October 15, 2014

To Prospective Bidders:

Enclosed is the State's modified response to proposer questions concerning the Request for Proposals (RFP) released on August 26, 2014, for a Historic-Style Specialty Restaurant concession within Old Town San Diego SHP located in San Diego, California. This package includes the following:

1) The State’s Response to Proposer Questions received from four (4) parties. The questions are presented as written by the respective party.

2) Errata #1 with modifications to the RFP and/or Sample Contract. Note the proposal submission deadline within the RFP has been extended to December 18, 2014, by 2:00 p.m.

You may access all materials referenced in this letter on the Concessions website at www.parks.ca.gov/concessions.

Sincerely,

Teresa Montijo
Concessions Program Manager

Attachments
Old Town San Diego SHP Request for Proposals (RFP)
Historic-Style Specialty Restaurant Concession
STATE'S RESPONSE TO QUESTIONS FROM INTERESTED PARTIES
(Revised 10/15/14)

Questions from GREGORY DAVIS

1) As you know, there was a couple of sentences added to the new RFP that were not in the previous RFP. I'm paraphrasing - 1) (page 12) proposers who gained their experience operating a business with less than $800,000. in annual sales. will be disqualified 2) (page20) Additional points will be awarded for experience contracting with public agencies. By adding those 2 new sentences you were successful in eliminating all of the other proposers from the first RFP process other than Chuck Ross and his company. Was that intentional? Or was there another motive behind the inclusion of the new verbiage?

State’s Response: The language you identify on page 20 of the RFP is not new. It is the exact language that appeared on page 29 of the July 1, 2013 RFP for this concession opportunity. The language in both RFPs is: “In addition, points are awarded for experience contracting with public agencies.” This language, or language similar to it, is also contained in most concession RFPs.

Errata #1 clarifies and lowers the sales amount to $600,000 for at least one year of prior business experience. The State’s intent behind the experience requirements is to obtain proposals from qualified operators.

2) There were 3 proposals received for this RFP the first time it was issued. All were deemed to be “Responsive.” Chuck Ross and his company had their award canceled from the first RFP process, and yet now he is the only person from the original proposers who can bid again. Why didn’t the state go with the second responsive proposer from the first RFP process? Why go through all of this trouble again? All while the restaurant sits vacant for another year?

State’s Response: It was determined to be in the State’s best interest to reject all proposals for the July 1, 2013, RFP in order to improve the quality of proposals and future contract for this concession operation.

3) Why was the previous award for this concession taken away from Chuck Ross?
State’s Response: After further review of all proposals in response to the first RFP, it was determined to be in the State’s best interest to reject them in order to improve the quality of proposals for this concession opportunity.

4) After the state is successful in getting this concession for Chuck Ross and his company, he will be entrusted to run and operate every Restaurant in Old Town San Diego State historical Park - except El Patio. Is the states ultimate goal to get Chuck Ross and his company to run ALL of the food services in Old town? Or will someone else be given the opportunity to have a restaurant also?

State’s Response: The State has not identified or selected a successful proposer for this concession contract and invites all qualified businesses to compete for this opportunity.

5) In the new RFP, it says that extra points would be given to Chuck Ross (or anyone else whom has experience dealing with a public entity). How come that new verbiage is only in this new RFP and has not been in any other RFP prior to this new RFP?

State’s Response: Please refer to the State’s response to Question 1.

6) Will the new verbiage specifying that extra points will be given to people who have experience dealing with public agencies be added to all RFPs in the future?

State’s Response: This provision is already contained in the majority of concession RFPs.

7) How many extra points can be awarded to Chuck Ross or someone else whom has experience dealing with the State? Is it unlimited as necessary for the state to achieve the states goal? or is there a limit to how many extra points can be awarded?

State’s Response: As stated on page 20 of the RFP, a maximum of 10 points may be granted for experience, and experience contracting with public agencies will be considered within that number.

8) The director unexpectedly retired the same day he canceled the award previously given to Chuck Ross (and the other bids) for the last RFP. Was it because of the issues surrounding the previous RFP process that precipitated his abrupt departure?

State’s Response: No.

9) Will the same Award Board members who issued the award to Chuck Ross - the award that was ultimately canceled- be the same Board members issuing Chuck Ross (or whomever) the new award?

State’s Response: There is no plan to utilize the same award board members.
10) Will family members of the Award Board members or other persons whom are entrusted to run the Old Town San Diego State Historic Park be eligible to be given this concession contract?

State’s Response: All qualified proposers may submit a proposal and be considered for the contract award. Page 64 of this RFP, Sample Concession Contract, Section 32 Conflict of Interest, describes restrictions concerning the procurement of the concession contract.

Question from Ana Salcedo

11) The RFP calls for PROPOSALS HISTORIC-STYLE SPECIALTY RESTAURANT CONCESSION, will a Proposal for a Retail Store be acceptable?

State’s Response: No. Page 1 of the RFP describes the objective to provide “high-quality food service.” Page 2 of the RFP specifically states “Restaurants appropriate to this facility include, but is not limited to” and lists a number of restaurant types.

Question from Erik Busker, The Busker Group

12) Can you tell me if there were any questions asked or answers given about the discrepancy in the RFP regarding the fee for the restaurant concession? As I pointed out before, in one place it says that the fee is rent OR a % of receipts, while in another spot it says the fee is rent AND a % of receipts.

State’s Response: On RFP page 4, the reference to the contract summary correctly states that rent will be paid based on the greater of the minimum annual dollar amount bid OR percentage of gross sales. To further explain, concessionaires pay rent monthly based on the percentage of gross sales. The monthly payments paid to the State during a 12 month period must meet or exceed the annual dollar amount bid. If they do not, the concessionaire pays the balance to meet that minimum annual dollar amount bid. RFP Page 18 requires proposers to bid both figures, but only one of those figures will determine the actual rent paid depending on which yields the greatest return to the State.

Questions from RUST General Store

13) The original RFP for 2734 Calhoun Street had an experience requirement stated as “For the purpose of this RFP, proposers must have a minimum of two (2) years’ experience owning, managing or operating a business of similar type, size and scope as the concession operations set forth and described in this RFP”. When the RFP was re-released the experience requirement had expanded to three (3) years experience within the past ten (10) years as owner, manager, operator or managing partner of a financially successful restaurant of similar size, type and scope described in the RFP, operating as sole proprietor, partnership and/or corporation with annual gross sales of
no less than Eight Hundred Thousand Dollars ($800,000). What is the purpose for the increased experience requirement?

State’s Response: Please refer to State’s response to Question #1.

14) Do the $100,000.00 of required facilities improvements have to be fully completed before the concessionaire can start operating a business in the space?

State’s Response: Please refer to RFP, beginning with Page 16, Facility Improvement Plan. It is up to proposers to specify a timeline for the completion of facility improvements prior to the commencement of operations.

15) The RFP for 2613 San Diego Ave went out with a “punishment rent” clause in the contract where the rent was 10% of gross sales up to $200k and 12% for everything over $200k, essentially making it less profitable for the concessionaire when they perform well and generate revenue that is above and beyond the minimum rent requirement. Why is this rental structure deemed appropriate for 2613 and not included in the current RFP for 2734 Calhoun St?

State’s Response: The two RFPs referenced are not considered comparable. They are for different business types, one a full-service restaurant and the other retail sales, with different minimum capital investments required of prospective proposers. Considerations such as operating cost and net profit projections, including amortization of required capital investments, determined the rent structure as most appropriate for this concession opportunity.

End
Old Town San Diego SHP Request for Proposals
Historic-Style Specialty Restaurant Concession
ERRATA #1

1) In the RFP, Cover Page, Notice of Request for Proposals, and RFP Pages 6-7, all references to the Deadline for Proposal Submission is changed from November 18, 2014 to December 18, 2014, as noted on pages 3-5 of this Errata #1.

2) In the RFP, Section 3 – The Proposal, page 12, the provision is changed to read as follows:

C. Individual Information
   This section must be completed by each individual, partner, and member of joint ventures; CEO, officers, and holders of 25% or more of the company’s shares for corporations; concession manager; and the managing member(s) of the organization identified on the LLC-12 for a limited liability company. The aforementioned identified individual(s) must also complete and sign the Authorization to Release Information in Section IV.

Experience

For the purpose of this RFP, proposers must have a minimum of three (3) years’ experience within the past ten (10) years as owner, manager, operator or managing partner of a financially successful restaurant of similar size, type and scope described in the RFP, operating as sole proprietor, partnership and/or corporation with at least one year of annual gross sales of no less than Eight Six Hundred Thousand Dollars ($860,000). Proposals with less than the minimum experience will be disqualified.

Provide a narrative describing in detail the duration, extent, and quality of the proposer’s education and business experience with special emphasis on the experience and qualifications related to the subject concession. Be specific with respect to the type and dates of experience, the proposer’s role in the management and specific duties, type and size of operations, quality of operations, public agency involvement, contractual relationships, and other factors that demonstrate an ability to successfully operate the proposed concession. Attach additional information as needed.
3) In the RFP, Sample Contract, Section 22 Participation in State Park Marketing Programs, page 50, the provision is changed to read as follows:

22. PARTICIPATION IN STATE PARK MARKETING PROGRAMS

Concessionaire acknowledges that the State has an established advertising and marketing program designed to promote additional revenue for the State and to deliver a consistent and positive image to the public, and Concessionaire agrees to participate in this program in the manner described below without compensation from the State for such cooperation. Any programs established following execution of the contract will be implemented upon mutual consent by Concessionaire and State.

A. Concessionaire agrees to honor all statewide graphic standards, licensing, and merchandising agreements entered into with corporate sponsors of the Department of Parks and Recreation.

B. Concessionaire agrees to place on the Premises any advertising that the State approves under this program. Any advertising approved by the State under this program will be placed at State’s expense.

Concessionaire agrees to rent or sell, along with all other items of merchandise that are part of the Concessionaire’s normal and customary inventory, any item of merchandise that the State approves under this program, provided that Concessionaire is authorized to sell or rent it under the terms of the Contract, and the Concessionaire receives reasonable compensation for its sale.

Concessionaire agrees to participate in and regularly attend meetings of the Old Town San Diego business community and Old Town San Diego State Historic Park concessionaires which both work to promote and advertise local businesses.

Concessionaire agrees to participate in State-sponsored focus groups, community forums, and public meetings to address issues that affect the park and business community at large.

Concessionaire agrees to pay to State a one-time fee of One Hundred Dollars ($100) to facilitate any concessionaire name change to the State’s mobile web application for Old Town San Diego SHP. Such fee is payable upon receipt of an invoice from State.
REQUEST FOR PROPOSALS

FOR

HISTORIC-STYLE
SPECIALTY RESTAURANT CONCESSION

LOCATED WITHIN
OLD TOWN SAN DIEGO STATE HISTORIC PARK

AUGUST 26, 2014

NOVEMBER 18, 2014 DECEMBER 18, 2014

STATE OF CALIFORNIA – RESOURCES AGENCY
DEPARTMENT OF PARKS AND RECREATION
MARKETING AND BUSINESS DEVELOPMENT DIVISION
CONCESSIONS PROGRAM OFFICE
1416 NINTH STREET, 14TH FLOOR
SACRAMENTO, CA 95814
SECTION 2 - THE RFP PROCESS

2.1 PROPOSAL PROCESS

Tentative Proposal Dates

August 26, 2014 ....................... Opening Date - Publication of the RFP
September 16, 2014 .................. Optional Pre-Proposal Meeting
September 30, 2014 .................. Questions - Last date for proposers to submit written questions
October 14, 2014 ..................... Answers - DPR written responses to questions
November 18, 2014 .................. Closing Date - Deadline for proposal submission
December 18, 2014
November-December, 2014 ....... Investigation and evaluation of Proposals
December, January 2014-2015 ...... Notification of “Intent to Award Contract”
January, February 2015 ............ Award, preparation, and execution of contract
March, April 2015 ................... Commencement of contract

Note: This schedule does not consider unforeseen factors that could impact the timing of the project. It is the intent of the State to keep proposers apprised of changes in the schedule as they occur. Should the award of the contract be protested, additional time will be required to resolve the matter.

Optional Pre-Proposal Meeting
It is strongly recommended that the proposer or designated representative attend the optional pre-proposal meeting at 10:00 a.m. on Tuesday, September 16, 2014 at Old Town San Diego State Historic Park, McCoy House, located at 2870 Congress Street, San Diego, CA 92113. The meeting provides an equitable forum for all proposers to:
• Meet local Department staff;
• Learn about the RFP process, including procedures for questions and answers, proposal submission, and contract award;
• Inspect the concession site and receive information on the park and facility history and Department plans for the park and the concession;
• Review the RFP document.
RFP Content Questions
Questions regarding this RFP must be submitted in writing and received no later than 5 p.m. on September 30, 2014. To ensure fair competition, all proposers will receive the same information and materials; no telephone or personal inquiries about this RFP will be answered. Questions will be submitted in writing to the Department by email or fax at the address and phone numbers listed below. A written compilation of all questions and answers, and any RFP addenda, will be posted at www.parks.ca.gov/concessions and sent by first-class mail to all identified potential proposers. Questions will be answered as clearly and completely as possible without jeopardizing the competitiveness of the proposals.
Proposers should send their questions addressed to:
California Department of Parks and Recreation
Marketing and Business Development Division
Concessions Program Office
1416 Ninth Street, Room 1442-7
Sacramento, CA 94814
Attention: Teresa Montijo
teresa.montijo@parks.ca.gov

Proposal Bond
Proposals must be accompanied by a Proposal Bond or cashier's check payable to the State of California, Department of Parks and Recreation, in the amount of two thousand, five hundred dollars ($2,500.00). By submitting a proposal bond the proposer agrees that the bond may be cashed and retained by the State. If a cashier's check is submitted it will be cashed by the State. In the event the proposer fails to execute the contract, the bond or cashier's check will be retained by the State. Further, by submitting a proposal, proposer agrees that the State will suffer costs and damages not contemplated otherwise should proposer be awarded the contract but fail to execute and proceed with the contract, the exact amount of which will be difficult to ascertain. Accordingly, it is agreed that such retained sums shall not be deemed a penalty, but, in lieu of actual damages, shall represent a fair and reasonable estimate of damages to the State for failure of the proposer to execute and proceed with the contract upon notification of award by the State. Bonds will be returned to all proposers once a contract is signed by the best responsible bidder.

Proposal Submission
The proposal, including the Proposal Bond, must be received by 2:00 p.m. on November December 18, 2014 at:
California State Parks
Marketing and Business Development Division
Concessions Program Office
1416 Ninth Street, Room 1442-7
Sacramento, CA 95814