

**CITY COUNCIL MEMORANDUM
10-12**

DATE: April 22, 2010
TO: Honorable Mayor and Members of City Council
FROM: Gary M. Cinder, Interim City Manager
SUBJECT: WORK SESSION AGENDA – APRIL 26, 2010

A work session is scheduled for Monday, April 26, 2010, at **6:30 p.m. in the Multipurpose Room at the Central Services Complex**. The agenda is as follows:

- | | | |
|-----|---|---|
| I. | Welcome and Introductory Remarks | Gary M. Cinder
Interim City Manager |
| II. | Draft Request for Proposals
Restaurant at Melton Lake Park | Josh Collins
Recreation & Parks Director |

Agenda review for the May 3, 2010 Council meeting will be held immediately following the work session. As always, feel free to contact me at 425-3550 should you have any questions.



Gary M. Cinder

Attachments

Copy: Steven W. Jenkins, Deputy City Manager
Kenneth R. Krushenski, City Attorney
Josh Collins, Recreation and Parks Director
Kathryn Baldwin, Community Development Director
Amy Fitzgerald, Government and Public Affairs Coordinator

RECREATION AND PARKS MEMORANDUM
10-04

DATE: April 21, 2010
TO: Gary M. Cinder, Interim City Manager
FROM: Josh Collins, Recreation and Parks Director 
SUBJECT: RESTAURANT RFP

At the April 26, 2010, work session, staff will present a draft of the proposed Request for Proposals (RFP) that could lead to a lease agreement for a casual/informal restaurant at 695 Melton Lake Drive.

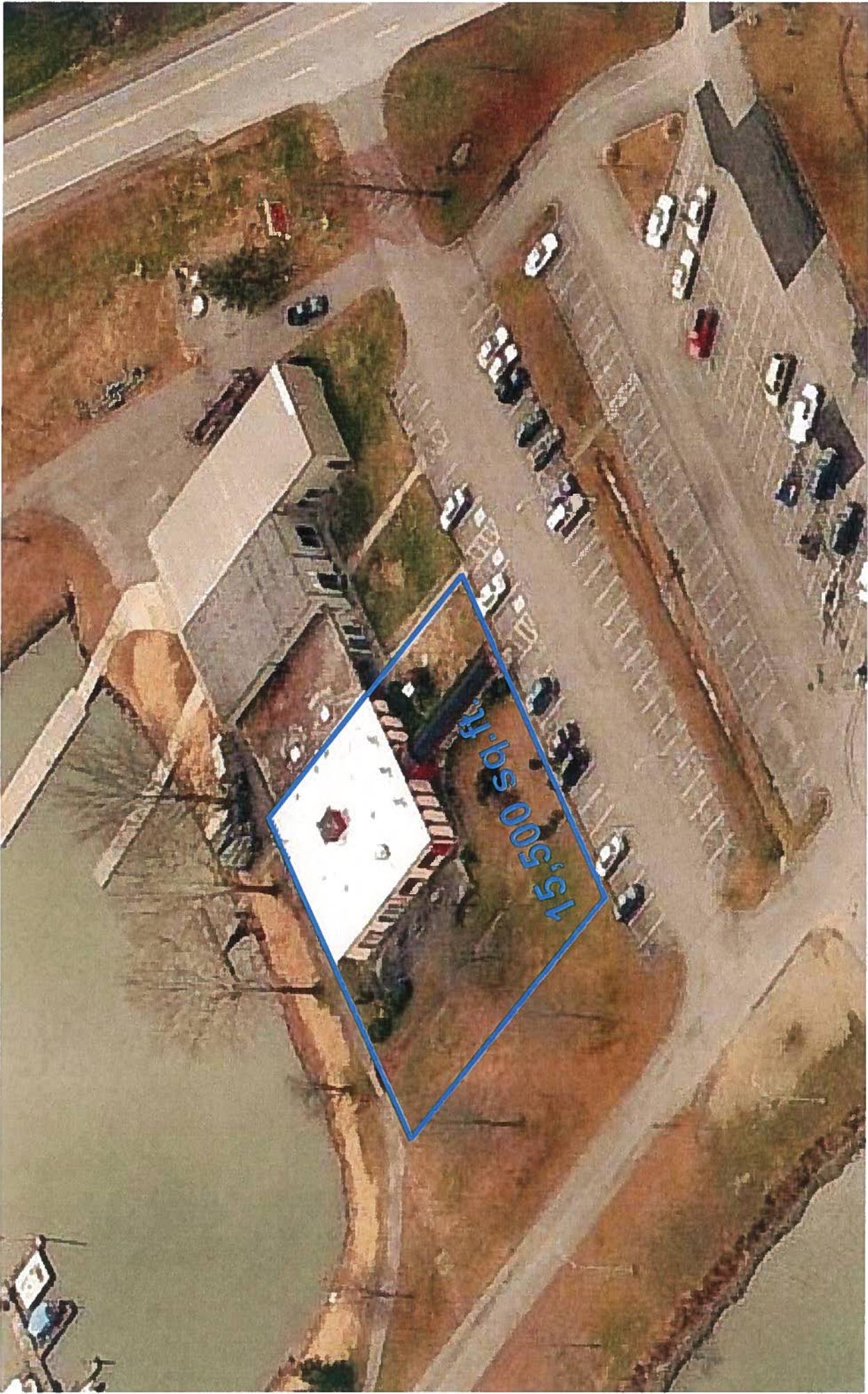
At the March 8, 2010, meeting, City Council approved a staff recommendation that outlined a process for acquiring a casual dining restaurant for Melton Lake Park. Council directed staff to prepare a draft RFP for their review and comments at the April 26 work session.

Since that time, staff has discussed the proposed RFP with several organizations in the region. Staff has been advised to develop a comprehensive scope of work that includes detailed financial information on the proposer, past management experience, customer service policies, business plan for the restaurant, and types of food to be served. Staff has also been advised that the appearance of the park and adjacent buildings is a major consideration for an investor.

In an effort to streamline the RFP process, staff is drafting a letter to TVA that seeks clarification early in the process on the public recreation restrictions placed on the deed of conveyance. Although seeking guidance at this time may delay the release of the RFP, we believe the information received will speed up the review in the fall. With the expiration of the New China Palace Restaurant lease, TVA must approve any new leases. We hope to get guidance on lease periods, payments, and space available for development. Staff envisions a restaurant footprint of between 3,600-5,000 square feet. Available parking may impact potential restaurant size. The current footprint is 3,600 square feet.

City Council comments will be included in the final Request for Proposals.

Attachments





**Request for Proposals
for
Casual/Informal Dining Restaurant at Melton Lake Park**

MANDATORY ON-SITE PRE-SUBMISSION MEETING AND TOUR

**_____ , Local Time
at Melton Lake Park
The New China Palace Parking Lot
695 Melton Lake Drive**

**SUBMISSION DUE DATE
_____ , Local Time**

**City of Oak Ridge
Recreation and Parks Department
Oak Ridge Civic Center
1403 Oak Ridge Turnpike
P. O. Box 1
Oak Ridge, Tennessee 37831-0001**

**Telephone: (865) 425-3450
Attn: Josh Collins**

**REQUEST FOR PROPOSALS
FOR CASUAL/ INFORMAL DINING RESTAURANT AT MELTON LAKE PARK**

INTRODUCTION

The City of Oak Ridge is soliciting proposals from interested individuals/businesses (respondents) for provision, management and operation of a casual/informal dining restaurant at 695 Melton Lake Drive adjacent to City-owned Melton Lake Park. The new restaurant will be offered a lease agreement with the City for space in the vicinity of the space currently occupied by the New China Palace Restaurant. The New China Palace currently leases 3,600 square feet of space. This lease expires on February 28, 2011 and cannot be renewed, which does not preclude the New China Palace Restaurant from submitting a proposal.

Respondent will have the option to renovate the existing structure currently leased by the New China Palace Restaurant, construct a new facility or demolish the existing facility. The City will continue to own the property and the building. Any renovated or constructed facility must be ADA compliant.

It is important to note that this request for proposals process will take approximately one year. This is due to the City's requirement to have permission from the Tennessee Valley Authority (TVA) to locate a casual/informal dining restaurant on site after February 28, 2011, and the need for TVA to approve the restaurant footprint and lease terms.

PROJECTED SCHEDULE

This projected schedule is for information only. Project constraints, including TVA review and approval, may cause these dates to be change.

City Council Approval of Process.....	March 8, 2010
City Council Work Session on RFP.....	April 26, 2010
RFP Release.....	June, 2010
Mandatory Pre-Submission Meeting.....	June, 2010
Proposal Due Date.....	August, 2010
Staff review proposals/qualifications.....	August, 2010
City Council Work Session	August 23, 2010
Interviews with Top Respondents.....	September, 2010
Lease Agreement Negotiations.....	September, 2010
Recommendation to City Council.....	October 11, 2010
Formal Submission to TVA for Approval.....	October, 2010
TVA Review.....	October-November 2010
City Council Approval of Lease Agreement.....	December, 2010
Current Lease with New China Palace Expires.....	February 28, 2011
Notice to Proceed.....	March 1, 2011

QUESTIONS

For questions, please contact Josh Collins at (865) 425-3450. Any interpretation or clarification given in accordance with this provision shall be in writing and will be distributed to all known respondents who obtained a Request for Proposals (RFP) packet. Only questions answered in writing will be binding. The City of Oak Ridge shall not be responsible for oral interpretations given by any City of Oak Ridge employee, representative or others. Oral and other interpretations or clarifications will be without legal effect. The issuance of written addenda is the only official method whereby interpretation, clarification or additional information can be given.

MANDATORY ON-SITE PRE-SUBMISSION MEETING AND TOUR

A **mandatory** on-site pre-submission meeting and tour will be held on _____, local time, at Melton Lake Park located at 695 Melton Lake Drive in the parking lot of the New China Palace restaurant. **Prospective respondents must attend this meeting in order to submit a proposal.** Please contact Josh Collins at (865) 425-3450 if directions to the site are needed.

PROPOSAL/QUALIFICATIONS DUE DATE

Interested respondents must submit a proposal to the City by _____ and to the following address:

Attn: Josh Collins
Director of Recreation and Parks
P.O. Box 1
Oak Ridge, Tennessee 37831-0001

It shall be the responsibility of the respondent, prior to submitting a proposal, to contact Josh Collins at (865) 425-3450 to determine if addenda were issued and to make such addenda are part of the respondent's proposal submission.

It is the respondent's responsibility to deliver proposals to the exact location specified on or before the time indicated above. Any proposal received after the date and time specified above is late and will not be considered.

The original proposal and five (5) copies shall be submitted. Additional copies may be requested during the review process.

All proposals and supporting documents will become public information after the due date and will be available for public inspection. Please do not include any information in your proposal that you deem confidential unless the information is confidential under Tennessee law's public records laws and is separated from the main proposal documents with the word "CONFIDENTIAL" marked on it.

The City cannot ensure a profitable operation to the successful respondent. Each respondent is encouraged to make his/her own economic appraisal of the opportunity offered by this prospectus.

SELECTION PROCESS

A selection committee comprised of City Staff will review and analyze each written proposal. Initial selection may be made of respondents deemed to be fully qualified and best suited among those submitting proposal on the basis of the factors involved in this RFP. Interviews may be conducted with a short list of the top respondents.

Lease agreement negotiations will be initiated with the top ranked respondent and, if unsuccessful in arriving at a mutually acceptable lease agreement, negotiations will occur with the next highest ranked respondent and so on, until a mutually acceptable lease agreement is prepared. While lease agreement negotiations will take place with the selected respondent, the City has certain standard contract provisions that are required. Those provisions are set forth in this RFP under the heading "Contract Requirements." Any lease agreement associated with this RFP will require approval from TVA and then approval of City Council.

BACKGROUND

The City of Oak Ridge is soliciting interest for provision, management and operation of a casual/informal dining restaurant at 695 Melton Lake Drive adjacent to City-owned Melton Lake Park. Available lease space could total approximately 15,500 square feet, which includes the 3,600 square foot City owned building currently under lease to the New China Palace Restaurant. A drawing of the potential space availability is attached to this RFP. For information purposes, there are currently approximately 150 shared parking spaces at this location. The current lease expires on February 28, 2011 and cannot be renewed.

Adjacent to the proposed lease space is a City-owned 5,000 square foot boathouse that is leased to the Oak Ridge Rowing Association (Rowing Association) for its base of operation. The Rowing Association utilizes the surrounding Melton Lake Park area extensively for rowing events and activities throughout the year. The Rowing Association holds five to seven (5-7) rowing regattas each year requiring access to the bulk of the park area during the events.

The boathouse and restaurant are the primary facilities located on the site. A recently completed Water Front Development Concept Plan envisions numerous improvements and upgrades to the area including a sixteen (16) slip marina, covered picnic pavilion, outdoor restrooms, additional recreational facilities/open spaces and an outdoor amphitheater. Expansion of the City owned Boathouse currently under lease to the Oak Ridge Rowing Association is included in the Water Front Development Concept Plan.

The property upon which the restaurant will be located is land that was conveyed to the City by TVA. This conveyance included a deed restriction limiting its use to public recreation purposes. For this reason, the City will continue to own the real property and the facilities located on upon the real property, while leasing space to a third party. Due to the deed restriction, TVA must approve all contractual arrangements for non-recreational use of the property. Therefore, the City must present to TVA a conceptual plan for utilization of the space by a casual/informal dining restaurant when requesting TVA's approval.

PROPOSAL EXPECTATIONS

The City of Oak Ridge intends to lease space at Melton Lake Park for a casual/informal dining restaurant, with an anticipated start date of March 2011, provided all necessary approvals are received. The City desires that all respondents possess certain experience and qualifications to ensure high quality operation of a casual/informal dining restaurant. A restaurant with a footprint between 3,500-5,000 square feet is envisioned. The casual/informal dining restaurant would cater to those individuals and families that are pursuing physical activities including but not limited to biking, walking, jogging, roller blading, boating, rowing and those that are simply enjoying the natural environment along the waterfront and the greenways in the area. Dress would be informal and would provide a comfortable relaxed atmosphere for indoor or outdoor dining. In addition to obtaining the highest level of service, experience and expertise available, the City seeks to establish a strong, sound, and mutually beneficial relationship with a customer service oriented company.

The City's specific goals in awarding a lease agreement for the operation of a casual/informal dining restaurant include, but under no circumstances will be limited to, the following:

1. Respondents with experience in operating a casual/informal-dining restaurant.
2. Respondents who propose to provide the services of a manager and an adequate number of courteous, well-trained, neatly attired personnel as needed to successfully operate and maintain a restaurant, with all personnel being employees of the successful respondent.
3. Respondents with demonstrated reputations for strong customer service, value, and excellence.

4. Respondents who have demonstrated a history of passing health inspections for their restaurants.

SUBMISSION REQUIREMENTS

All proposals must be legible and any corrections/erasures must be initialed. Proposals shall be prepared simply and economically providing a straightforward, concise description of the respondent's capabilities to satisfy the requirements of this quotation. Emphasis should be on completeness and clarity of content and ease of locating responses to requested information.

Respondents shall submit the following information for consideration in their proposals:

1. A completed Proposal Cover Sheet included in this RFP.
2. A letter of interest and a demonstration of the respondent's understanding of the scope of the work.
3. A resume of experience with emphasis on restaurant development and operations listing locations, scope of work, type and size of restaurants, and general configuration of each restaurant unit. Photographs of the exterior and interior of these restaurants that are similar to that in which you propose would be helpful, but are not required.
4. Description of the respondent's business structure and identification of the principal persons (key staff) to be associated with the proposed restaurant operation and their respective qualifications and experience levels.
5. Sufficient data for the City's evaluation of the respondent's financial capabilities and fiscal solvency. If respondent is a regional or national operation, or chain operation, provide company financials; otherwise provide personal financial information on all principals.
6. An audited financial statement (or a financial statement prepared by a certified public accountant) from the last full year of respondent's operation of a similar business enterprise. If you wish for this financial information to be kept out of the public record, please submit ONE COPY in a separate envelope, with the words 'FINANCIAL INFORMATION/CONFIDENTIAL' along with your name on the envelope.
7. A customer service summary detailing how the respondent will provide the highest level of customer service available to patrons. This summary shall include a copy of the respondent's customer complaint policy if such exists.
8. Personnel policies for respondent's restaurant employees, which may include drug/alcohol testing and employee qualifications and training.
9. A copy of your license to do business in the State of Tennessee, or documentation that you are capable of becoming licensed in Tennessee.
10. A concept plan on how the lease space could be used, including architectural designs and elevations for the proposed restaurant. The proposed restaurant should be compatible with existing and proposed park development. The concept plan must include a description of the proposed theme of the restaurant and preliminary drawings of proposed structural improvements to the existing facility or new construction. The restaurant must be fully accessible to the disabled.

11. A business plan of operation, which must include anticipated hours of operation, employee dress code, and general menu items/type of food to be served including price range. This includes whether the respondent intends to serve alcoholic beverages. If alcoholic beverages are anticipated, please include a list of the types of alcohol to be served (ex. beer, wine, and/or liquor).
12. At least five (5) client references with contact name, title, company name, mailing address, and telephone numbers. At least one (1) reference must be your principal banking organization and one (1) reference must be your principal food supplier.
13. If you currently provide food service for a governmental entity, you must provide a copy of the current agreement between you and the governmental entity.
14. Provide an estimated timeframe for completion of construction/renovation/ demolition of the proposed restaurant.
15. A statement detailing any cancelation, default, or notice of default for lack of performance or for any other reason at any location within the United States within the past five (5) years.
16. A proposed lease term and fee arrangement for the lease agreement. The proposed fee arrangement may include a flat rental fee for each lease year, a percentage of gross revenue, or a percent beginning at a specified revenue threshold.
17. Respondent must declare any outstanding obligations or contracts that might adversely affect the respondent's ability to perform under a lease agreement with the City.
18. Copies of the last three (3) health inspections on all restaurants currently operated by the respondents within the State of Tennessee. If there are no restaurants currently operated by the respondent within the State of Tennessee, please include the last three (3) health inspections of all restaurants currently operated by the respondent within the United States.
19. Provide a statement of insurance that provides sufficient coverage.
20. Provide a statement that no officers or employees of the City of Oak Ridge, Tennessee, are members or, or have a financial interest in, the respondent's business.
21. Respondent is encouraged to submit a listing of the sustainability strategies that are included in their proposal.
22. Respondent shall list any expectations of the City, including but not limited to, if a broker or realtor is used by the respondent.
23. Respondent shall list any additional services or benefits to the City not specifically required herein, which the respondent offers to provide.
24. Respondent shall outline and explain any exceptions or clarifications to the requirements of the RFP and/or proposed lease terms.

GENERAL REQUIREMENTS

1. **Cost Liability.** The City assumes no responsibility and no liability for any costs incurred by respondents responding to this RFP or prior to the issuance of a lease agreement.
2. **Respondent's Responsibility.** Each respondent should be familiar with the specifications and the work to be performed before submitting a response. Submission of a proposal indicates acceptance by the respondent of the conditions contained in this RFP unless an exception is specifically noted by the respondent. The City reserves the right to reject any proposal that takes exception to the terms and conditions set forth in this RFP.
3. **Validity.** All proposals/statements of qualifications are to remain valid for one hundred and eighty (180) days from the date of submission.
4. **Rejection of Proposals.** In order to be considered for selection, the respondent must submit a complete response to the RFP. The City reserves the right to reject any and all responses, without incurring any liability whatsoever, when such rejection is in the best interest of the City of Oak Ridge; to reject the proposal of a respondent who has previously failed to perform properly or complete on time jobs of a similar nature; to reject the proposal of a respondent who is not, in the opinion of the City in a position to perform the services required; to reject the proposal of a respondent that is in default of any prior contract; to reject the proposal of a respondent for misrepresentation; and to reject the proposal of a respondent not submitted in accordance with this RFP.
5. **Clerical Errors, Technical Defects, Irregularities.** The City reserves the right to correct inaccurate awards resulting from its clerical errors. The City reserves the right to waive technical defects, irregularities and omissions if, in the City's judgment, the best interests of the City will be served.
6. **Amending or Canceling Requests.** The City reserves the right to amend or cancel this RFP prior to the due date and time if it is in the best interests of the City.
7. **Licenses, Permits, and Taxes.** The successful respondent shall be appropriately licensed for the work required as a result of the lease agreement. The cost for any required licenses or permits shall be the responsibility of the respondent. The respondent is liable for any and all taxes due as a result of the lease agreement, including but not limited to property tax.
8. **Oral Agreements.** Any alleged oral agreement or arrangement made by a respondent with any employee will be superseded by the written agreement.
9. **Respondent Presentation of Supporting Evidence.** A respondent, if requested, must be prepared to present additional evidence of experience, ability and financial standing necessary to satisfactorily meet the requirements set forth or implied in the proposal.
10. **Debarment.** The respondent certifies by submission of a response to this RFP, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal, State, or local department or agency.

11. Collusion. The respondent certifies by submission of a response to this RFP that it has not colluded, conspired, connived, or agreed, directly or indirectly, with any other respondent or person/firm to refrain from proposing, and further, that it has not in any manner, directly or indirectly sought by agreement, collusion, communication, or conference, with that of any person, to fix the proposal amount herein or that of any other respondent, or to fix the proposal amount herein or cost element of said proposal amount, or that of any other respondent, or to secure any advantage against the City or any person interested in the proposed contract. In addition, the respondent implies that it did not participate in the RFP development process and had no knowledge of the specific contents of the RFP prior to its issuance.
12. City Officers or Employees Not to Have Financial Interest. No lease agreement shall be made with any officer or employee of the City or any respondent or corporation in which any officer or employee of the City has financial interest.
13. Further Instructions and Conditions. All responses to this RFP must conform to the instructions set forth within the RFP. Failure to conform may be considered appropriate cause for rejection of respondent's proposal.
14. Disclaimer of liability. The City will not, and cannot, hold harmless or indemnify any respondent for any liability not directly caused by the City.
15. Contract Execution. The City will make the award as soon as practicable to the best responsible respondent, considering price, timeframe and other factors, provided it is reasonable and in the best interests of the City. After final respondent selection, the City and the respondent will negotiate lease agreement, which must be approved by the City Attorney, TVA and City Council.

CONTRACT REQUIREMENTS

The following provisions are standard for City contracts and will be a part of the lease agreement with the selected respondent:

1. Insurance. The successful respondent will be required to maintain comprehensive general liability, property damage, and alcohol liability insurance, naming the City as an additional insured, in the minimum amount of \$1,000,000 for the duration of the lease agreement term.
2. Hold Harmless: The selected respondent will agree to protect, indemnify and hold harmless the City and their consultants, agents and employees from and against any and all claims, loss, expense, damage, charges and costs direct, indirect or consequential (including but not limited to fees and charges of engineers, architects, attorneys and other professional and court costs), collectively referred to as "claims," for injury to or death of persons and injury to or destruction of property suffered or alleged to have been suffered as a result of any act or omission on the part of the consultant, any of the consultant's subcontractors, anyone for whose acts any of them may be liable, or others whose services are engaged by the consultant or anyone directly or indirectly employed or controlled by either of them in the course of the performance of the work provided for in the Contract, except such injury, destruction or death as may be caused by the negligence or fault of the City. When the City submits notice, the respondent shall promptly defend any aforementioned action. The limits of insurance required shall not limit the respondent's hold harmless obligations.
3. Compliance with Laws. The respondent awarded the contract as a result of this RFP shall comply with all applicable federal, state and local laws, statutes, rules, regulations and ordinances.

4. **Warranty of Documents.** The selected respondent's architect/engineer will be required to warrant their documents prepared for renovation/construction of the new casual/informal dining restaurant as follows:

By sealing these documents, the Architect/Engineer hereby warrants to the City, the respondent and the contractor for the construction of the restaurant, that the information, plans, designs, specifications, and other documents (hereinafter referred to as documents) produced by the Architect/Engineer for this project are accurate and suitable for their intended use on the project. In the event the contractor is unable to complete his/her contractual obligations to complete the project, and such failure is due to defects or inaccuracies in the documents provided by the Architect/Engineer for this project, the Architect/Engineer shall indemnify the City and the respondent for any claims by the contractor associated with such defects or inaccuracies. The Architect/Engineer shall also certify that the documents are in compliance with all applicable local, state and federal ordinances, laws, statutes and regulations.

5. **Governing Law.** The lease agreement shall be governed by the laws of the State of Tennessee.
6. **Anti-Discrimination.** No respondent shall in any way, directly or indirectly, in performance of the services under this contract discriminate against any person because of race, creed, color, national origin, age, sex, sexual orientation, disability, religion or other legally protected status.
7. **Equal Opportunity.** The respondent will at all times abide by the equal opportunity provisions of the Civil Rights Act of 1964 as amended.
8. **Assignment.** The services provided under this lease agreement may not be assigned in whole or in part without the prior written consent of the City.
9. **Independent Contractors.** The parties acknowledge that the relationship created under this lease agreement is that of independent contracting parties and this lease agreement does not create a general agency, joint venture, partnership, employment relationship or franchise between the parties. Neither party shall represent itself to be an agent of the other, nor shall it execute any documents or make any commitments to any contractual or other obligations with third parties

MISCELLANEOUS

A drawing of Melton Lake Park is included with the RFP, which drawing depicts the footprint of the current restaurant on site and shows the potential leased space availability.

CASUAL/INFORMAL DINING RESTAURANT AT MELTON LAKE PARK

Request for Proposals
City of Oak Ridge, Tennessee

Proposal Cover Sheet

Due: _____ local time

Submitted to:

Attn: Josh Collins
Director of Recreation and Parks Department
City of Oak Ridge
P.O. Box 1
Oak Ridge, Tennessee 37831-0001

If any additional information is needed by the respondent prior to submittal of proposal, please contact:
Josh Collins at (865) 425-3450.

PROPOSAL SUBMITTED BY:

Legal Name
of Respondent: _____

Contact Person: _____

Address: _____

Phone: _____ Fax: _____

E-mail: _____

Tax ID Number: _____

Signature _____

Name of Signer _____

Title of Signer _____