

OHIO TURNPIKE COMMISSION

Resolution Awarding a Contract for the Operation of Food Concessions for Unit 4 at the Commission's Portage and Brady's Leap Service Plazas

WHEREAS, on July 19, 2012, in conformance with the requirements of Ohio Revised Code Section 5537.13, the Commission published notice of its Request for Proposals ("RFP") for Food and Retail Concession Operations in Unit 4 at the Portage and Brady's Leap Service Plazas located at Milepost 197.0 of the Ohio Turnpike in Portage County, Ohio (Contract No. TR-9C-4); and

WHEREAS, on August 30, 2012, one Proposal was received from **HMSHost Tollroads, Inc.** of **Bethesda, Maryland** ("**HMSHost**"), for the operation of Food Concessions in Unit 4 at the Portage and Brady's Leap Service Plazas; and

WHEREAS, an Evaluation Team consisting of the Commission's Service Plaza Operations Manager and Division Service Plaza Managers (East and West) reviewed the Proposal submitted, and subsequent negotiations with HMSHost led to the following agreed upon contract terms:

<u>Concessionaire</u>	<u>Brand Concepts</u>	<u>Percentage Return of Gross Receipts*</u>	<u>Term</u>
HMSHost	▪Sbarro's Pizza ▪Greens	7.5% of sales 4% property mgt. 1% capital improvement	7 years, plus 5, 5-year extensions**

*The Commission is also reimbursed 50% of the costs it incurs for cleaning and maintaining the Service Plaza common areas, otherwise known as the CAM fee.

**The negotiated Proposal also involved making the other HMSHost contract (Contract TR-8C, Units 1, 2 and 5) at the Portage and Brady's Leap Service Plazas for Starbucks and TravelMart coterminus with Contract No. TR-9C-4, and consolidating all rents at the same percentages with one guaranteed minimum revenue sharing payment of \$320,000 per year for the Plaza set. In consideration, HMSHost will invest \$800,000 in capital funds to redevelop Unit 4 in 2013, and another \$200,000 to redevelop Unit 5 (TravelMart) in 2014.

WHEREAS, the Evaluation Team has indicated that, although one Proposal was received, HMSHost has significant experience and expertise operating food and retail concessions on toll roads and has satisfactorily operated each of the brands proposed for many years at other Ohio Turnpike Service Plaza facilities, and has, therefore, recommended that the HMSHost Proposal be accepted; and

WHEREAS, the Commission has been advised by its General Counsel that the HMSHost Proposal conforms to the requirements of Ohio Revised Code Section 5537.13, proposals were solicited on the basis of the same terms and conditions with respect to all respondents and potential respondents, HMSHost has provided the requisite proposal guaranty required under the RFP, and the Commission may legally accept said Proposal; and

WHEREAS, the Executive Director has reviewed the report of the Evaluation Team and the General Counsel, and has made his recommendation to the Commission that Contract No. TR-9C-4 be awarded to HMSHost predicated upon such analysis; and

WHEREAS, the Commission has duly considered such recommendations.

NOW, THEREFORE, BE IT

RESOLVED that the Proposal submitted by **HMSHost Tollroads, Inc.** of **Bethesda, Maryland**, in response to the Commission's RFP for the performance of Food Concession Operations in Unit 4 at the Portage and Brady's Leap Service Plazas is hereby accepted, and that the Executive Director and General Counsel are directed to: 1) execute Contract No. TR-9C-4 with HMSHost for an initial Contract term of seven years, 2) direct the return to the respondent of its proposal guaranty at such time as HMSHost has entered into a Contract with the Commission, 3) take any and all action necessary to properly carry out the terms of said RFP and said Contract, 4) pending satisfactory performance reviews, renew Contract TR-9C-4 for up to five additional, five-year periods, and 5) modify Contract TR-8C with HMSHost for Units 1, 2 and 5, as necessary, to make both HMSHost contracts at the Portage and Brady's Leap Service Plazas coterminus.

(Resolution No. 47-2012 adopted November 19, 2012)