

This document is a draft Scope of Services/Technical Specifications for a future competitive contract Miami-Dade County anticipates entering into. Scope of Services/Technical Specifications is subject to change without notice. This is not an advertisement.

Miami-Dade County, Florida

Project Title: CBD Shop at Miami International Airport

SCOPE OF SERVICES

2.1 BACKGROUND

Miami International Airport (MIA) is the leading economic engine for Miami-Dade County and the State of Florida. Founded in 1928, MIA now offers more flights to Latin America and the Caribbean than any other U.S. airport. Today, MIA enjoys top rankings as the leading international freight airport in the United States and ranks as one of the nation's top three leading airports for international passenger traffic.

MIA's prominent presence in international passenger traffic and cargo activity has fueled a host of other industries, such as: tourism, cruise industry, international banking, and commerce. Approximately 80% of all exports and 83% of all imports between the United States and the Latin American/Caribbean region flow through MIA. It should also be noted that MIA is the port of entry for approximately 60% of all international traffic arriving by air to Florida. MIA is the world's largest Latin American/Caribbean gateway, offering over 1,300 weekly departures with non-stop service to 77 destinations in the region. With 44% of total passenger traffic being international, MIA is among the top airports in the U.S. with the highest international to domestic passenger ratios.

The core concessions programs at MIA (Food & Beverage, Retail and Duty-Free units) utilize nearly 271,000 square feet of space throughout the pre- and post-security areas of the North, Central and South Terminals. Commensurate with the cultural and geographic diversity of MIA's international passenger base, the concessions program includes a wide array of brands and concepts including some of the world's leading retailers and restaurants, international and regional brands specifically targeted to the unique makeup of the MIA traveler base and renowned local concepts curated to deliver an authentic expression of the cultural richness of the Miami area.

2.2 CONCESSION GOALS AND OBJECTIVES

The Miami-Dade Aviation Department (MDAD) has established concession goals and objectives to better meet or exceed the demands of today and tomorrow's traveling public. These goals and objective include:

- A. Enhance the image of the Airport as a world-class airport.
- B. Enhance customer service and satisfaction by improving product choice, price, and customer service.
- C. Optimize sales and revenues.
- D. Optimize design and location of retail units.
- E. Present a local and regional identity concept that enhances the "sense of place" and convey the cultural richness and diversity of Miami to the traveling public.
- F. Provide national and international branded concepts.
- G. Increase the Concession Disadvantaged Business Enterprises (ACDBE) participation to the extent possible.

2.3 SCOPE OF WORK

The selected Proposer shall finance, design, construct, manage, operate, and maintain a Cannabidiol (CBD) Retail Shop that consistently delivers high-quality hemp-based products at Miami International Airport. The location consists of 1,052 square feet of retail concession space as specified in **Exhibit A**. The CBD Shop

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shall provide airport patrons with a broad range of hemp-based tinctures, serums, edibles, supplements, topical treatments, bath bombs, sprays, and other beauty products. Travelers that are stressed, anxious, and are focused on their wellness are the target market for this shop.

The selected Proposer should be able to demonstrate and showcase its commitment to health-conscious and modern wellness as well as provide information on destination laws to the public traveling inside and/or outside the US and ensure CBD products sold comply with federal legal requirements which may not exceed 0.3% THC levels. The CBD Shop shall be available to the public three hundred sixty-five (365) days a year in accordance with the **Tenant Handbook (see Exhibit 2)**. Any costs to install, maintain, manage, and operate the Location as well as all equipment and fixtures, and any other infrastructure on the Airport, necessary and appropriate for the operation of the Location, will be borne by the selected Proposer.

2.4 SELECTED PROPOSER'S RESONSIBILITIES

The selected Proposer shall finance, develop, manage, design and construct, operate and maintain the 1,052 sq.ft. Location depicted in **Exhibit 1 – Locations** (awarded in As-Is condition) for the purpose of establishing a high quality, state of the art CBD concession as approved by the Department. The minimum expectations are depicted as follows:

A. Financing Requirements:

1. Finance the design, construction and build out of the Locations depicted in **Exhibit 1 – Locations**.

B. Development Requirements:

Convey or reflect the character of the South Florida Region, Miami-Dade County, its residents, and/or Miami International Airport in its interior design concept which fulfills the Retail concept category in such a manner consistent with retail operating standards employed by a first-class airport.

C. Management Requirements:

1. Manage the Location in a way that maximizes the highest and best use and financial return to the Department.
2. Monitor and enforce compliance with the terms and conditions of the Draft Form of Agreement, including but not limited to the clauses, customer service, insurance, pricing, capital expenditures, quality of merchandise, hours of operation, detailed reporting of number and type of sales transactions, payment of fees to the Department, rent, and company brand signage.
3. Maintain permanent records for each leased Location.
4. Maintain computerized records on a commercially available property management software program acceptable to the Department. Programs and all data collected should be available to the Department on-line (digital and electronic).
5. Develop, maintain, and make available, if requested, all files, to include copies of licenses, permits, insurance certificates, and letters of credit.
6. Provide from time to time, as requested by the Department, annual financial statements demonstrating its financial capacity to perform its obligations under the terms of the Agreement.

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D. Design and Construction Requirements:

Design and construct (build out) the 1,052 sq.ft Location in accordance with Article 4 of the Draft Form of Agreement. NOTE: These are "As-Is" vanilla box Locations.

E. Operational Requirements:

1. Provide quality control audits and reports, including maintenance of the market basket pricing (not exceeding 10% of street pricing) in accordance with contract requirements, cleanliness of the Location (including sanitation plan), timeliness of service or quality of the products.
2. Generate and provide the Department monthly revenue reports and such other financial and management reports as are usual and customary in sophisticated airport concession management programs. Prepare other reports and analysis as may be requested periodically by MDAD, including number of transactions per hour, average sales per transaction, and sales per product category.
3. Develop annual revenue projections by month for each Location, to be updated on a regular basis.
4. Provide on-site staff to perform daily functions as required by the Scope of Services and the Standards of Operations identified in Draft Form of Agreement per Article TBD, subject to acceptance by the Department.
5. Ensure compliance with the Department and other governmental agency identification badging requirements.
6. Implement any new policies, and procedures, and operational directives as issued from time to time by the Department.
7. Ensure payment is submitted with the Monthly Report of Transactions to the Department.
8. Respond to customer complaints in a timely manner.
9. Maintain a sufficient inventory to minimize stock-outs and ensure the quality and freshness of products offered. Under no circumstances will the Proposer sell products after their expiration date.
10. The selected Proposer is required to be a part of the MIA2GO app.

F. Maintenance/Utilities Requirements:

1. Maintain or cause to maintain the Location pursuant to Department standards, which may be promulgated from time to time.
2. Coordinate and maintain general oversight of deliveries of goods and products for the concession operations from any designated on or off-Airport storage area.
3. Shall take such corrective action as necessary to maintain the Location within acceptable conditions as required by the Department.
4. Always keep the Location in a clean and orderly condition and appearance, including all equipment, fixtures and any personal property.
5. The selected Proposer is responsible for bringing in any new power, communications lines and other utilities that may be needed from the nearest available Airport panels/panel room to the site, at its sole expense.
6. The selected Proposer shall be responsible for all utility costs for operation. The selected Proposer shall comply with all applicable building codes and requirements during any

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construction, remodeling, installation, and any other related work.

G. Improvement To Locations

The selected Proposer shall invest a minimum five hundred (\$500) per square foot of Approved Improvements for the Facility, which includes plan, design and construction improvements to the location listed in **Exhibit A** to the Agreement. The selected Proposer shall refurbish facilities/premises mid-term during sixth (6th) year of the Agreement) in the amount of \$150/sq. ft. Any and all improvements to Location(s) will be performed in accordance with the Lease and Concession Agreement **Exhibit F, “Tenant Airport Construction – Non-Reimbursable Procedures TAC-N”**.

H. Shared Tenant Services (STS) Program.

The Department has a Shared Tenant Services Program (STS) for the provision of telecommunications, data network and shared tenant services at the Airport. All CMUs and host processor may utilize the MIA Shared Tenant Services Program either with existing infrastructure, existing landlines, wireless access, or cellular access where necessary. Under the STS Program, MDAD will provide data cables to CMU Locations, but the Concessionaire shall be responsible for paying all costs incurred by MDAD to provide such installation. MDAD provides wireless WIFI services, but MDAD does not provide an established or guaranteed speed for wireless connection. Under the STS Program and for security purposes the use of MDAD's private WIFI is required. Concessionaire must sign the **Exhibit P – Airport Rental Agreement**, of the Agreement within seven (7) days of the Agreement date of execution. Please refer to Section 3.22(A) of the Agreement for further details.

The following details are provided to assist your firm with preparing a proposal, more detailed information will be provided to the selected Proposer for the full design.

- The selected Proposer will be required to provide and install point of sale (POS) systems including but not limited to network components, conduit, cabling, and data outlets as required.
- Code compliant life, safety and fire alarm systems must be provided within concessions spaces and must be coordinated with and interfaced with appropriate MIA life safety and fire alarm systems as needed, including but not limited to emergency communication systems, and visual paging requirements, etc.
- Zone strategy and other life safety systems must not be affected by this premise.
- The selected Proposer shall provide and install all voice/data/TV connectivity including but not limited to active network components and passive (e.g., cable trays, structured cabling, data outlets and interface boxes as required).
- If applicable, the selected Proposer shall provide access control on all doors with regulatory compliance requirements.
- The selected Proposer will coordinate with MIA Security and utilize MIA Design Standards Manuals and Specifications to ensure a full and functional system.
- The selected Proposer will be required to install any and all necessary ventilation in the premises.
- The selected Proposer is responsible for all work associated with the buildout of this project, including, but not limited to applicable demolition, electrical, mechanical, plumbing, structural, life safety, architectural, and general construction.
- The selected Proposer is encouraged to review the Rules and Regulations Governing MIA to ensure full compliance with MIA's operational requirements.

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2.5 LICENSE/CERTIFICATIONS

The selected Proposer shall, at its sole cost, obtain all permits, licenses, certifications, and approvals required for operation and performance herein, and as may be required by all entities that have jurisdiction, including:

2.5.1 Hemp Food Establishment Permit:

- a. Florida Department of Agriculture & Consumer Services (FDACS) requires a Hemp Food Establishment Permit. This permit is required for any business that manufactures, processes, packs, holds, prepares, or sells food containing hemp. For more information, please visit the FDACS website: www.fdacs.gov/Divisions-Offices/Licensing

2.6 PREFERRED QUALIFICATIONS

The County prefers for the selected Proposer and/or subconsultant to have a minimum of three (3) years' experience operating a retail shop/concept (standalone or airport concession) similar to one or more of the concepts mentioned within this solicitation. Proposer shall demonstrate the proposer's ability to fund the capital investment and undertake the obligations and operation in this opportunity. Proposers' capital funding source(s) must be greater than its proposed Capital Investment as submitted on Capital Investments and Funding Form.

2.7 STAFFING REQUIREMENTS

The Proposer shall:

- a) Always employ enough personnel necessary to assure prompt, courteous and efficient service. Officers, staff, and personnel should be properly trained and attired and must wear identification badges in accordance with MIA requirements.
- b) Employ a full-time, experienced and properly trained on-site manager, to represent and act on behalf of the Concessionaire in all matters pertaining to the business operation. The manager shall be available during normal operating hours and be delegated authority to ensure the competent performance and fulfillment of the responsibility of the Concessionaire. The manager shall be responsible for the premises as well as proper conduct and appearance of its officers, agents, employees, suppliers, and representatives.
- c) Employ a management person(s) who shall be on call and available for emergencies or other matters related to the operations herein (i.e. theft, vandalism, maintenance issues), outside of normal operating hours.

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2.8 CUSTOMER SERVICE

In an effort to support MIA's commitment to world-class customer service, a virtual program was developed to enhance the customer service skills of MIA employees and concessionaires. The selected Proposer's personnel shall be required to complete the virtual training as part of their vetting process at MIA.

The Proposer shall:

- a) Coordinate and implement regular employee customer service training programs, to include employees from Concessionaire. The Concessionaire will submit its/their customer service-training program within thirty (30) Days of the Lease Effective Date of the Agreement for the Department's review and approval.
- b) Participate in any airport-wide customer service program implemented by the Department.
- c) The selected Proposer must enroll with the MIA App to provide customers with online ordering capabilities.

2.9 REPORTING CASH REGISTER/POINT-OF-SALE SYSTEM

The selected Proposer shall utilize its own cash register/point-of-sale system for sales transactions which shall produce daily sales totals for reporting gross revenues and be able to provide a monthly reconciliation of daily sales in a format approved by MDAD. In addition, provide multiple payment options to customers, including cash, credit card and debit card payments, and remain in compliance with the Payment Card Industry (PCI) Security Standards published by the PCI Security Standards Council in effect and at all times. Refer to Article TBD of the Draft Form of Agreement.

2.10 MARKET BASKET/COMPETITIVE PRODUCT PRICING

The price of all goods and services offered for sale shall be clearly marked and/or displayed. The Concessionaire shall be required to comply with the Market Basket/Competitive Pricing Policy as reflected in Sub-article 5.02 of the draft Agreement.

Market Basket shall mean that MIA concession store prices shall not exceed by more than fifteen percent (15%) stated market basket of a selection of three (3) Greater Miami Area CBD concepts where visitors may purchase similar product categories excluding stadiums, arenas, amusement and entertainment venues and hotels.

- A. **Same Store Concept:** For any or all operations where a Concessionaire currently operates the same or similar CBD Shop in the Miami-Dade County area, the Concessionaire may not charge more than fifteen percent (15%) higher charges at the Airport for like or similar item, portion or serving. The Department has the right to survey prices at said store and to use these prices for same or similar product as the primary basis for pricing in leased Locations in all Locations.

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- B. Concessionaire shall request approval from the Department in advance of any proposed increase in the sales price of the goods and services offered for sale by the Concessionaire. Pricing comparable from three (3) convenience stores (excluding other Airports, sports arenas, and other major venues) within Miami-Dade County Greater Miami and Miami Beach Area locations will be required.

- C. All goods and services shall be sold in accordance with the prices approved by the Department.

2.11 MONITORING AND INSPECTIONS

- A. The County shall have the right, without limitation, to monitor and test (i.e. secret shopper) the quality of goods and services of the Concessionaire, including, but not limited to personnel and the effectiveness of its cash-handling procedures, through the use of a shopping service, closed circuit television, and other reasonable means.

- B. The County shall have the authority to make periodic reasonable inspections of the CBD concepts, equipment, and operations during normal operating hours to determine if such are being maintained as agreed to. The Concessionaire shall be required to make any improvements in cleaning or maintenance methods reasonably required by the County. If corrective action is not immediately taken, the County will cause the same to be cleaned, and the Concessionaire shall assume responsibility and liability for such cleaning. Periodic inspections may also be made at the County's discretion to determine whether the Concessionaire is operating in compliance with the terms and provisions of the Agreement.

2.12 PAYMENT TO THE COUNTY

- A. It is the intent of the County that the best possible Services be provided to the public, while generating revenue. For consideration of providing services at MIA for the operation and maintenance of Location, the Concessionaire **shall pay the greater** of the following two (2) variable revenues to the County:
 - 1. **Percentage Fee of Monthly Gross Revenues**
The Concessionaire shall pay MDAD the percentage of Gross Revenues earned at its respective Location(s) per Article TBD of the Agreement The Proposer shall enter its proposed Percentage of Gross Revenues Fee in **Form -1. Revenue Schedule**.

OR
- 2. **Annual Rental**
The Concessionaire shall pay the prevailing Class VI Terminal rental rates for the lease of the Location(s), prorated and payable in equal monthly installments in U.S. funds, on the first day of each and every month, per Article TBD of the Draft Form of Agreement. Payments for annual rental shall commence on the beneficial occupancy date.

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B. Additional Payments

1. Support Space (if required by Successful Proposer)

The Concessionaire shall pay the prevailing Class VI Terminal rental rates for support space, which includes administrative and/or storage space (if applicable). Payments for support space rent shall commence on the beneficial occupancy date, per Article TBD of the Draft Form of Agreement. Rental rates are subject to recalculation and adjustment in accordance with the policies and formulae approved by the Board. At the time of advertisement of this Solicitation, the Class VI Terminal rental rate is \$TBD.

2. Concession Marketing Fee

The Concessionaire shall pay MDAD a concession marketing fee of one half (1/2) of one percent (1%) of Gross Revenues, per Article TBD of the Draft Form of Agreement. The Concession Marketing Fee shall be used for marketing the concessions at the Airport. and will be assessed annually, to be paid monthly to MDAD, on the twentieth (20th) of the month, beginning on the month following the commencement of operations.

3. Construction Permit Fee

The Concessionaire shall pay a permit fee to MDAD in an amount equal to one percent (1%) of the estimated construction cost of the improvements, per Article TBD of the Draft Form of Agreement.

2.13 SIGNAGE AND ADVERTISEMENT

Any and all signage must have prior written approval from MDAD and is subject to the terms and conditions of the Draft Form of Agreement. Moving or flashing signs, advertisements, or notices on the outside surface are strictly prohibited.

2.14 BRANDS, FRANCHISES AND LICENSING OF CONCEPTS

Proposals based on a branded concept must include a letter from the brand owner certifying the Proposer has the authority to use and/or operate the brand at MIA. The Successful Concessionaire will be required to document its contractual relationship with the brand owner before MDAD executes any final agreement.

Proposals submitted without the right to use or operate a brand/concept at MIA may be deemed non-responsive. Substitution of proposed brands and/or concepts will not be permitted, without prior written approval from MDAD. Substitutions of proposed brands and/or concepts without prior written approval from MDAD may result in cancellation of the award of this opportunity and forfeiture of the proposal bond.

2.15 CREDENTIALING / BADGING/ PARKING

The selected Proposer shall be subject to all MDAD requirements, U.S. Transportation Security Administration (TSA), and U.S. Customs and Border Protection (CBP) mandates, pertaining to the issuance of airport identification badges, including personnel completion of the Security

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Identification Display Area (SIDA) training conducted by MDAD, and respective background checks required by the TSA and CBP Unescorted Access Privilege Rule. The selected Proposer shall be required to conduct background investigations and to furnish certain data on such personnel before issuance of such ID badges, which data may include fingerprinting applicants for such badges. All personnel need to be badged before work commences. Badges must be always displayed. The fee for ID badges/background checks is approximately \$58.00 per employee biannually. Parking for the selected Proposer, its staff and any Subcontractors shall be provided at the selected Proposer's expense. The current rates per decal are as follows: Four (4) months – Fee of \$120; Eight (8) months – Fee of \$240; Twelve (12) months – Fee of \$360. Rates are subject to change. Updated rates are published at <http://www.miami-airport.com/airport-parking.asp#short>.

2.16 SECURITY

The selected Proposer shall secure the CBD concept premises and provide necessary security measures to protect the customer and MDAD. The selected Proposer shall provide a detailed Security Plan that includes data protection, prior to beginning operations within ninety (90) Days of the Lease Effective Date of the Agreement, for the Department's review and approval.

2.17 TRANSITION AND IMPLEMENTATION

The selected Proposer shall provide a Transition Plan, including a transition schedule commencing post Contract award with specific implementation tasks and timelines. The Transition Plan will be reviewed and finalized upon MDAD's approval.