



Customer Services, Operations, and Safety Committee

Board Action Item IV-A

May 28, 2009

**Approval of Retail Services Demonstration
Program**

Washington Metropolitan Area Transit Authority
Board Action/Information Summary

<input checked="" type="radio"/> Action <input type="radio"/> Information	MEAD Number: 100354	Resolution: <input type="radio"/> Yes <input checked="" type="radio"/> No
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TITLE:

Approval of Retail Services Demonstration Program

PURPOSE:

Request approval to issue a Request for Proposals (RFP) for a Demonstration Program to procure retail services at a minimum of twelve Metrorail stations.

DESCRIPTION:

This RFP would seek a master licensee or individual proposals for:

- Fixed retail services locations/structures, which could include automated kiosk vendors that sell non-food items.
- Fixed retail services locations/structures that also sell food items packaged to discourage consumption in the Metrorail system.
- Mobile retail services vehicles that sell non-food items.
- Mobile retail services vehicles that sell food items packaged to discourage consumption in the Metrorail system, e.g., take-home dinners.

Language for the RFP has been drafted based on Metro`s policies, consultation with other transit agencies, and assessment of operational considerations.

The RFP would clearly state that the current Metro Use Regulation prohibits the sale of food and beverages, but that proposals including packaged food and beverages will be considered. The sale of tobacco and alcohol products would be prohibited. Proposers would be required to provide food packaging concepts (including signage) which would mitigate potential trash problems and discourage food consumption within the Metrorail system.

The license term would be three years with five one-year renewal options. The Demonstration Program would be reviewed after the third year to determine if Metro`s and the vendor(s) goals are being met.

Station locations not included in the original Demonstration Program could be

added, and would be offered to all licensees participating in the Demonstration Program.

Master Licensee proposers would be required to submit proposals for a minimum of twelve Metrorail stations identified in this RFP. Proposals for any Metrorail stations not awarded through a master license including the remaining seventy-six would be accepted. Master Licensee proposers would be requested to identify potential opportunities for small, local businesses to participate.

In order to provide the most financially viable locations for retailers, staff selected stations with available space and a minimum ridership of at least 6,000 weekday average entries. Selected sites are located in paid areas, free areas of station buildings, and outside of the stations on Metro-owned sidewalks near the bus stops, in short-term parking areas, and in kiss & ride spaces. These outdoor sites would be offered to increase the number of potential responses and to capture additional retail patrons (e.g., bus-to-bus transfers) who might not otherwise enter the Metrorail system.

Fixed retail services locations/structures would be located both inside and outside of Metrorail stations. Mobile retail vehicles would be located in the short-term parking and kiss & ride sites. Mobile retail operations offer a less expensive alternative compared to fixed structures and would be viable for services such as dry cleaning drop-off and pick-up, florists, and gourmet packaged take home dinners. Other types of mobile retail concepts may be proposed through this process.

Sites selected are equally divided among the District of Columbia, Maryland and Virginia.

Staff intends to return to the Board in July 2009 with the responses to the RFP together with a recommendation for further action.

FUNDING IMPACT:

This is a revenue generating project with proceeds to be deposited in the Operating Budget. The RFP would be issued in order to identify the revenue raising potential of retail concessions. Operational considerations that might reduce the total final benefit to Metro would be assessed after receipt of proposals.

RECOMMENDATION:

Approve the issuance of an RPP for a retail demonstration program to procure retail services in a minimum of twelve Metrorail stations.



Request for Proposals to Procure Retail Services at Metrorail Stations

Presented to the Board of Directors:

**Customer Service, Operations & Safety
Committee**

May 28, 2009





Purpose

To gain Board approval to issue a Request for Proposals for a three-year Retail Demonstration Program with five one-year options at a minimum of 12 Metrorail stations.



Background

- In May 2006, the Board authorized issuance of a Request for Proposals (RFP) for retail services at 12 Metrorail stations.
 - The 2006 RFP prohibited the sale of food, beverages and tobacco products.
 - Only three proposals were received, all of which were unsatisfactory and therefore rejected.
- The Board subsequently directed staff to investigate retail uses at other transit properties.
- Newsstands with packaged food and beverage and food concessions are widely viewed to be the most financially-lucrative transit retail endeavors.



Demonstration Program Details

- A master licensee would be required to operate a minimum of one site at each of the 12 stations identified. Proposals from individual businesses for any of the locations also would be accepted. The prospective master licensee would identify opportunities for small businesses in its proposal.
- Any site at these 12 stations not awarded to a master licensee could be licensed to an individual business owner.
- Sites would be in paid and free areas of mezzanines, on exterior sidewalks, and in short-term and Kiss & Ride spaces.



Demonstration Program Details (cont'd)

- Prohibitions against the sale of alcohol, tobacco and consumption of food and drink will continue, but proposals will be solicited for:
 - Fixed retail services locations/structures that sell food items packaged to discourage consumption in the Metrorail system
 - Fixed retail services locations/structures, which could include automated kiosk vendors that sell non-food items
 - Mobile retail services vehicles that sell non-food items
 - Mobile retail services vehicles that sell food items packaged to discourage consumption in the Metrorail system; e.g., take-home dinners



Demonstration Program Details (cont'd)

- Stations in all three jurisdictions are included.
- Stations have been selected based on having available space and a minimum weekday average of 6,000 entries.
- Trash removal, types of food packaging and station cleaning plans must be included in proposals.
- Program would be reviewed after the third year, at which time either Metro or the licensee would have the option to terminate.
- Program may be extended for five additional one-year terms.
- All current licensees would have the opportunity to add additional sites, subject to Metro approval



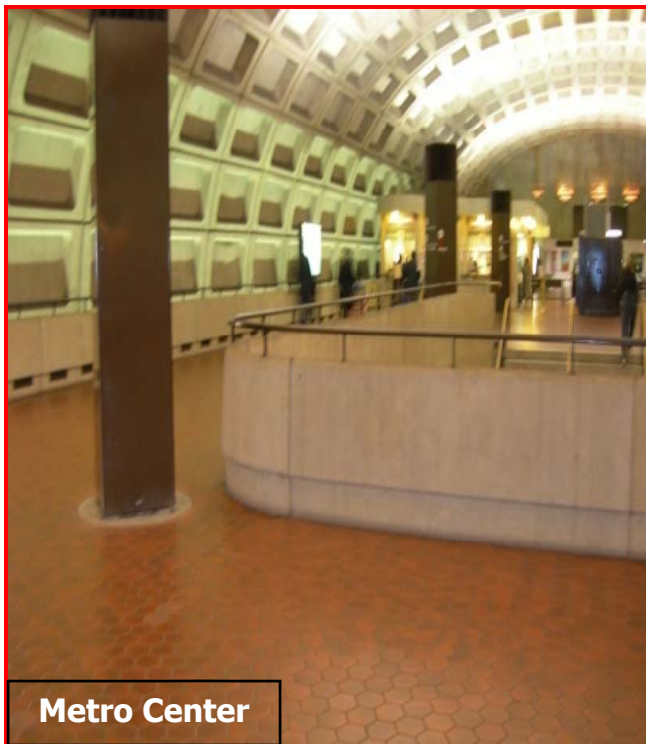
Input on RFP

- Internal meetings to discuss operational issues such as security and trash have included wide participation by a cross-section of departments (e.g., administrative, legal, financial, police, maintenance, rail operations, operations support and parking).
- Staff made a presentation to the Rider's Advisory Council (RAC) on May 6, 2009.
- Some of the Council members raised issues about trash and enforcement of eating/drinking laws.
- No formal recommendations were submitted by the RAC.



Examples of Interior Locations

Interior locations can accommodate built-in kiosk or removable cart structures



Paid area of mezzanine



Free area of mezzanine



Examples of Exterior Locations

Sidewalks



Short Term Parking





Examples of Retail Structures Elsewhere





Recommendation

Approve the issuance of a request for proposals for a three-year Retail Demonstration Program with five one-year options at a minimum of 12 Metrorail stations.



Appendix

Metrorail stations proposed for inclusion in Retail Demonstration Program

District of Columbia:

Anacostia (sidewalk)

Fort Totten (sidewalk and paid area of station)

Gallery Place-Chinatown (paid and free areas of station)

Metro Center (paid area of station)

Maryland:

Branch Avenue (sidewalk and Kiss & Ride)

Glenmont (sidewalk)

New Carrollton (sidewalk)

Shady Grove (sidewalk)

Virginia:

King Street (free area of mezzanine)

Rosslyn (free area of mezzanine)

Vienna/Fairfax-GMU (paid area of station and short-term parking)

West Falls Church-VT/UVA (sidewalk)