DEPARTMENT OF PROCUREMENT SERVICES - CITY OF CHICAGO

February 18, 2011

ADDENDUM NO. 6

TO

REQUEST FOR PROPOSAL (“RFP”)

FOR

CONCESSIONS MANAGEMENT SERVICES AT THE
O’HARE AND MIDWAY INTERNATIONAL AIRPORTS

Specification No. 85557

For which Proposals are now due to be received no later than 4:00 p.m., Daylight Savings Time on Friday, March 18, 2011 in the Department of Procurement Services, Bid and Bond Room (Room 301, City Hall).

Respondent should acknowledge receipt of this Addendum No. 6 in the cover letter submitted with its Response.

This Addendum No. 6 includes revisions and answers to questions found relevant as set forth in the RFP:

I. Notice of Postponement, Revisions, and Changes;

The information contained in this Addendum No. 6 is incorporated by reference into the original RFP document issued on September 17, 2010.
February 18, 2011

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CONCESSIONS MANAGEMENT SERVICES AT THE O’HARE AND MIDWAY INTERNATIONAL AIRPORTS

Specification No. 85557

For which Proposals are now due in the Department of Procurement Services, Bid and Bond Room, Room 301, City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602, at 4:00 p.m., Daylight Savings Time, Friday, March 18, 2011.

The following revisions/clarifications are incorporated into the above-referenced RFP document. All other provisions and requirements as originally set forth remain in full force and are binding.

RESPONDENT SHOULD ACKNOWLEDGE RECEIPT OF THIS ADDENDUM IN THE COVER LETTER SUBMITTED WITH ITS RESPONSE.

SECTION I: NOTICE OF REVISIONS/CHANGES

PROPOSAL DUE DATE HAS BEEN POSTPONED TO FRIDAY, MARCH 18, 2011

REVISION DESCRIPTION

1. Proposal due date has been postponed to Friday, March 18, 2011. For which proposals are due in the Department of Procurement Services, Bid and Bond Room, Room 301, City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602, at 4:00 p.m., Daylight Savings Time.

2. Cover page of RFP is hereby amended to read as follows:

“Proposals must be received no later than 4:00 p.m., Daylight Savings Time on March 18, 2011.

3. Section I.E.1 Deadline and Procedures for Submitting Proposals, change proposal due date in items 1 and 5 to read as follows:

“4:00 p.m. DST, March 18, 2011.”
### REVISION DESCRIPTION

1. Change the Proposal due date to read as follows:

   **Proposals Due:** March 18, 2011

2. Exhibit 1, Scope of Services, is deleted and replaced in its entirety as follows in “Attachment A” of this Addendum No. 6.

3. Exhibit 2, Schedule of Compensation, is deleted and replaced in its entirety as follows in “Attachment B” of this Addendum No. 6.
Attachment A

EXHIBIT 1
SCOPE OF SERVICES

CHICAGO AIRPORT SYSTEM
CONCESSIONS PROGRAM CONTRACTOR SCOPE OF SERVICES

The Concessions Program at the Chicago Department of Aviation ("CDA") is undergoing continual redevelopment. This program requires a Consultant ("Consultant") to provide program and property management services in all the domestic terminals at O'Hare International Airport and Midway International Airport. The services include the coordination of the planning and design of the space made available for the food and beverage, retail, duty free and service concessions. Also, the Consultant will be responsible for the concessions program, property and concession agreement management services. Further, these services also include duties as requested from the CDA.

SCOPE OF SERVICES

PROPERTY MANAGEMENT
CONCESSION AGREEMENTS
PROGRAM MANAGEMENT
AIRPORT CONCESSION PLANNING

I. PROPERTY MANAGEMENT SERVICES

A. General

The Consultant will be expected to perform routine and day-to-day management of food, beverage, retail and service operations. Consultant's duties will include, but not be limited to, the following tasks for all food, beverage, retail and service concessionaires.

1. As directed by the CDA, calculate monthly rents (which also include fees) and prepare monthly billings, verify collection of rents in accordance with the CDA's procedures, generate financial reports and amounts payable as directed by the City Comptroller.

2. Work with the CDA, the City of Chicago Department of Law and City of Chicago Comptroller's Office to collect delinquencies. Prepare monthly outstanding receivables aged on 30/60/90 day basis. Follow up on delinquent receivables. Consultant will work with CDA in the issuance of default notices and rent relief (credits) requests. The Consultant will provide annual billing analysis and make recommendation for a write-off of receivable amounts following termination according to agreed policy.

3. Aggressively monitor concessionaire compliance with the terms of the concession agreement, including but not limited to exclusive use clauses, insurance, pricing, capital expenditures, and quality of merchandise/service, hours of operation, signage, cleanliness, and compliance with the Department of Streets and Sanitation, Department of Buildings and Department of Public Health requirements.

4. Enforce the audit findings of the CDA's accountant.

5. Generate monthly activity reports and such other financial and management reports that are usually and customary generated in food, beverage, retail and service operations, as well as any
additional reports and analysis as may be requested by the CDA from time to time. In addition, current files and timely sales information must be captured through the development, integration and use of databases and online gathering systems which the Consultant will work with the CDA to maintain. The Consultant will develop monthly and annual revenue (rents) projections categorized by concessionaire, by food, beverage, retail and service type and by location.

6. Develop and maintain concessionaire files, including copies of licenses and correspondence, insurance certificates, copies of letters of credit, etc. Files maintained by Consultant will be copies, yet shall still be the property of the CDA and are to be turned over to the CDA at the termination of the Contract. In addition, the Consultant will assist with record keeping and maintenance for the CDA’s original documenting and filing systems.

7. Computerize record-keeping on a standard, commercially available property and database management software program. All collected data shall be the property of the CDA and will be turned over to the CDA at the termination of the Contract. Continual training of CDA staff on the use of property management software shall be required. In addition, a regular maintenance schedule of all database and property management information must be developed and adhered to.

8. Provide adequate on-site staff at O’Hare International Airport and at Midway International Airport that will work with concessionaires. Consultant will act as liaison between the CDA and concessionaires.

9. Meet on a regular basis with CDA personnel and as requested by the CDA.

10. Actively work with the CDA Safety and Security and the TSA in order to engage in best practices and abide by all regulations regarding safety and security for concession retail space, storage and logistics. This is especially critical with respect to the overnight delivery schedule at O’Hare International Airport and at the central distribution center at Midway International Airport.

11. Monitor and give direction with respect to the processing of airport security badge applications in accordance with all federal regulations to all concession operators under the Consultant’s management.

B. Central Distribution

Midway International Airport

The duties of the central distribution operator will include: merchandise receiving; distribution; and delivery service for all concessionaires at Midway International Airport for the delivery of products and merchandise from licensee vendors. The selected Consultant will be able to provide the services and or perform the duties for the CDA listed below:

1. Provide a location with a minimum size of 15,000 square feet within a 3-mile proximity to Midway International Airport that shall serve as a central receiving and distribution facility for the Concessions Program at Midway International Airport. Respondent should propose a location and submit estimates of rent and start-up costs with its Response, but need not provide documentation with its Response of an agreement between Respondent and proposed facility landlord. Subsequent to contract award, the contract awardee will be required to locate and lease, or otherwise procure, a central receiving and distribution facility comparable to the proposed location and which meets the minimum criteria described in Attachment A of Exhibit 1, Scope of Services.

2. Provide storage for perishable and nonperishable goods. Freezer storage of at least 400 feet and cooler storage of at least 400 feet within the central distribution facility is required.
3. Provide a minimum of two (2) refrigerator cargo trucks with mechanical lifts and drivers for transportation of goods.

4. Provide necessary equipment such as fork lifts, power lifts and pallets.

5. Provide security checks of goods and merchandise as directed by the City and other State and Federal Agencies.

6. Provide for security of the central distribution center.

7. Transport goods and merchandise from the receiving facility to Midway International Airport loading docks in compliance with access and security regulations set forth by the City. Currently, there is an average of 20 to 25 daily truck deliveries that are made between the distribution center and the Midway International Airport airside loading dock. Additionally, there are between 10 to 15 deliveries made on Saturday and Sunday.

8. Return goods, merchandise and equipment from concessionaires to receiving facility as reasonably requested by concessionaires.

9. Operate the central distribution center at least seven days per week during such hours as may be approved from time to time by the Commissioner of the CDA. The current central distribution center hours are Monday through Friday from 3:00 am to 4:00 pm and Saturday through Sunday from 5:00 am to 1:30 pm.

10. Provide annual reports that quantify the efficiency and effectiveness of the central distribution center in terms of safety and cost effectiveness. Identify goals and set baseline standards for the operation of the central distribution center using and comparing industry best practices.

11. Provide sufficient staffing to manage the central distribution center.

Please see Attachment A - Existing Conditions for Midway Central Distribution, for detailed information regarding the current conditions and operations for central distribution for Midway International Airport.

**a. Transition Period**

The Consultant will be provided with a sixty (60) day transition period post-contract award (the “Transition Period”) in which to secure a lease, equipment, vehicles, insurance, licenses and complete any other tasks necessary to fully perform its duties with respect to the central distribution center pursuant to the terms of the contract as awarded. During the Transition Period, the CDA will make accommodations necessary for the uninterrupted operation of the central distribution center. Upon the expiration of the Transition Period, the Consultant shall commence the operation and maintenance of the central distribution center that it has secured pursuant to the terms of its contract.

**b. O’Hare International Airport**

Further, the Consultant will monitor the nighttime delivery of goods and merchandise for O’Hare International Airport’s Domestic terminals. Currently, the delivery of goods and merchandise are not centralized and the Consultant will be asked to analyze the current distribution process and make recommendations on whether a central distribution center should be built at O’Hare International Airport to increase efficiencies as are provided through the established central distribution center at Midway International Airport.

**c. Financial**
The CDA annual budget for the Midway Central Distribution is $1.2 million, including a reimbursable lease amount and other costs associated with the central distribution center that will be negotiated after award of a contract.

The Cost Proposal set forth in Exhibit 2 requests amounts for a staffing plan only. The cost to lease a distribution facility and other costs related to the central distribution center for Midway International Airport will be reimbursable direct costs for which overhead and fee do not apply. The total cost for Midway Central Distribution services, including labor, lease amounts and all other costs must be within the $1.2 million annual budget.

II. CONCESSION AGREEMENTS SERVICES

Consultant will assist the CDA in securing concession agreements for all square footage available for the food, beverage, retail and service concessions program at O'Hare International Airport and Midway International Airport. Consultant’s Concession Agreement Scope of Services will include the following duties:

1. Develop and regularly update a merchandising and services assessment and plan indicating where various types of food, beverage, retail and service concessions exist and where the merchandise and services should be located within the domestic terminals.

2. Develop Request for Qualifications and/or Request for Proposal package(s) that will be used in the solicitation process for potential concessionaires. Develop and implement procedures to assist the CDA in the receipt, review, analysis and management of information received in response to the Request for Qualifications and/or Request for Proposal.

3. Coordinate with the CDA’s Marketing and Concession Sections for the annual development of an outreach plan that specifically sets goals and appropriate targets and strategies across the City of Chicago and State of Illinois, in order to raise awareness of the Chicago Airport System’s Concessions Program, its Airport Concessions Disadvantaged Business Enterprises (“ACDBE”) component, and the open bid process. In addition, work with other City of Chicago Departments to accomplish this goal, which may include, but are not limited to, the Department of Procurement Services, The Department of Community Development, The Department of Business Affairs and Consumer Protection. In addition, the Consultant will assist the CDA with the development and maintenance of the prospective concessionaires’ database and other relevant targets.

4. Assist the CDA in the development and continued refinement of a standard concession agreement for use with potential concessionaires.

5. Consultant will assist the CDA during negotiations with potential concessionaires. Further, the Consultant will be responsible for:

i. Assisting the CDA with identifying available space for potential concessionaires.

ii. Assist the CDA in the day-to-day contact discussions with potential concessionaires. The CDA will act as the lead.

iii. Perform background checks and all due diligence on prospective primes, ACDBE subs and partners.

iv. Provided the preliminary negotiations for the financial terms with the potential concessionaire in accordance with the baseline pro forma. The Consultant, in conjunction with the CDA shall negotiate the best possible financial terms taking into consideration potential gross revenues (rents), location, product quality, capital investment, operator experience, menu/merchandising and pricing.
6. The Consultant will present any selected deals, including business terms, to the CDA for final approval and prepare written reports for presentation by the CDA to City officials. Such written reports, unless otherwise instructed, will include:

   i. An attestation by the Consultant recommending or not recommending that the City enter into the transaction.
   ii. Concepts summaries including menus/merchandising/service lists and any available photos or renderings.
   iii. Terminal Maps depicting locations of proposed spaces.
   iv. Financial and term sheets which shall include the economics of the deal, anticipated sales per enplanement, gross revenues to the DOA, tenant investment summaries, amortization schedules, comparative airport data, and other pertinent aspects of the deal including local and/or ACDBE participation.
   v. Coordinating the preparation and modification of the license agreement with the City of Chicago Law Department or private sector law firms as directed by the CDA.
   vi. Prepare Exhibits to the concession agreements.

7. Work with the CDA and or its designated representative to incorporate leasing activities and results thereof into planning and design activities.

8. Prepare documentation or other presentation materials for meetings with the airlines and City leaders.

III. PROGRAM MANAGEMENT SERVICES

The Consultant will provide Program Management Services, including the coordination of the planning, design and construction of the square footage made available for the food, beverage and retail concessions, for the Concessions Redevelopment Program at the domestic terminals at O'Hare International Airport and Midway International Airport. The Consultant's Program Management Scope of Services includes the following duties:

   i. The Concession Program Redevelopment and Refinement.
   ii. Concession site selection/predevelopment, design/scheduling and construction coordination.
   iii. Program marketing, research and community outreach.

The Program Management Services also includes merchandise and passenger service quality control and oversight of the central distribution center at Midway Airport.

A. Concession Redevelopment Plan Refinement

1. At the direction of the CDA, participate in the refinement of the scope of the Concessions Redevelopment Plan, which may be required due to changes in the retail economy and/or marketplace. Refinements may be required to update merchandising/concept plan, sales and revenue projections, pro forma and market data.

2. Develop periodic financial analysis (Return on Investment (ROI), Internal Rate of Return (IRR)), Annual Sales and Revenue Projections and other analysis as needed for the CDA or the airlines.

3. Conduct comparative airport statistical analyses as required to support proposed space allocation, rental structure and sales and revenue projections.

4. Update passenger circulation and cluster analysis based upon changes in gate assignments or enplanement levels on a monthly basis. This information should be uploaded to an online
database application. This application is to be provided by the Respondent. This will be used to further refine the retail space requirement analysis.

5. Develop, conduct and evaluate retail market surveys of passengers, employees, greeters and well-wishers. This can be done as a combination of passenger interviews, online surveys and other technological uses.

6. Conduct construction feasibility studies, and perform value engineering of construction costs. Recommend economies consistent with the CDA requirements.

7. Conduct utilities and related infrastructure and environmental analysis as required.

B. Predevelopment, Design Coordination and Scheduling

Consultant will work on the design and build out of the concession spaces. The concession spaces will require appropriate design approaches that are consistent with the Sustainable Airport Manual being developed by the airport. Further, the Consultant will assist the CDA in the oversight of design professionals in the execution of the design standards for the concessions but include standards, which address common areas and tenant spaces.

1. Work with the CDA and its other designated Consultants to establish the project objectives, scope, and organization and reporting guidelines for effective quality, schedule and cost control.

2. Establish documentation procedures.

3. Participate in design review committees with the CDA’s architects.

4. Assist the CDA to identify the key schedule milestones and constraints.

5. Coordinate regularly scheduled project meetings and monitor the design and documentation phase for conformance with the CDA requirements.

6. On an as needed basis, develop, coordinate and implement a tenant design review process, including meeting with tenants and their architects to review procedures, scheduling site surveys, developing design schedules, and processing and reviewing design submittals, in conjunction and coordination with the CDA’s design architect and construction manager.

7. A LEED Certified Professional will be required to review submissions as needed.

C. Program Marketing

The Consultant will establish and administer a comprehensive concession marketing and promotional program. The program should be aimed at promoting the products and services of concessionaires, and the concessions operation at O’Hare and Midway International Airports. This program will coordinate with the CDA’s Marketing Department for the annual development of an outreach plan that specifically sets goals, appropriate targets and strategies across the City of Chicago in order to raise awareness of the concessions and Airport Concessions Disadvantaged Business Enterprises (“ACDBE”) programs.

In addition, the Consultant will work with other City of Chicago Departments to accomplish this goal, which may include but are not limited to the Department of Procurement Services, the Department of Community Development, the Department of Business Affairs and Consumer Protection.

1. Provide tracking of the Marketing Fund on a monthly, quarterly and annual basis. A measurable deliverable will be the development of an annual marketing plan. Consultant will
make recommendations on how to execute annual strategies and goals.

2. Concessions Online Presence. Development and implementation/coordination of new concessions presence on our current website associated with the Chicago Airport System website, flychicago.com. In addition, the Consultant will work with CDA personnel to integrate innovative means of using online presence to market concessionaires. This includes uses of social media, public address system, targeted email campaigns, marketing trends and integration with the Advertising Concessionaire not overseen by this agreement. The goals is to provide a platform in which passengers can be informed and have airport concessions promoted to them in real time as passengers are in the terminals.

3. Consultant will provide marketing research. This will be accomplished with the design and execution of periodic surveys of passengers, employees and visitors to assess customer satisfaction with the concessions program and to identify potential areas of improvement.

4. Consultant will position O'Hare and Midway International Airports concessions as an entrant in relative industry award programs and pitch timely features to industry journals, local/national and worldwide media outlets in coordination with the CDA’s Marketing/Press section. This will be a measurable deliverable on the performance of this contract.

D. Quality Control Staffing

Design, implement and evaluate quality control program for all services and concessions that comprise the program. Evaluate best practices in the airline concession industry. The program will include reporting of secret shopping results to the CDA and concessionaire management, as well as follow up with store personnel to address unfavorable behavior and observed deficiencies. Organize quarterly workshops to assist concessionaire store management and employees in developing better customer service habits.

1. Operate and expand on the existing concessionaire merchant association at O'Hare International Airport and at Midway International Airport, including the development of a concessionaire information and orientation manual, regularly scheduled meetings.

2. Coordinate periodic concessionaire training programs for their employees. This can be done utilizing consultants.

3. Respond to customer/passenger complaints on behalf of the CDA.

E. Federal and Local Affirmative Action Compliance

The Consultant shall be responsible for advising and assisting the CDA in the implementation and monitoring of federal and local affirmative action plans as which may or may not impact airport concessions.

1. Airport Concession Disadvantaged Business Enterprises (“ACDBE”)

As federally funded airports, O'Hare and Midway International Airports are subject to ACDBE regulations set forth in 49 CFR Parts 23 and 26 and guidance issued by the FAA, such as its guidance on counting ACDBE participation in a joint venture toward ACDBE participation goals. Consultant must employ at least one individual who is fully conversant in the requirements imposed upon airports under those regulations and guidance, who has experience in the following functions and who is qualified and available to perform these functions on behalf of the CDA:

i. Preparation and submission of ACDBE program and goal documents to the Federal Aviation Administration (“FAA”)
ii. Reporting actual ACDBE participation to the FAA annually

iii. Evaluation of concession proposals for evidence of concessionaires’ good faith efforts to meet ACDBE goals set forth in the applicable request for proposals

iv. Evaluation of a concession proposal to determine (a) if an ACDBE proposed by the concessionaire is capable of performing its functions established in the proposal and (b) if the value of the ACDBE’s proposed functions are equivalent to the percentage of gross revenues attributed to the ACDBE by the concessionaire, especially in the case of ACDBE joint venture partner

v. Preparation of such documentation regarding administration of the airports’ ACDBE program as may be required by the FAA from time to time, including but not limited to documentation required in response to an audit or review of the ACDBE program

vi. Monitoring ACDBE activities to ensure that the ACDBE is performing, with its own forces, the duties ascribed to the ACDBE in the proposal and concession agreement


In addition to the ACDBE program, which pertains to the on-going ownership and operation of the concession, the City has received authorization from the FAA to apply its local MBE/WBE program requirements in the design and construction of concessions. In connection therewith, the Consultant will be responsible for assisting the CDA in reviewing the concessionaire’s proposed MBE/WBE plan and monitoring compliance therewith.

If a separate aviation section has these services available, then the Consultant will need to coordinate with that other section in order to ensure that proper adherence and reporting is provided.

IV. Airport Concession Planning

As needed, the Consultant will provide additional analysis, benchmarking and planning services to the CDA. This type of analysis will be needed as airport concessions throughout the industry continue to evolve and, as airlines continue to request more in terms of additional revenue streams. The Consultant may provide these services in partnership with a subcontractor.

The deliverables that will need to be provided include:

1. An assessment of merchandise and store/concept mix in order to make strategic changes to optimize passenger experience as well as airport revenue.

2. Benchmarking of the CDA Concession Programs for both O'Hare and Midway International Airports compared to North American and world-wide airports.

3. Planning and strategy that will integrate our concessions program with advertising, inventory, and technology available from our current advertising concessionaire.

4. Passenger segmentation analysis in order to provide a framework for making changes to concession program.

5. New concession space planning. As the airport terminals continue to evolve based upon the airline’s use, the CDA will need an assessment and qualitative solution on how this impacts the concession program.
EXHIBIT 1 - Scope of Services

Attachment A
Existing Conditions for Midway Central Distribution

Central Distribution - Midway International Airport

The following are the existing conditions and operations for the Midway Central Distribution.

Facility: (Located three (3) blocks from airfield)
- Sixteen thousand (16,000) square foot facility.
- One (1) 400 foot walk-in cooler.
- One (1) 400 foot walk-in freezer.
- Five (5) dock spaces.
- One (1) office/break room.
- One (1) restroom.
- One (1) enclosed (fenced) area for returns and short term storage.

Facility Hours:
- Monday through Friday 3:00 A.M. to 4:00 P.M.
- Saturday and Sunday 5:00 A.M. to 1:30 P.M.

Vehicles:
- Two (2) twenty six (26) foot refrigerator trucks with lift gates.
- Five million ($5,000,000) in vehicle insurance required to access airfield.

Equipment:
- One (1) fork lift.
- Two (2) power lifts.
- Four (4) hand lifts.
- Two hundred (200) pallets.

Staff:
- Eleven (11) total staffers working 40 hours during a 7 day week.
- Ten (10) total warehouse workers who are each drivers and one is a supervisor.
- One (1) administrative assistant.
- Seven (7) staffers are on duty from Monday through Friday.
- Five (5) staffers are on duty between Saturday and Sunday.

Delivery of Goods:
- Twenty (20) to twenty five (25) weekday round trips occur to warehouse and airfield B concourse dock.
- Ten (10) to fifteen (15) weekend round trips occur to warehouse and airfield B concourse dock.
- Two (2) individuals must be on each truck for a delivery. One (1) is a driver and one (1) is a spotter for the airfield.
- There are six (6) distinct retailers servicing nineteen (19) locations and thirteen (13) distinct food entities servicing twenty six (26) distinct food entities at Midway International Airport.
- There are no liquor deliveries made through the central distribution center.
- Laundry is delivered through the central distribution center.

Security:
- Security surveillance is installed in the facility’s office with cameras positioned within various locations of the warehouse facility.
Special Licenses:
- FDA License required for delivery of meat.

Monthly Pest Control Maintenance:
- Between one (1) and two (2) pest and rodent inspections occur per month.

Financial
- CDA annual budget for the Midway Central Distribution is $1.2 million. This amount includes labor, lease amounts and all other costs.
attachment B

Exhibit 2
Schedule of Compensation

Cost Proposal

Concessions Management Services

The Respondent should include in its cost proposal fully loaded hourly rates for each year of the agreement by personnel/staff classification for each category listed below in accordance with the scope of services Exhibit 1. The format should be consistent with the format of Schedule 1, 2, 3, and 4, included as Exhibit 2.

- Property Management Services
- Concession Agreements
- Program Management Services
- Airport Concession Planning Services

The detailed breakdown should be for both O'Hare and Midway International Airports. Fully loaded hourly rates should include direct salary, fringe benefits, overhead, profit, and applicable taxes.

An annual summation of hours for each year should be inputted using the format of the cost proposal summary sheet identified as Exhibit 2.

The respondent will also need to provide a detailed cost proposal that will breakdown the costs for services related to the planning of the concession program as redevelopment continues. This can include cost such as subcontractor, vendor costs travel and administrative fees. Reimbursement for travel is in accordance with the "Travel Reimbursement Guidelines", Exhibit 2A.

Reimbursable Expense/Additional Services

Respondent should include in their proposal any additional reimbursable expenses/Additional service cost required to perform the Scope of Services set forth in Exhibit 1. Respondent will be reimbursed for direct cost with no mark up.

Respondent should include a detailed explanation to support all cost identified in the cost proposal.

NOTE: The CDA annual budget for the Midway Central Distribution is $1.2 million, including a reimbursable lease amount and other costs associated with the central distribution center that will be negotiated after award of a contract.

The Cost Proposal set forth in Exhibit 2 requests amounts for a staffing plan only. The cost to lease a distribution facility and other costs related to the central distribution center for Midway International Airport will be reimbursable direct costs for which overhead and fee do not apply. The total cost for Midway Central Distribution services, including labor, lease amounts and all other costs must be within the $1.2 million annual budget.
### Exhibit 2

**Cost Proposal**

**Summary Sheet**

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**TOTAL** $- $- $- $- $-
### Schedule 1
Property Management

#### Annual Property Management

Detail Fees

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**Note:** The table continues with similar entries for each position and year. The data is presented in a tabular format with hourly rates, annual hours, and total costs for property management at the O'Hare and Midway International Airports.
### Annual Total Property Management Summary Fees

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**ASSUMPTIONS:**

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## Schedule 2
### Central Distribution

### Midway International Airport

#### Detail Fees

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### Total Central Distribution

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Page 18 of 21
### Schedule 3
Concessions Agreements

#### Detail Fees

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#### ASSUMPTIONS:

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- ...
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- ...
- ...

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Page 19 of 21

CITY OF CHICAGO
DEPARTMENT OF PROCUREMENT SERVICES

Jamie L. Rhee
CHIEF PROCUREMENT OFFICER
### Schedule 3
Concessions Agreements

#### Additional Services Detail Fees
Concessions Agreements

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#### Annual Concession Agreements
Summary Fees

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Addendum No. 6
Request for Proposal for Concessions Management Services at the O’Hare And Midway International Airports
Spec 85557

Schedule 4
Airport Concession Planning

Reimbursable Expenses/Additional Services Fee

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Additional Services Budget

ASSUMPTIONS:

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__________________________________________________________________________

__________________________________________________________________________

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Page 21 of 21

CITY OF CHICAGO
DEPARTMENT OF PROCUREMENT SERVICES

Jamie L. Rhee
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