

**REQUEST FOR PROPOSALS
FOR THE MANAGEMENT AND OPERATION OF
ON-DEMAND TAXICAB AND FOR-HIRE
VEHICLE SERVICES
AT
SEATTLE-TACOMA INTERNATIONAL AIRPORT
RFP # 2016-ABD-1**

ADDENDUM #3

Port of Seattle
Seattle-Tacoma International Airport
Airport Operations
17801 Pacific Highway South
Seattle, WA 98158

**REQUEST FOR PROPOSALS
FOR THE MANAGEMENT AND OPERATION
OF
ON-DEMAND TAXICAB AND FOR-HIRE VEHICLE SERVICES
AT
SEATTLE-TACOMA INTERNATIONAL AIRPORT**

ADDENDUM #3

February 17, 2016

To All Prospective Proposers:

I. Plan Holder List.

The Port Procurement and Roster Management System (PRMS) has been updated to allow all registered users the ability to see the list of plan holders within the PRMS system. Previously, registered users were not able to see the list of plan holders.

II. Pre-Proposal Meeting.

1. A copy of the PowerPoint Presentation utilized at the Pre-Proposal Meeting is attached to this Addendum #3.
2. A copy of the sign-in sheet from the Pre-Proposal Meeting is also attached to this Addendum #3.

III. Answers to Questions Submitted:

1. Why dual licensed requirements? This is outright not right.
Please see the answer to Question 1 in Addendum 2 regarding dual license requirements.
2. How are points awarded for technology?
The two main areas within the RFP associated with technology include:
 - a) *Technology associated with trip data reporting, per Part II (Instructions), Section 2 (Qualifications), Item #5, will be evaluated as part of the Experience, Qualifications and References scoring criterion as listed in Part II (Instructions), Section 14 (Evaluation Criteria), Item 14.3. Please also refer to the specific questions listed in Part III (Proposal Requirements), Item 8.B.vi.*

b) *Technology associated with customer feedback, per Part II (Instructions), Section 2 (Qualifications), Item #6 will be evaluated as part of the Customer Service scoring criterion, as listed in Part II (Instructions), Section 14 (Evaluation Criteria), Item 14.1. Please also refer to the specific questions listed in Part III (Proposal Requirements), Item 4.G.*

3. How will the Port measure “market demand” in the annual review of ratio between taxi and for-hire vehicles? For-hire will always say there is demand, Uber same, taxis, same? Is it in 5 minute guarantee?

As part of its Proposal, each Proposer will set the initial ratio of taxicabs and for-hire vehicles in its fleet. Each proposer must also identify in detail how it intends to make subsequent adjustments to fleet mix. That methodology must take account of the relative market demand between taxicabs and for-hire vehicles. The Port will evaluate each Proposer’s methodology for determining market demand as part of the proposal review process. Specific questions associated with this evaluation can be found in Part III (Proposal Requirements), Item 4.H.

4. Single point of contact management structure: is there a recommended number of employees on-site, oversight, technology, manager, inspectors, etc.?

Except as set forth in Section 6.8.3 of the draft Concession Agreement, the Port has not established a minimum staffing level for this Proposal.

5. How will you manage 10,000 Uber drivers flooding airport which does not protect the RFP winner who may guarantee a minimum payment.

While individual Proposers may offer a minimum annual guarantee (and potentially receive credit for offering one), neither the RFP nor the draft Concession Agreement require one.

With respect to Transportation Network Companies (like Uber), the Port does not currently permit them to provide outbound service from the Airport. However, the Port is in negotiations with the Transportation Network Companies to find a way for them to do so. While the Port cannot make any guarantees around the precise structure of any agreement with the Transportation Network Companies, it is the Port’s current intention to have them operate – if an agreement can be reached – under principal terms similar to those in outbound, on-demand Concession. This is expected to include provisions for specific pick-up locations and procedures, most likely on the 3rd floor of the garage in the ground transportation area.

6. What is Sea-Tac’s concept of a method or procedure for deadhead calculation? Explain more about the plan to audit those trips. How will you score it?

Please see Part III, Item 6.B. of the RFP (p. 15), which speaks specifically to this point:

“Proposers must include information on how they will calculate the deadhead reduction plan addressed in [Item 6.A.] and what metrics will be used for such calculations. Proposer must describe what mechanism will be made available to Port staff to be able to audit and track the metrics and goals.”

7. RFP says Port may award points for guaranteed payment/amount. Will points be awarded as a flat amount for highest? Or a gradient?

The Port cannot answer this question without knowing the specific revenue proposals submitted in response to the RFP. The scoring for Part II, Section 14, Item 14.2 (Revenue to the Port) will be based on the elements required by Part III (Proposal Requirements), Item 5 (Revenue to the Port). The Port will consider guaranteed annual amounts and the specific per-trip amounts (including whether there are annual escalations and/or tiers for either) in light of both the Port’s and Proposer’s forecasted ridership.

8. Sea-Tac/Port has suggested points will be given to guaranteed minimum payment to maximize Port revenue. The fleet has been increased to 300 and wheelchair which will have a negative impact on individual driver income. How to you propose a successful sustainable family wage to balance these issues?

The Port has limited the fleet size, in part, to help ensure that Drivers are committed to operating from the Airport and can achieve a reasonable income. The Port further expects the successful Proposer’s fleet management processes will support these goals.

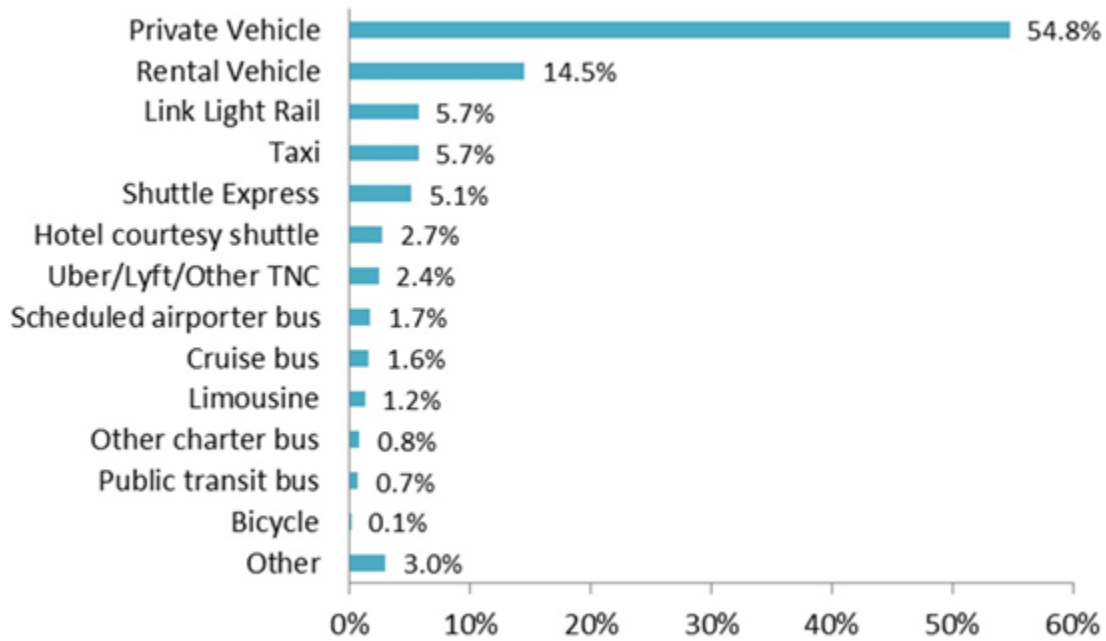
9. What data do the Port have to support the policy assumption that dual license vehicles reduce deadheading? Will you disclose that data to bidders, if it in fact does exist?

Please see the answer to Question 1 in Addendum 2 regarding dual license requirements.

10. What percentage of airport-inbound trips currently carry passengers on an annual basis? Is this Port data or contractor data?

The Port does not understand the question. The following chart shows the various modes of transportation utilized by enplaning passengers.

Travel Modes Used by Sea-Tac Originating Passengers in 2015



Source: 2015 Enplaning Passenger Survey

In addition, the deadhead reduction performance of the current outbound, on-demand concessionaire is set forth in response to Question 14, below.

11. Deadheading:

- a) 40% trips going to county?
- b) 98 cities are in county?
- c) Previous company how many % bring the customer back to airport?
- d) If be looked data that shows us for each airport car make 6-10 trips and waiting time be one hours for taxi?
- e) Bring back their trip they current company have data for deadheading?

The Port does not understand the question.

12. Could you please send me, via email (mgjurasic@comcast.net) a copy of the PowerPoint presentation from the pre-proposal conference meeting on Wednesday, February 10 regarding the Request for Proposals for the Management and Operation of On-Demand Taxi Cab and For-Hire Vehicle Services at Seattle-Tacoma International Airport (RFP #2016-ABD-1). Thanks in advance. Mark Gjurasic

The Port is providing the PowerPoint presentation to all plan holders. Please see Section II of this Addendum #3.

13. In order to make a more informed bid, STITA asks whether the Port can provide the following additional information: The number of taxi trips with more than one passenger? The number of taxi trips with more than one passenger to a single location? The number of taxi trips that were shared by multiple people who were travelling to different hotels on the taxi route?

The Port does not possess this information.

14. Is there any detail on the length of the trips from the airport such as the following information: The number of trips per year to downtown Seattle? The number of trips to Bellevue and the Eastside? The number of trips to Tacoma? The number of trips to locations north of downtown Seattle?

The following chart shows the percentage of trips to various locations, based on eight months of data (June 2015-January 2016):

| AREA | % TOTAL TRIPS | AREA | % TOTAL TRIPS |
|-----------------|---------------|-----------------|---------------|
| ADMIRAL | 0.5% | MONTLAKE | 0.2% |
| ALGONA | 0.1% | MUCKLESHOOT | 0.1% |
| AUBURN | 0.1% | N BEACON HILL | 0.4% |
| BALLARD | 0.9% | NEWCASTLE | 0.5% |
| BELLEVUE | 4.9% | NORTH DOWNTOWN | 11.6% |
| BLACK DIAMOND | 0.0% | NORTHGATE | 0.2% |
| BREMERTON | 0.0% | OAK H PT TOWNS | 0.1% |
| BROADVIEW | 0.2% | QUEEN ANNE | 3.5% |
| BURIEN | 1.3% | RAINIER BEACH | 0.3% |
| CAPITAL HILL | 3.2% | REDMOND | 1.3% |
| CATCH ALL | 1.1% | RENTON | 1.5% |
| CENTRAL DISTRIC | 0.6% | RICHMOND BEACH | 0.1% |
| COLUMBIA CITY | 0.4% | RIVERTON | 1.0% |
| CROSSROADS | 1.0% | ROOSEVELT | 0.4% |
| CROWN HILL | 0.3% | S BEACON HILL | 0.2% |
| DENNY REGRADE | 2.1% | SAMMAMISH | 0.6% |
| DES MOINES | 0.8% | SANDPOINT | 0.8% |
| DUVALL | 0.1% | SEATAC | 8.7% |
| EASTGATE | 1.9% | SHALLOW RAINIER | 0.3% |
| EASTLAKE | 0.6% | SHORELINE | 0.1% |
| ENUMCLAW | 0.0% | SKYKOMISH | 0.0% |
| EVERETT | 0.2% | SKYWAY | 0.3% |
| FAIRWOOD | 0.7% | Snoqualmie | 0.0% |
| FED WAY | 0.3% | SODO | 1.7% |
| FREMONT | 0.8% | SOUTH DOWNTOWN | 9.6% |
| GEORGETOWN | 0.7% | SOUTHCENTER | 2.0% |
| GREENLAKE | 0.4% | SOUTHPARK | 0.7% |
| GREENWOOD | 0.3% | STAR LAKE | 0.2% |
| INGLEWOOD | 0.2% | TACOMA | 1.0% |
| ISSAQUAH | 0.2% | TOTEM LAKE | 0.4% |
| KENT | 1.1% | TWIN LAKES | 0.2% |
| KENT EASTHILL | 0.2% | UNIVERSITY DIST | 1.3% |
| KIRKLAND | 0.9% | UPPER QUEEN ANN | 0.9% |
| LAKE CITY | 0.3% | VA HOSPITAL | 0.0% |
| LAKE FOREST PK | 0.1% | VASHON ISLAND | 0.0% |
| LAKE STEVENS | 0.0% | WALLINGFORD | 1.1% |
| LAKE UNION | 2.7% | WATERFRONT | 2.2% |
| LYNNWOOD | 0.3% | WEST SEATTLE | 1.0% |
| MADISON PARK | 1.0% | WESTWOOD | 1.3% |
| MAGNOLIA | 1.1% | WEYERHAUSER | 0.1% |
| MAPLE VALLEY | 0.1% | WHITE CENTER | 0.6% |
| MEDICAL AREA | 1.7% | WOODINVILLE | 0.0% |
| MERCER ISLAND | 0.6% | Subtotal | 90.7% |
| MILL CREEK | 0.2% | Unknown | 9.3% |

15. Why is there a requirement for dual licenses? Can you provide data regarding the Assumed the Port envisions that this requirement may reduce deadhead trips, is

there any data indicating that a dual license requirement will reduce deadhead trips? Performance of the current contract holder on deadhead reduction during the past 5 years?

Please see the answer to Question 1 in Addendum 2 regarding dual license requirements.

The deadhead reduction performance of the current outbound, on-demand concession is set forth in the following chart.

| | Contract Year 1 | Contract Year 2 | Contract Year 3 | Contract Year 4 | Contract Year 5 | Contract Total |
|------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|---------------------------|
| Outbound Trips | 706,886 | 760,102 | 738,688 | 800,315 | 904,472 | 3,910,463 |
| Deadhead Trips | 670,798 | 717,978 | 705,299 | 747,438 | 838,164 | 3,679,677 |
| Percentage of Deadhead Trips | 94.9% | 94.5% | 95.5% | 93.4% | 92.7% | 94.1% |

16. On RFP Page 10, Section 13.4.1 discusses the collusion issue. With regard to that issue, STITA has the following questions: Can the Port provide examples of dealings or interactions between potential bidders that are permitted and those that are prohibited? Is an exclusive Teaming Agreement that requires that a Proposer only submit a proposal as part of a team or joint venture a violation of Section 13.4.1 and the referenced RCW provisions?

The Port cannot provide potential proposers with an exhaustive list of examples. However, an agreement between two or more unrelated parties that only one of them would submit a bid, where the agreement was for the specific purpose of reducing competition, would violate these provisions. Likewise, an agreement between two or more unrelated parties to limit the amount of the per-trip fees each would propose would violate these requirements. As stated in the RFP, the Port is not seeking to limit the ways in which various market participants may combine their efforts to deliver a superior proposal. The Port is only concerned with discussions and arrangements that would violate Washington law. Given that the inquiry is necessarily fact specific, the Port is unwilling to provide an advance opinion regarding any particular discussions and/or arrangements.

17. Does the Port expect to permit TNC's to pick up passengers at the Airport during the potential term of the TAXI contract? Does the Port have any information regarding the TNC's that the Port will permit to stage at the Airport? Does the Port have an estimate or any data regarding the number of TNC trips from the Airport that are expected annually during the potential term of the Taxi contract?

Please see the answer to Question 5, above. As noted, the Port is currently engaged in negotiations with Transportation Network Companies to allow for pick-up at the Airport. The Port is considering having the TNCs operate (active pick-ups) on the 3rd floor of the garage, similar to other pre-arranged and on-demand providers. In addition, the Port is considering allowing the TNCs to stage vehicles (driver/vehicle waiting for a pick-up

request) at the 160th St. holding lot. Port staff does not have any reliable data on TNC activity as they are not permitted to pick-up at the Airport and drop-off trips (which are allowed on Airport property) are not tracked at this time.



RFP #2016-ABD-1

For the Management and Operation of On-Demand Taxicabs and For-Hire Vehicle Services at Seattle-Tacoma International Airport

Agenda

1. Introduction
2. Historical Data of Sea-Tac Airport On-Demand Trips and Passengers
3. Goals of On-Demand Service at Sea-Tac Airport
4. Concession Highlights
5. Qualifications
6. Submittal Guidelines
7. Scoring Criteria
8. Evaluation Process
9. Protest Procedure
10. Exhibits of Operating and Staging Area
11. Schedule
12. Answers to Submitted Questions
13. Tour of Operating and Staging Area

Introduction

- Introduction of Port staff
- Reminder to sign-in if you haven't
- If you have questions, please write them on provided index cards and drop in box
- Other questions may be submitted through the Port's procurement site
 - <https://hosting.portseattle.org/prms/>

Introduction – Procurement and Roster Management System (PRMS)

- All proposers need to register on the Port's PRMS site in order to receive updates about this RFP
- Once you have created a login and have added your company to the system you should add your company to the Plan Holders list in PRMS
- Once on the Plan Holders list you will be able to ask questions (use the questions tab) and will receive email updates when documents (Addenda) are added to the PRMS site for this RFP

Historical Data of Sea-Tac Airport On-Demand Trips and Passengers

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Taxi Trips (on-demand) | 590,785 | 730,660 | 755,099 | 737,623 | 818,526 | 920,062 |
| For-Hire Trips (pre-arranged)* | | | | | | 131,482 |

** 2015 represents first full year of Automatic Vehicle Identification (AVI) tagged For-Hire vehicles*

- Taxi trips have grown 55% since start of previous concession agreement, or 9.3% on a compound annual basis
- For-Hire trips are included in the table above, however, they are on an exclusively pre-arranged basis and should be treated purely for informational purposes

Historical Data of Sea-Tac Airport On-Demand Trips and Passengers

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual Passengers (millions) | 42.3 | 44.4 | 45.3 | 46.2 | 47.1 | 48.0 | 48.9 |
| Percentage Change | 12.9% | 4.9% | 1.9% | 1.9% | 1.9% | 1.9% | 1.9% |

- Airport passengers have grown 34% since start of previous concession in 2010, or 6.1% on a compound annual basis
- 2016-2021 passengers are projections and the Port does not guarantee, or otherwise ensure, their accuracy

Goals of On-Demand Service

1. Provide convenient, efficient and safe transportation alternatives to the traveling public
2. Provide superior customer service
3. Maximize non-aeronautical revenue
4. Maintain excellent environmental standards
5. Leverage state of the art technology services to best serve users
6. Create opportunities for small and disadvantaged businesses

Concession Highlights

1. Concessionaire will implement a Port-approved initial allocation of Taxicabs and For-Hire Vehicles
2. Concessionaire will ensure that passengers wait no more than 5 minutes for an on-demand vehicle, this includes wheelchair passengers
3. Up to an additional fifty permits (beyond the 300) for wheelchair accessible vehicles may be issued
4. Proposals should include a “deadhead” reduction and trip efficiency plan
5. Concessionaire will be responsible for janitorial service , maintenance and general upkeep at the 160th St. vehicle staging facility
6. Proposals should include the proposed implementation plan, including transition and fleet management

Qualifications

1. Registration with all appropriate regulatory bodies
2. Licensed to conduct and provide on-demand services directly or will contract providers for on-demand services
3. Must provide at least 300 dual licensed (Seattle and King County) vehicles for agreement
 - Vehicles must consist of both taxicabs and for-hire vehicles
 - In addition, an adequate number of wheelchair-accessible vehicles must be available to meet minimum service requirements
4. Fleet must meet Port green fleet requirements (45+ mpg or alternative fuel) by the commencement of agreement
5. Electronic reporting requirements
6. Customer service mechanism allowing for direct feedback to Port

Submittals

- **Proposals due no later than 2 PM on March 1 (Tuesday)**
 - Proposer shall submit one hard copy proposal and may submit one electronic copy proposal (PDF format) on a USB drive prepared with complete answers, signed by an authorized official, enclosed in a sealed envelope properly addressed and must be either:
 - Hand-delivered
 - Mailed by certified or registered mail (acknowledged by receipt)
 - Overnight courier
- **All responses are limited to a maximum of 20 (8.5” x 11”) pages double-sided**
 - Dividers not containing any substantive information or addenda sections do not count towards the 20 page limit, however addenda sections cannot exceed 10 pages
- **Proposals must be accompanied by cashier’s check, money order or surety bid bond payable to the Port of Seattle in the amount of \$3,000**

Locations for Proposal Delivery

Drop-off (hand delivery):

Port of Seattle

Seattle-Tacoma International Airport

Ground Transportation Booth

Ground Transportation Plaza – 3rd floor plaza area of Airport parking facility

Mail

Port of Seattle

Seattle-Tacoma International Airport

Attn: Deborah Harrison – Aviation Business Development

17801 International Boulevard

Room A6012M

Seattle, WA 98158

Scoring Criteria

| Criteria | Total Points Possible |
|---|-----------------------|
| Customer Service All facets of customer experience including driver courtesy/conduct, training programs, use of advanced technology, etc. | 35 points |
| Revenue to the Port Evaluated on structure, including guaranteed and variable payments, as well as total amount to Port | 30 points |
| Experience, Qualifications and References Proposer must show experience in managing/operating taxi/for-hire vehicle services at airports or other high traffic public areas | 15 points |
| Deadhead Reduction & Trip Efficiency Plan Clearly articulate plan to reduce deadhead trips and commit to quarterly goals and describe how to measure against goals for audit purposes | 10 points |
| Financial Stability Proposer must demonstrate that it has financial capacity to meet requirements of agreement | 10 points |

Evaluation Process

- The Port will initially evaluate each proposal to determine whether all qualifications are met
- Following the initial evaluation, remaining proposals will be further evaluated based on the evaluation criteria listed in RFP
- The Port reserves the right to interview Proposers, to ask for clarification or additional information and/or to investigate or conduct on-site visits of the place(s) of business if the Port determines this to be in its best interest

Protest Procedure

- Please see Exhibit 4 of the RFP document for protest procedures
- Compliance with the protest procedures is required to file any protest

Exhibit of Operating Area

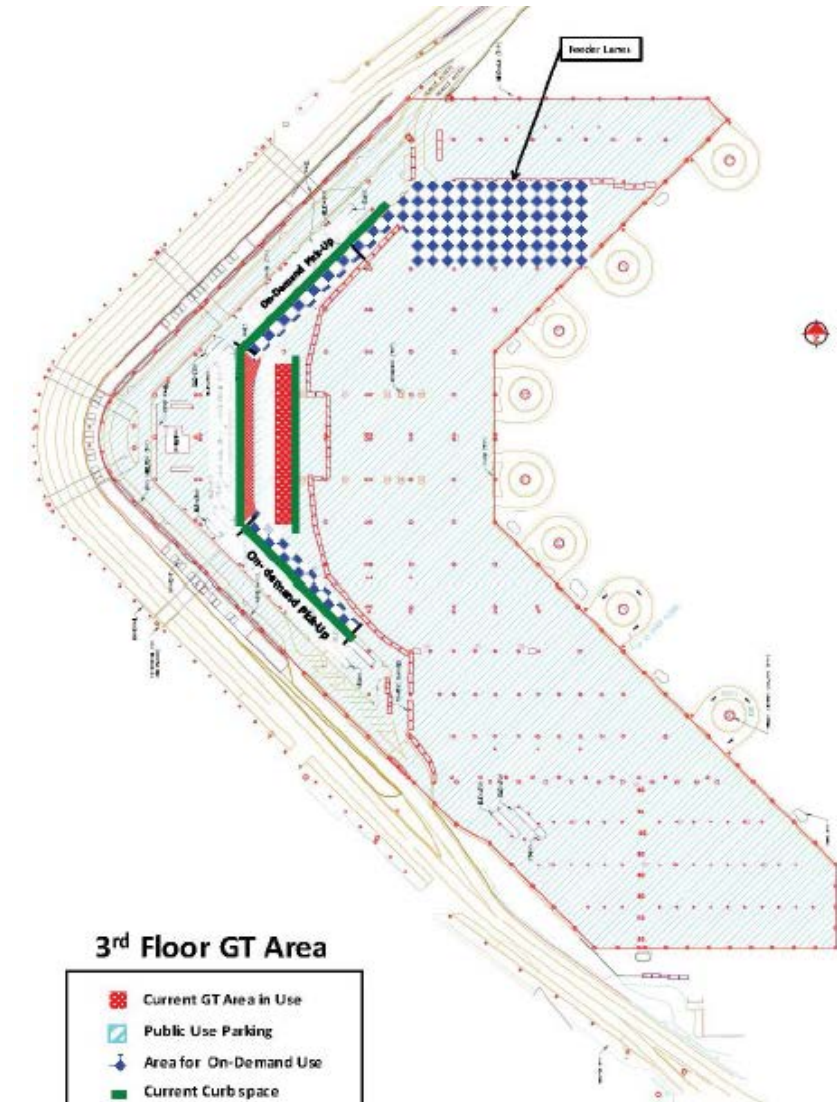


Exhibit of Staging Area



Schedule

| Task | Date |
|---|-------------------|
| Issuance of this RFP | January 29, 2016 |
| Pre-Proposal Conference | February 10, 2016 |
| Deadline for submittal of written questions | February 12, 2016 |
| Deadline for submittal of proposals | March 1, 2016 |
| Potential Interviews | March 14-25, 2016 |
| Anticipated award date of Agreement | April 4, 2016 |
| Anticipated commencement of Agreement | July 1, 2016 |

The Port reserves the right to change any of the above dates, as it deems necessary in the Port's best interests.

Answers to Submitted Questions

Question 1:

I would like to ask a few questions to get clarification about the on-demand transportation RFP released on January 29. The RFP states that the taxi fleet and for-hire contract bidders should provide dual license vehicles. 1. I want to know the law passed by the commission to override the county law which allows the King County License For-Hire and Taxi to work anywhere in King County including the airport? For the record, if the intent was to address the deadheading it's already in the evaluation process which gives ten points to the company that addresses it the best way. This dual license exclusivity disqualifies 60% of the King County taxi and for-hire. As a matter of fact, Stita Taxi which had the contract 23 years out of 28 years is disqualified because of this dual license issue. I believe it discriminates the county licensee including Stita and for-hire and gives an advantage to the current group that works at the airport. For the record, Port of Seattle has many facilities that's been operated by taxi and for hire companies. For instance per 69, 66 and 91. They are not restricted to dual license. So this is technically against the county licensee and will give an advantage to a specific group who are currently working under Yellow under this contract. It's also against the commission recommendation to the ground transportation staff.

Answers to Submitted Questions

Question 1 (cont.):

If you look back at the criteria set by the commission for the staff to follow it emphasizes more than ten times to enforce level plane field which everybody who is legally authorized by county and state and plays by the rules to have a fair shot. It also contradicts the chief operation officer when he was addressing the commission on 25th meeting and the 12th, when justifying the Uber Non-Commercial Insurance he said "We do not make the laws the state, county, and the city makes the laws. We implement them." Therefore if Uber has insurance that is permitted by the state and they are okay with the city and county we cannot override. So the King County has issued a license to the King County fleet to legally work in King County area including airport like they did the last 30 years. So Port of Seattle should not have any authority to override that and disqualify county licensees from working at the SeaTac airport which is located in King County. Just like the city cars work in a county facility located in the city of Seattle. I believe it must be an error and should be released immediately and county licensee including dual license.

Answers to Submitted Questions

Question 1 (cont.):

Otherwise it will be unfair to King County licensee and taxi and for-hire who are mainly minorities from East Africa. In case you wonder the so-called deadheading I believe the county cars serve 38 out of 39 King County cities. So it's unjust to accuse them and take their rights away by lobbying by interest groups who are working the current taxi fleet at the airport. Finally, this dual license favor the current fleet at the airport which lack diversity and I believe it's a threat to the customer service in the future. Look back at what happened a year ago. They went on strike for three days and shut down the airport. Stacey Matson has that record. I want to know what happened to the level playing field promised by the commission? I want to know what happened to the protection of small business directed by the commission to the staff? I also want to know who gave the board the authority to dismiss 65% of the county fleet from not serving the airport which will be the first time in history? I want to know where did the commission directed to the staff to pre-disqualify small business owners to participate their livelihood chance? I would like to mention that this RFP contain almost everything the commission has promised and directed to the staff except the dual license condition which I believe is a tumor that must be removed in order for the RFP to move forward. I look forward to hearing from you. Thank you.

Answers to Submitted Questions

Port response to Question 1:

The Port declines to revise this requirement. Under Section 14.08.120 of the Revised Code of Washington, the Port specifically has the authority to adopt rules and grant concessions “under such terms and conditions that seem just and proper.” The Port likewise has independent jurisdiction over taxicabs and for-hire vehicles under Sections 46.72.170 and 81.72.210 of the Revised Code of Washington.

Admittedly, this requirement compelled the Port to choose between two important values: either fostering a “level playing field” or “maintaining excellent environmental standards.” In the end, the Port believes that the latter is more important here. Dual licensed vehicles directly advance “deadhead” reduction efforts. Recent trip data from the current taxi operation indicates that approximately one-half of all taxi trips departing the airport go to the City of Seattle. Without also holding a City of Seattle license, these vehicles would be prohibited from picking up a passenger from the City of Seattle for the return trip back to Sea-Tac Airport, unnecessarily eliminating the opportunity for deadhead reduction. While the Port intends to further assess each Proposer’s plans to further advance deadhead reductions as part of the RFP process, the Port believes that dual licensed vehicles are, at a minimum, required to maintain our current, excellent environmental standards on this issue.

Answers to Submitted Questions

Question 2:

Will there be a new trip fee collecting system or will the contractor use what is currently at the airport?

Port response to Question 2:

The Port does not understand the question. The current concessionaire pays a minimum annual guarantee and a percentage of revenue. The RFP allows for, but does not require, a minimum annual guarantee. In addition, the RFP contemplates a per-trip fee. As a result, the method by which the current concessionaire pays its fee will likely have little relation to how the fee will be paid under the future contract. With respect to how that fee will be paid, if the selected Proposer proposes a minimum annual guarantee, Section 4.1 of the draft Concession Agreement discusses how the MAG will be paid. The selected Proposer must pay a per-trip fee, and this per-trip fee will be based on the total number of Revenue Trips. Section 4.2 of the draft Concession Agreement discusses how the per-trip fee will be paid. The number of Revenue Trips will be determined, in significant part, from the Port's Automated Vehicle Identification (AVI) system. Section 1.18 of the draft Concession Agreement addresses this. Finally, the selected proposer will be expected to report detailed information about each trip. With respect to these requirements, please see Section 6.7 of the draft Concession Agreement as well as the RFP, Part II, Section 2, Qualification 5.

Answers to Submitted Questions

Question 3:

Regarding Section 7.1 in the draft agreement entitled "Taxes" (p18, RFP p. 38), please clarify what taxes this section has in mind. Does the port expect the concessionaire to pay the port's taxes on the concession fees revenue, e.g. state B&O taxes?

Port response to Question 3:

The Port does not expect the selected Proposer to reimburse the Port for any taxes payable by the Port based on the Port's gross/net income from the concession. The provision is concerned with taxes that are payable by virtue of the selected Proposer's activities on, or the use and occupation of, Port property. Other than leasehold excise taxes that will be payable under the separate lease agreement for the 160th Street holding lot, the Port is not currently aware of any such taxes.

Answers to Submitted Questions

Question 4:

Regarding draft concession agreement clause 8.2.1.2.2 (p 20, RFP p40) under section entitled "Automobile Liability Insurance", is this \$1 million dollar coverage supposed to apply outside the borders of port property? Also it is unclear what the sentence "This coverage shall also drop down and provide primary coverage for any drivers" is getting at. Taxi/FHV commercial insurance provides primary coverage. This sounds more like TNC insurance which has to provide primary coverage because the TNC driver's private policy does not cover accidents when the policyholder's automobile is being used in a for hire capacity. Please clarify.

Port response to Question 4:

The Port is asking that the Concessionaire ensure that each Driver carries minimum of statutory requirements for liability insurance. The Port also asks that in addition, the Concessionaire has an auto liability policy that will provide excess limits of liability insurance above the statutory limit that each Driver carries on their vehicle up to \$1,000,000. The Port does not specify whether this excess coverage is limited to being on Port property as from the insurance company's standpoint, they will be providing \$1,000,000 of excess coverage, for the vehicle that will protect the Driver and Concessionaire if they get sued regardless of where an accident occurs. If available, the Port could accept an insurance policy that only provides the excess limits for when the Driver is on Port property.

Answers to Submitted Questions

Question 5:

On 2016-ABD-1, Management of On-demand taxi & for-hire services, proposers "...must also submit a "deadhead" reduction and trip efficiency plan with any proposal..." To state a 'reduction', presumably a proposer must work from baseline data---does the Port have and intend to provide baseline deadheading data, that are reliable, to all proposers? If the deadheading data that the Port deems reliable are from the current outbound contract services provider, have the data been deemed reliable by the contractor, or audited and deemed reliable by the Port itself or by a third party vendor?

Port response to Question 5:

The Port advises that any deadhead reduction plan associated with a proposal shall assume a baseline deadhead trip rate of 100%.

