

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

REQUEST FOR QUALIFICATIONS, GOLF COURSE MANAGEMENT SERVICES

Summary Statement:

In mid 2008, the Town was approached by Apple Valley Country Club members and other local interested parties requesting the Town consider purchase of the Apple Valley Country Club and Golf Course to save it from possible foreclosure. After numerous meetings and thoughtful public debate, Council authorized the Town Manager to enter into an agreement to open escrow to facilitate the sale of the Golf Course amenities to the Town. On November 25, 2008 the Town entered into the Purchase Agreement, and on December 10, 2008 the Town assumed the day-to-day operations of the Golf Course Facilities under the terms of an interim management agreement.

Prior to the Town's involvement and subsequently during the interim management and escrow period, the Country Club was contracted with Landmark Golf (LGM Apple Valley, LLC) for the operation of the facility, including golf operations, maintenance, golf shop concessions and food and beverage management. The terms of the interim management agreement required payment of a "cancellation fee" to LGM Apple Valley if its management contract was cancelled ("except for cause") prior to its expiration date or prior to the Town's close of escrow. After a protracted legal proceeding, the Town finally closed escrow on the Golf Course on August 8, 2011.

(Continued)

Recommended Action:

Authorize and direct staff to circulate a Request for Qualifications for Management and Operation proposals for the Apple Valley Golf Course.

Proposed by: Dennis Cron, Assistant Town Manager **Item Number** _____

T. M. Approval: _____ **Budgeted Item** Yes No N/A

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During this interim period, the Town Council appointed a Golf Course Advisory Task Force to assess the golf course operations and its financial condition as an enterprise of the Town. The advisory task force was comprised of two members of the Town Council, local business representatives, equity members of the Country Club and staff. The task force reviewed operational data and made recommendations to the Town Council on strategies for improving the financial position of the Golf Course operations. On May 20, 2010, in concert with the work of the task force, staff circulated an RFQ for Golf Course Management proposals and on June 10, 2010, nine (9) qualifications proposals were received from interested firms for the management of the Apple Valley Golf Course. Ultimately the recommendation of the task force was for the Town to continue with the existing management contract with LMG Apple Valley, LLC, to continue working through the complicated escrow issues, and to make other marketing and capital improvements as determined by the Town's budget process.

With the close of escrow and the Town's ownership of the Golf Course amenities completed, staff believes it's appropriate to re-circulate a Request for Qualifications (RFQ) to "test the market", and to confirm that the current management contract continues to serve the Town and its tax payers in the best possible way, and to provide the necessary assurance to Council, staff and the public, that the Golf Course is being operated to the greatest benefit to the Town and its residents.

Attachment:

Request for Qualifications



Town of Apple Valley

REQUEST FOR QUALIFICATIONS

For

Golf Course Management Services

Date of Issuance: Wednesday, January 25, 2012

RESPONSES MUST BE RECEIVED NO LATER THAN

4:00 p.m., Wednesday, March 7, 2012

DELIVER OR MAIL TO:

*Town of Apple Valley
Attn: Dennis Cron, Assistant Town Manager
Municipal Services and Contract Services
14955 Dale Evans Parkway
Apple Valley, CA 92307*

I. PURPOSE

The Town of Apple Valley (Town) seeks proposals from qualified golf course operations and management firms, experienced in operation and maintenance of municipally-owned golf courses to provide golf course management and operation activities for the Apple Valley Golf Course located in Apple Valley, CA. The selected firm or firms shall work closely with the Town Manager and staff in performance of operational activities.

II. BACKGROUND

The Town is a General Law City, with a Council/Manager form of government. The Town is located approximately 90 miles east-northeast of Los Angeles, approximately 40 miles north of the City of San Bernardino, in San Bernardino County. Apple Valley, along with the Cities of Adelanto, Hesperia and Victorville comprise a geographical area commonly known as "The Victor Valley." The Town is located in the "High Desert" at an elevation approximately 3,000 feet above sea level. The Town's incorporated boundary encompasses approximately 78 square miles, making it one of the largest California jurisdictions by area. The Town's population is approximately 75,000 and the Town was incorporated in November 1988.

The Apple Valley Golf Course is an 18-hole championship golf course designed more than 60 years ago by William F. Bell, a renowned golf course architect of the time. In the opinion of many, Apple Valley Golf Course has the best greens in the High Desert. The Town assumed the management and operation of the Golf Course in December, 2008. In August, 2011, the Town closed escrow and purchased the former privately owned Apple Valley Country Club including a golf course, tennis courts, golf shop, restaurant, banquet rooms, bar and associated facilities. The golf course and its facilities are now wholly owned by the Town, open to the public and available for public use and play daily.

III. SCOPE OF SERVICES

Interested firms shall address in their qualification statements, the firm's ability to provide the following services if selected by the Town:

- Management of day-to-day operations of the facilities, which may include all or part of the amenities. (The Town may consider issuance of one single contract for the entire facility, or multiple contracts for management of Golf, Food and Beverage and/or Banquet Concessions separately as determined solely by the Town.)
- Recommend, with the Town's approval --
 - i. An annual business plan and operating budget, including expenditures for operations, equipment maintenance, inventory, advertising, sales and promotions, repairs and recommendations on all fees such as green fees, cart fees, banquet and other fees, etc.
 - ii. A five (5) year capital improvement plan and budget
 - iii. A report on recommended staffing levels and a cost analysis for each department.

- Develop a marketing strategy aimed at attracting rounds of play from the local market as well as tournament play, packages and events.
- Hire, properly train, and supervise all staff to manage and operate the facility, consistent with the Town's general direction and goals. All staffing shall be, and remain at all times, employees of the selected management firm or firms.
- Provide a qualified general manager responsible for day-to-day operation and management of the facility who will be available during normal business hours (may also serve as the director of golf).
- Provide a certified superintendent responsible for day-to-day golf course operations.
- Provide a director of golf who is a Class "A" member in good standing with either the Professional Golf Association (PGA) or the Ladies Professional Golf Association (LPGA). This individual shall be responsible for developing and or coordinating a program of tournaments, golf lessons, clinics, schools, etc.
- Provide starter services including, but not limited to, assignment and management of tee times and carts, enforcing the standards for proper attire as well as collection and proper accounting of fees and charges collected.
- Provide a course marshal, as appropriate, to monitor and control the speed of play and ensure conformance with established rules on the course.
- Acquire and maintain all necessary licenses and permits including liquor sales and appropriate pesticide applicators licenses.
- With regard to revenue and expenditures of the golf and facilities, the:
 - i. Operator shall not be required to use its funds for operations or capital improvements. The Town will provide and approve all required funding.
 - ii. Operator shall provide, or acquire, all goods and services necessary to carry out management, operations, maintenance and promotional responsibilities.
 - iii. Town will pay all golf course expenditures and collect all revenues.
 - iv. Operator will work closely with the Town to manage deposits of golf course revenues to bank accounts using the Town's selected bank.

IV. RFQ PROCESS and KEY DATES

Qualifications will be reviewed in a timely manner by the Town Manager, Town staff and a selection committee. The review of submittals will be based on, but shall not be limited to, the following minimum criteria:

- i. Each statement of qualifications will be reviewed for completeness, responsiveness and adequacy of documentation.
- ii. The firms understanding of the scope of services and approach to providing service or services.
- iii. The qualifications and relevant experience of the management firm. In particular, the management firm's experience with a municipally owned and/or operated public golf course.

KEY DATES: (Schedule is subject to change)

Deadline for submittal	Wednesday, March 7, 2012
Interview of Finalists	Week of March 19, 2012
Recommendation to Town Council	Tuesday, April 10, 2012
Contract Negotiation and Award of Contract	Tuesday, April 24, 2012
Targeted contract commencement	May 1, 2012

V. SUBMITTAL PROCEDURES

Submittals shall comply with all conditions, requirements and specifications contained herein. Any material departure constituting sufficient cause for rejection of the proposal shall be at the Town's sole discretion. Any and all costs incurred in the preparation and presentation of this submittal shall be borne solely by the respondent.

All submittals received shall become the property of the Town of Apple Valley and will not be returned. Faxed or emailed submittals will not be accepted. Respondents shall provide ten (10) copies of their submittal by the submittal deadline. All responses to this RFQ shall be delivered no later than the submittal deadline to:

Town of Apple Valley
Attn: Dennis Cron, Assistant Town Manager
Municipal Operations and Contract Services
14955 Dale Evans Parkway
Apple Valley, CA 92307
(760) 240-7000 x 7610

All questions regarding the Apple Valley Golf Course, or this RFQ, shall be submitted in writing to the attention of Dennis Cron, either in hard copy or via email at: Dcron@applevalley.org. Respondents are prohibited from contacting members of the Town Council or the existing Apple Valley Golf Course staff directly regarding this submittal request. Failure to adhere to this provision shall be cause for disqualification from this process.

VI. SUBMITTAL FORMAT

All respondents must submit qualifications according to the specifications set forth below. Submittals must be relevant to the specific work required and shall not exceed 20 pages.

• **Letter of Introduction**

Provide the name and address of the management firm submitting the proposal. Include a brief description of the management firm, the date the entity was established, the name, address and contact information for the contact person and a course/facility management listing. This letter must bear the signature of the person having proper authority to make the proposal for the firm.

• **Executive Summary**

Provide a brief synopsis of the proposal summarizing the firm's unique qualities and the overall benefit of the proposal for the Town. Summary should address, at a minimum; operating the facilities as a premier public amenity and the firm's specific management approach to the Apple Valley Golf Course facilities and your understanding of the scope of services.

• **Statement of Qualifications**

- i. Provide the firm's approach to maintenance and operation of the golf course and related facilities in order to: provide a quality golfing experience for Town residents and guests, while continuing to maintain the golf course in top condition and with the primary objective of increasing revenue and reducing the Town's general fund expenditures.
- ii. Provide the firm's approach to operating the food and beverage facility, capable of providing breakfast, lunch and dinner opportunities, as appropriate. In addition,

- operation of catering services to attract and accommodate meetings, weddings, tournaments, special events, banquets and other concession uses.
- iii. Prepare and provide an operating pro-forma for anticipated operations, including, as appropriate, food, beverage, merchandise, anticipated golf rounds, revenue and analysis of staffing requirements to operate the facilities.
- iv. A listing of the firm's projected personnel, including relevant experience and resumes of top-level staff.
- v. A description of the firm's promotions, marketing and advertising experience.
- vi. A proposal for a management fee structure over a three (3) year and/or (5) five year operational term.
- vii. A listing of current contracts and number of contracts obtained, expiring or up for renewal in the next five years. Include names and phone numbers for reference.
- viii. A description of the firm's current workload and an indication of how this facility would be incorporated into that existing workload. This process should include a discussion of how the transition would be expected to occur between the current operator and your firm.
- ix. Provide a minimum of 6 references, including public agency references, if any.

VII. GENERAL ADMINISTRATIVE INFORMATION

- Each respondent understands and agrees that the Town, its departments, its officers, employees or agents shall not be liable for:
 - i. Any costs incurred by a respondent in the preparation, delivery or presentation of a proposal.
 - ii. Any costs incurred by a respondent in meeting the criteria as a result of making or submitting a proposal or, subsequently, in entering into a formal agreement with the Town; and
 - iii. Any errors, inaccuracies or misstatements related to the information or data supplied to any Contractor by the Town. The use of such information or data provided by the Town, its officers, employees or agents is intended to be used at the sole discretion and risk of the firm in the preparation of a proposal pursuant to this Request for Qualifications and this proposal only.
- The selected operator shall comply with any and all applicable State and Federal laws pertaining to employment.
- The Town reserves the right to accept, reject, modify or cancel, in whole or in part, this Request for Qualification.
- The Town will provide, at a respondent's request; detailed operating financial records, including golf rounds played, golf rates, cost of sales, labor costs by department and up to date performance data as compared to approved budget.

VIII. OPTIONAL SITE TOUR

Site tours will be made available to those firms who express a desire to tour the golf course facilities. Please contact Mr. Ralph Wright, the Town's Parks and Recreation Manager at (760) 240-7000, extension 7884, or by email at Rwright@applevalley.org to arrange a tour. Tours are offered solely for the convenience and benefit of the potential proposers and participation is not mandatory.

IX. SUBMITTAL DUE DATE

The proposal must be received in the Town's business office no later than 4:00 p.m. on Wednesday March 7, 2012. Firms mailing a proposal must allow sufficient delivery time to ensure timely receipt of the proposal by the date and time specified. Proposals arriving after the deadline will not be accepted.

X. AUTHORITY TO WITHDRAW

The Town reserves the right to withdraw this Request for Qualification (RFQ) without prior notice. The Town makes no representation that any agreement will be awarded to any firm as a result of having responded to this request. The Town expressly reserves the right to reject any and all proposals in response to this RFQ without indicating a reason for such rejection. All costs incurred in the preparation of the proposal, submission of information and/or selection of a proposal prior to the award and/or execution of a signed contract shall be borne by respondent. All proposals submitted to the Town in response to this RFQ shall become the property of the Town and will not be returned.