

REQUEST FOR PROPOSAL

MARINA OPERATOR CITY OF STORM LAKE, IOWA

The City of Storm Lake, Iowa (the "City") is seeking proposals from qualified contractors to operate the Storm Lake Marina (the "Marina"), located on the southwest shore of Storm Lake (the "Lake"), that will be open to the general public. The State of Iowa, acting through the Iowa Department of Natural Resources, and City have entered into a long-term management agreement giving the City full authority and responsibility for the management of operations at the Marina.

The official Request for Proposals can be obtained from the City of Storm Lake by contacting the City Clerk's Office during normal business hours. The official Request for Proposals can also be viewed on the City's website at www.stormlake.org.

Proposal submissions in response to this Request for Proposal must be received on or before December 1, 2017, at 5:00 pm, Central Time. Proposals may be submitted electronically in PDF format to the City Clerk of the City of Storm Lake, Iowa at cityclerk@stormlake.org, or submitted to the Storm Lake City Clerk, City Hall, 620 Erie Street, P.O. Box 1086, Storm Lake, IA 50588, either in person or by ordinary mail. The City desires to have a contract with the successful applicant signed before January 1, 2018.

REQUEST FOR PROPOSAL
MARINA OPERATOR
for
CITY OF STORM LAKE, IOWA

Submission Deadline: December 1, 2017

Background: The City of Storm Lake, Iowa (the "City") seeks to engage a contractor to operate, under the general management of the City, the Storm Lake Marina (the "Marina"), located on the southwest shore of Storm Lake (the "Lake"), that will be open to the general public. The Marina is owned by the State of Iowa. The State of Iowa, acting through the Iowa Department of Natural Resources, and City have entered into a long-term management agreement giving the City full authority and responsibility for the management of operations at the Marina. The contracted operator (the "Operator") sought by the City will be responsible for providing the services described below and the day-to-day operations of the Marina, subject to the oversight and general management of the City.

City's Expectations of Contractor: The City will expect the Operator to provide high quality marina services and strong customer service, all in compliance with federal, Iowa, and local laws, regulations, rules, and ordinances. The Marina services to be provided by the Operator include the following:

1. Watercraft sales, rental, and service;
2. Marina boat slip rentals;
3. The sale of convenience store items such as soft drinks, snacks, and ice;
4. Food and beverage service which may include the sale of alcoholic beverages that could be consumed on site or carried out;
5. Seasonal boat storage;
6. The provision and sale of boat gasoline and oil;
7. The sale of boating accessories;
8. The installation, removal, and seasonal storage of customers' hoists;
9. Dock and hoist sales;
10. The provision and sale of hunting and fishing licenses;
11. The provision and sale of hunting and fishing supplies;
12. Routine maintenance of the Marina grounds;
13. General maintenance of Marina buildings; and
14. Possible future campground day-to-day management.

The Operator may subcontract with others for the provision of some of the desired services.

Marina Facilities: The operator will have full access to, and use of, the following existing Marina facilities in the Marina operation:

1. The Marina concession building;
2. A building for boat repairs and storage;
3. A fenced maintenance yard;
4. Gas pump, storage, and dock;
5. Courtesy docks in front of the concession building;
6. Two boat ramps;
7. Fishing piers;
8. Dock system with eighty boat slips;

9. Dock lighting and electricity; and
10. Docking and hoists for six personal watercraft.

The City, at its expense, will be responsible for structural maintenance of the improvements on the Marina grounds.

Financial Arrangements: The Operator will be providing the Marina services as an independent contractor and operating the Marina as the Operator's own business. Revenues generated in the operation of the Marina shall be the Operator's, subject to the Operator's payment to the City of certain periodic concessionaire fees. An applicant shall propose the periodic concessionaire fee that the applicant is willing to pay to the City for the use of the facilities in its Marina operation. The fee may be either a) a flat annual amount, payable in seven equal monthly installments on the first day of the calendar month, beginning on the first day of April each year and ending on the first day of October each year; or b) a monthly fee based on a percentage of gross revenue (excluding sales tax), payable on the 15th day of each calendar month and based on the revenues for the preceding calendar month. If the proposed fee is a flat annual amount, the City will consider a fee amount that escalates over time to allow for the ramp-up of operations. Whether the concessionaire fees to be paid will be a flat fee in monthly installments or a monthly fee based on a percentage of gross revenue (excluding sales tax), the Operator, by the 15th day of each calendar month, will be required to submit revenue reports to the City, with revenue categorized in the format as shown on the attached addendum.

Term of agreement: An applicant shall propose the duration of the proposed contract between the City and the Operator. The City will consider a contract term of three to five years, subject to early termination for default or for the Operator's failure to satisfy performance standards.

Applicant's Proposal: In addition to the Applicant's contact information, which will include an e-mail address, postal address, and telephone number, an applicant shall include in the applicant's proposal a business plan detailing how the Marina services will be provided and setting forth a proposed marketing plan. The applicant's proposal shall also include business references and evidence of past successful experience in the operation of a business or businesses providing the services listed above or similar services. An applicant's proposal should include any information which the applicant desires the City to consider in determining the extent to which the applicant satisfies the Operator Selection Criteria specified below.

Operator Selection Criteria: The City will select the contractor/applicant that, in the City's judgment, is the strongest candidate applying the following criteria:

1. Experience in providing the desired or similar services;
2. Knowledge of the business and good business practices;
3. Prior success in enterprises similar to the operation of the Marina;
4. A reputation and record of honesty, integrity, compliance with the law, and excellent customer service;
5. Financial condition, responsibility, reliability and insurability (the successful applicant will be required to have and maintain a liability insurance policy of \$5,000,000.00);
6. The strength of the operational and marketing plans as detailed in the applicant's business plan; and
7. The amount or amounts of the proposed concessionaire fees.

Applicant Questions: Applicants having questions regarding the application process, the Marina facilities, or otherwise, shall direct the questions, before November 21, 2017, to the City Manager, Keri Navratil, whose telephone number is (712) 732-8000 and whose e-mail address is navratil@stormlake.org. She will respond directly to each applicant regarding the applicant's questions but, on November 24, 2017, she will send all applicants an e-mail setting forth a list of the questions asked by all applicants and a summary of the responses to such questions provided by the City.

Timetable / Place and Method of Proposal Submission: Proposal submissions in response to this Request for Proposal must be received on or before December 1, 2017, at 5:00 p.m., Central Time. Proposals may be submitted electronically in PDF format to the City Clerk of the City of Storm Lake, Iowa at

cityclerk@stormlake.org, or submitted to the Storm Lake City Clerk, City Hall, 620 Erie Street, P.O. Box 1086, Storm Lake, IA 50588, either in person or by ordinary mail. The City desires to have a contract with the successful applicant signed before January 1, 2018.

Applicant Selection and Contract: The terms of the final contract between the City and the Operator shall be negotiated following the selection of the applicant by the City and shall be embodied in a written contract, which, if approved by the City and successful applicant, shall be signed by the parties. The City reserves the right to not award a contract to any applicant, if no applicant is deemed suitable by the City, and reserves the right to reject any proposed Operator contract if the City finds its terms unacceptable. The City reserves the right to not award a contract and to not enter into a contract with the successful applicant unless and until the State of Iowa and the City have entered into the long-term management agreement referred to in the Background section of this Request for Proposal. Any award of a contract and any contract that may be entered into by the City and the successful applicant shall be subject to and conditioned upon the State of Iowa and the City entering into such long-term management agreement.