



MEMORANDUM

October 1, 2019

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Malcolm Yeung

19-0245

OCT 01 2019

FROM: Airport Director

SUBJECT: Award of the Terminal 3 Boarding Area F Food and Beverage Kiosk Lease, a Small Business Enterprise Set-Aside, to Sidewalk Juice, SFO, LLC

DIRECTOR'S RECOMMENDATION: (1) AWARD THE TERMINAL 3 BOARDING AREA F FOOD AND BEVERAGE KIOSK LEASE, A SMALL BUSINESS ENTERPRISE SET-ASIDE, TO SIDEWALK JUICE, SFO, LLC; AND (2) DIRECT THE COMMISSION SECRETARY TO REQUEST APPROVAL OF THE LEASE FROM THE BOARD OF SUPERVISORS.

Executive Summary

The competitive proposal evaluation process for the Terminal 3 Boarding Area F Food and Beverage Kiosk Lease, a Small Business Enterprise Set-Aside (Lease), has concluded and Staff recommends awarding the Lease to Sidewalk Juice, SFO, LLC.

Background

On April 2, 2019, by Resolution No. 19-0073, the Airport Commission (Commission) authorized Staff to commence the competitive selection process and issue a Request for Proposals (RFP) for the Lease. The Lease is for a food and beverage kiosk located near Gate 81 in Boarding Area F of the Terminal 3 Hub, and has a lease term of 10 years.

On May 8, 2019, Staff conducted an informational conference where terms of the RFP and Lease were presented, which was attended by 75 business entities and over 90 individuals interested in the opportunity (Interested Parties). Staff gathered feedback from the Interested Parties and clarified or considered modified business terms where appropriate.

On June 18, 2019, by Resolution No. 19-0153, the Commission approved the revised lease specifications, minimum qualifications and proposal requirements and authorized Staff to accept proposals. In response to the RFP, the Airport received seven proposals by the July 24, 2019 Submittal Deadline. One proposal was disqualified for failure to meet the required concept and permitted use.

THIS PRINT COVERS CALENDAR ITEM NO. 4

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR LARRY MAZZOLA PRESIDENT LINDA S. CRAYTON VICE PRESIDENT ELEANOR JOHNS RICHARD J. GUGGENHIME MALCOLM YEUNG IVAR C. SATERO AIRPORT DIRECTOR

Staff determined that the six remaining proposals met the RFP's minimum qualifications, and convened a three-member evaluation panel to review and score the proposals. The panel consisted of the following: an Airport Business Development Manager, a Senior Aviation Consultant and a San Francisco International Airport Project Manager. The evaluation panel's selection for the highest-ranking, responsive, and responsible proposer is identified below, along with all other qualifying proposers for the Lease.

PROPOSER	CONCEPT	SCORE
<u>Highest Ranking:</u>		
Sidewalk Juice SFO, LLC	Sidewalk Juice	78.07
Park Café Group, Inc.	Dolores Park Café	74.80
JRenee LLC	Fraiche	65.47
Steven Maltz	Jamba	60.07
Mickey's Supermarket, LLC	Elixiria	52.73
DBDB Enterprise, LLC	Dragon Beaux Drinks + Bites	50.13

The Minimum Annual Guarantee (MAG) for the first lease year is \$136,000.00. Base rent is the greater of the MAG (adjusted annually) or the following tiered percentage rent: 6% of Gross Revenues achieved up to and including \$1,000,000.00; plus 8% of Gross Revenues achieved from \$1,000,000.01 up to and including \$1,500,000.00; plus 10% of Gross Revenues achieved over \$1,500,000.00. The term of the Lease is 10 years.

Sidewalk Juice SFO, LLC is owned and operated by Mr. Ghassan "Gus" Daibis and Mr. Rami Daibis. Sidewalk Juice SFO, LLC (dba Sidewalk Juice) is a local small business that meets the Airport's Small Business Enterprise criteria according to this RFP.

This will be Sidewalk Juice, SFO, LLC's first lease with the Airport. Sidewalk Juice, originated in San Francisco in the Mission District in 2006. The owners are committed to farm to cup philosophy and healthy organic seasonal fresh ingredients.

Recommendation

I recommend the Commission: (1) award the Terminal 3 Boarding Area F Food and Beverage Kiosk Lease, a Small Business Enterprise Set-Aside, to Sidewalk Juice, SFO, LLC; and (2) direct the Commission Secretary to request approval of the Lease by Resolution of the Board of Supervisors.



Ivar C. Satero
Airport Director

Prepared by: Leo Fermin
Chief Business & Finance Officer

Attachments

Attachment 1

TERMINAL 3 BOARDING AREA F FOOD AND BEVERAGE KIOSK LEASE, A SMALL BUSINESS ENTERPRISE SET-ASIDE

