

Addendum No.1
October 16, 2017
RFP CBD 2017-001 – In-Flight Catering Licence

This Addendum shall be read in conjunction with and considered part of the RFP Documents and, where applicable, supersedes the information contained in the original RFP CBD-2017-001 In-Flight Catering Licence issued on September 13, 2017. All other terms and conditions in the RFP remain unchanged and in effect.

Part I Questions and Responses

Question 1 **Would the Airport Authority consider a licence term greater than 15 years?**

Response As outlined in Section 2.11 (Schedule 3, Component C) the Airport Authority anticipates that the term of the Licence issued to the successful Proponent will be for a period of 15 years.

As outlined in this section, the Airport Authority has invited Proponents to provide alternate proposals to the length of term of the licence other than what the Airport Authority. The Airport Authority will take such alternate proposals into consideration.

Question 2 **Is a Proponent permitted to provide catering services to airline lounges located at the Airport? Would such catering services be covered under the proposed licence?**

Response Yes, a Proponent would be permitted to provide catering services to airline lounges within the Airport and such catering services would be classified as Specified Activities as outlined in the Form of Licence and would be subject to the Specified Activities Prescribed Rate contained in Section 1.1 (d)(ii) of the Form of Licence. We note that any Specified Activity undertaken by a Licensee requires the written consent of the Airport Authority.

Question 3 **In Section 8.2 of the Form of Licence it requires that a Licensee, if requested by the Airport Authority, deliver to the Airport Authority an irrevocable letter of credit issued in favour of the Airport Authority by a Canadian chartered bank and the amount of such letter of credit shall be equal to \$100,000 or three months Fees under the Licence, whichever is greater.**

Would the Airport Authority consider an alternate form of security (i.e. a parental guarantee)?

Response. No. The Airport Authority requires that the successful Proponent deliver to the Airport Authority a letter of credit as required under Section 8.2 of the Form of Licence.

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Question 4 In Section 10.2 of the Form of Licence, it states that in the event that the Licensee fails to repair, rebuild or restore any damage and the Licensor is required to conduct such repairs, the Licensee is liable for the Licensor's costs plus an additional charge of twenty percent (20%).

Would the Airport Authority consider a lower amount for this additional charge?

Response No. This amount is consistent with the Airport Authority's current practices.

Question 5 In Section 1.1(d)(i) of the Form of Licence the Fees payable to the Airport Authority for In-Flight Catering Services is the General Prescribed Rate (5%) multiplied by the Gross Revenue.

Is the General Prescribed Rate in the Form of Licence consistent with other licensees that are providing In-Flight Catering Services at the Airport?

Response Yes.

Question 6 In Section 2.1 of the Form of Licence (Privileges) can you please clarify the provision of In-Flight Catering Services at the South Terminal?

The successful Proponent will be entitled to provide In-flight Catering Services at the Airport in all of its terminals, including but not limited to the Domestic Terminal Building (DTB), International Terminal Building (ITB) and the South Terminal Building (STB).

The language in Section 2.1(a) of the Form of Licence that refers to the STB was inserted to inform that the privileges under the Licence include the STB and is not meant to be a constraint to the successful Proponent.

Question 7 **Would a Licensee be required to pay the Licence Fees during its construction phase of its facilities?**

Response. During the Term of the Licence, if the licensee is earning Gross Revenues resulting from the provision of In-flight Catering Services and Specified Activities, if applicable, then Licensee will be required to pay the Fees as outlined in the Form of Licence. The Fees are applicable regardless of whether a Licensee is operating from permanent or temporary facilities and providing In-flight Catering Services and Specified Activities. In the event that a Licensee is not providing In-flight Catering Services or Specified Activities during the construction of its facilities, then the Licensee would not be responsible to remit Fees.

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Part II Proponent Interviews and Presentations

Following the Closing of the RFP the Airport Authority may, in its discretion, request that Proponents attend the Airport Authority's offices for an interview and presentation to the evaluation committee.

In the event that the Airport Authority proceeds to conduct such interviews, the dates of such interviews will be held on:

- October 26, 2017;
- October 27, 2017; and
- October 30, 2017.

The time limit for each interview and presentation shall not exceed ninety (90) minutes. The presentation portion shall be limited to forty-five (45) minutes.

The Airport Authority will make reasonable efforts to take into consideration the availability and schedules of the Proponents when scheduling these interviews and presentations.

Proponents are requested to outline in the submission their preference (ranking 1, 2, and 3) for the above-referenced interview and presentation dates.

END OF ADDENDUM No.1