Information for the Commercial Opportunities at King Khalid International Airport

Apparel and fashion Opportunities

Tender number: Retail-U06-19

(March 2019)
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King Khalid International Airport (KKIA) is the gateway to Riyadh city, the capital of the Kingdom of Saudi Arabia. “Riyadh Airports” Company has advanced KKIA from a national hub to an international super-hub. In 2018, KKIA provided nonstop services to more than 99 destinations worldwide, hosting on average 546 flights a day and serving over 26 million passengers.

KKIA has the potential to be a world-class gateway, which surprises and delights our customers by delivering a passenger experience that goes far beyond what other airports in the region have typically provided.

In response to the growing demand and passenger numbers, “Riyadh Airports” has embarked on an extensive expansion program. The aim of this program is to increase the current capacity of KKIA and to offer a world class commercial experience to our passengers.

Overview of KKIA Terminals:

Terminal (1): Handling international flights for non-sky team airlines.
A total (departing and arriving) of 5.4 Million passengers have travelled through Terminal (1) in 2018.

Terminal (2): Connected directly to Terminal (1), allowing passengers and staff members to move easily between both terminals. This terminal handles international flights for (SkyTeam and Gulf Air and FlyNas) airlines.
A total of 6.2 Million (departing and arriving) passengers have travelled through Terminal (2) in 2018.
Terminal (3) & (4): These terminals are currently undergoing an extensive renovation and are expected to be operational, world class facilities by 2021.

Terminal (5): The new domestic terminal of KKIA, it has been operational since 2016.

A total of 14.7 Million passengers have travelled through Terminal (5) in 2018.

“Riyadh Airports” Company Goals

The strategic vision of “Riyadh Airports” Company for this opportunity includes the following objectives:

a) Raising Revenue
- Structure this exciting business opportunity to achieve the strongest possible financial return for our business partner(s), and as a result.

b) Customer Satisfaction
- Present a world class travel and commercial experience to our passengers.
- Provide an unrivalled customer experience and service level.
- Establish a high quality, passenger-centric environment.
- Develop an attractive environment which portrays the best qualities of Riyadh Airports Company and the Kingdom of Saudi Arabia.
- Ensure that commercial designs and construction are consistent with Airport Master Plan, to achieve mutual strategic objectives with our business partners.

c) Operational Goals
- Improve operational efficiency.
- Improving customer service and Maintaining safety.
Contact Information:

All communications in relation to this tender should be directed to Concession Department and should be submitted by e-mail only.

Email Address: comtender@Riyadhairports.com

Tender Inquiries:

The tenderer’s proposal is critical to the evaluation and selection process. Therefore, it is important that the tenderer prepares the proposal carefully and responds completely.

Tenderers have the right to propose any queries or points of clarification regarding the tender. These must only be sent by email, to the above email addresses, not later than 4:00 PM (Riyadh time) on 27/03/2019.

"Riyadh Airports" will respond to all queries in a single document which will be sent to all tenderers, not later than 12:00 PM (Riyadh time) on 31/03/2019.
**Tender Requirements:**

The tenderer must provide technical and financial proposal for this opportunity at 2:00 PM (Riyadh Time) on 07/04/2019, any proposal after this date will not be eligible to enter the tender.

**Technical Proposal:**

The Technical Proposal shall be submitted as an original physical document, in an envelope stamped to the Concessions & Tendering Department to the Concession Department (contact details above) on 07/04/2019.

- The technical proposal should include “but not limited to” the criteria in the Evaluation Process section of this document.
- A certificate of financial ability shall be submitted with the proposal and must be at least 5 million SR (5,000,000) SR.
- The technical proposal must include the required documents.
- The technical Proposal is presented in a booklet and the size of the font (13) with four copies in addition to the electronic version (flash memory or CD).
- The proposal must be Arabic or English languages and any proposal in another language will not enter the tender.

**Financial Proposal:**

The Financial Proposal must be submitted as an original physical document, in an envelope stamped to the Contracts & Tendering Department, “Riyadh Airports” Company.

Envelop opening will be by the official representative of the tenderer at 1:00 PM (Riyadh Time) on 10/04/2019.

- The Financial Proposal shall be submitted with a certified check, equal to 50% of the value of the last year.
- Financial proposal must be submitted according to the proposal form attached.
Bank Guarantees:

It is important to note, the winner of this business opportunity (the tenant) must provide the following bank guarantees before signing the contract and within a period not exceeding (15) fifteen days from the date of the letter of approval of the first party on the lease:

• A value of twenty percent (20%) of the value of the last year of the contract and shall be valid for the period of the contract plus ninety (90) days, to cover the costs of the facility rehabilitation.

• A value of fifty percent (50%) of the value of the last year of the contract and shall be valid for the period of the contract, to ensure payment of half of the annual value of the contract on the due date.

• تقديم ضمان بنكي عند توقيع العقد بقيمة عشرون بالمائة (20%) من قيمة الحد الأدنى المضمون للإيجار السنوي للسنة الأخيرة ويكون ساري المفعول لمدة فترة العقد بالإضافة إلى تسعين (90) يوماً لتغطية تكاليف إعادة تأهيل المرفق بعد خروج المستأجر منه.

• تقديم ضمان بنكي عند توقيع العقد بقيمة خمسون بالمائة (50%) من قيمة الحد الأدنى المضمون للإيجار السنوي للسنة الأخيرة ويكون ساري المفعول لمدة فترة العقد لضمان تسديد نصف الحد الأدنى المضمون للإيجار السنوي في موعد استحقاقه.
Conditions

This document is issued subject to the following conditions:

1. “Riyadh Airports” Company will not be responsible for any costs associated with the preparation and submission of the response documents together with any related follow up presentations or meetings.

2. “Riyadh Airports” Company reserves the right to select complete proposal or part of any proposal.

3. “Riyadh Airports” Company also reserves the right to amend the proposed timescales or terminate the selection process at any time prior to finalization of the contractual arrangements.

4. This document and all information disclosed during evaluation and negotiation are provided to Tenderers in strictest confidence. Tenderers may not disclose or permit to be disclosed any information of this document to any person other than an employee or Tenderer directly concerned with preparing a tender proposal. Tenderers may not use this document for any other purpose than preparing the tender proposal.

5. All communications about this tender opportunity should be directed to “Riyadh Airports” Company as per the instruction above.

6. Nothing contained in this pack, or in any other communication made between “Riyadh Airports” Company, and any other party will be taken as constituting a contract, agreement or representation.

7. Proposals will be received on the understanding that the Tenderer accepts full responsibility for all statements made. In the event of the proposal failing to meet any specific requirement, the Tenderer will be responsible.

8. A response from any group of Tenderers should disclose any contractual agreements reached between those parties whether generally or for preparing this information for “Riyadh Airports” Company, or for the party acting as lead Tenderer, should be identified.

9. “Riyadh Airports” Company may exclude from its evaluation any Tenderers who fail to satisfy as to their ability and capacity to meet the requirements as stated in this Tender Pack.

10. The successful tenderer must provide “Riyadh Airports” Company with the company’s commercial register, bank guarantees, evidence of adequate industry standard insurance cover and any other required documents.

11. RAC reserves the right to revise or terminate this Tender Pack by notice at any time during the tender period.

12. “Riyadh Airports” Company will not accept qualified or conditional bids as part of this tender process.


The conditions listed above are subject to the following requirements:

1. There will be a competition process involving “Riyadh Airports” Company and other interested parties.

2. The competition process will involve the selection of the best proposal.

3. The selected proposal will be based on the criteria set by “Riyadh Airports” Company.

4. The competition process will be open to all interested parties.

5. The competition process will be conducted in strictest confidence.

6. The selected proposal will be based on the criteria set by “Riyadh Airports” Company.

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Contract

The contract awarded to successful parties will be between the successful party and “Riyadh Airports” Company.

“Riyadh Airports” Company doesn’t bind itself to accept the highest or any proposal, and any decision will be at the sole discretion and Standards of “Riyadh Airports” Company.

Anti-Competitive Conduct

If “Riyadh Airports” Company should become aware of direct or indirect communications by any means between Tenderers relating to the contract conditions or which might facilitate price collusion it shall be the policy of “Riyadh Airports” Company to disqualify such Proposals or Tenderers.

Conflicts of Interest

“Riyadh Airports” Company will be fully disclosed of any conflict of interest regarding the Tenderers of the business opportunity.

The Tenderer shall not offer, give or agree to give, to any person in the service of “Riyadh Airports” Company or any person connected with the Tender Pack, any gift or consideration of any kind as an inducement or reward in relation to obtaining or execution of this, or any other contract.
Evaluation Process

- The evaluation will be carried out by the Evaluation team of commercial. It will be carried out by reference to the tender submissions received together with any subsequent meetings, site visits, presentations etc., which may be used to provide clarification on the tender submissions.
- The evaluation will focus on the degree to which the tenderer adequately meets the requirements as outlined in this document and provides the most economically advantageous tender.
- This assessment will compare scores between proposals submitted across the criteria as stated in this document.
- This assessment will be conducted by “Riyadh Airports” Company.

“Riyadh Airports” Company has the right to negotiate with successful tenderer, regarding his/her technical and financial proposal.

Technical Evaluation

The Evaluation team of commercial will carry out an assessment of the Technical Proposals in relation to the criteria below, with the award of marks from five to zero, (Excellent = 5, Very Good = 4, Good = 3, Fair = 2, Poor = 1, Very Poor or No Response = 0). The list of criteria is not an extensive list of the only ones to be evaluated, but rather a guide to which critical criteria need to be considered to arrive at a fair overall assessment.

This assessment will be by reference “but not limited to” the following:

- The design of the branch, Initial design and perspectives including a preliminary description of the offerings and types of products to be sold. (The designs must be in accordance with the technical specifications and standards applicable at KKIA and must not exceed the height (2.70M²).
- Technical requirements related to the size of the required electrical power and other services such as water etc.
- Brand capabilities.
- Timetable for the implementation of the project elements including the start and end date of the project.
- Customer services proposed to be delivered within the branch.
- Plan of operation and staffing and roles for the (24) hours per day (7) days per week, as well as policies for cleaning, maintenance and repairs.
- The use of technology and innovative services
- Management Structure, Organisation Resources & Staff Training.

**Technical Evaluation**

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- The use of technology and innovative services
- Management Structure, Organisation Resources & Staff Training.
• Quality Assurance & Logistics.
• Number of branches in Saudi Arabia.
• The possibility of using new technology in the process of renting (for example, using a website, applications in smart phones, etc.), and clarifying the possibility of linking data with airport systems.
• Providing the airport with the sales data for each month and clarifying the possibility of linking the data with the airport systems.
• Comply with the agreed Service Level Agreement (SLA).

Financial Evaluation

The evaluation of the financial criteria will be by way of mathematical calculation as described in Concession Terms and Financials.

This evaluation will be made based on MAG and shared revenue proposed.

• Minimum Annual Guarantee.
• Shared Revenue not less than 20%.

In the event of a tied score between one or more tenders received, “Riyadh Airports” Company reserves the right to negotiate directly with those tenderers.

•QMضمان الجودة والخدمات اللوجستية.
• عدد الفروع على مستوى المملكة العربية السعودية.
• إمكانية استخدام وسائل التقنية الحديثة وذات دقة عالية والعمليات الاستنادية وعلى سبيل المثال لا للحصر أستخدام موقع إلكتروني، التطبيقات في الجوالات الذكية، وغيرها مع توضيح إمكانية ربط البيانات مع أنظمة المطار.
• تزويد المطار بقائمة المبيعات لكل شهر، مع توضيح إمكانية ربط البيانات مع أنظمة المطار.
• تطبيق إتفاقية مستوى الخدمة (SLA).

التقييم المالي

سيتم تقييم المعايير المالية عن طريق الحسابات الرياضية على النحو التالي:

- في قسم شروط الامتياز والشروط المالية.
- سيتم إجراء التقييم المالي وفقًا نسبة مشاركة الأرباح وأحدها الأدنى للايجار السنوي المقدم، واعتماداً على ذلك سيتم منح علامات بحسب متونية للمعرض المالية المقدمة.

• الحد الأدنى المضمون للإيجار السنوي.
• نسبة مشاركة الأرباح لا تقل عن 20%.

في حال التعادل بين المتقدمين للمنافسة، تحتفظ شركة “مطارات الرياض” بحق التفاوض مباشرة مع أحد المتقدمين على المناورة دون أن يمنح للمتقدمين الآخرين مطالبة شركة “مطارات الرياض” بأي تعويضات نتيجة استبعادهم من المنافسة.
The Business Opportunity

“Riyadh Airports” Company has an exciting opportunity for a (Apparel and fashion) in Terminal (5) Departure Area.

The Location

<table>
<thead>
<tr>
<th>Location</th>
<th>U6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area</td>
<td>103M²</td>
</tr>
<tr>
<td>Terminal</td>
<td>5</td>
</tr>
<tr>
<td>Zone</td>
<td>Departure</td>
</tr>
</tbody>
</table>

The proposed location will be in the departure area and in the distinctive locations located at the domestic terminal number 5 at King Khalid International Airport. It is located in the main corridor of the departure area, where all departing passengers must go through, hence all passengers and staff can be serviced.

Tenderer’s can visit the location to view it before submitting their proposal. The location will be awarded in its current condition. The fit-out costs, including the cost of delivery of some services to the location, which make it fit to the activity, that will be the responsibility of the successful tenderer.

Tenderer must meet technical specifications and standards applicable at the airport.

The fit-out costs and the cost of delivery of some services to the location (including, but not limited to, power and extraction), to make it fit for purpose, will be the full responsibility of the successful tenderer.
Drawings for the Location:

Terminal 5
The following information highlights some of the main points arising from the Tender Documentation.

Outline

“Riyadh Airports” Company invites proposals for the fit out, (Apparel and fashion) at KKIA. Tenderers are invited for a 3-years period (commencement date to be agreed).

- Proposals to include detailed investment plans, branch design concepts and layout formats and refurbishment over the contract term.
- “Riyadh Airports” Company reserves the right to approve any materials used in the project.
- The successful tenderer shall be given a period of three (3) months for the construction work. The rent will be calculated from the date of actual operation, which should not exceed the period mentioned above.
- Proposals to include planned management and staff structure that will support the contract and core staff structures highlighting number of staff members and job titles.
- “Riyadh Airports” Company will not be liable for any damages or potential liability arising from the operations of the airport by the tenant.
- Proposals to also include the following where applicable:
  - Operational Policies and Standards for a 24/7 operation.
  - Customer Service Guarantee.
- All tenderers must be involved in the process of announcing the Financial Evaluation results.
- Draft of the Contract signed on every page by tenderer, the acceptance of terms and conditions. Must be submitted before awarding.
- Advertising is exclusive rights to “Riyadh Airports” Company.

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- Proposals to include planned management and staff structure that will support the contract and core staff structures highlighting number of staff members and job titles.
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General Information

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- Proposals to include planned management and staff structure that will support the contract and core staff structures highlighting number of staff members and job titles.
- “Riyadh Airports” Company will not be liable for any damages or potential liability arising from the operations of the airport by the tenant.
- Proposals to also include the following where applicable:
  - Operational Policies and Standards for a 24/7 operation.
  - Customer Service Guarantee.
- All tenderers must be involved in the process of announcing the Financial Evaluation results.
- Draft of the Contract signed on every page by tenderer, the acceptance of terms and conditions. Must be submitted before awarding.
- Advertising is exclusive rights to “Riyadh Airports” Company.
Concession Terms and Financials

Term

The proposed term will be for a 3-year period (commencing from the agreed date), and yearly contract renewal will be automatic after agreement between tenant and “Riyadh Airports” Company.

Financials

The financials are calculated by concession fee based upon a percentage of annual gross turnover. A Minimum Annual Guarantee (MAG), must be paid based on this concession fee.

The tenderer is required to submit estimates of annual gross turnover for each year of the contract. Only bids that provide for a MAG of 75% or more of the bidder’s expected gross concession fee payable (based on percentage of turnover) will be considered.

The MAG in each year of the contract will be payable 12 months in advance. The concession fee, if payable, will be billed each quarter in arrears with any reconciliation for under or overpayments taking place at the end of the year.

The Minimum Annual Guarantee will be subject to yearly upward by 5%.

A sum equivalent to an additional 1% of the estimates of annual gross turnover will also be collected annually and billed quarterly in arrears for inclusion in a Marketing Fund to fund collective marketing activities for commercial operators at KKIA. This fund will be managed by “Riyadh Airports” Company.

The successful bidder will be required to submit, monthly, their gross turnover for the calculation of the fee payable.

This will be subject to regular audit and the successful bidder will be required to cooperate fully with any audit procedures put in place by “Riyadh Airports” Company, as “Riyadh Airports” Company has the right to pair POS’s with the successful tenderer.

Any failure to supply monthly turnover figures, non-cooperation with audit procedures or any instance of deliberate misstatement of turnover, will result in the contract being deemed void and subject to immediate termination.

The tenderer must submit, monthly, the gross turnover for the calculation of the fee payable.

This will be subject to regular audit and the successful bidder will be required to cooperate fully with any audit procedures put in place by “Riyadh Airports” Company, as “Riyadh Airports” Company has the right to pair POS’s with the successful tenderer.

Any failure to supply monthly turnover figures, non-cooperation with audit procedures or any instance of deliberate misstatement of turnover, will result in the contract being deemed void and subject to immediate termination.

Shروط الامتياز والحسابات المالية

المدة

ستكون مدة العقد المقترحة لفترة ثلاث سنوات (تاريخ البدء المتفق عليه) ويكون تجديد العقد تلقائيًا بشكل سنوي بعد الاتفاق بين المستأجر وشرفة مطارات الرياض.

الحسابات المالية

تحسب الحسابات المالية برسم الامتياز على أساس نسبة من إجمالي المبيعات السنوية. ويجب دفع الحد الأدنى المضمون للإيجار السنوي على أساس رسم الامتياز هذا.

يطلب من المتنافسين تقديم تقديرات إجمالية للبيعات السنوية عن كل سنة من سنوات العقد. ولن ينظر إلا في عروض المتنافسين الذين يوفرون 75% أو أكثر من الحد الأدنى المضمون للإيجار السنوي من قيمة الامتياز الإجمالية المتوقعة لمقدم العرض (على أساس النسبة المئوية للمبيعات السنوية).

يتم دفع الحد الأدنى المضمون للإيجار السنوي مقدماً في كل سنة من سنوات العقد. ويدفع رسم الامتياز، إذا كان مستحق، لكل ربع سنة من المبالغ المؤخرة مع أي تسويات لمبالغ المسددة أو المبالغ الزائدة التي تحدث في نهاية السنة.

سيصلك الحد الأدنى المضمون للإيجار السنوي لزيادة سنوية قدرها 5%.

يحصل الصندوق من قبل شركة “مطارات الرياض” خلال توفير أرقام المبيعات الشهرية، وعدم التعاون مع إجراءات الرفع أو حالات الخطأ المعتمدة في المبيعات سيؤدي إلى اعتبار العقد ملغى ويخضع للإنهاء الفوري.
Costs

Operating Costs
All operating costs are to be borne by the tenant. This includes any licensing compliance, cleaning, waste, maintenance and any other operating costs, including to the costs of general services (electricity, water, etc.)

Capital Costs
All capital costs and installation costs associated with the supply and connection of equipment and fitting out of the units must be borne by the tenant. Detailed Quantity Surveyor estimates and verified spends will also be required.

Insurances
The tenant will be responsible for obtaining and maintaining all necessary insurances, the minimum level of which will be set by RAC in accordance with the tenant’s contract.

Cleaning and Waste Disposal
Cleaning of the tenant sites (including floor, ceilings, and glass) will be the responsibility of the tenant. The removal of waste will be the responsibility of the tenant as well.
Work Permits

All staff in the tenant’s branch are required to comply with airport requirements relating to security passes, the cost of which are the responsibility of the tenant.

Building Works

All drawings, plans, beam calculation etc., associated with proposed building works and requirements including water, sanitation, etc., as well as security requirements for accreditation by the airport and obtaining the necessary work permit, as well as the submission of the schedule of processing and implementation must be submitted to “Riyadh Airports” Company for approval. A Method Statement and a Risk Assessment Statement, along with any other required documentation, must be submitted to “Riyadh Airports” Company in relation to all building works to be carried out on the tenant’s behalf.

Regulatory Requirements

It will be the responsibility of the tenant to ensure full compliance with all regulations relating to health and safety and all applicable laws and regulations in the Kingdom of Saudi Arabia.

Including:

- The Arabic version shall be the approved version of this tender in accordance with the requirements of the regulatory authorities.
- Signing of a preview of the sites, and the approval of obtaining all the answers before the presentation of the offer, as well as the provisions of the contract.
المستندات المطلوبة تقديمها:

Documents must be submitted:

- Commercial Register.
- Zakat Certificate.
- Chamber of Commerce Certificate.
- GOSI.
- Certificate to Practice Activity from Authorities.
- Trade Mark Registration.

الجدول الزمني:

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*By the Official Representative of The Tenderer.

المرفقات:

Attachments:

(A) Site visit form.
(B) Financial proposal form.
Acceptance of Proposals

“Riyadh Airports” Company doesn’t bind itself to accept the highest or any proposal, and any decision will be at the sole discretion of “Riyadh Airports” Company.

THE FINANCIAL PROPOSAL FORM AND SITE VISIT FORM ATTACHED MUST BE COMPLETED IN FULL.