

QUESTIONS AND RESPONSES  
FOR THE  
RETAIL CONCESSION  
AT  
LIHU‘E AIRPORT

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1. Does the Addendum No.1 you posted only consist of only 1 page?

**RESPONSE:** *Yes.*

2. Page IB-1. Will you please provide the basis and state the calculations upon which you derived the 15% ABCDE requirement.

**RESPONSE:** *The State has established a 15% ACDBE goal as standard in all DOTA retail concessions. As individual retail concessions are successful in reaching and/or exceeding such goals, the State intends to increase the ACDBE goal in subsequent bids for the concession to further encourage ACDBE participation.*

3. Page IB-3. Minimum requirements of 5 and 10 years are stated. If you form a new Hawaii corporation, is it acceptable that only principal officers of the new corporation have such experience since it is a new corporation?

**RESPONSE:** *If a new corporation is the bidder, it, like all other potential bidders, will need to provide sufficient information to the State to show that it meets the requirements stated in No. 5 of the Instructions to Bidders on pages IB-3 and IB-4.*

4. Page IB-6, last paragraph. Will you please provide as much information as possible about such possible construction and improvements and best known schedule as to when such construction and improvements activities will take place?

**RESPONSE:** *Construction is currently underway which will expand the central TSA checkpoint and the entrance to the post-security lobby area at Lihū‘e Airport.*

*Other construction projects are being contemplated, but have not yet reached the point where there is an official schedule.*

5. Page IB -12. Will you please describe what possible future other concessions you are aware of at this time?

**RESPONSE:** *The State is constantly looking for ways to better serve the needs of the traveling public. On a regular basis, the State receives requests from entities seeking to offer travelers specific goods or services. While the State does respond to such requests, at this point, the State does not have any concrete plans for additional concession offerings.*

6. Page IB-12. Will you please provide more up to date general information available to you?

**RESPONSE:** *Attachment No. 1 to this Questions and Responses provides additional History of Gross Receipts through October 2015.*

7. Page IB-13, top of page. Will you please explain what possible changes as to passenger routing, screening locations and outlets you are aware of at this time?

**RESPONSE:** *As noted in the answer to No. 4 above, Lihue Airport is in the process of expanding its main TSA checkpoint and the central lobby area. It is anticipated that the expansion of the TSA checkpoint should reduce the current use of the overflow checkpoints.*

8. Page A-1-5, Gross Receipts. If a new corporation as previously mentioned is formed, will you agree to accept the gross receipts information for businesses persons on the Board of Directors worked at (to the extent available) but no longer are working for?

**RESPONSE:** *See answer to Question No. 3 above.*

9. Page A-1-6, Bidder recently formed. What should be provided if the new corporation does not have 3 years of audited financial information? What is the minimum you will accept?

**RESPONSE:** *The State believes the issue is adequately and clearly covered in the Instructions to Bidders on pages A-1-6 and A-1-7.*

10. Page A-1-8, Item C. Should this be restated since it appears applicable to the currency concession and not the retail concession?

**RESPONSE:** *An addendum page to correct the noted item has been posted on the State's website at <http://hidot.hawaii.gov/airports/doing-business/concession-notices/>*

11. Page A-2-1. Second to last paragraph. Should language be clarified to State County of Kauai and not County of Lihue?

**RESPONSE:** *An addendum page to correct the noted item has been posted on the State's website at <http://hidot.hawaii.gov/airports/doing-business/concession-notices/>*

12. Page DBE A-3-1.

A) Does the majority owner of the ACDBE have to live in Hawaii?

**RESPONSE:** *As far as the State is aware the ACDBE program does not require the majority owner (if there is one) of the ACDBE entity to reside in the state in which the concession is located. The State of Hawaii, Department of Transportation, Disadvantaged Business Enterprise (DBE) Directory of Certified Airport Concessions (ACDBE Directory) currently lists 17 firms, eight of which have addresses outside the State of Hawaii.*

B) Where does the present ACDBE owner for the concession reside?

**RESPONSE:** *The ACDBE Directory does not specifically identify the owner, nor does it provide an address for the owner.*

C) If such ACDBE owner is allowed to live outside of Hawaii, how often must they visit their ACDBE operations in Hawaii?

**RESPONSE:** *The State does not specify the method in which the owner operates its business or remains in contact with its employees.*

D) Just by phone ok?

**RESPONSE:** *See answer to Question 12 C) above.*

13. Pages B-1 and B-2. Will you please explain the process and criteria upon which a recommendation will be made to the Director?

**RESPONSE:** *The State believes the process as stated is clear. The qualified bidder submitting the highest bid will be recommended to the Director of Transportation for the award of the concession.*

A) Bottom of Page B-1 and continuing on to Page B-2 suggests the highest bidder may not win, please provide examples and state if the highest bidder is not selected then what happens?

**RESPONSE:** *The process outlined in second paragraph of Number 3 on page B-2, is the process to be followed in the event that more than one bidder submitted identical bids, and those bids are higher than all other bids.*

*That process requires another bid, limited only to those who submitted the tying high bid. The bidder submitting the highest bid in this second bid will be recommended to the Director for award of the concession. Should there again be a tie for the highest bid, the process will repeat among those bidders submitting the tied bids, until a bid is submitted that is higher than any others submitted.*

B) How will further selection be made? New recommendation to Director?

**RESPONSE:** *Please see answer to 13 A) above. In the event of a tie, there is no recommendation to Director. Only after the process has been repeated and it results in a single high bid is a recommendation made to the Director.*

C) Will you please more clearly state the criteria and the decision-making process if highest bidder is not selected?

**RESPONSE:** *Please see answer to 13 A) above. The process is not intended to select any bid other the highest responsive bid.*

D) Please also explain what you mean by "In case of a further tie between bidders, the highest qualified Bid Proposal will be determined in accordance with the same procedure applied in the evaluation of the initial Bid Proposal Package?"

**RESPONSE:** *Please see answers to 13 A), 13 B), and 13 C) above.*

14. Page C-28, (4) ACDBE. Will you please report the ACDBE's gross receipts under the present concession contract?

**RESPONSE:** *Attachment No. 2 to this Questions and Responses provides ACDBE Gross Receipts under the present concession contract through October 2015.*

15. Page C-28, (5) Purchased from ACDBE. Will you please provide any such reports relating to the present concession contract?

**RESPONSE:** *The State has not received any reports displaying purchases from ACDBE.*

16. Page C-34, b. Either of two conditions. Will you provide relief if there is no (b)(1) severe economic impact relief, but reduced sales of let's say 15% that continues for more than an 18 month period?

**RESPONSE:** *The State believes that the existing language is adequate to address the business opportunity that is being provided.*

17. If not, why not give such severe and continuous loss since the 85% modifier may not be adequate relief?

**RESPONSE:** *The State is offering a business opportunity, not a guaranteed income or return. It is up to the bidders to determine what revenue they realistically believe the concession can generate over the concession term, taking into account both potential increases and decreases in air passenger traffic. The State has already recognized that under certain circumstance, adjustments to the amounts required from the concession are justified, and has provided a method to make such adjustments.*

18. Page C-40, I. Removal. Are we correct in understanding the Concessionaire may remove its FFE as provided in that paragraph?

**RESPONSE:** *Yes.*

19. Page C-54, Deficiencies Re Concession. Will you provide us with copies of all communications between the State and present concession operator that will assist us in understanding any current problems (physical or otherwise) relating to the present concession?

**RESPONSE:** *The State does not have any record of communications as described above.*

20. Page C-54, Follow-Up. Will you likewise provide us with any communications between the State and the present concession operator as to the State's follow up relating to any deficiencies pertaining to the concession?

**RESPONSE:** *The State does not have any record of communications as described above.*

21. Page C-60, Compliance with Environmental Matters. So that we may be fully Informed will you provide us with any and all communications between the State and the present concession operator relating to any similar such provisions and the present concession?

**RESPONSE:** *The State does not have any record of communications as described above.*

HISTORY OF GROSS RECEIPTS

LIHU‘E AIRPORT

CONTRACT YEAR	GROSS RECEIPTS
JULY 2005 - JUNE 2006	\$1,278,058
JULY 2006 - JUNE 2007	\$1,598,090
JULY 2007- JUNE 2008	\$1,495,599
JULY 2008 - JUNE 2009	\$1,630,701
JULY 2009 - JUNE 2010	\$1,467,553
JULY 2010 - JUNE 2011	\$1,485,215
JULY 2011 - JUNE 2012	\$1,962,774
JULY 2012 - JUNE 2013	\$2,042,184
JULY 2013 - JUNE 2014	\$2,110,251
JULY 2014 - JUNE 2015	\$2,207,916
JULY 2015 - OCT 2015	\$ 921,660

Bidders are advised that figures pertaining to reported gross receipts from the concession in prior periods are representations of historical activity based on reports provided by the present concessionaire to the Department of Transportation, Airports Division, and are not necessarily indicative of future trends or activity levels.

THE DEPARTMENT OF TRANSPORTATION DOES NOT WARRANT NOR GUARANTEE THE ACCURACY OF THE INFORMATION CONTAINED IN THIS ATTACHMENT.

ACDBE GROSS RECEIPTS

LIHU'E AIRPORT RETAIL

<b>CONTRACT YEAR</b>	<b>GROSS RECEIPTS</b>
JULY 2010 - JUNE 2011	\$ 49,702
JULY 2011 - JUNE 2012	\$133,199
JULY 2012 - JUNE 2013	\$167,719
JULY 2013 - JUNE 2014	\$195,147
JULY 2014 - JUNE 2015	\$226,834
JULY 2015 - OCT 2015	\$ 84,807