Airports should avoid open-ended issues in the RFP. "Don’t ask for anything you are not prepared to evaluate," said AirProjects Director Kent Vanden Oever. "The task becomes harder if you ask for things and then end up ignoring them."

A vision and mission for the concession space has become more important in the process as financial demands become standardized.

Some airports are capping the minimum annual guarantee and percentage rent, allowing concessionaires to compete on concept and service levels which ultimately provides the best experience. One of the biggest changes in airports concessions is not focusing exclusively on money, said Kilgo.
“Of course we have a weighted average toward finance,” said Gerard Lim, Vancouver’s manager of concession leasing. “But we find if you skew too much to the financial side, it’s the passengers who do not end up the winner. So, in the end, we lose.”

The challenge then is not only developing that vision and the mission needed to set an airport apart, but translating it into what can be the complex RFP document.

The secret to a successful plan starts with a vision. In fact, Kilgo said that while understanding state, local and federal laws, as well as the requirements set down by federal grant programs, is necessary, after that, it is about what you want your airport to represent.

Kilgo said the trick is not to look at what other airports are doing but what is happening in the community. Once those trends have been spotted, it is just a matter of adapting it to the airport venue.

There was widespread agreement that reaching out to stakeholders and potential applicants before writing the RFP is important for success.

As with most airports interviewed, Nashville’s process started with passenger and employee surveys that went beyond space, to concepts and brands they wanted and where they were inclined to make purchases, said Director of Properties Rebecca Ramsey. “We wanted a sense of place so that customers knew when they were here they were in Nashville and Middle Tennessee.”

For Vancouver it also meant determining the demographics of passengers, which helps determine the types of restaurants and whether they were quick or full services, ethnic, or cater to the needs of international passengers who have different expectations and needs.

Gluck said outreach is also important not only for local, disadvantaged or other business, but to the industry in general to get them excited about the opportunities is being offered.

Equally important is the view of the process from the applicant perspective. A package needs to be economically viable, said John Cugisi, senior vice president of planning and development at Atlanta-based Paradies Shops. For example pairing proven, high-volume concepts like news and gift with specialty would be attractive from a proposer perspective.

Flexibility in terms of use requirements is an opportunity for proposals to be optimized to meet public demand. Ideally, requests for proposals would first address core needs, like news and then allow for proven specialty concepts. In a best-case-scenario, an RFP’s concept requirements would be open and flexible, allowing spaces to be divided or combined to optimize sales and create a cohesive shopping experience for passengers.

Once proposals are in, the concessions staff at Vancouver write a summary of the bids and recommendations based on finance, construction and design, the marketing plan, customer service and the applicant’s past experience.

The Graycliff Cigar and Smoking Lounge in Nashville.
Is the doctor in?

Airports are tapping the expertise of health care providers who run clinics throughout their local communities and relying on them for more than treating illness and injuries.

Nashville became the latest airport to add a health clinic in August when it opened an on-concourse clinic. Director of Properties Rebecca Ramsey said it was developed to meet international standards.

“In looking at airports we realized it was a real opportunity to provide a value-added service to both tenants and employees as well as offer a real customer enhancement to travelers,” said Ramsey. “What started to meet a standard evolved to meeting tenant and passenger requirements.”

One key requirement was that it had to be self-sustaining without subsidy from a hospital or the airport.

“That was the tricky part, since no one had a self-sustaining airport clinic when we did our first proposal which failed because no one wanted to assume the risk,” Ramsey said. “We knew we had to find a provider and help them find a business model that would work for them. It became a collaborative process after that.”

That risk is what makes the Nashville clinic different from any of the other 105 clinics that CareHere has across the country.

“This was a $400,000 investment,” said President Ernie Clevenger. “At other sites, the cost is born by the employer. The good part is after all that, we believe that we will break even in six months based on the trend line of the last few months.”

Forty percent is taken up by the retail space with the balance for the three exam rooms where a doctor and three nurse practitioners work. CareHere was very economical in its design and choice of materials and equipment optimized to the 1,100-square-foot space. “Putting all that equipment into that space was the challenge,” said Clevenger. “We also had to hire someone experienced in airport retail to take care of the retail part.”

The value of addressing a tenant’s overall operational concerns was huge in terms convenience for both employee and employer. “That was a lesson learned,” Ramsey added. “It requires a lot of communication to both passengers and tenants because it looks like a retail shop and it is hard to tell there is a clinic. But that lends itself to discretion that medical issues need.”

The retail portion carries common, over-the-counter medications and provides a menu for those looking for wellness products and healthy drinks and snacks.

In addition to flu shots and treating illness and injuries, the clinic has also become the family practice site for many airport employees. It offers pre-employment screening, flight and other physicals and a dispensary for 180 commonly prescribed pharmaceuticals.

“It’s a huge benefit for employees and for CareHere,” said Ramsey. “At its other clinics at corporations or the municipal government, it enjoys a 60 percent capture rate for making the clinic the primary care physician for employees. Now, if I could get a grocery store or dry cleaner in here, we’d be complete!”

Calgary International Airport is now on its second clinic attempt and this one appears to be a success with the operator adding a second doctor. The Calgary clinic is operated by WellPoint, a U.S.-based health benefits firm that operates clinics across Canada.

A few years after the first clinic, which was geared to occupational health and safety, closed, Calgary sought an operator for a new clinic because there was a strong demand for family practice services for employees, said Don Carlson, director of commercial operations. WellPoint was interested in opening such a clinic primarily for walk-ins, but then included family practice in its plan.

One of the chief lessons learned, according to Carlson was not looking at it as a money-making venture but ensuring it was at least break even.

“You have to work with the clinic and help them to grow and thrive,” he said. “The typical revenue agreement is not going to be successful in recruiting a provider. You have to give them an opportunity to make it before they are able to pay their own way. This will take a while to develop and as an airport operator you have to figure out how to make it succeed.”

Vanden Oever also suggests outreach for specialty brands that provide a significant local flavor. He added the airport also has to ensure that what they have in mind is feasible.

“Hopefully, all that is done before drafting the document,” he said.

Portland’s RFPs have been whittled down from hundreds of pages to 36, making it easier for operators to digest and respond to.

“We don’t want them to respond differently or misunderstand the directions,” Kilgo explained. “The information has to be presented in the right way so we can evaluate their proposals and select the one that is the best one that meets our needs. This is not about who can bring in the biggest check but what we want to see in our airport.”

RDU’s Hairston said the RFP process is two-fold. “First you develop what the opportunity is and then detail it in the RFP documents,”
she said. “The question is how we convey the opportunity through the RFP process and let the details determine the opportunity.”

Hairotn noted that RFPs cannot be streamlined and standardized across the airport industry because airports and their constituencies are all different. However, streamlining and standardizing them at a given airport is a must. She also said it is important to minimize communication with applicants, restricting it to a single point of contact. This way, there are fewer misperceptions.

Raleigh’s RFP forms are standardized for applicants to insert their information. They have uniform paperwork and can respond to it in the same way for the evaluators to judge.

“It’s a challenge for the reviewers not to be overwhelmed by how intricate the proposals can be and we standardized so applicants can tell us how they run their business and how that looks in terms of RDU,” she said. “We produce a boilerplate that can be customized to get the same kind of information each time. The only variable should be if the airport is seeking a specific brand. The more you can reduce the number of variables, the cleaner it is for us when we go through the review.”

However, Vander Oever cautioned against “over boilerplating” the document. “There are elements you can boilerplate without hurting the proposal but certainly you should err on the...
2011 ACI-NA Richard A. Griesbach Excellence in Airport Concessions Winners

Nashville International Airport wins Award of Excellence

The ACI-NA Excellence in Airport Concessions contest honors the contributions of Richard A. Griesbach, whose influence on the commercial development of airports extended far beyond his employment with the Metropolitan Washington Airports Authority.

The purpose of this contest is to inspire creativity in the industry and recognize innovative and outstanding airport concessions. These awards help demonstrate the growing importance of concessions to the total airport experience.

2011 WINNERS

- Richard A. Griesbach Award of Excellence: Nashville International Airport
- Concessions Person of the Year: Darrell D. Watson, Louisville International Airport
- Best New Food and Beverage Concept:
  - 1st Place: Surdyk’s Flights, Minneapolis-St. Paul International Airport (operated by Surdyk’s Flights)
  - 2nd Place: Healthy Gourmet, John F. Kennedy International Airport (operated by Mar Air Foods)
  - 3rd Place: Burger Bar by Chef Allen, Ft. Lauderdale-Hollywood International Airport (operated by Delaware North Companies – Travel Hospitality Services)
  - Honorable Mention: Urbancrave, George Bush Intercontinental Airport (operated by SSP America)
  - Honorable Mention: Red Mango, Midway International Airport (operated by Mac One Midway)
- Best “Green” Concessions Practice or Concept:
  - 1st Place: Recycling: Grease to Biofuel, and Recycling: Cardboard Boxes; Detroit Metropolitan Wayne County Airport (operated by Bradford Airport Logistics)
  - 2nd Place: Enroute Spa, Indianapolis International Airport (operated by Enroute Spa)
  - 3rd Place: Soundbalance, George Bush Intercontinental Airport (operated by Project Horizon)
- Best New Retail Concept:
  - 1st Place: "I"Tique Shop, Hartsfield-Jackson Atlanta International Airport (operated by Utique)
  - 2nd Place: iStore, Toronto Pearson International Airport and Vancouver International Airport (operated by LS travel retail North America)
  - 3rd Place: Flip Flop Stop, Savannah/Hilton Head International Airport (operated by Mercer retail Services)
- Best New Consumer Service Concept:
  - 1st Place: Samsung Passenger Service Sponsorship, Dallas/Fort Worth International Airport (operated by Samsung Telecommunications America)
  - 2nd Place: Minute Suites, Philadelphia International Airport (operated by Minute Suites)
  - 3rd Place: XpresSpa, John F. Kennedy International Airport (operated by XpresSpa)
- Best Food & Beverage Program:
  - 1st Place: Newark Liberty International Airport – Terminal C
  - 2nd Place: Indianapolis International Airport
  - 3rd Place: Louisville International Airport
  - Honorable Mention: Boston-Logan International Airport – Terminal C
- Best Convenience Retail Program:
  - 1st Place: McCarran International Airport
- Best Specialty Retail Program:
  - 1st Place: Philadelphia International Airport – B/C Connector
  - 2nd Place: Minneapolis-St. Paul International Airport – Concourse C Cart Program
  - 3rd Place: Louisville International Airport

Darrell Watson, Director of Properties, Louisville International Airport, 2011 ACI-NA Concession Person of the Year, along with ACI-NA President Greg Principato.

Rebecca Ramsey, assistant director, properties, Metropolitan Nashville Airport Authority, accepts the Richard A. Griesbach Award of Excellence as presented ACI-NA President Greg Principato.
“side of less boilerplate rather than too much,” he said.

Taking the time up front also reduces the possibility of a challenge if those making the proposal know not only what an airport wants but what they can do to meet the challenge.

“It is important to craft the document to solicit consistent responses which makes apples-to-apples comparisons much easier when they are being evaluated,” said Vanden Oever.

Kilgo added an important step. “There is something else that is absolutely key to the success,” he said. “You have to have the full faith and support of your senior team from the commissioners, the directors and managers. We have to ensure they understand that we are working toward a great customer experience that will continue to produce high revenues and customer satisfaction.”

Once proposals are in, the concessions staff at Vancouver write a summary of the bids and recommendations based on finance, construction and design, the marketing plan, customer service and the applicant’s past experience. Senior management then scrutinizes recommendations and if the contract is of significant value it also goes to the board of directors for approval.

“We do our due diligence and have a quite rigorous process for making our recommendations to find the right candidate,” said Lim. “When we go to market, we are not only wanting people already operating here but those who may be operating here for the first time.”

But that can present its own challenges. Lim recruited one company that had never operated at an airport. “There is a lot of hand holding in that circumstance, teaching them how operating at an airport is different than in a mall,” he said. “We also discuss the scope and potential of the airport and the message we are trying to relate. When you get into the potential they realize it is just as great as on the street and in the millions of dollars.”

Those charged with evaluating the proposals must be given adequate time to do a thorough job, according to AirProjects. That means their supervisors have to understand the time involved. They also advocate putting evaluators through a training process as part of the preparation especially if they are not subject experts.

“They have to be able to judge what is and is not important,” said Gluck.

As with anything in life, preparation is key to success and nowhere is that more important than at the airport. The key is doing the legwork necessary to avoid challenges, providing a unique experience for the passenger and employees and providing a local flavor that not only bespeaks your region, but offers a bit of whimsy in the process.

THE BOTTOM LINE: An open and transparent RFP process is the best course to avoid challenges.