minority and female-owned companies on business opportunities with the Department.

In addition, the proposer must provide a description of any outreach and development activity plan, which will be approved by the Director and the

Airport's OCI office, which identify and develop new advertisers through such events, target marketing and other efforts (i.e. job fairs, training seminars, media outreach and the like).

#### 4.5 Equal Opportunity Clause.

Within sixty (60) calendar days after entering into a concessionaire agreement, the successful Firm shall file a written affirmative action program with the OCI Office containing standards and procedures and representations assuring that the Firm affords all qualified employees and applicants for employment equal opportunities in the Firm's recruitment, selection and advancement process.

The successful Firm will be required to include the following clause in all sub-concessionaire agreements:

*This agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. The concessionaire or contractor agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.*

#### 4.6 Short-listing.

The City reserves the right to select a limited number (a "short-list") of Firms to make an oral presentation of their qualifications, proposed services and capabilities. The City will notify the Firms selected for oral presentations in writing.

#### 4.7 Execution of Contract.

The selected Firm shall, within ten (10) business days after receipt of a contract prepared by the City's Director of Law, exclusive of Saturdays, Sundays and holidays, execute and return the contract to the City together with evidence of proper insurance and intent to conform to all requirements of the contract and all applicable federal, state and local laws and ordinances prior to or at the time of execution of the contract.

#### 4.8 Familiarity with Request for Proposal; Responsibility for Proposal.

By submission of a proposal, the Firm acknowledges that it is aware of and understands all requirements, provisions and conditions in the Request for Proposal and that its failure to become familiar with all the requirements, provisions, conditions and information either in this Request for Proposal or



disseminated either at a pre-proposal conference or by addendum issued prior to the proposal submission deadline, and all circumstances and conditions affecting performance of the services to be rendered by the selected Firm will not relieve it from responsibility for all parts of its proposal and, if selected for contract, its complete performance of the contract in compliance with its terms. Firm acknowledges that the City has no responsibility for any conclusions or interpretations made by Firm on the basis of information made available by the City and the City does not guarantee the accuracy of any information provided and Firm expressly waives any right to a claim against the City arising from or based upon any incorrect, inaccurate or incomplete information or information not otherwise conforming to represented or actual conditions.

#### 4.9 Anticipated Proposal Processing.

The City anticipates that it will, but neither promises nor is obligated to, process Proposals received in accordance with the following schedule:

Release of Request for Proposal	December 1, 2017
Pre-proposal Conference	December 12, 2017
Deadline for Inquiries	December 19, 2017
Written Response to Inquiries	December 27, 2017
Deadline for Proposals	January 17, 2018

#### 4.10 Interpretation of Proposal Document.

- (A) If any prospective Firm finds discrepancies or omissions in this Request for Proposal or if there is doubt as to the intended meaning of any part of this Request for Proposal, a written request for clarification or interpretation must be received by the Procurement Section of the Department of Port Control, Cleveland Airport System, 5300 Riverside Drive, P. O. Box 81009, Cleveland, Ohio 44181-0009 no later than December 19, 2017. Please submit Requests for clarification or interpretation via email to [smuia@clevelandairport.com](mailto:smuia@clevelandairport.com).

**The City is not responsible for any explanation, clarification, interpretation, representation or approval made concerning this Request for Proposal or a proposal given in any manner except by written addendum.** The City will post online each addendum issued for this Request for Proposal. Any addenda so issued are a part of and incorporated into this Request for Proposal as if originally written herein.

The submission of a proposal shall be considered evidence that the Firm has satisfied itself relative to all conditions of this Request for Proposal and acknowledges that any failure by Firm to acquaint itself with all available

information in this Request for Proposal and with the circumstances and conditions at the Airport will not relieve the Firm from responsibility for properly determining the difficulty and costs of successfully performing the contract. Firm acknowledges that the City assumes no responsibility for any conclusions or interpretations made by the Firm on the basis of information made available by the City or the Department of Port Control. City does not guarantee the accuracy of any information provided and Firm shall make no claim against City if the information is discovered to be incorrect or not in conformance with actual conditions. A tour of the Facilities will be conducted immediately following the pre-proposal conference.

## **5. QUALIFICATIONS**

### **5.1 Minimum Qualifications.**

- (A) Firms must provide evidence that it has been in continuous existence for at least the last seven (7) years and that for at least the last four (4) consecutive years, has been engaged in the solicitation and sale of advertising and displays at five (5) or more locations, with at least two (2) such operations, each generating annual gross revenues of not less than Seven Hundred Thousand Dollars (\$700,000.00) and the ability to provide a letter of credit or equivalent documented evidence equal to one year's MAG.
- (B) Each Firm must possess all applicable licenses, certificates, permits or other authorizations required by all governmental authorities, including the City, having jurisdiction over the operations of the selected Firm at the Airport or elsewhere.
- (C) Firms must submit with their proposal three (3) written, verifiable references, dated within the last three months, from businesses familiar with the Firm's management of such responsibilities outlined in this Request for Proposal; providing positive recommendations for the Firm's performance under the contract to be awarded. The references should include the name and title of the contact person, e-mail address, telephone number and a brief description of the location and the scope of the advertising services provided.
- (D) The individual, partnership, joint venture, corporation submitting a proposal, (or the officers or principals thereof) as presently constituted or existing from a business reorganization, or executive affiliation, must have the above minimum qualifications. If such requirements are not met Firm's proposal may be rejected. If Firm is a partnership or a joint venture, at least one of the general partners

or one of the constituent members respectively must possess said minimum qualifications.

- (E) Firms must be authorized to conduct business in the State of Ohio, County of Cuyahoga and the City of Cleveland.

## **6. PROPOSAL CONTENT**

The proposal submittal shall consist of the following documents in the sequence shown below. A set of tabs to identify each part of the proposal should be inserted to facilitate quick reference.

- (A) Cover Letter: Cover letter to identify the Firm and to state other general information that the Firm desires to include regarding the business/ organization. At a minimum the cover letter must include the name, principal address, federal tax ID number, telephone number, facsimile number and e-mail address of the Firm.

If a corporation, state the full name and title of each of the corporate officers and their experience in the airport advertising arena. The state of incorporation is to be included. If the Firm is not an Ohio corporation, a statement advising whether or not the Firm is qualified to do business in the State of Ohio as a foreign corporation. A foreign corporation will be required to qualify to do business in the State of Ohio prior to the execution of a contract.

If the Firm is a sole proprietorship state the name of the individual doing business.

If a partnership, state the full name, address and other occupation, if any, of each partner; whether the partner is active or dormant; whether each partner is a general or limited partner; each partner's experience in the industry and the proportionate share of the business owned by each partner.

If a joint venture, state the names of the Firms participating in the joint venture and the principal officers of each Firm; each officer's experience and role within the venture and the proportionate share of the joint venture owned by each joint venture partner.

- (B) Executive Summary: The executive summary should provide a clear and concise summary of Firm's background, level of expertise, direct relevant experience and ability to provide such services. The executive summary should make the Firm's case as the best candidate for the project. Firms should structure this section in a manner that

allows it to serve as a stand-alone summary when separated from the other sections of the proposal.

- (C) Exceptions: Firms shall include a list of exceptions to the requirements of the Request for Proposal, if any. The list shall identify the requirement, nature of the deviation and explanation. If there are no deviations or exceptions to any portion of this Request for Proposal, Firm shall state that on the "Exceptions" page. If no deviations or exceptions are identified and the City accepts the Firm's Proposal, Firm shall conform to all of the requirements contained in the Request for Proposal.
  
- (D) Experience: This section gives Firms the opportunity to discuss their industry experience and what defines them as a leader in their industry. Firm may include as much information in this section as is needed to differentiate its company and proposal from the other Firms. Please include, at a minimum, the following information: (i) clearly communicate how you meet or exceed the minimum qualifications; (ii) describe the nature of your business experience in the solicitation and sale of advertising and displays, and state the number of persons your currently employ in such operations; (iii) clearly state the total number of advertising concessions you have operated, at airports, for the last five (5) years; (iv) give the name, location and date of all advertising contracts that have been terminated or canceled within the past three (3) years, prior to the expiration of their contractual term, and also list any judgments terminating, or any pending lawsuits, or unresolved disputes, for the termination of advertising concession's operated by you within the past three (3) years; (v) give the names and addresses of at least three (3) references as to your professional capability to conduct business.
  
- (E) Proposed Management, Operations and Marketing Plan: Firm is to provide, in sufficient detail, Firm's management, operating and marketing plan. Firm must demonstrate how they will achieve the goal of sales, product quality and consumer support for the generation of maximum gross revenues. Please include, at a minimum, the following information: (i) illustrate how Firm will manage the proposed CLE locations (include an organizational chart specific to the CLE operation, an operational plan which details how the Firm will maintain and service the Advertising at CLE); and (ii) provide a proposed marketing plan that explains how Firm intends to maximize advertising at CLE. Include as much detail as you feel is necessary to illustrate the plan.

- (F) Additional Advertising Concepts: Firm is to provide any proposed additional advertising concepts for the Passenger Terminal Building, including proposed additional advertising media, the location of the additional advertising concepts, the additions, modifications and equipment associated with such additional advertising concepts, proposed investment, diversity of offerings and proposed additional compensation to the City.
- (G) Construction Schedule: Firm shall submit a proposed construction schedule.
- (H) Proposed Concession Fee: Firm shall submit its proposed concession fee for each year of the concession agreement. The City has determined that the minimum concession fee to be accepted shall be no less than a Minimum Annual Guarantee of Seven Hundred Thousand Dollars (\$700,000.00) for the first full year of the contract, AND a Percentage Fee to be proposed of gross receipts realized by the selected Firm from all Advertising, in excess of the MAG, whichever is greater. (Refer to Section 2.5.)
- (I) Financial Information: Firms shall include the following financial information: (i) balance sheet and income statement for the last two (2) fiscal years prepared in accordance with generally accepted accounting principles, reflecting the current financial condition of the Firm. If a publicly held corporation, the Firm should provide in lieu of the foregoing: consolidated financial statements as submitted to the Securities and Exchange Commission ("SEC") on Form 10K, the most recent Form 10Q, and any Forms 8K filed with the SEC in the last twelve (12) months. Owners of closely held corporations must submit a personal financial statement, current within three (3) months from date of submittal; (ii) ownership structure of the Firm (If the Firm is a corporation and the outstanding stock of said corporation is held by fewer than ten (10) individuals, the name and residence address of each stockholder and his/her shares of outstanding stock must be listed.); (iii) provide three (3) bank and trade references; and (iv) proof of a surety bond or an irrevocable letter of credit in the amount equal to one year's MAG.
- (J) Capital Plan: Firm shall submit a financial plan and indicate the source of funding to be used for the purchase or lease of equipment, installation and working capital. The financial plan should include the amount the Firm intends to invest in the concession facilities for fixed improvements, fixtures, furnishings and equipment.

- (K) ACDBE Participation: Firms shall submit the names of persons, subcontractors, joint ventures or others to be used in meeting ACDBE goals or requirements. With the exception of Enclosure A-4, the following forms must be completed, and submitted, with the proposal: a. Enclosure A-1 (Form EEO-1); b. Enclosure A-2 (Affidavit assuring non-discrimination in employment practices); c. Enclosure A-3 (Employment practices); d. Enclosure A-4 (Must be submitted 60 days after vendor selection); e. Enclosure A-5 (Requirement on prime and Sub-Contractors). All contractors and their subcontractors, bidding on this contract, must complete Enclosure E-5. All completed Enclosures should be placed in section K.
- (L) Affidavit: Firm shall submit, with its proposal, an affidavit stating that neither it nor its agents, nor any other party for it has paid or agreed to pay, directly or indirectly, any person, firm or corporation any money or valuable consideration for assistance in procuring or attempting to procure this contract, and further agreeing that no such money or reward will be hereafter paid.
- (M) Additional Submittal Requirements: Firm shall complete, execute and return with its proposal the following documents, copies of which are attached to this Request for Proposals: (i) Northern Ireland Fair Employment Practices Disclosure; (ii) Federal Taxpayer Identification; (iii) Affidavit and (iv) Non-Competitive Bid Contract Statement for Calendar Year 2017.

## **7. INQUIRIES**

Interested parties may submit questions pertaining to the Request for Proposal. Questions must be submitted, in writing, to the Procurement Section of the Department of Port Control, 5300 Riverside Drive, P. O. Box 81009, Cleveland, Ohio 44181-0009 no later than 4 p.m. on December 19, 2017. The Department will post online, in Addendum form, the responses to all questions received. Questions may be submitted via e-mail to [smuia@clevelandairport.com](mailto:smuia@clevelandairport.com). Verbal responses given by representatives of the City at any time may not be relied upon by the Firm in submitting its proposal or in the performance of its obligations under the Request for Proposal.

## **8. DISQUALIFICATION OF FIRMS/PROPOSALS**

The City does not intend by this Request for Proposal to prohibit or discourage submission of a proposal that is based upon the Firm's trade experience relative to the scope of work, services or product(s) described in this Request for Proposal or to proscribe the manner in which its services are to be performed or rendered. The City will not be obligated to accept, however, significant

deviations from the work or services sought by this Request for Proposal, including terms inconsistent with or substantially varying from the services or the financial and operational requirements of the Request for Proposal, as determined solely by the City. The City reserves the right to reject any and all proposals or to waive and accept any deviation from this Request for Proposal or in any step of the proposal submission or evaluation process so as to approve the award of the contract considered to be in the City's best interest, as determined in the City's sole discretion.

Although the City prefers that each Firm submit only one proposal including all alternatives that the Firm desires the City to consider, it will accept proposals from different business entities or combinations having one or more members in interest in common with another Firm. The City may reject one or more proposals if it has reason to believe that Firms have colluded to conceal the interest of one or more parties in a proposal, and will not consider a future proposal from a participant in the collusion. In addition, the City will not accept a proposal from or approve a contract to any Firm that is in default as surety or otherwise upon an obligation to the City or has failed to perform faithfully any previous contract with the City, or is currently in default under any contract with the City.

The City reserves the right to reject any or all proposals. Failure by a Firm to respond thoroughly and completely to all information and document requests in this Request for Proposal may result in rejection of its proposal. Further, the City reserves the right to independently investigate the cost/fee status, qualifications, experience and performance history of a Firm.

The City reserves the right to cancel the approval or authorization of a contract award, with or without cause, at any time before its execution of a contract and to later enter into a contract that deviates from the provisions contained in this Request for proposals, if agreed to by another Firm.

## **9. EVALUATION OF PROPOSALS**

The City department/division issuing this Request for Proposal will evaluate each proposal submitted. The Department will present its recommendations to the City Board of Control ("Board"). The Board may, but shall not be obligated to, entertain formal presentations. The City will only consider proposals that are received on or before the submission deadline, and which meet all the requirements of this Request for Proposal. The City reserves the right to request a "best and final offer" from Firms meeting the minimum requirements.

The Department shall apply an Evaluation Credit of two percent (2%) of the total points awarded for a proposal received from a Local Producer and two percent (2%) of the total points awarded for a proposal received from a Local

Sustainable Business; two percent (2%) of the total points awarded for a proposal that utilizes environmentally friendly vehicles/equipment provided that the maximum total Evaluation Credit applied shall not exceed six percent (6%). The Evaluation Credit to be added is solely for the purpose of proposal comparison when evaluating competing proposals. The use of Evaluation Credits does not alter the proposal submitted by a Firm or the contract executed based on the proposal. As used herein "Local Producer" and "Local Sustainable Business" are defined in City of Cleveland Ordinance No. 1660-A-09 (Refer to **Appendix 3**).

The numerical rating following each factor set forth below indicates the importance of the requested information in the selection process. The resulting selection rating will not reflect on the professional abilities of the Firm. Instead, the rating reflects the City's best attempt to quantify each Firm's ability to provide the services set forth in the contract and to meet the specific conditions and criteria included in this Request for Proposals.

- (A) Experience as described in Part 6 (D). (Selection rating up to 20 points)
- (B) Proposed Management, Operations and Marketing Plan as described in Part 6 (E). (Selection rating up to 20 points)
- (C) Additional Advertising Concepts as described in Part 6 (F). (Selection rating up to 15 points)
- (D) Proposed Concession Fee as described in Part 6 (H). (Selection rating up to 20 points)
- (E) Financial Background as described in Part 6 (I). (Selection rating up to 15 points)
- (F) Capital Plan as described in Part 6 (J). (Selection rating up to 10 points)
- (G) ACDBE Participation: Firm shall submit the names of persons, subcontractors, joint ventures or others to be used in meeting ACDBE rules or requirements in Part 6 (K). (Pass/Fail).

## **10. CONCLUSION**

The City of Cleveland would like to thank you for your interest in this opportunity to not only provide an important revenue stream to the Airport, but to also enhance the ambiance at Cleveland Hopkins International Airport by providing important amenities and a welcoming environment while beautifying the premises. Our local, regional and national business partners are extremely important to us and we thank you for your important partnership in this endeavor and your interest in doing business with the City of Cleveland.