

# Massachusetts Department of Transportation Service Plaza Operator Procurement

*June 18, 2025*



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# Procurement and Contracting Process

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## Procurement

- Pre-procurement, issued a Request for Information (RFI) on April 8, 2024, with a Request for Proposals (RFP) issued on September 30, 2024
- Qualifications-based selection of six Initial Proposals, shortlisted to four with three final Proposals received

## Contracting

- Upon Board approval, MassDOT and selected Operator will enter into a six-month Transition Agreement, during which the Operator will prepare a Master Revitalization Plan
- Lease and Concessions Agreement effective January 1, 2026, at which time Operator begins operations and maintenance of the existing Service Plazas

## MassDOT Goals

- Seamless transition to the new Operator
- Dramatic improvement of the on-going operations and maintenance of the Service Plazas
- Significant investment of capital by the new Operator to revitalize the Service Plazas
- Creation of “best in class” hospitality hubs that benefit the traveling public and reflect the character and values of Massachusetts

# Selected Proposer: Applegreen MA Investments LLC



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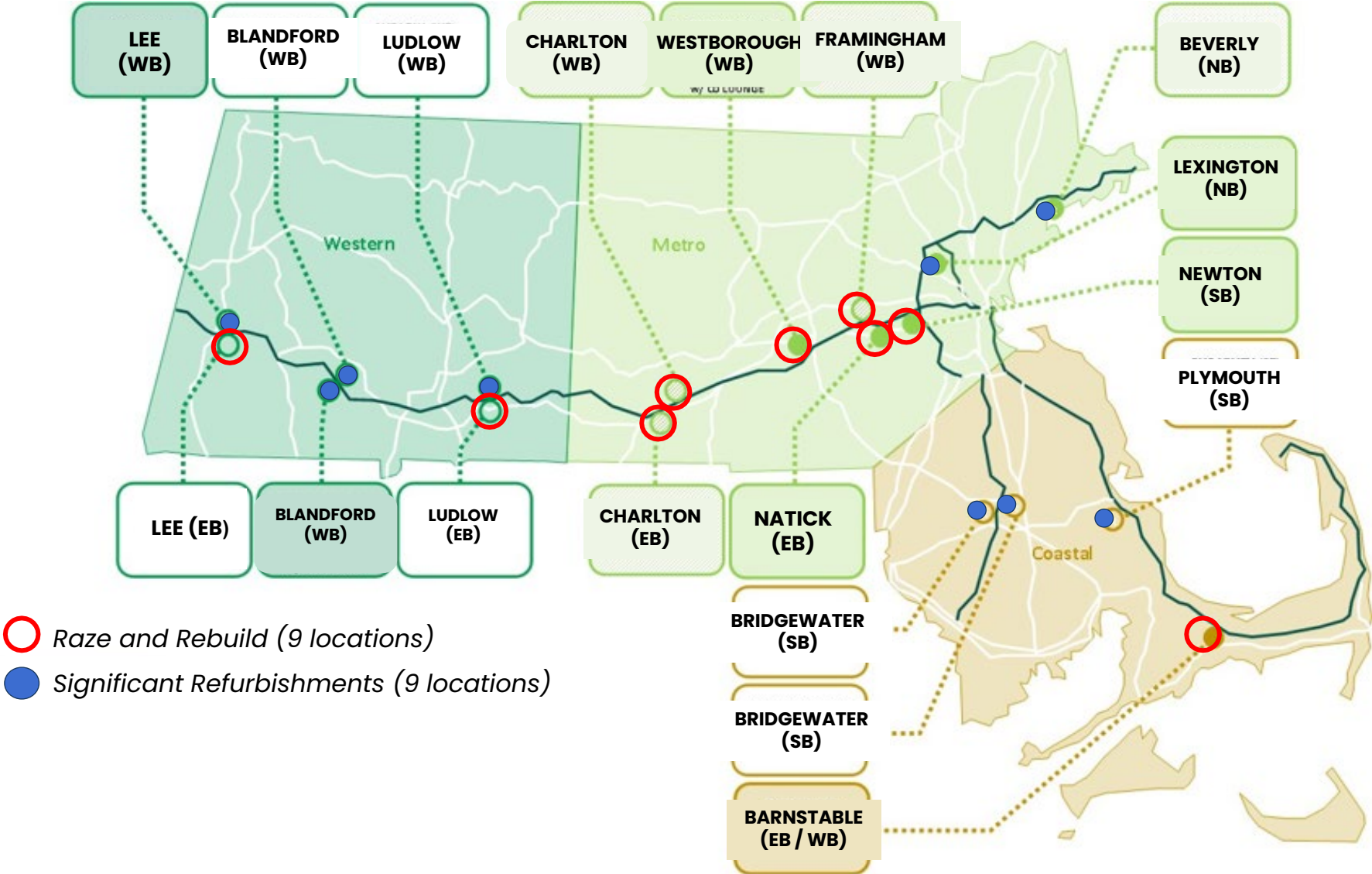
## Background

- Applegreen (parent company) is the largest operator of service plazas in the US, Ireland and the UK
  - 530 locations and over 700 food and beverage offerings
  - Operations and concession contracts with 10 US state transportation agencies
  - Parent company employs 18,000 individuals globally and 7,000 in the US
  - Demonstrated success with state-of-the-art revitalization programs including the 27-service plaza portfolio of the New York State Thruway Authority

## Qualifications

- Service plaza operations are Applegreen's core business
  - Self-operates the full-range of services including plaza operations, food & beverage, C-Store, fuel and EV charging (Applegreen Electric MA LLC)
  - Assembled a highly experienced team including Massachusetts companies: Suffolk Construction, Upland Architects and Consensus Building Institute
  - Pledged commitment to sustainable buildings, diversity, revenue growth and stakeholder engagement

# Applegreen's Revitalization Approach



# Applegreen Regional Plaza Concepts

Exterior

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# Applegreen Regional Plaza Concepts

Interior

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# Applegreen Regional Plaza Concepts

## Facilities & Amenities

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# Proposal Highlights

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## Revitalization

- \$750 million proposed capital investment over life of Lease and Concessions Agreement
- Sustainable building design with three regionally themed, locally inspired design concepts
- Plazas right-sized to demand
- Customer-friendly open floor layouts including family areas and trucker amenities
- Rapid increase in electric vehicle charging portals
- Significant increase in car and truck parking within existing plaza boundaries

## Operations and Concessions

- Customer satisfaction program provides immediate feedback
- Stringent cleaning and maintenance protocols with on-site personnel
- Committed to Net Zero and sustainable practices in operations and maintenance
- Diverse brand mix with proven quality, innovation and consistency
- Strong revenue projections that balance quality, capital investment, and amenities

# Minimum Operations and Maintenance

## Performance Standards

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- Issued to the short-listed Proposers for review and comment
- minimum standards for the following on-going Operations & Maintenance work:
  - ATM/carts/kiosks/racks/vending/tourism
  - Buildings and structures (external)
  - Buildings and structures (internal)
  - Drainage, sewerage, and water systems
  - Electric Vehicle charging
  - Food and beverage operations
  - Fuel and alternative energy operations
  - Grounds landscaping
  - Parking lot/roadway conditions
  - Personnel
  - Restrooms (including family restrooms)
  - Security and surveillance
  - Snow/ice/ice melt removal

# Minimum Operations and Maintenance

## Non-Compliance Regime

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MassDOT can cure at Operator's cost a non-compliance after 30 days if no corrective action is taken

- If restrooms or family rooms receive 2 or more failing scores on 10% of the items during any 90-day period, the Operator will be assessed an additional \$17,000 liquidated damages (LD)
- "Under Evaluation" Service Plazas will have an additional \$5,000 LD assessed for failure to take corrective action
- Service Plazas on "Probation" will have an additional \$10,000 LD assessed
- An Operator default occurs if 3 or more Service Plazas are on Probation for 180 days or longer, or if the Operator accumulates LDs of \$175,000 or more in any consecutive 12-month period

Days of No Corrective Action	Range	
	Low	High
15	\$250.00	\$500.0
30	\$500.00	\$1,000.00
60	\$750.00	\$1,500.00
90	\$1,000.00	\$2,000.00



# Summary of Key Revenue Terms

## Summary of Estimated Capital Spend Over the Life of the Contract:

Applegreen estimates that it will invest ~\$750M over the life of the contract

Estimated Revitalization Capital Costs	\$383,182,738
Estimated Post-Revitalization Capital Costs (e.g., routine capital maintenance)	\$366,745,842
<b>Total Estimated Capital Spend</b>	<b>\$749,928,580</b>

## Summary of Proposed Rent:

- MassDOT is entitled to annual rent equal to the greater of Annual MAG or Annual Operational Rent
- Operational Rent is equal to sum of (1) the percentage of Gross Sales and (2) the Fuel Rent (\$/Gallon Sold)

<b>Minimum Annual Guaranteed (MAG) Rent</b>	<b>Proposed Pre-Revitalization</b>	<b>Estimated Post- Revitalization</b>
Annual MAG	\$16,361,568	\$14,307,446

<b>Operational Rent</b> ( <i>Equal to %Gross Sales + Fuel Rent</i> )	<b>Proposed Pre-Revitalization</b>	<b>Estimated Post- Revitalization</b>
Percentage of Gross Sales (Excluding Fuel):	13.80%	5.32%
Fuel Rent (\$/Gallon Sold):	\$0.072	\$0.059

## Estimated Rent to MassDOT (2026–2060):

- It is estimated that Applegreen’s proposed rent will result in \$623M–\$994M to MassDOT over the life of the contract
- The higher estimate would be the equivalent of an average of \$28.4M in annual rent or an average of 8.05% of projected total annual sales

# Request of the MassDOT Board of Directors

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Staff request that the MassDOT Board of Directors authorize the Secretary, or their designee, to award and execute the Transition Agreement (MassDOT Contract No. SPO-1-2025) and Lease and Concessions Agreement (MassDOT Contract No. SPO-2-2026), with Applegreen MA Investments LLC, in a form approved by the General Counsel, and to execute any necessary or ancillary documents in the name and on behalf of the Massachusetts Department of Transportation to effectuate this Agreement.

# Thank you!





# Appendix

# Procurement Process Steps

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## Issued Request for Proposals



Issued the RFP, which served as a solicitation for both Initial Proposals and final Proposals.

COMPLETED

## Initial Proposals Submitted



Proposers submitted Initial Proposals for evaluation and short-listing. The evaluation criteria were focused on qualifications.

COMPLETED

## Short-List



A short-list of four of the most highly qualified Proposers were selected to submit final Proposals.

COMPLETED

## Evaluation and Selection

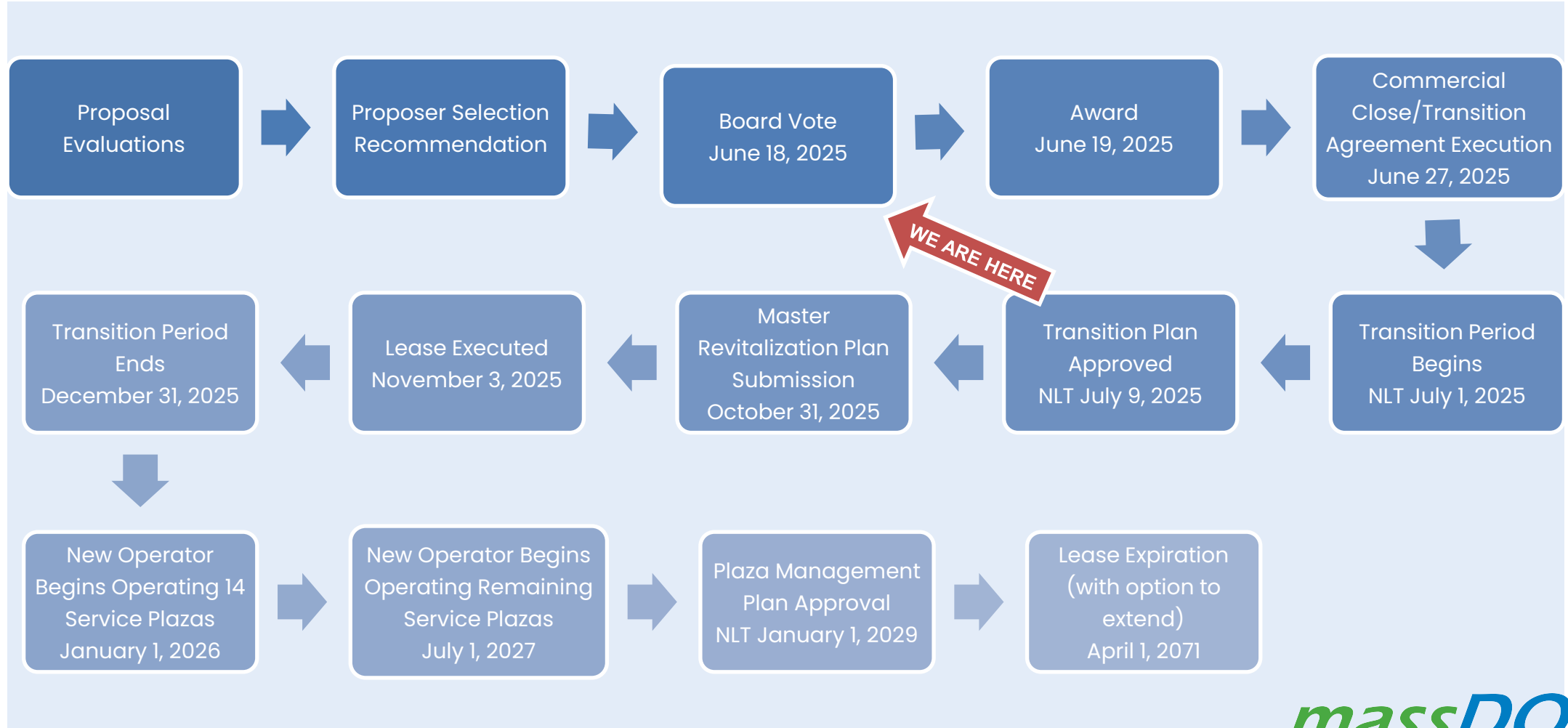


Three of the short-listed Proposers submitted final Proposals. MassDOT conducted the evaluation and selection process. The evaluation criteria focused on both technical/quality and financial factors.

COMPLETED

# Procurement and Implementation Schedule

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# Contracting Structure

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## Transition Period

- **Contract Vehicle:** MassDOT and new Operator execute a Transition Agreement
- **Scope:** New Operator works with MassDOT and existing operator to ensure transition of core services (food, fuel, convenience store, EV charging) on January 1, 2026, (for the initial 14 Service Plazas) and develop a “master revitalization plan”
- **Time frame:** Commercial Close to December 31, 2025

## Operation and Maintenance Period

- **Contract Vehicle:** MassDOT and new Operator execute the Lease and Concessions Agreement
- **Scope:** New Operator performs operations and maintenance of the Service Plazas (in their existing configuration or as revitalized), in accordance with minimum performance standards and develops a “plaza management plan” for each Service Plaza in accordance with the phasing in the approved “master revitalization plan”
- **Time Frame:** January 1, 2026, + 35 years (plus a ten-year extension option)

## Revitalization Period

- **Contract Vehicle:** Upon approval of a “plaza management plan,” the plan is incorporated into the Lease
- **Scope:** If MassDOT approves a “plaza management plan,” including any new or revised commercial terms or technical provisions related to the revitalized Service Plaza, the new Operator proceeds with the design and construction (revitalization) of the subject Service Plaza
- **Time Frame:** The new Operator has three years from January 1, 2026, to obtain “plaza management plan” approval by MassDOT. Approved “plaza management plans” will include a date by which revitalization for the Service Plaza will be completed, subject to liquidated damages for delay

# Evaluation Criteria

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Initial Proposal	Weighting	Final Proposal	Weighting
Legal/Administrative	P/F	Legal/Administrative Update	P/F
Relevant Project Experience	30%	Financial Capacity Update	P/F
Key Personnel Experience	20%	Program Understanding	5%
Past Performance	10%	Transition Plan	15%
Financial Capacity	30%	Operations and Maintenance Plan	10%
Financial Capability	10%	Master Revitalization Plan	25%
		Additional Services/Revenue Sources	10%
		Supplier Diversity Program Plan	10%
		Revenue Terms	25%

# Initial Proposal Evaluation Criteria

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Criterion	Submission Requirements
Legal/Administrative	<ul style="list-style-type: none"><li>• Description of Proposer, legal structure and status, powers of attorney</li></ul>
Relevant Project Experience	<ul style="list-style-type: none"><li>• Projects of similar size, scale, and complexity; backlog/capacity; references</li></ul>
Key Personnel Experience	<ul style="list-style-type: none"><li>• Identification of Key Personnel, resumes, working relationship among Key Personnel in the past; capacity and availability</li></ul>
Past Performance	<ul style="list-style-type: none"><li>• Litigation, disputes, and claims; debarments and disqualifications; terminations for cause or default</li></ul>
Financial Capacity	<ul style="list-style-type: none"><li>• Financial statements; credit reports; guaranties; material changes in financial conditions</li></ul>
Financial Capability	<ul style="list-style-type: none"><li>• Experience raising debt/equity; bonding capacity</li></ul>












# Final Proposal Evaluation Criteria

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Criterion	Submission Requirements
Legal/Administrative Update	<ul style="list-style-type: none"><li>• Updates to description of Proposer, legal structure and status, powers of attorney</li></ul>
Financial Capacity Update	<ul style="list-style-type: none"><li>• Updates to financial statements; credit reports; guaranties; material changes in financial conditions</li></ul>
Program Understanding	<ul style="list-style-type: none"><li>• Identification of risks and issues for the program, how the Proposer will use its organization and the process to ensure successful contract performance</li></ul>
Transition Plan	<ul style="list-style-type: none"><li>• Demonstration of minimization of disruption of services; plan to transition on January 1, 2026 (for the 14 service plazas with leases ending on December 31, 2025); food, beverage, retail, and other services</li></ul>
Operations and Maintenance Plan	<ul style="list-style-type: none"><li>• Maintenance, repair, and staffing during Operational Period</li></ul>
Master Revitalization Plan	<ul style="list-style-type: none"><li>• Prototypical/example designs, initial schedule for re-development of each service plaza, financing/funding examples, sample tenant roster</li></ul>
Additional Services/Revenue Sources	<ul style="list-style-type: none"><li>• Truck parking, parking technology, sponsorships/naming rights, rental space for special events, innovative and new communications technologies, additional privacy facilities, secure pet facilities, additional EV charging</li></ul>
Supplier Diversity Program Plan	<ul style="list-style-type: none"><li>• Supplier Diversity Office requirements</li></ul>
Revenue Terms	<ul style="list-style-type: none"><li>• Minimum annual guaranteed rent and percentage of gross sales</li></ul>

# Applegreen Brand Mix

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Site	Fuel     	C-Store & Unbranded Coffee 	Branded Coffee  	Burger, Chicken & Other       	Sandwich  ★ PRET ★	Snacks & Sweet    
Framingham Westbound	✓	✓	✓	✓✓	✓	✓
Charlton Westbound	✓	✓	✓	✓✓	✓	✓
Charlton Eastbound	✓	✓	✓	✓✓		✓✓
Newton Southbound	✓	✓	✓	✓	✓	✓
Lexington Northbound	✓	✓	✓	✓	✓	✓
Blandford Westbound	✓	✓	✓	✓✓		
Natick Eastbound	✓	✓	✓	✓	✓	✓
Westborough Westbound	✓	✓	✓	✓✓		✓
Lee Eastbound	✓	✓	✓	✓		✓
Ludlow Eastbound	✓	✓	✓	✓✓		
Ludlow Westbound	✓	✓	✓	✓		
Plymouth Southbound		✓		✓		✓
Barnstable EB/WB	✓	✓	✓	✓	✓	✓
Bridgewater Northbound	✓	✓	✓	✓✓		
Bridgewater Southbound	✓	✓	✓	✓✓		
Beverly Northbound *	✓	✓		✓		✓
Lee Westbound *	✓	✓		✓		✓
Blandford Eastbound *	✓	✓		✓		✓

# Supplier Diversity Program

- Applegreen’s 2024 Gender Pay Gap Report outlines a median pay gap of 0.73% across global operations
- 82.9% of their workforce is female or from a minority background – Applegreen will ensure the same statistic is reflected for this project
- At a management level, 57% of Applegreen’s US Head Office and 77% of their Service Plaza management workforce is female or from a minority background
- Applegreen will spend 4% of the estimated construction capex with qualifying SDP suppliers
- As currently defined, Applegreen commits to 2% of operations and maintenance spend with qualifying SDP suppliers. Applegreen can work with MassDOT to increase this commitment to more than 10% by removing labor and cost of sales from the current definition

Proposed SDP Partners	
Company	Service Provided
NERT Facilities Solutions	Snow removal and landscaping
City Merchandise	C-Store merchandise provider
National Dispatch Group	Facilities management
D'ORO Foods (AKA Doms Sausage)	Chicken purchases
Bountiful Provisions	Milk and dairy purchases

# Applegreen's Revitalization Approach

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# Applegreen's Revitalization Approach

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# Applegreen's Revitalization Approach

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# Capital Programs Committee Recommendation

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That the Capital Programs Committee recommend that the Board of Directors authorize the Secretary, or her designee, to award and execute the Transition Agreement (MassDOT Contract No. SPO-1-2025) and Lease and Concessions Agreement (MassDOT Contract No. SPO-2-2026), with Applegreen MA Investments LLC, in a form approved by the General Counsel, and to execute any necessary or ancillary documents in the name and on behalf of the Massachusetts Department of Transportation to effectuate this Agreement; such recommendation, however, is contingent upon sufficient information be made available to the Directors, by the Secretary, prior to the next Board meeting, including the opportunity for individual briefings for the Directors.