

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 18-0175

AWARD OF THE AIRPORT AUTOMATED RETAIL LEASE TO NEWZOOM, LLC DBA ZOOMSYSTEMS

WHEREAS, by Resolution No. 18-0013, adopted on January 16, 2018, the Airport Commission (“Commission”) authorized Staff to commence the Request for Proposals process for the Airport Automated Retail Lease (“Lease”); and

WHEREAS, by Resolution No. 18-0085, adopted March 20, 2018, the Commission approved the minimum requirements and lease specifications, and authorized Staff to accept proposals for the Lease; and

WHEREAS, on April 25, 2018, Staff received three Airport Automated Retail proposals from Prepango, LLC, NewZoom, LLC dba ZoomSystems, and Signifi Solutions, Inc.; and

WHEREAS, a three-member panel reviewed the qualifying proposals and determined NewZoom, LLC dba ZoomSystems to be the highest-ranking, responsive and responsible proposer; now, therefore, be it

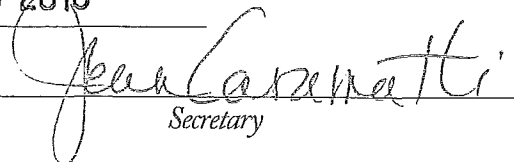
RESOLVED, that this Commission hereby awards the Airport Automated Retail Lease to NewZoom, LLC dba ZoomSystems, under the conditions set forth in the Staff memorandum on file with the Commission Secretary, including, but not limited to, a term of five years with one (1) two-year option for 14 locations, and a Minimum Annual Guarantee of \$150,000.00 for the first year of the Lease, and subject to its compliance with the Nondiscrimination in Employment Program and Equal Benefits Ordinance; and be it further

RESOLVED, that the Commission Secretary is hereby directed to request approval of the Lease by Resolution of the Board of Supervisors pursuant to Section 9.118 of the Charter of the City and County of San Francisco.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____

JUN 05 2018


Secretary



MEMORANDUM

June 5, 2018

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Award of the Airport Automated Retail Lease

DIRECTOR'S RECOMMENDATION: (1) AWARD THE AIRPORT AUTOMATED RETAIL LEASE TO NEWZOOM, LLC DBA ZOOMSYSTEMS; AND (2) DIRECT THE COMMISSION SECRETARY TO REQUEST APPROVAL OF THE LEASE FROM THE BOARD OF SUPERVISORS.

Executive Summary

The proposal evaluation process for the Airport Automated Retail Lease ("Lease") has concluded and Staff recommends award of the Lease to the highest-ranking responsive and responsible proposer, NewZoom, LLC dba ZoomSystems, for the operation of 14 automated retail units throughout the Airport.

Background

By Resolution No. 18-0013, adopted January 16, 2018, the Airport Commission ("Commission") authorized Staff to commence the Request for Proposals ("RFP") process for the Airport Automated Retail Lease ("Lease"). The Lease proposed a term of five years, with one (1) two-year option to extend at the Commission's discretion for 14 locations throughout the Airport.

Staff conducted an informational meeting wherein the Lease was presented to the interested parties. Staff gathered feedback from potential proposers and clarified or changed business terms where appropriate.

By Resolution No. 18-0085, adopted March 20, 2018, the Commission approved the minimum requirements and lease specifications, and authorized Staff to accept proposals.

In response to the RFP, the Airport received 3 proposals by the April 25, 2018 Submittal Deadline.

THIS PRINT COVERS CALENDAR ITEM NO. 18

The following proposer was deemed nonresponsive:

1. Signifi Solutions Inc. – did not submit required deposit document.

Staff determined that the remaining proposals met the RFP's minimum qualifications. An evaluation panel was convened to review and score the qualifying proposals. The panel members consisted of a Senior Business Manager from SEATAC Airport; an ITT Project Manager; and, an Airport Duty Manager. The evaluation panel's selection for highest-ranking, responsive, and responsible proposer is identified below, along with the other qualified proposer.

PROPOSER	CONCEPT NAMES	SCORE
<u>Highest Ranking:</u> NewZoom, LLC dba ZoomSystems	Best Buy Express, Benefit, Uniqlo, Skyroam, Sugarfina, and CVS	93.75
Prepango, LLC	Shop All: SIM, Shop All: Sound & Mobility, and Pharmabox	89.33

The Minimum Annual Guarantee ("MAG") for the first year of the Lease is \$150,000.00. Base rent is the greater of the MAG or percentage rent of 12% of Gross Revenues for sales up to and including \$500,000.00, plus 14% of Gross Revenues for annual sales above \$500,000.00. The term is five years with the one (1) two-year option to extend.

NewZoom, LLC dba ZoomSystems currently operates across North America, held the previous and current Automated Retail Lease at SFO, and has been at San Francisco International Airport since 2005.

Recommendation

I recommend that the Commission (1) award the Airport Automated Retail Lease to NewZoom, LLC dba ZoomSystems; and (2) direct the Commission Secretary to request approval of the Lease from the Board of Supervisors.



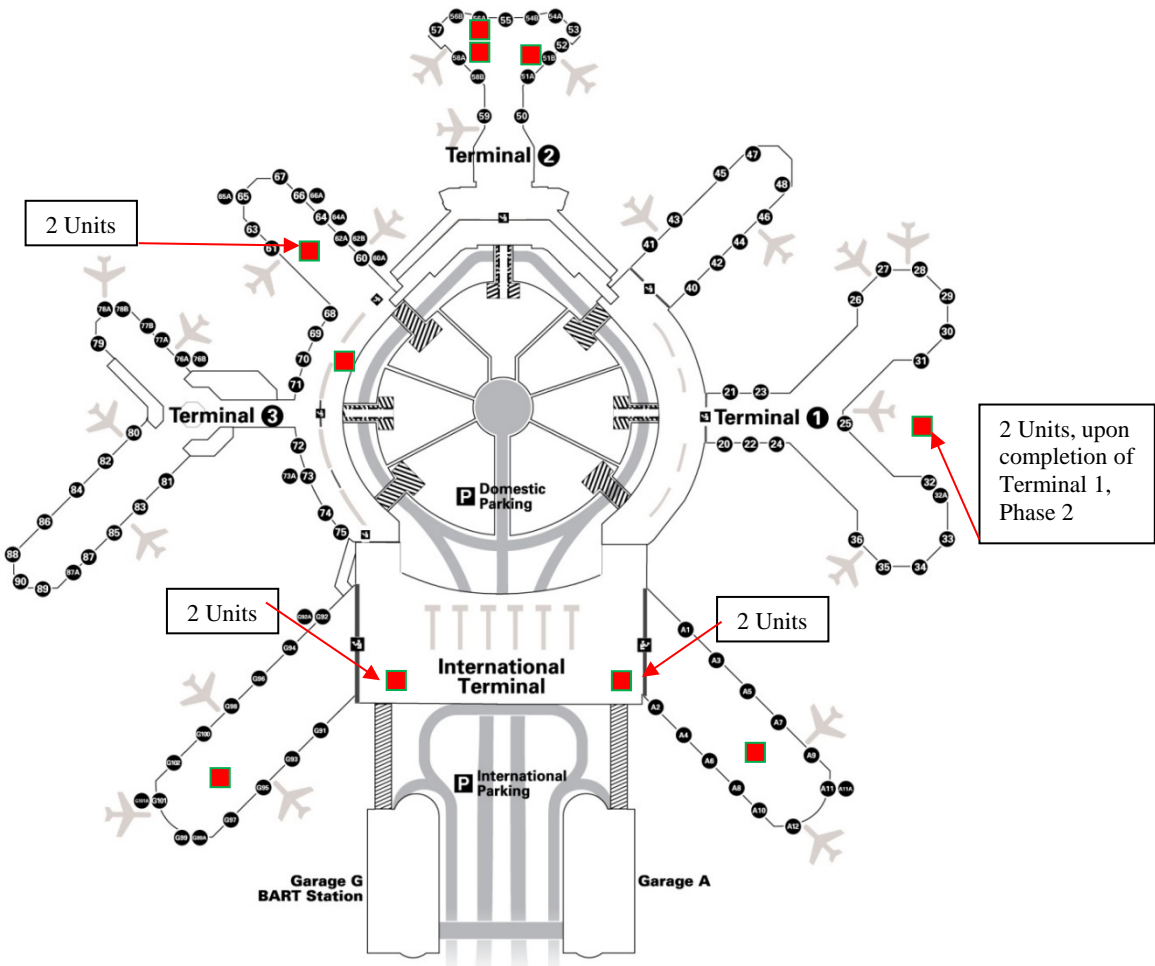
Ivar C. Satero
Airport Director

Prepared by: Leo Fermin
Chief Business and Finance Officer

Attachments

Exhibit A

AIRPORT AUTOMATED RETAIL LEASE



■ - Unit Location