

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
February 6, 2024
10:15 A.M.

To: Board of Supervisors

Through: David Villanueva, County Executive
David Defanti, Deputy County Executive, Community Services

From: Cynthia A. Nichol, Director, Department of Airports

Subject: Approve The Food And Beverage Concession Proposal Evaluation Panel Recommendations For Sacramento International Airport And Authorize The Director Of Airports To Negotiate And Execute Food And Beverage Concession Agreements With The Selected Food And Beverage Operators

District(s): Serna

RECOMMENDED ACTIONS

1. Approve the food and beverage concession proposal evaluation panel recommendations:
 - A. Award Package 1 to Host International, Inc.
 - B. Award Package 2 to High Flying Foods SMF, LLC.
 - C. Award Package 3 to WCS SMF LLC DBA: West Coast Sourdough.
 - D. Award Package 4 to Bambuza South Waterfront LLC (dba Bambuza Hospitality Group).
 - E. Award Package 5 to Rylo Management LLC – SMF.
 - F. Award Package 6 to Host International, Inc.
 - G. Award Package 7 to Rylo Management LLC – SMF.
 - H. Award Package 8 to Fly with Breeze, Inc.

2. Adopt the attached resolutions authorizing the Director of Airports to negotiate and execute Food and Beverage Concession Agreements at Sacramento International Airport between the County of Sacramento and the recommended concessionaires:
 - A. Host International, Inc.
 - B. High Flying Foods SMF, LLC

Approve The Food And Beverage Concession Proposal Evaluation Panel Recommendations For Sacramento International Airport And Authorize The Director Of Airports To Negotiate And Execute Food And Beverage Concession Agreements With The Selected Food And Beverage Operators

Page 2

- C. WCS SMF LLC DBA: West Coast Sourdough
- D. Bambuza South Waterfront LLC (dba Bambuza Hospitality Group)
- E. Rylo Management LLC – SMF
- F. Fly with Breeze, Inc.

BACKGROUND

The current Food and Beverage Concession Agreements at Sacramento International Airport (SMF) expire March 31, 2024, July 31, 2024, and October 31, 2024. In anticipation of this expiration, the Sacramento County Department of Airports (Department) issued a Request for Proposals SMF Food & Beverage 2023 (RFP) for food and beverage operators on July 7, 2023.

The RFP was designed to achieve the Department’s concession program goals:

- Experience - Choose partners who excel in customer service and share our vision of SMF as a gateway to Northern California and the Sacramento Region’s Farm-to-Fork movement. Provide a variety of dining options that showcase local, regional, and national cuisines and reflect the diversity and preferences of our customers.
- Value - Offer menus that cater to different budgets and preferences, providing real value for economy-minded customers as well as elevated experiences for discerning customers. Include options for individuals with specific dietary needs and healthy and sustainable choices at fair prices.
- Opportunity - Create a fair and inclusive environment with true opportunity for large, small, and Airport Concession Disadvantaged Business Enterprise (ACDBE) concessionaires to participate directly in the concessions program at SMF. Promote a culture that offers quality jobs with fair compensation and benefits for employees. Support local businesses and suppliers that contribute to the economic development of the region.
- Innovation - Foster a progressive business environment that embraces new agile business terms, practices, and technologies that enhance flexibility, adaptability, and responsiveness. Implement a data-centric approach to program management that leverages analytics, insights, and feedback to optimize performance, quality, and customer experience.

Approve The Food And Beverage Concession Proposal Evaluation Panel Recommendations For Sacramento International Airport And Authorize The Director Of Airports To Negotiate And Execute Food And Beverage Concession Agreements With The Selected Food And Beverage Operators
Page 3

Eight packages were established to group 18 available restaurant/food and beverage spaces within Terminal A and Terminal B. The packages were constructed to provide a balance between the sales opportunities within both Terminal A and Terminal B and create the best mix of passenger services and synergy throughout both facilities. The maximum number of spaces to be awarded to a given proposer is eight spaces; therefore, the same proposer could not be awarded both Packages 1 (six spaces) and 2 (three spaces) since that would entail awarding nine spaces.

The Department reached out to over 200 restaurants to inform them of the upcoming opportunities. The Department also conducted two community outreach events to provide information on the RFP and small business resources in anticipation of the RFP release. A survey was conducted by the Department, the results of which assisted in shaping the RFP and food types that were requested.

The Department issued the RFP on July 7, 2023, and it was posted on the SMF website as well as advertised in the following publications/websites:

- Airport Experience News (AXN) website
- Airport Council International (ACI) website
- KCRA – news etc. / social media / Facebook, Instagram

A mandatory pre-proposal meeting was held on July 26, 2023, with representatives in attendance from 70 companies. Some of the highlighted topics of discussion included Concession Program goals, proposal rules, minimum qualifications, the proposal due date and build-out requirements. A total of 34 proposals were received by the October 13, 2023, due date.

Evaluation of Proposals

The five-member evaluation panel consisted of two Department of Airports staff members, two representatives from Sacramento area community and economic development organizations, and one SMF airline station manager. Each panelist independently assigned points according to the total points available per evaluation criterion listed below.

The Evaluation Criteria	Total Points
Proposer Evaluation	30 points
Business Terms	20 points
Concept Evaluation	50 points
Total	100 points

Approve The Food And Beverage Concession Proposal Evaluation Panel Recommendations For Sacramento International Airport And Authorize The Director Of Airports To Negotiate And Execute Food And Beverage Concession Agreements With The Selected Food And Beverage Operators
Page 4

The panel met to discuss proposals and subsequently invited both proposers for Package 1 to an interview since Package 1 contained the largest number of spaces (six spaces). The interviews consisted of a proposer presentation to the panel followed by an opportunity for the panel to ask clarifying questions.

Discussion

Based on the panel’s evaluation of the proposals and interviews, the final scores (500 maximum points based on the sum of the five panel members scoring up to 100 points each). As summarized for each package in the tables below local Sacramento restaurants and ACDBE operators, in addition to national brands, are recommended for award.

Package 1 consists of six locations – two nationally branded fast-food restaurants (one in Terminal A and one in Terminal B); one locally branded full-serve restaurant (Terminal B); three nationally branded coffee providers (one in Terminal A, one in Terminal A pre-security, and one in Terminal B).

Proposer	Score
Host International, Inc. Terminal A National Fast Food - Wendy’s National Coffee - Starbucks (Pre-Security) National Coffee - Starbucks Terminal B National Fast Food - Wendy’s Local Full-Service - Café Bernardo National Coffee - Starbucks	456
SSP America SMF II, LLC Terminal A National Fast Food – Carl’s Jr National Coffee – Peet’s Coffee (Pre-Security) National Coffee – Einsteins Bagels Terminal B National Fast Food – Wahlburgers Local Full-Service – Mulvaney’s B&L Bar & Lounge National Coffee – Peet’s Coffee	429

Package 2 consists of three locations all in Terminal B – one locally branded coffee; one Mexican/cantina concept; one open ended concept.

Proposer	Score
High Flying Foods SMF, LLC	481

Approve The Food And Beverage Concession Proposal Evaluation Panel Recommendations For Sacramento International Airport And Authorize The Director Of Airports To Negotiate And Execute Food And Beverage Concession Agreements With The Selected Food And Beverage Operators

Page 5

Local Coffee – Temple Mexican/Cantina – Nixtaco Open Concept – Bawk!	
Paradies Lagardere @ SMF (F&B), LLC Local Coffee – Chocolate Fish Coffee Roasters Mexican/Cantina combined with open concept – La Cosecha	442
Host International, Inc. Local Coffee – Terranova Coffee Roasting Mexican/Cantina combined with open concept – Centro Cocina Mexicana +Plum Market	433
SSP America SMF II, LLC Local Coffee – Camellia Coffee Roasters Mexican/Cantina – West Coast Taco Bar Open Concept – Solomon’s	427
MAC Hospitality Local Coffee – Scorpio Coffee Mexican/Cantina combined with open concept – Mas Taco Bar	413
Fly With Breeze, Inc. Local Coffee – Alfred Coffee Mexican/Cantina – Chicas Tacos & Cantina = Jim Denny’s Open Concept – Beecher’s Handmade Cheese with Bar	409

Package 3 consists of two locations – two soup, salad, & sandwich concepts (one in Terminal A and one in Terminal B).

Proposer	Score
WCS SMF LLC DBA: West Coast Sourdough Terminal A Soup, Salad & Sandwich - West Coast Sourdough Terminal B Soup, Salad & Sandwich - West Coast Sourdough	459
SSP America SMF II, LLC Terminal A Soup, Salad & Sandwich - Ike’s Love & Sandwiches Terminal B Soup, Salad & Sandwich - The Sandwich Spot	395

Package 4 consists of two locations – two Asian, fusion concepts (one in Terminal A and one in Terminal B).

Approve The Food And Beverage Concession Proposal Evaluation Panel Recommendations For Sacramento International Airport And Authorize The Director Of Airports To Negotiate And Execute Food And Beverage Concession Agreements With The Selected Food And Beverage Operators
Page 6

Proposer	Score
Bambuza South Waterfront LLC (dba Bambuza Hospitality Group) Terminal A Asian, fusion - Bambuza Vietnam Kitchen & Bar Terminal B Asian, fusion - Bambuza Vietnam Kitchen & Bar	458
Lumpia Ko, LLC Terminal A Asian, fusion - Lumpia Ko Terminal B Asian, fusion - Lumpia Ko	427
SSP America SMF II, LLC Terminal A Asian, fusion - Asian Box Terminal B Asian, fusion - Banh Shop	401
Fly With Breeze, Inc. Terminal A Asian, fusion – Panda Express Terminal B Asian, fusion – Panda Express	377

Package 5 consists of two locations – two fruit, fusion concepts (one in Terminal A and one in Terminal B).

Proposer	Score
Rylo Management, LLC – SMF Terminal A Fruit, fusion – Sidewalk Juice Terminal B Fruit, fusion – Sidewalk Juice	466
Yoloberry Yogurt SMF, Inc. Terminal A Fruit, fusion – Yoloberry Yogurt Terminal B Fruit, fusion – Yoloberry Yogurt	426
SSP America SMF II, LLC Terminal A Fruit, fusion – Sambazon Terminal B Fruit, fusion – Nektar Juice Bar	410

Approve The Food And Beverage Concession Proposal Evaluation Panel Recommendations For Sacramento International Airport And Authorize The Director Of Airports To Negotiate And Execute Food And Beverage Concession Agreements With The Selected Food And Beverage Operators

Page 7

Elevate Gourmet Brands-SC Group Terminal A Fruit, fusion – Pronto Terminal B Fruit, fusion – Pronto	394
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Package 6 consists of one location – one locally branded full-service restaurant in Terminal A.

Proposer	Score
Host International, Inc. Local, Full-Service – New Helvetia Brewing/Centro Cocina Mexicana/Magpie Café	479
Paradies Lagardere @ SMF (F&B), LLC Local, Full-Service – Mayahuel	448
SSP America SMF II, LLC Local, Full-Service – Bacon & Butter	409
MAC Hospitality Local, Full-Service – Iron Horse Tavern & Mas Taco Bar	386

Package 7 consists of one location – one pizza, Italian fare concept in Terminal B.

Proposer	Score
M2 Concepts, LLC Pizza, Italian fare – Famous Famiglia	466
Rylo Management, LLC – SMF Pizza, Italian fare – OneSpeed Pizza	451
SSP America SMF II, LLC Pizza, Italian fare – Luigi’s Pizza Parlor	420
Blaze Pizza SMF JV, LLC Pizza, Italian fare – Blaze Pizza	415
Sheran de Putt Sher, LLC DBA Steve’s Pizza Branding Co. Pizza, Italian fare – Steve’s Pizza	406
Fly Away Foods, LLC Pizza, Italian fare – California Pizza Kitchen	404

M2 Concepts, LLC proposed to operate the Famous Famiglia concept in this Terminal B location through a brand license agreement. Unfortunately, the Famous Famiglia brand has been in default multiple times in 2022 and 2023

Approve The Food And Beverage Concession Proposal Evaluation Panel Recommendations For Sacramento International Airport And Authorize The Director Of Airports To Negotiate And Execute Food And Beverage Concession Agreements With The Selected Food And Beverage Operators

Page 8

due to late rent payments. Given their default history the Department is recommending the second highest scoring proposer for award of Package 7.

Package 8 consists of one location – one full-service, sit-down restaurant in Terminal B.

Proposer	Score
Fly With Breeze, Inc. Full-Service, sit-down - Midtown Spirits	469
High Flying Foods SMF, LLC Full-Service, sit-down – Urban Roots Brewery & Smokehouse	451
Paradies Lagardere @ SMF (F&B), LLC Full-Service, sit-down – Camden Spit & Larder	438
Bambuza South Waterfront, LLC (dba Bambuza Hospitality Group) Full-Service, sit-down – Embarque Whiskey Grill	420
SSP America SMF II, LLC Full-Service, sit-down – Beast & Bounty	411
Host International, Inc. Full-Service, sit-down – Fixin’s	407

Conclusion

Department staff and the panel were particularly impressed with the level and quality of the proposals received and appreciated the overwhelming interest from the community and restaurant industry in operating at SMF. While considering the overall concept mix, the Concession Program objectives, and the number of available spaces in Terminal A and Terminal B, the Panel recommended award of Food and Beverage Concession Agreements to the following operators:

Package No.	Operator Name
Package 1	Host International, Inc.
Package 2	High Flying Foods SMF, LLC
Package 3	WCS SMF LLC DBA: West Coast Sourdough
Package 4	Bambuza South Waterfront LLC (dba Bambuza Hospitality Group)
Package 5	Rylo Management LLC – SMF
Package 6	Host International, Inc.
Package 7	Rylo Management LLC – SMF
Package 8	Fly With Breeze, Inc.

The location of each selected concept within the terminals is in Attachment 2.

FINANCIAL ANALYSIS

Sales and Revenue Summary

The table below summarizes the sales and revenue projections provided by the recommended proposers for the first full agreement year 2026:

	First Full Year Sales Projections	First Full Year Projected Rent to the County
Package 1	\$27,567,466	\$3,607,307
Package 2	\$13,054,189	\$1,550,184
Package 3	\$5,676,898	\$858,506
Package 4	\$5,821,924	\$894,457
Package 5	\$3,868,015	\$525,538
Package 6	\$7,884,738	\$1,029,522
Package 7	\$2,993,117	\$401,321
Package 8	\$5,400,000	\$777,244
Totals	\$72,266,347	\$9,644,079

The concession operators will construct and finance buildout and maintenance costs of concession each space throughout the Agreement term. There will be no impact to the Airport Enterprise Fund.

Attachment(s):

RES - Host International, Inc.

RES - High Flying Foods SMF, LLC

RES - WCS SMF LLC DBA: West Coast Sourdough

RES - Bambuza South Waterfront LLC (dba Bambuza Hospitality Group)

RES - Rylo Management LLC – SMF

RES - Fly with Breeze, Inc.

Attachment 1 – Draft Food and Beverage Concession Agreement

Attachment 2 – Terminal Maps