



**ERRATA #1 and QUESTIONS AND ANSWERS
to
REQUEST FOR PROPOSALS
for
Vehicle Day Use Concession
at**

**Carlsbad, South Carlsbad, San Elijo, Cardiff, Torrey Pines, and Silver Strand State
Beaches**

To All Prospective Bidders:

Attached are Errata #1 and Questions and Answers related to the Request for Proposals (RFP) for the Vehicle Day Use Concession operations at Carlsbad, South Carlsbad, San Elijo, Cardiff, Torrey Pines, and Silver Strand State Beaches. Errata #1 reflects changes to the RFP, Sample Concession Contract, and the Concession Proposal, DPR 398.

Also attached are the State's answers to the questions submitted by prospective proposers. The questions are presented exactly as submitted by the identified party.

The errata and other information are available on the website at www.parks.ca.gov/concessions. If you have any questions, please contact Donna Renner at (619) 688-3343 or drenner@parks.ca.gov.

Sincerely,

James A. Luscutoff, Chief
Concessions, Reservations, and Fees Division

Attachments

cc: Clayton Phillips, Acting District Superintendent
Donna Renner, Concession Specialist

State of California – The Resources Agency
DEPARTMENT OF PARKS AND RECREATION
SAN DIEGO COAST DISTRICT
VEHICLE DAY USE CONCESSION
REQUEST FOR PROPOSALS

PROPOSER QUESTIONS AND ANSWERS

The following are responses from the Department of Parks and Recreation (DPR) to questions submitted by April 1, 2011, in response to the Vehicle Day Use Concession Request for Proposals (RFP).

Carlsbad, South Carlsbad, San Elijo, Cardiff, Torrey Pines, and Silver Strand State Beaches

Questions submitted by Steve Burton, Ace Parking:

1. The parking revenues listed on the notice for request of proposals – Is this the current gross revenues? Or is it after the State has paid for its operating expenses?

Response: Per the RFP, page 3, under Current Operation, the parking revenues listed are gross fee collections and do not include operating expenses.

2. The revenues collected at the Carlsbad lot that opened up last year – Is that for entire 12 month period or a shorter period?

Response: Per the RFP, page 3, under Current Operation, Carlsbad SB commenced fee collection through a short term contract. The revenues reported in the RFP are for a four month period from March 1st through June 30, 2010.

3. Can we get a detailed listing of the State's current operating expenses for each of the parking lots?

Response: No, this expenditure detail is not available.

4. Who pays the electrical costs of each facility? If it is the operator's responsibility what has the monthly costs been for the last year?

Response: The State pays the electrical costs of each facility. **See Errata #1 for modification to the Sample Contract under Section 19 Utilities.**

5. Issuance of citations – will the state be providing the ticket issuing equipment? Is the citation revenue going directly to the State?

Response: Per the RFP, section 1.3 Contract Summary, item 8 describes a minimum contract requirement for the Concessionaire to monitor and enforce payment of fees through issuance of citations between 6 a.m. and Sunset during the term of the Contract. Under the Sample Contract, section 5 Use of Premises, Concessionaire shall enforce payment of parking fees, including the issuance of citations in accordance with California Department of Parks and Recreation policies and procedures. Yes, the State will provide the citations, and training regarding the issuing of citations. Yes, the revenue from the citations goes directly to the State.

6. Staffing schedule currently being used by the State for the management of these lots? Please provide the Booth attendance schedule by lot?

Response: Staffing levels at park entrances vary from park to park, and attendance is not tracked separately by booth. However, it may be assumed that most parks, at a minimum, have provided kiosk staffing during special events, holidays and summer weekends. Existing staffing levels at park entrances may not be related to the proposed concession operation, because the intent is for the park visitor to **park and pay**. It is up to the proposer to provide the APMs and support staffing as necessary to facilitate a park and pay system at each location. The RFP's objective is to provide the park visitor a smooth operation with minimum delays. **See Errata #1 for changes to the RFP and Sample Contract under Section 5 Use of Premises.**

7. Page 2 of the concession agreement, 2nd paragraph – It talks about possessory interest – Will this contract cause the operator to pay possessory interest taxes?

Response: The Concessionaire may be liable for possessory interest tax to the San Diego County Assessor. The State believes the vehicle day use fee concession may be exempt from possessory interest tax liability; and if concession is not exempt, the State believes the liability may only be on the operator's gross receipts minus fee remittance to the State. However, the ultimate decision remains between the San Diego County Assessor as governed by the State Board of Equalization, and the concessionaire. **See Errata #1 for modification to the Sample Contract language under Section 15 Taxes.**

8. Clause 15 Taxes on page 13 – Please clarify this clause. What is meant by “with the exception of possessory right “- Will the operator be assessed a possessory interest taxes on this contract?

Response: The Concessionaire may be liable for possessory interest tax to the San Diego County Assessor. The State believes the vehicle day use fee concession may be exempt from possessory interest tax liability; and if concession is not exempt, the State believes the liability may only be on the operator's gross receipts minus fee remittance to the State. However, the ultimate decision remains between the San Diego County Assessor as governed by the State Board of Equalization, and the concessionaire. **See Errata #1 for modification to the Sample Contract language under Section 15 Taxes.**

9. Who is responsible for the rest room maintenance and landscaping on the lots?

Response: The State. Per the Sample Contract, section 18 Housekeeping, Maintenance, Repair and Removal, Concessionaire shall maintain and operate the areas in, on, or adjacent to a distance of not less than **fifteen (15) feet, from the personal property and equipment** within the Premises. **See Errata #1 for modification to the Sample Contract Section 18.**

10. Our preliminary review of the minimum rent, performance bond requirements and capital outlay makes it hard for us to make this RFP work financially. Is there any chance the rental terms can be modified?

Response: No. Per the RFP, Section 3.1 Instructions for the Concession Proposal, II Proposal Information, C Rental Offer, any offer below the minimum rent requirements will result in proposal disqualification.

11. Clause 32 Expatriate Corporations, Page 26 of agreement – What is meant by this clause? What designates a company as Expatriate?

Response: For a full explanation of this provision, please reference the California Public Contract Code web link: <http://law.onecle.com/california/public-contract/10286.1.html>

Questions submitted by Marshall Pike:

1. Objectives Section of RFP, DPR states that the way to ensure revenue is to not have insufficient automated collection machines (APM's). Does the minimum number specified in the RFP secure this objective?

Response: It is up to the proposer to provide the APMs as necessary to facilitate a park and pay system at each location. The RFP's objective is to provide the park visitor a smooth operation with minimum delays.

2. Will DPR continue to place State Employees in the manned kiosks for the premises of this RFP? Will DPR enlist volunteers to staff the manned kiosks?

Response: DPR will not staff the kiosks and DPR will not enlist volunteers in the kiosks for the purpose of fee collections.

3. What does the supplemental staffing called for in the RFP on weekends and event periods supplement? The APM's or DPR staffing? It is critical to understand the revenue flow that all revenue previously collected by DPR and APM's now be collected by the Contractor either by staff or by APM.

Response: The concession staffing is intended to supplement the APMs. All day use fees are to be collected by the APMs, or concession staff as necessary to supplement the APMs, and remitted to the State. **See Errata #1 to the Sample Contract, Section 4 Rent.**

4. The APM equipment currently installed is a mixture of MitiVend and Digital Payment Technologies. Will DPR remove this equipment prior to the proposed installation timeline?

Response: Yes.

5. What power and dedicated phone lines is the DPR going to provide? Will there be a charge for phone lines other than the usage from phone company? Will there be a charge for power consumption?

Response: The State pays for power and telephone to the kiosks and the State pays for power and telephone to the existing State-owned APM locations. The State shall continue to pay for the power and telephone lines; however in the event that new electrical, telephone, data lines, or other services are required to support the Concessionaire's proposed operation, the Concessionaire will bear the installation costs. Sample Contract, Section 2 Condition of Premises states Concessionaire agrees to accept Premises in their presently existing condition, "AS IS", and that the State shall not be obligated to make any alterations, additions, or betterments to the Premises except as otherwise provided for in this Contract. **See Errata #1 for modification to the Sample Contract under Section 19 Utilities.**

6. Is it possible for a dedicated position of APM technician to be housed in the Campground at Silver Strand SB just as the Campground VIP's in a provided personal rig? This location is surrounded by very expensive area and high cost of living and a commute would be problematic due to the bridge traffic, tolls and remoteness. If possible, would there be a rental fee?

Response: The State will not set aside a camp space for a dedicated position.

7. Has the current concessionaires at Cardiff been manning the pay stations (APM equipment)? Did the current concessionaire install the equipment at Cardiff? Who is the current concessionaire? Was this a competitive concession bid or sole source?

Response: There is not currently a concessionaire at Cardiff SB, where the State operates the fee collection. The negotiated short-term concession contract is at Carlsbad SB. The current operator, Sunset Parking Services LLC, installed the equipment at Carlsbad SB.

8. The intent to honor state park passes at the premises includes a reconciliation count. Why does the count reduce the gross revenue reported and thereby reduce the percentage rent available to offset minimum rent? The effect of this clause is to force the concession to underwrite the use of State Park passes in the facilities for which there is no revenue stream to offset. The more equitable solution would be to allow the concession an 80% credit (80% of the cost of each complimentary use) against the minimum rent due.

Response: There is no provision to compensate the operator for pass use. Revenue collections listed in the RFP on page 3 are inclusive of the pass use. **See Errata #1 for changes to the RFP and Sample Contract Section 4 Rent and Section 5 Use of Premises.**

9. What are the technical specifications of the “necessary equipment” that DPR expects:

- Change making or exact change only?

Response: Currently the State does not require the APM to make change or accept cash; this is up to the proposer.

- Credit and Cash or Credit only?

Response: Currently the State does not require the APM to make change or accept cash; this is up to the proposer.

- Multi lingual or English only required

Response: Languages in addition to English may be proposed.

- PCI Compliance?

Response: Yes, based on the latest standards of the industry.

- Real time or Batch Loading?

Response: The State prefers real time and the opportunity to view the program at any time for auditing purposes; however, this is up to the proposer to submit in the proposal. **See Errata #1 Sample Contract, Section 4 Rent.**

- Will unit need to be encased in a vault as now?

Response: No.

- Will state accept mixture of CC/Cash and CC only?

Response: Yes.

- Do all machines need to be hourly as well as daily?

Response: All machines must provide an hourly rate with the maximum fee not to exceed the approved daily rate.

- Will DPR consider variable pricing (weekday discounting, weekend premium time)?

Response: The proposer may propose a variable fee schedule not to exceed the maximum daily use fee.

- Will DPR allow purchase of State Passes from Vendor? If so, may fulfillment handled by third party or Vendor?

Response: No, not at this time.

10. Does citation by Concessionaire carry same force and effect as by DPR? Does the same State California Code govern enforcement?

Response: Yes; and the State will provide the training regarding the issuing of citations.

11. Will DPR be staffing any Kiosks? During periods of staffing support, will all revenue collected be posted to Concessionaire accounts, even if collected by DPR staff?

Response: No. No DPR staff or DPR volunteers will be in kiosks for the purpose of fee collection.

12. What businesses currently utilize North Cardiff for valet parking uses?

Response: None.

13. Minimum annual rent combined in two contracts is \$2,064,000 or 80% of revenue. Can the minimum be a combined total or do each individual beach minimums apply? I.E., can the catch up payment be based collectively on those parks that do and those that do not reach minimum by 80% individually. The bid format appears to warrant a collective response.

Response: The minimum annual fee guarantee may be achieved collectively. See Errata #1 for modification to this Sample Contract language under Section 4 Rent.

14. Does DPR expect a business to tie up over \$2,000,000 in capital to meet the Contract Bond requirement? The premium on a bond is well over \$XXX,XXX per year.

Response: The successful proposer must meet the minimum bond requirement per the Sample Contract, Section 6 Bonds, Performance Bond. In lieu of a bond, the Concessionaire may substitute another financial instrument (such as an Irrevocable Standby Letter of Credit), which must be sufficiently secure and acceptable to the State. See attached DPR policy regarding Performance Bonds which describes other financial instruments.

15. The Contract specifies that citations will be in accordance with the California DPR policies and procedures. Please provide the referenced policies and procedures.

Response: The referenced policy and procedures include the Parking Citation Handbook (Draft), the Parking Contest and Review Handbook (Draft), the Sector Code Enforcement Park Aid Field Book (a training booklet developed for San Diego Coast District staff and current concession) and Law Enforcement and Emergency Services Division. These will be provided to the best responsible bidder upon contract award.

16. On days in which the concession must provide additional staff to man kiosks, may the scheduling include periods when the kiosk is not staffed, allowing pay stations to carry the load?

Response: The concession staffing is intended to supplement the APMs. All day use fees will be collected by the APMs, or by concession staff if necessary to supplement the APMs, and remitted to the State. The RFP's objective is to provide the park visitor a smooth operation with minimum delays.

17. Do kiosk cash registers need to be able to take credit card purchases?

Response: It is up to the proposer to provide for park and pay fee collection system. DPR will not provide the infrastructure to support credit card purchases; it is up to the proposer to provide for a smooth operation.

18. When does the state plan to issue a price change for beach parking? How often does this change? When was the last change in parking rates?

Response: The current State Park Fee Schedule was effective August 17, 2009 and resulted in a fee increase. There is not a current plan to make any changes to the existing fee schedule. There is no pre-determined schedule for when fees are changed. Per the Sample Contract, section 5 Use of Premises says "Concessionaire shall honor the State Park fee schedule when establishing the fee structure for hourly and full day use not to exceed the maximum day use fee for a beach park. Any State-mandated fee decrease is subject to a decrease in the minimum annual rent in proportion to the amount by which gross receipts are reduced."

19. Who provides and who pays for power to kiosk? Who provides and who pays for power to APM's?

Response: The State pays for power to the kiosks and the State pays for power to the existing State owned APM locations. The State shall continue to pay for the power however in the event that new electrical services need to be installed the Concessionaire will bear these installation costs per Sample Contract, Section 2 Condition of Premises states Concessionaire agrees to accept Premises in their presently existing condition, "AS IS", and that the State shall not be obligated to make an alterations, additions, or betterments to the Premises except as otherwise provided for in this Contract. See Errata #1 for modification to the Sample Contract under Section 19 Utilities.

20. Who provides and who pays for telephone to kiosk? Who provides and who pays for telephone or data lines to APM's?

Response: The State pays for existing telephone service to the kiosk. The State pays for existing telephone to State owned APMs. The Concessionaire shall provide for any additional telephone and data or wireless connections and services in support of fee collection. The Sample Contract, Section 2 Condition of Premises states Concessionaire agrees to accept Premises in their presently existing condition, "AS IS", and that the State shall not be obligated to make an alterations, additions, or betterments to the Premises except as otherwise provided for in this Contract. See Errata #1 for modification to the Sample Contract under Section 19 Utilities.

21. What is the purpose of including a Certified Industrial Hygienist review of the APM installations upon termination?

Response: This question refers to language in Section 20, Hazardous Substances, which says "upon termination of this Contract, when requested by State, Concessionaire shall provide certification prepared by a Certified Industrial Hygienist that there is no hazardous waste contamination and/or damage to the Premises." For the purpose of this Contract, the State does not anticipate a request for this certification.

22. May the Concessionaire make use of the machine systems to advertise or otherwise generate revenue from coupon or ad sales on vouchers dispensed by equipment?

Response: These marketing and advertising tools may be proposed as part of the Operations Plan. See Errata #1 for inclusion of this element to the Operations Plan in the RFP and Concession Proposal (DPR 398).

Questions submitted by Jared Svendsen, General Manager Sunset Parking Services (LAZ Parking) – San Diego:

1. For Silver Strand, will the State continue to open and close the gates?

Response: Yes, lot hours at Silver Strand State Beach may fluctuate; and therefore the State will continue to open and close the lots.

2. Can you confirm whether lot cleaning will be done by State? Will the Concessionaire only be responsible for cleaning/maintaining signs and equipment?

Response: Yes, the State can confirm both of these points. Per the Sample Contract, Section 18 Housekeeping, Maintenance, Repair and Removal, Concessionaire shall maintain and operate the areas in, on, or adjacent to a distance of not less than **fifteen (15) feet from the personal property and equipment** within the Premises.

3. Will the APM need to offer discounted pricing for Disabled? If so, what is the discount and how does the State currently do this?

Response: The State Park honors a Disabled Discount Pass which provides the bearer a 50% discount for facility use fees. The discount does not apply to fees under \$2.00 or supplementary fees, and cannot be used with any other discount or pass program. The Concessionaire will be required to honor this pass as listed on page 4 of the RFP and page 6 of the Sample Contract.

4. Will the contract trigger Possessory Interest? It is our understanding that the County Assessor will calculate the annual bill for Possessory Interest by taking 1% of the rent paid times the number of years of the contract. So, for example, if a contract had a rent of \$1,000,000 annually, the Possessory Interest bill would be around \$50,000 per year. Is that your understanding?

Response: The Concessionaire may be liable for possessory interest tax to the San Diego County Assessor. The State believes the vehicle day use fee concession may be exempt from possessory interest tax liability; and if concession is not exempt, the State believes the liability may only be on the operator's gross receipts minus fee remittance to the State. However, the ultimate decision remains between the San Diego County Assessor as governed by the State Board of Equalization, and the concessionaire. **See Errata #1 for modification to the Sample Contract language under Section 15 Taxes.**

5. The Sample Contract states the Concessionaire is responsible for utilities. Can you clarify what the Concessionaire would be responsible for? Would that mean just any electricity used by our APMs or does it mean the lighting for the parking lots as well.

Response: The State pays for existing telephone and electrical service to the kiosk and at least telephone to the existing APM locations. The Concessionaire shall provide for any additional electricity, telephone and data or wireless connections and services in support of fee collection. The Sample Contract, Section 2 Condition of Premises states Concessionaire agrees to accept Premises in their presently existing condition, "AS IS", and that the State shall not be obligated to make an alterations, additions, or betterments to the Premises except as otherwise provided for in this Contract. **See Errata #1 for modification to the Sample Contract under Section 19 Utilities.**

6. Who will be responsible for removal of the States existing APM machines?

Response: The State.

7. Can you clarify the State's policy for cars that park overnight or get locked into the day use areas?

Response: Cars are issued an absentee citation and typically towed to reduce department liability should the car be burglarized or vandalized after hours. Most parks provide for the ability to close the in-bound access lane(s) to the lot, and leave the out-bound lane(s) open to allow visitors who are late in returning to their cars to vacate within an acceptable amount of time (typically 1 Hour on average). Specific special events may provide for overnight use of the facilities with the State's prior approval.

Questions submitted by Kermit Kingsbury, Vice President – Parking Concepts, Inc.:

1. Does the Concessionaire have to offer hourly rates at all beach lots during the entire year?

Response: Yes, the Concessionaire must offer an hourly fee.

2. Does the Concessionaire receive any revenue or fees resulting from the enforcement and citation collection process?

Response: No.

3. Please provide a staffing schedule for the entrance kiosks (by lot) for the last three years. Were any lots staffed during the weekdays during the summer months?

Response: Staffing levels at park entrances vary from park to park. However, it may be assumed that most parks, at a minimum, have provided kiosk staffing during special events, summer weekends and holidays. Existing staffing levels at park entrances may not be related to the proposed concession operation, because the intent is for the park visitor to **park and pay**. It is up to the proposer to provide the APMs and support staffing as necessary to facilitate a park and pay system at each location. The RFP's objective is to provide the park visitor a smooth operation with minimum delays. **See Errata #1 for changes to the RFP and Sample Contract under Section 5 Use of Premises.**

4. Why is there a difference between the requirement to open lots at 6:00am and the posted time of 8:00am on entrance signs?

Response: The State's intent is to have the lots open 6 a.m. to Sunset. The entrance signs that list 8 a.m. will be corrected by the State.

5. Is there an existing demand for valet service at the Seaside and North Cardiff parking lots?

Response: There has been interest expressed to the State for valet parking at these lots.

6. Is there any protection for the Concessionaire if the State increases the ratio of annual passes and other prepaid parking versus daily use revenue during the potential 10 year term of the agreement?

Response: No, however the State does not anticipate any increase of annual pass use at these units following contract execution.

Questions submitted by Tim Keough – Kinsail Corporation:

1. Would the State consider an alternative and novel approach to the fee collection operation that would reduce the capital investment and provide enhanced services and better compliance tracking and fee collection? Since this is a new approach and solution and is only now rolling out, we cannot meet the 5 year experience requirement stipulated in the contract. We would like to submit a response if we can be assured that we will be considered and not disqualified. Please let me know. Thanks in advance for your time.

Response: Based on the RFP Page 12, the proposer must have a minimum of five (5) years of experience owning, managing or operating a business of similar type, size and scope as the concession operation set forth and described in the RFP. It is the responsibility of the proposer to provide a narrative describing how they meet this qualification. The State may not make any guarantees regarding the acceptance or disqualification of a particular proposal at this time.

