



DOING BUSINESS

WITH

MIAMI INTERNATIONAL AIRPORT

I. DOING BUSINESS WITH MIAMI INTERNATIONAL AIRPORT

INTRODUCTION

Miami International Airport (MIA) has a \$6.2 billion Capital Improvement Program (CIP) under way, with construction continuing through the year 2010, encompassing all aspects of airport operations, from the terminal and roadways to the cargo facilities and the airfield.

The construction expansion program will transform the Airport Terminal and Concourses into a modern facility, providing a comfortable and open environment and enhanced user friendliness through, in part, state of the art food, beverage and retail concessions. The Capital Improvement Program will include refurbishment of Terminal interiors, airline relocations, changes in access to the Terminal and Concourses, construction of new concession spaces, and other improvements that may affect operations in the Terminal Building.

Currently, MIA has Concourses A through H. We are creating a three terminal plan for the future. Concourses A through D will be the North Terminal. Concourses E through G will be the Central Terminal. Concourse J is being built which links to Concourse H through a Central Retail Plaza for the South Terminal.

With the development of the new terminals, we are taking the opportunity to continue improvements that enhance customer services and facility quality. Therefore, the overriding mission - to expeditiously create a passenger friendly airport, with improved signage, product and service offerings, which will result in increased gross sales from its concession offerings.

In addition to the new construction program, other opportunities may occur at MIA and the following may assist you in understanding how to do business at MIA.

MIA is undergoing major renovations to raise the level of services and products for the traveling public through the facilities' design and inclusion of new concessions offered at MIA. New business opportunities will be available for concessionaires in the new North and South Terminals.

The North Terminal will be temporarily closed effective November 2007 for a period of approximately two years to complete the construction. Concourses A through D will have approximately 106 new stores with about 150,000 square feet once the program comes back on line.

Concourses E through G will become the Central Terminal through development of 68 stores with about 100,000 square feet.

Concourse H and the new Concourse J, which is being built with a new retail link between the new concourses, will be the South Terminal. This scheduled to be completed the fall of 2007. There will be 45 new stores with approximately 50,000 square feet scheduled for build out in the South Terminal.

There are numerous business opportunities not only in construction, but also in providing hotel services and products.

COMPETITIVE PROCESS

Miami Dade Aviation Department must solicit new business opportunities through a competitive process. There are three types of solicitations usually used: Request for Proposal (RFP), Request for Qualifications (RFQ) and Invitation to Bid (ITB). The Request for Proposal solicitation is usually used when there are a number of elements such as design, passenger service, product assortment, etc. to be considered in addition to the financial offer. The Request for Qualifications solicitation is used when the primary need is for qualified services, such as a consulting service where it is more important to review the qualifications rather than price alone. Lastly, if the need can be easily specified and/or quantified, then an Invitation to Bid may be used.

INTERESTED? HOW TO BE NOTIFIED

Miami-Dade Aviation Department is always interested in new ideas and invites you to contact Commercial Operations at (305) 876-8131 if you are interested in commercial opportunities in the Miami International Airport.

You will be included on Commercial Operations' interested parties mailing list for the type of business you are interested in, and if any opportunities are made available, you will be contacted by Commercial Operations by either email, fax, or letter to advise you of the opportunity.

WHAT TYPE OF QUALIFICATIONS DO WE NEED?

The qualifications vary depending on the nature of the opportunity; however, there is usually a requirement for the Request for Proposal or Invitation to Bid. A certain number of years of experience is important and the ability to demonstrate ability to design, construct, manage, operate, and finance is almost always included as a minimum requirement. The following is an example of a minimum requirement for a concession activity:

North Terminal

Proposal deposit of \$25,000 per package.

Must demonstrate a minimum of three (3) years continuous experience within the last five years in each of the following capabilities:

Finance, develop, design and construct, lease, manage, operate and maintain a multi-tenant food/beverage and retail location in at least two locations, one of which must have been an airport and the other may be a transportation terminal or retail shopping center generating no less than an aggregate of \$10 million in annual gross sales.

Submit financial statements to evidence aggregate no less than \$10 million in annual gross revenues per year.

Subtenants:

Subtenant has a minimum of three (3) years continuous experience within the last ten (10) years in the ownership, management, or operation of a retail facility with minimum gross sales of \$500,000 per year, per unit, or \$150,000 per self-contained facilities (known elsewhere as kiosks or carts).

There is also a security deposit requirement, which varies depending on the type of project and expected revenue to the Airport.

SOLICITATION PROCESS

The Solicitation Process usually takes about six to nine months, depending on the type of solicitation and has the following components.

Industry Meeting

Prior to the solicitation being issued, the Department frequently holds a publicly advertised Industry Meeting to invite the interested parties to the Airport to dialogue about the proposed project. This is a time for information sharing on the part of the Department and for inviting comments and/or concerns regarding the business deal and the proposed solicitation prior to the issuance of the solicitation.

Solicitation Issuance

The comments from the Industry Meeting are reviewed and the solicitation adjusted, if needed, and then advertised. Once the solicitation is advertised, the "Cone of Silence" prevails and questions must be issued in writing with responses also issued in writing through contact with the contract officer of the Department. No informal telephone calls, discussion, visits or dialogue can occur once the solicitation is advertised, other than duly noticed and publicly advertised meetings. This is why it is very important to attend any Industry Meetings that might be held.

Advertisement

The solicitation is advertised in the official paper designated by the Eleventh Judicial Circuit for legal placement, which is the Daily Business Review. Courtesy notices of the solicitation are also placed in papers of general circulation designated by the Board of County Commissioners such as Miami Times and Diario de las Americas

Pre-proposal Meeting

The solicitation will almost always offer an opportunity once the solicitation is advertised for another public meeting in which concerns may be raised, issues addressed, and responses provided to those who have requested the solicitation document. A field trip to the site for the business opportunity is frequently included in the Pre-proposal meeting as well. However, any questions for which a written answer is needed must be submitted in writing. There are deadline dates for the proposal to be due and deadline dates for the submittal for written questions as well.

Proposal or Bid Submittal

In the case of Request for Proposal, submittals vary depending upon the solicitation. For instance, if the solicitation is for a concession with a food/beverage, then the proposal submittal may include a materials board with specific descriptions of materials to be used; a layout or rendering; description of experience and financial capabilities; a pro forma statement indicating potential revenues, expenses with gross revenues and proposed revenues to the Department; in addition to the financial offer which is a second package opened after the "technical" review. The "technical" review is a review of qualifications, references, financial capabilities; experience levels for the type of solicitation, and may include the marketing plan, human resource plan, operating plan, etc.

In the case of a Bid, the main consideration is the financial package, which is publicly opened and either the responsive and responsible bidder who is the lowest (for construction bids) or highest (for retail bids requiring a Minimum Annual Guarantee) is submitted to the County Manager for his review and recommendation of award to the Board of County Commissioners.

Evaluation

Evaluation of Requests for Proposals and Requests for Qualifications are performed by Selection Committees appointed by the County Manager. The Selection Committee holds a public meeting to review the proposals and to determine if the proposals meet the minimum qualifications requirements and if the proposer is responsible and has the necessary qualifications as required for the opportunity. The Selection Committee then evaluates the responsible/responsive proposals based on the evaluation criteria included in the solicitation. Oral presentations may be required which will be scheduled as a public hearing before the Selection Committee. Once the Committee has completed its evaluation the Committee will then rank the proposers in their order of preference and send a report of their recommendation of the highest ranked firm to the County Manager, with a copy of the report being filed with the Clerk of the Board. The County Manager will review the recommendation and instruct the Committee to either negotiate the contract, if required, or prepare an award recommendation for the County Manager to present to the Board of County Commissioners for their approval. The County Manager will forward his written recommendation to the Board of County Commissioners. The ten (10) day bid protest period begins upon the filing of the County Manager's written recommendation. If no bid protest is filed, then the Board of County Commissioners will then meet to review the recommendation and decide whether or not to award the contract. If a bid protest is filed, then the recommendation is deferred until the bid protest process has concluded.

Award

If the Board of County Commissioners elects to award the contract, then the contract, following the ten (10) day bid protest period, is then executed by the County Manager and attested to by the Clerk of the Board. The executed contract is then forwarded to the Department and the appropriate user division then issues an executed contract to the individual or firm selected.

Kick-Off Meeting

The Division responsible for the solicitation then will contact the successful proponent or bidder to set up a kick-off meeting to review the tenant handbook (if appropriate), standards of operations, the agreement, and the project design process as well as the permitting process for any build outs that may be needed.

Design Review Process

The Department's Facilities and Design Division work with the proponents or bidders to assist them in understanding the design requirements and submittals necessary through the permitting process. The time for permitting depends on the build out. Concessions, for instance, may take from six to nine months to build out. A development such as a hangar building may take 12 to 18 months to build out or more, depending on the complexity and location of the project.

Monitoring and Compliance Review

The Department will monitor the contract to ensure that all contract provisions are maintained and met on time. Annual audits are frequently required in our agreements and conducted as a part of doing business with the County. More frequent visitations and monitoring should occur during the contract period.

Business Terms

The term of the contract will vary depending on the nature of the opportunity. For instance, many concession contracts will be from five to seven years for retail and food/beverage within the terminal. Development opportunities vary as well depending on the nature of the project. The intent is to allow appropriate return on investment, with revenues to the Department for the opportunity, as well.

Often a refurbishment or maintenance requirement is included in the contract if the contract is over an extended period. The Department has a mandate to ensure that its buildings are maintained appropriately.

A minimum annual guarantee is frequently a component of the financial offer in addition to either a percentage of gross revenue or an amount per enplaned passenger (domestic and/or international). Minimum annual guarantees will be paid in twelve (12) equal monthly payments due on or before the first day of each month and will be adjusted each year after the first year by the Consumer Price Index.

A successful proposer or bidder may pay the County a fixed percentage fee by which the monthly Gross Revenues exceed the Minimum Annual Guarantee monthly.

A performance bond is usually required, which frequently is equal to 100% of the total minimum annual guarantee payable to the County.

ARCHITECTURE/ENGINEERING (A/E)

Miami-Dade County and the Miami-Dade Aviation Department regularly solicit proposals from qualified architects and engineers to act as consultants for its projects. The consultant selection process is governed by the State of Florida Statute Section 287.055 and Miami-Dade County Code Section 2-10.4. Details of the process and criteria utilized for consultant selection are outlined in the County's Administrative Order 3-39 which may be obtained from the Clerk of the Board at (305) 375-5126.

In order to propose on a project, all firms properly licensed to provide engineering, architecture, landscape architecture, and/or land surveying and mapping services must have filed with the **Department of Small Business Development (SBD)** a pre-qualification package and have approved pre-qualification status from **SBD** by the response deadline for the subject solicitation. For more information, a link to **SBD** has been established through MDAD's website at www.miami-airport.com - click on "About MIA" then "Business Operations" then "Procurement/Contracts" then "**Department of Small Business Development**".

All MDAD A/E solicitations are publicly advertised in the Daily Business Review. A solicitation notification will be forwarded electronically to all pre-qualified consultants who have included an e-mail address in their pre-qualification package, or by facsimile for those pre-qualified consultants without an e-mail address. The entire advertisement, known as the Notice to Professional Consultants (NTPC), and accompanying documents may be obtained on-line at <http://www.miamidade.gov> and click on "Business" or at the Vendor Information Center (VIC) located at the Stephen P. Clark Center, 111 NW First Street, Suite 112, Miami, Florida 33128

Information on upcoming projects (six month forecast) can be found at MDAD's website: www.miami-airport.com click on "About MIA" then "Business Operations" then "Procurement/Contracts" then "Upcoming Projects Six Month Forecast".

CONSTRUCTION

Miami-Dade County and Miami-Dade Aviation Department regularly solicit bids for County projects from all qualified contractors and suppliers. Qualifications include possession of all required construction licenses in the State of Florida and Miami-Dade County, and bonding capacity sufficient to cover the project. More specific information is included in the bid advertisement for each project.

All MDAD projects are publicly advertised for bidding in the following newspapers: Daily Business Review, Diario de las Americas, Miami Times and Haiti en Marche.

Sources to obtain construction bid documents after advertisement include:

- F.W. Dodge Corporation (305) 223-4470
- Construction Association of South Florida (aka Broward Builders Exchange), c/o
Construction Market Data (954) 565-7905
- Allied Minority Contractor's Association (305) 577-3525
- Latin Builders' Association (305) 446-5989
- Black Business Association (305) 835-6220
- Contractor's Resource Center (305) 577-3738
- Builders Exchange of Florida (305) 386-5525
- Miami-Dade County **Department of Small Business Development (SBD)** (305) 375-3111

Information on upcoming projects (six month forecast) can be found at MDAD's website: www.miami-airport.com click on "About MIA" then "Business Operations" then "Procurement/Contracts" then "Upcoming Projects Six Month Forecast".

CONCLUSION

Miami Dade Aviation Department encourages all qualified interested parties to participate in all offerings and looks forward to a rewarding business relationship with our partners.

II. HIGHLIGHTS OF MDAD's DISADVANTAGED BUSINESS ENTERPRISE (DBE) AND AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE (ACDBE) PROGRAM

The Miami-Dade Aviation Department (MDAD) has FAA approved, Disadvantaged Business Enterprise (DBE) and Airport Concession Disadvantaged Business Enterprise (ACDBE) Programs in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26 "Construction and Architect/Engineer" and Part 23 Airport Concessions".

It is the policy of Miami-Dade County that DBE/ACDBE firms shall have the maximum practical opportunities to participate in the performance of County contracts. The term "Disadvantaged Business Enterprise (DBE)" means a small business concern: (a) which is at least fifty-one percent (51%) owned by one or more socially and economically disadvantaged individuals; and (b) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who are owners, operators, joint venture partners and subcontractors as set forth in the Code of Federal Regulations (CFR) Part 26 and Part 23.

CERTIFICATION

The certification process is the starting point for DBE/ACDBE firms wishing to participate in the MDAD DBE/ACDBE Program. In order to participate as a DBE/ACDBE, a firm must be certified by the Miami-Dade County Department of Small Business Development (SBD), have a valid certification at the time of bid/proposal submittal, and maintain their certification throughout the life of the contract. The application for DBE/ACDBE certification may be obtained by visiting the **Miami-Dade County** Department of Small Business Development (SBD) **Office at 111 N.W. 1st Street, 19th Floor, Miami, Florida 33128**; calling (305) 375-3111; or visit SBD's website at <http://www.co.miamidade.gov/dbd/home2.asp>, or The Florida Unified Certification Program at <http://www.bipincwebapps.com/biznetflorida/>. The SBD certification review process, which takes from four to five weeks and requires a \$75.00 application fee, includes: (a) an eligibility review meeting with the firm's owner(s), partner(s), and/or key staff persons; (b) a site visit to the company's principal place of business (which may be a home-based office) if located in Miami-Dade, Broward, or Palm Beach County. The Certification is valid for a three (3) year period and a \$25.00 fee is required for re-certification. **Joint Venture partners and DBE/ACDBE subcontracting partners must be responsible for a clearly defined portion of the work to be performed and share in the ownership, control, management responsibilities, risks and profits of the company.**

SIZE STANDARDS

CONSTRUCTION, ARCHITECT/ENGINEER (PART 26)

- 1) Maximum personal net worth: \$750,000.00.
- 2) Business size not to exceed \$20.41 million dollars average gross revenues over the firm's previous 3 fiscal years.

CONCESSIONS (PART 23)

- 1) Maximum personal net worth: \$750,000.00.
- 2) Business size not to exceed \$47.78 million dollars average gross revenues over the firm's previous 3 fiscal years.

A numerical percentage that is not rigid and inflexible and can be reasonably attained by means of applying every reasonable and sufficient effort to utilize ACDBE's in the performance of work under the Program and in accordance with the terms and requirements of the DOT Rule Part 23.

DBE/ACDBE GOAL

DBE goal for construction and ACDBE goal for airport concession related contracts are established by MDAD in accordance with DOT Rule Part 26 and Part 23 respectively.

GOOD FAITH EFFORTS

The Bidder/Proposer shall make good faith efforts to achieve the established ACDBE participation goal. In the event that the Bidder/Proposer's ACDBE Participation Plan does not meet the established ACDBE participation goal, the Bidder/Proposer must submit with his proposal documentation to demonstrate all good faith efforts extended by the Bidder/Proposer in attempting to meet the stated ACDBE participation goal. The good faith efforts documentation is required to be submitted with the proposal and shall include, documents detailed in Appendix "A" to part 26 "Guidance Concerning Good Faith Efforts".

PRE-BID/PROPOSAL CONFERENCE

Prior to the actual submission of bid/proposal, a pre-bid/proposal conference will be scheduled to answer any questions concerning the bid/proposal specification and/or bid/proposal process. The pre-bid/proposal conference will allow DBE/ACDBE firms and primes the opportunity to come in contact with each other for possible joint venture and other subcontracting opportunities, as well as to clarify information relative to DBE/ACDBE matters.

BIDDER/PROPOSER SUBMISSION REQUIREMENTS

CONSTRUCTION, ARCHITECT/ENGINEER (PART 26)

The Bidder/Proposer will be required to submit the following information with its bid in order to be deemed responsive:

- 1) The Disadvantaged Business Enterprises (DBE) Utilization Form
- 2) If the contract DBE goal is not met, documentation demonstrating good faith efforts must be included with the bid.

The Bidder/Proposer will be required to submit the following information by 4:00 p.m. on the second business day following the bid opening in order to be deemed responsible:

- 3) The Schedule of Participation: Constitutes a written representation by the Bidder/Proposer that to the best of the Bidder/Proposer's knowledge the DBEs listed are available and have agreed to perform as specified.
- 4) Letter(s) of Intent: All Bidder/Proposers must submit signed Letter(s) of Intent completed by the participating certified DBE subcontractor. Be sure to include their respective dollar value and percentage of work. Expenditures to DBEs on a Schedule of Participation that are not confirmed by a Letter of Intent shall not count toward the goal.

CONCESSIONS (PART 23)

ACDBE PARTICIPATION PLAN

The ACDBE participation plan required to be submitted with the proposal by each Bidder/Proposer must contain at least the following:

- 1) ACDBE Utilization Form (ACDBE APPENDIX 1); Schedule of Participation (ACDBE APPENDIX 2) and Letter of Intent (ACDBE APPENDIX 3) by the Bidder/Proposer of the percentage of participation by an ACDBE Firm the Bidder/Proposer intends to have in this Agreement and how the Bidder/Proposer intends to achieve such stated participation.
- 2) Below is the documentation which will be required as part of the Bidder/Proposer's ACDBE Participation Plan for any one or combination of the following:

- (a) If Bidder/Proposer intends to meet the ACDBE goal as an ACDBE itself the Bidder/Proposer shall submit:
- 1) ACDBE Utilization Form;
 - 2) A Schedule of Participation;
 - 3) Letter of Intent;
 - 4) ACDBE Certification or application for ACDBE Certification by FUCP or the Department of Small Business Development (SBD) (Phone: (305) 375-3111);
 - 5) Explanation of participation by the ACDBE Firm in management and day-to-day operation; and,
 - 6) Financial participation by the ACDBE Firm Proposer in gross revenues from this agreement.
- (b) If Bidder/Proposer intends to meet the ACDBE goal as a partnership or joint venture, the Bidder/Proposer must submit:
- 1) ACDBE Utilization Form;
 - 2) A Schedule of Participation;
 - 3) Letter of Intent;
 - 4) Partnership or joint venture agreement;
 - 5) An explanation of participation by the ACDBE participant in the management and day-to-day operations;
 - 6) Financial participation by the ACDBE Firm to meet the ACDBE participation in gross revenues;
 - 7) ACDBE Certification or application for ACDBE Certification by FUCP or the Department of Small Business Development (SBD) (Phone: (305) 375-3111); of the ACDBE joint venture or partner; and,
 - 8) Experience of ACDBE joint venture or partner must be listed on the experience sheet.
- (c) If the Bidder/Proposer intends to meet the ACDBE goal through subcontracting, the Bidder/Proposer must submit:
- 1) ACDBE Utilization Form;
 - 2) A Schedule of Participation;
 - 3) Letter of Intent;
 - 4) A listing of those activities which the Proposer intends to subcontract and the estimated percentage of gross revenues such subcontracted services will represent of the gross revenues from all activities under the agreement that will be subcontracted;
 - 5) ACDBE Certification or application for ACDBE Certification by FUCP or the Department of Small Business Development of such ACDBE firms; and,
 - 6) Experience of ACDBE subcontractors must be listed on the experience sheet.
 - 7) Subcontract Agreement with ACDBE firm(s).

POST-AWARD COMPLIANCE MONITORING

The MDAD DBE/ACDBE Program also includes a monitoring and enforcement mechanism to verify that the work committed to DBE/ACDBE at contract award is actually performed by the DBE/ACDBE firms. This mechanism provides for running tally of actual DBE/ACDBE attainments (i.e., payments actually made to DBE firms); includes a provision ensuring that DBE/ACDBE participation is credited toward overall or contract goals when payments are actually made to DBE/ACDBE firms; and requires the following elements:

- 1) Site inspections are conducted to verify that the DBE/ACDBE contractors identified as performing work on our contracts are actually doing the work. Inspections may include desktop audits where invoices are examined, as well as payments. Subcontracts may be reviewed and employees interviewed to verify information that has been submitted.
- 2) A Monthly Utilization Report (MUR) is required from all contractors in which a DBE/ACDBE goal has been established. The reports provide the dollars paid by the prime contractor to each of their subcontractors. This data is entered into a database to be monitored for compliance with goals.
- 3) A Monthly Concession Activity Report is required from all concession joint venture operations to verify commercially useful function of ACDBE partner(s).

PROMPT PAYMENT (PART 26)

Miami-Dade Aviation Department (MDAD) has, as part of its DBE/ACDBE Program, a contract clause which implements the Miami-Dade County (MDC) ordinance required by State of Florida law on prompt payment of and subcontractors. The ordinance requires MDAD to pay small businesses, and for prime contractors to pay subcontractors, for satisfactory performance of their contracts no later than 30 days after a proper invoice has been received. This clause also requires the prompt return of retainage payments from the prime contractor to the subcontractor within a specific number of days after the subcontractor's work is satisfactorily completed. The prompt payment ordinance and MDAD contracting procedures provide for appropriate penalties for failure to comply with the terms and conditions of MDAD contracts. Any delay or postponement of payments among the parties may take place only for good cause, with MDAD's prior written approval.

SANCTIONS FOR VIOLATIONS

If, at any time, MDAD has reason to believe that the contractor is in violation of its obligation under the DBE/ACDBE Program, or has otherwise failed to comply, MDAD may, in addition to pursuing any other legal remedy, commence proceeding to impose sanctions on the contractor. Such sanctions may include, but are not limited to, one or more of the following:

- 1) The suspensions of any payment, or part thereof, due the contractor until such time as the issues concerning the contractor's compliance are resolved.
- 2) The termination or cancellation of the contract in whole or part, unless the contractor demonstrates, within a reasonable time, its compliance with the terms of these Provisions.
- 3) The denial to the contractor of the right to participate in any further contracts awarded by MDAD for a period no longer than three years. No such sanction shall be imposed by MDAD upon the contractor except pursuant to a hearing conducted by the MDAD Director.

ADDITIONAL QUESTIONS/INFORMATION

Contact the Minority Affairs Division at (305) 876-7221 or Fax (305) 876-0382 for additional information or questions on the DBE/ACDBE Program and visit the Airport's website at www.miami-airport.com for information on upcoming business opportunities.