

REQUEST FOR EXPRESSIONS OF INTEREST

CA00723 - DUTY FREE SHOP

HALIFAX ROBERT L. STANFIELD INTERNATIONAL AIRPORT GOFFS, NOVA SCOTIA

Halifax International Airport Authority 747 Bell Boulevard Goffs, NS B2T 1K2

ISSUED: JULY 26, 2023 SUBMISSION DEADLINE: 2:00 p.m., ADT, August 17, 2023



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1. OVERVIEW

Halifax Robert L. Stanfield International Airport ("Halifax Stanfield" or the "Airport") Atlantic Canada's principal full-service airport providing passengers and cargo clients with direct access to markets across Canada, the United States, Mexico, the Caribbean Basin, Europe, and Asia.

Halifax Stanfield offers Canada Customs services on a 24-hour, seven day a week basis, and it's the only airport in Atlantic Canada with U.S. preclearance and International to Domestic processing facilities.

The Airport is a significant economic generator, contributing \$2.2 billion annually to the provincial economy. In 2022, Halifax Stanfield served 3.1 million passengers and processed 37,000 metric tonnes of cargo.

A recognized innovator in the global airport industry, Halifax Stanfield is the first airport in North America to offer a self-service baggage drop system for all passengers and is consistently ranked among the best airports in the world. Halifax Stanfield was rated the Best Airport in the World in its class for seven years, and it is certified as Airport Service Quality Assured, an industry benchmark of Service excellence. Moreover, the Airport is an internationally recognized leader in customer service through the Stanfield Way Customer Service Program.

Halifax International Airport Authority (HIAA) is a non-share capital corporation that was established for the purpose of operating, maintaining, and developing the Airport under a ground lease with the Government of Canada through Transport Canada. HIAA assumed operational, maintenance, and developmental responsibility for the Airport in February 2000.

2. OBJECTIVE

Non-Aeronautical Revenue plays an important role in the competitiveness of the Airport in the air service industry. HIAA's focus is to build on this revenue stream to ensure we are able to continue to provide world-class services and experiences to all of our partners and the Airport community through quality concession concepts in the Airport's air terminal building and our surrounding property.

This Expressions of Interest (REOI) is intended to achieve the following objectives:

1) Gather information (market intelligence) regarding interested parties;

2) Determine the level of interest in operating a Duty Free concession;



3) Ascertain viability of potential solutions by undertaking a high-level screening assessment; and

4) Enter into direct negotiation of a contract with a selected operator.

3. THE OPPORTUNITY

HIAA is looking for an established industry partner to operate a Duty-Free Shop in our Domestic/International airside hold room area. We are looking for a concession operator to refresh and manage the Duty-Free Shop in its current location or another airside mutually agreed upon location, if necessary. The current concession lease will expire in January of 2024. HIAA recognizes the need for Duty-Free Shop to serve international passengers in our Domestic/International hold room, as well as a smaller offering located in our US Pre-Clearance hold room.

4. TECHNICAL INFORMATION

The location of the Domestic/International Duty-Free shop is in the north end of our Domestic/International departures hold room. This space is approximately (63.72 Sq. M.) in size and will be in a roughed in state. The location of the US Pre-Clearance Duty-Free shop is in the entrance of the US Pre-Clearance departure hold room.

The current operator will complete the demolition of the current spaces. The current spaces will be returned to an industrial state following the expiration of the current concession lease. The interested party would have the ability to keep some of the services that exist in this space if needed.

Upon completion of a successful negotiation, the incoming operator would be required to enter into a concession lease with HIAA, in a form of lease provided by HIAA. The lease outlines the responsibility of the operator and HIAA, including operating parameters, reporting requirements and rent obligations, among other things.

5. SUBMISSION

REQUIREMENTS

HIAA invites expressions of interest from qualified concession operators to construct and operate Duty-Free shops post security.

Expressions of Interest, and any questions, are to be directed to:

Tom Murray, S.C.M.P. Senior Manager, Contracting and Procurement Halifax International Airport Authority Room 3005, Air Terminal Building



Halifax Robert L. Stanfield International Airport 747 Bell Boulevard, Goffs, NS B2T 1K2 <u>Tom.Murray@hiaa.ca</u>

One electronic copy in PDF format of your submission must be received at this location by HIAA no later than 2:00:00 p.m., ADT, August 17, 2023, (the deadline) or on or before such later date and time specified by HIAA in an addenda to this request. HIAA may, at its sole discretion, accept or reject late submissions.

Faxed submissions will <u>not</u> be accepted. E-Mailed submissions are preferred and must be received by the deadline. Respondents assume all risk for the accurate and timely submission of e-mailed submissions.

Respondents to this REOI should limit their submissions to **30** pages, excluding any financial statements, concept drawings, plans, etc.

This document is not intended to constitute a bid request and HIAA does not guarantee a response to any particular respondent. HIAA is issuing this REOI in order to better understand what opportunities exist to maximize the value of the space, and some of the high-level characteristics of potential operations and operators.

Based on the information gained from your REOI response, HIAA may, at its discretion, contact your company for further information and or request a presentation. HIAA has not made any decision regarding a formal request for proposals process for Duty-Free shops, when or how a competitive process would be conducted, or even if one would be conducted at all.

The basic information provided in this REOI is intended to enable potential operators to understand the opportunity HIAA has available, and to provide HIAA with details in an expression of interest.



6. RESPONDENT CONCEPT, QUALIFICATIONS, EXPERIENCE AND REFERENCES

Any party responding to this REOI should be an experienced Duty-Free operator with a successful track record of financing, renovating, and managing similar properties, and proven capability to deliver operations of comparable services, type and magnitude, including, if relevant, experience with projects operating in a post security airport area.

Requirements

HIAA is seeking to provide a service from single location in the Domestic/International hold room and a single location in the US Pre-Clearance hold room, within the framework of environmental, social, and fiscal best practices. HIAA has identified the following capabilities, capacity, experience, and expertise needed to meet the requirements:

Minimum Requirements:

- Proven ability and success in hospitality operations
- A financial return that meets or exceeds HIAA's requirements/expectations
- Capital investment in facility
- Use of the space consistent with the reputational requirements of HIAA
- Provide a plan for midterm refurbishment, including dollar amount

Desirable requirements:

- Showcase Nova Scotian products
- Extensive selection of desirable products

Information to be included with the Expression of Interest will include, but is not limited to:

- Company Name
- Contact information

Provide your company address and the name and contact details for your company's representative for purposes of RFEOI communications.

- Name
- Mailing/courier addresses
- Telephone number



- Mobile number (optional)
- Email address
- -

Website

address

- Firm experience and expertise Provide detailed information that demonstrates your experience, capability, and organizational ability to successfully operate a concession of this type and size.
- Financial strength Describe your financial capability, your ability to provide project funding, including current relationships with lenders and past funding experience with projects of a similar nature.
- Concept Describe in detail your concept for the space.



7. EVALUATION

Responses to this REOI will be reviewed by HIAA. By responding to this REOI, respondents agree to accept the decision of HIAA as final. HIAA reserves the right to reject any or all expressions of interests or to further explore any expression of interest or part thereof considered to be in the best interest of HIAA.

Selection of any short listed respondents will be based on, but not limited to, the following factors andnotnecessarilyintheordershownbelow.

- Economic considerations;
- Service related performance capabilities;
- Performance record;
- Response to this REOI;
- Quality of references;
- Ability to demonstrate value-added services/initiatives for airport environments;
- Reputation for quality, service and innovation;
- Stability, experience, flexibility and economic viability;
- Overall benefit to HIAA;
- Quality and competitiveness of the expression of interest;
- Other considerations offered by the respondent.

Unless otherwise stated, the information presented in the expression of interest will be valid for 6 months (180) days from the deadline and may not be withdrawn during that period.

HIAA recognizes and encourages innovation. If a respondent has or can suggest alternatives that may be of interest to HIAA, they are encouraged to submit details.



8. TERMS AND CONDITIONS

By submitting an Expression of Interest, respondents acknowledge and confirm:

HIAA Bears No Responsibility for Costs:

Respondents are solely responsible for the risk and cost of preparing and submitting responses. HIAA shall not be responsible for any liabilities, costs, expenses, losses or damages incurred or suffered by the respondent by reason of its participation in this REOI process.

HIAA Makes No Representations:

The information contained in this REOI is for information purposes only and is not intended to be relied upon by respondents. HIAA makes no representations or warranties, express or implied, as to the accuracy or completeness of such information.

Use of Information

Respondents consent to HIAA incorporating any submitted ideas, concepts, approaches, or strategies into any planning, design, procurement, or contractual activities related to any aspect of the development and operation of a Duty-Free shop without any obligation, liability, or consideration on the part of HIAA.

Ownership and Confidentiality of Information:

All Information, including any documents submitted to HIAA by a respondent in connection with this REOI, becomes the property of HIAA and will not be returned to respondents. Responses will be received and held by HIAA in confidence, subject to the provisions of any applicable legal or regulatory requirements.

Title to and ownership of confidential information and all related materials and documentation contained in this REOI will remain with HIAA. Nothing contained in this REOI shall be construed as granting or implying any transfer, assignment or license of rights in this REOI or any information contained in this REOI to any party, including any copyright or other intellectual property rights in or relating to this REOI and the information contained in it.

No	Contractual	or	Legal	Obligations:
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This REOI is not intended to constitute, or be interpreted as, a call for tenders or proposals. This REOI is not intended to constitute or be interpreted as a pre-qualification process. Submission of a response to this REOI is not intended to, nor does it, create any contractual or other legal obligations or duties whatsoever owed to any Respondent or project proponents by HIAA, including any obligation or duty to accept or reject information, to enter into negotiations or decline to enter into or continue negotiations,



or to award or decline to award a contract. Without restricting the generality of the foregoing, no contractual relations shall exist between HIAA and any Respondent to this REOI, except that by submitting a response to this REOI a Respondent acknowledges and accepts the provisions of this Section. HIAA may partner or contract with firms other than those who respond to this REOI. No party shall have any rights or remedies against HIAA or the Crown arising from HIAA's failure to enter into any discussions, negotiations or contract with such party.

Participation in this REOI and the submission of a response to this REOI is not a pre-condition to participation in a subsequent commercial process, if any. HIAA may, at its sole and absolute discretion, decide to implement a subsequent commercial process. HIAA may invite proponents who did not participate in this REOI to participate in such subsequent process.

Communications:

All communications in respect of this REOI must be directed to the contact indicated. HIAA is not responsible for any instructions or information given to any Respondent party except as made or authorized by HIAA's Senior Manager, Contracting and Procurement.

Post-REOI Process:

Upon completion of the REOI, HIAA will better understand the potential for respondents to operate a Duty-Free shop. If the REOI process reveals viable solutions, HIAAs may, at its sole and absolute discretion, decide to proceed to a commercial process. HIAA may choose, but is not obligated to, proceed with a subsequent commercial process if there are viable solutions.

A commercial process could involve any of following potential options:

1) a competitive process with evaluation criteria (e.g., Request for Proposals);

2) bilateral discussions with one party; or

3) bilateral discussions with multiple parties.

If HIAA and potential operator were to strike a deal, an agreement would be drafted by HIAA, using its current concession lease terms and conditions.

Legal

This REOI, any subsequent Request for Proposals and any contract resulting from it shall be governed by and construed in accordance with the laws of Nova Scotia and the laws of Canada applicable therein.