

**KSJD Sunflower Theatre/Cafe  
Concessionaire Request for Proposal  
2017**

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## I. INTRODUCTION

KSJD (Community Radio Project, Inc.) is seeking proposals from food & beverage operators to provide a concept of service/ambiance and operate KSJD's beverage and food service for the Sunflower Theatre (indoor venue) and Sunflower Café (outdoor sidewalk area). The Sunflower Theatre is located at 8 East Main and the Sunflower Cafe is adjacent to KSJD 2-8 East Main Street and North Market Street, in Cortez CO. (See Attachment A1 for serving area).

The mission of KSJD is to inform, entertain and empower the people of the Four Corners region. KSJD's Sunflower Theatre presents high-quality, live music, film, theatre and lecture to enrich the lives of patrons through arts and culture. The theatre seats up to 105 in row seating, but generally has configuration for table seating up to 52 patrons on the main and row seating for 26 in the balcony

In 2016, more than 4,000 attended events at the Sunflower Theatre.

The Successful applicant will provide full service to the Sunflower Theatre patrons and Sunflower Café customers on the outdoor patio.

The Sunflower Cafe seating location is expected to provide ambience that makes this location a true destination and will be open from May 15 through October 15 (with provisions for early opening and late extensions).

### Minimum Requirements:

1. The concept of service must have alcoholic beverage service including beer and wine (including limited liquor offerings).
2. The concept of service must provide non-alcoholic beverage options as well.
3. Menu must provide light appetizer options for cafe patrons during cafe hours
4. Menu must provide light appetizer options for theatre patrons before events AND snack options during an event.
5. The vendor must provide bar and table service (service for patrons in their seats) during Sunflower Theatre events: 6:30/7:00pm-9:30pm.
6. The vendor must provide bar and table service (service for clients at tables) during Sunflower Cafe hours of operation
7. The menu must include at least one vegetarian option.
8. There is no kitchen: vendor must provide catered food options.

### Notes:

1. This location will require an appropriate license to sell alcoholic beverages from the State of Colorado Department of Revenue (Lodging and Entertainment Liquor License, Tavern License and/or Tasting Room license.) License must be provided by the vendor.
2. The City of Cortez has issued an easement to KSJD for an area extending six (6) feet from the walls of KSJD's building on Main Street and up to eight (8) feet from the walls of the building on Market Street. This is the area (s) contemplated as the Sunflower Cafe, along with the Bar of the Sunflower Theatre at 8 East Main.

It is important for Proposers to note that the Sunflower Theatre environment presents to the operator a set of unique challenges which do not exist in a restaurant.

- The Sunflower patron has a limited amount of time to spend and must be served quickly before shows, and during intermission;
- In addition, table service during shows must be discreet so as not to disturb the ambiance
- Sunflower Café patrons may or may not attend Sunflower Theatre presentations—indeed the Sunflower Theatre will not be open most of the evenings the Sunflower café is open;
- The Sunflower Theatre shows may run longer and require vendor to stay open late.
- The hours of operation may be changed by KSJD from time to time in its sole discretion. Any change thereof sought by Concessionaire shall be subject to the approval in advance in writing by the Board or designee, which may be withheld in its sole discretion.
- The Sunflower Theatre and Café is a non-smoking facility.
- Each concession employee is an ambassador for KSJD and its Sunflower Theatre. Training is essential and should include knowledge of the organization, its facility and other services.
- KSJD makes no warranty, promises or representations as to the economic viability of any concession location or business concept. The Board makes no warranty that patronage at the Sunflower Theatre will not change.

NOTE: The drawings and exhibits prepared by the Architect provided herein illustrate the approximated scale and relationship of the project components. They are provided to fix and describe the size and character as the architecture, structural, mechanical and electrical systems, materials and other such elements as may be appropriate to provide context. The proposer recognizes the preliminary nature of the material being provided in advance of the passenger terminal final design and preparation of construction documents.

**Background**

The following facts provide a brief overview of the patrons of the Sunflower Theatre and the general traffic of:

- Music: 20-25 shows/year
- Lecture: 8-10/year
- Film; 10/year
- Theatrical performance: 8 nights/year
- Rentals: 20/year

Sunflower Theatre Patron Demographics.

- Age 25-45: 25%
- Age 46-55: 45%
- Age 55-70: 35%

Cortez area demographics

DEMOGRAPHICS:	3 MILE	15 MILE	25 MILE
2016 Population	9,968	23,352	26,470
2016 Daytime Population	9,323	16,445	18,003
2016 Total Households	4,163	9,668	10,965
2016 Average HH Income	\$49,640	\$55,317	\$56,638

2016 Median HH Income        \$40,261        \$43,851        \$44,352

### **Traffic and Tourist Density**

- Main Street: 19,000 vpd
- 400,000 tourists pass through Cortez, Colorado annually.
- Average visitor stay is 1.12 nights.

### **2016 gross concession sales of Sunflower Theatre (only):**

- Beer, wine, liquor: \$12,500
- Food: N/A
- Merchandise: N/A

### **Concessionaire Charges**

#### **Charges**

- For FY17, O&M charges will be \$1 per SF annually and include the common areas (hallways), bathrooms, venue, bar and sidewalk). This rate changes annually based on contract expenses for services and maintenance.
  - SF: Hallways and bathrooms: 864
  - SF: Venue (including bar): 1500
  - SF: Sidewalk: 300
  - SF: Total = 2664
  - Annual O&M @ \$1 is \$2664/year = invoiced monthly.
- Marketing Assessment is currently 0.2% of Gross Receipts, but may increase not to exceed 0.5%. KSJD provides marketing to the concessionaire for the Sunflower Cafe and Theatre.
- A Colorado Cultural Liquor License maintenance fee of \$750 will be assessed annually.
- Should KSJD carry the Tavern License, a Liquor License maintenance fee of \$1,000 will be assessed annually.

### **Rent Commencement**

- Rent will begin upon receipt of Temporary Certificate of Occupancy in accordance with your submitted and approved construction schedule, unless otherwise specified.

## **II. OVERVIEW**

All proposals, the concepts for this Request for Proposal (RFP) will be reviewed to determine the

highest scoring proposal. Instructions are included in this RFP on the information to include and how to format your proposal.

The successful proposers for this location (Sunflower Cafe/Sunflower Theatre) will have the non-exclusive right to sell approved products and services consistent with their concept.

***Addendums to this RFP will be posted to our website [ksjd.org/about](http://ksjd.org/about).***

***\*\*Note: The website is our primary communication tool for addenda and updated information regarding this Request for Proposal.***

Design and construction of all improvements will be the sole responsibility of the Concessionaire and will be subject to KSJD's prior approval in accordance with the standards of Historic Preservation per Secretary of the Interior.

### **III. SCHEDULE**

February 17 30: RFP Packages available

February March 6: RFP Submittal 4:00 PM (Mountain Time)

March 22 - 26 - Evaluation Panel reviews and scores RFP Submittals.

March 30 Oral interviews – If needed.

March 31 Contract awards.

### **RFP SUBMITAL DEADLINE**

Proposals must be received no later than 5:00 p.m. MST on Monday, March 6th , 2017.

### **IV. GLOSSARY OF TERMS**

**Patron** -- Ticketholder or attendee of Sunflower Theatre Event.

**Sunflower Café** -- location and service provided at 2-8 East Main's sidewalk serving areas (including Market Street), bar and Sunflower Theatre seating area.

**Community Radio Project, Inc** -- parent company of KSJD and Sunflower Theatre.

**Customer** -- a client served at the Sunflower Café who may or may not attend a sunflower theatre presentation.

**Gross Receipts (sometimes called Gross Revenues and/or Gross Sales)** – All monies paid or payable to the Concessionaire for sales made or services rendered at or from the Premises, to include catering and internet sales, regardless of when or where the order therefore is received (including outside of

Premises), and any other receipts, credits, rebates, allowances, or revenue of any type arising out of or in connection with Concessionaire's operation (or those operations of Concessionaire's agents or sublessees) at the Premises, including but not limited to, branding fees, marketing fees, merchandising fees, promotional allowances, retail display allowances (RDA), and any type of ancillary advertising or product placement fees/allowances provided, however that Gross Receipts shall not include:

1. Any taxes imposed by law which are separately stated to and paid by a customer and directly payable to the taxing authority by Concessionaire;
2. Amounts and credits received in settlement of claims for loss of, or damage to merchandise;
3. Amounts and credits received from suppliers for products and merchandise returned by Concessionaire;
4. Cash and credit card refunds to customers for merchandise returned;
5. Insurance proceeds;
6. Bulk sales as defined by the U.C.C;
7. Tax rebates;
8. Inter-store transfers; and
9. Amounts for coupons and other forms of discounts (including, but not limited to, complimentary customer and employee meals), such that only the amounts actually received are ultimately included in Gross Receipts.

**Lease** -- The contract document.

**Minimum Annual Guarantee (MAG)** – The amount proposed and/or agreed to by the Concessionaire, that Concessionaire guarantees as minimum payment per year to KSJD.

**Percentage Rent** – In addition to the MAG, Concessionaires shall pay percentage rent but only to the extent that percentage rent exceeds the monthly installment of MAG, paid in advance for said month or portion thereof. Percentage Rent may be combined with MAG or SF Rent to equal Total Annual Rent.

**SF Rent** --the amount of rent payable on a monthly basis paid per square foot of space used by vendor. SF Rent may be combined with MAG or Percentage Rent to equal Total Annual Rent.

**Total Annual Rent "Rent"** -- shall refer to the greater of the Minimum Annual Guarantee (MAG) and the Percentage Rent; AND/OR the SF Rent.

## V. TERM

The Term of the Concession Lease Agreement will vary by package.

## VI. DISQUALIFICATION

Any of the following circumstances will be considered sufficient to disqualify a Proposer:

- Evidence Proposer has interest in and/or involvement in more than one (1) submitted proposal for an individual specific concessions package.

- Evidence of collusion among Proposers.
- Proposer is or has been in default or in arrears under any previous or existing Agreement with KSJD.
- Existence of any unresolved claims between the Proposer and KSJD.
- Proposer has not met all of the Minimum Qualifications of this Request for Proposal.
- Any non-compliance with existing lease terms.

## **VII. INTERPRETATION OF PROPOSAL DOCUMENTS**

If discrepancies or omissions are found by any prospective proposer or if there is doubt as to the true meaning of any part of this RFP, please submit a written request for clarification or interpretation to the following:

Jeffrey Pope: Executive Director

[jeff@ksjd.org](mailto:jeff@ksjd.org)

970-564-9727

The final date for the submission of questions is Monday, March 3rd, 2017 at noon (12p.m) Mountain Time.

## **VIII. PROPOSAL OVERVIEW**

By submission of a proposal, the proposer agrees to be legally bound if KSJD accepts the proposal.

KSJD will not be obligated to respond to any proposal submitted, nor will it be legally bound in any manner whatsoever by the receipt of a proposal.

Any and all agreements arising out of proposals submitted hereunder (including any negotiations that follow) will not be binding on KSJD, its officers, employees, or agents unless set forth in a Concession Lease Agreement duly executed by the Executive Director of KSJD or designee following approval by KSJD's Board of Directors in accordance with applicable laws.

KSJD reserves the right to postpone the proposal submittal due date.

Confidential information may be submitted in a separate envelope, sealed and marked "Confidential Information." Any proprietary or otherwise sensitive information contained in or with any proposal is subject to potential disclosure.

Any request for withdrawal after the deadline must be made in writing and may be denied in the Board's sole discretion.

Please note the following requirements that are included in the lease document.

Insurance Requirements includes but is not limited to Worker's Compensation, Employer's Liability, commercial General Liability (CGL), Business Automobile Liability, and Additional Coverage and Limits.



Proposer agrees to use the technology required by the lease agreement.

**KSJD is soliciting competitive proposals as the result of the determination that such a process best serves the interests of the organization, and not because of any legal requirement to do so. KSJD is not bound to award the concession to the highest bidder in terms of revenue or any other factor. KSJD reserves the right to negotiate with a proposer for modification of a successful proposal (including but not limited to alternate concepts, square footage, and/or locations). KSJD reserves the right to reject any or all proposals and to negotiate directly with one or more businesses regardless of whether those businesses submitted responsive proposals in the competitive process.**

## **IX. PROPOSAL GUIDELINES**

### **Late Proposals**

Any proposal received after the proposal closing date and time is late and will not be considered by KSJD.

### **Changes to Proposals**

No changes in proposed rent or any changes in service or concept may be made by the proposer after proposal submission, except as specifically provided in this RFP.

### **Evaluation of Proposal**

A committee will evaluate each proposal submitted to KSJD. Each proposal will be evaluated according to the following process:

Proposals will be submitted to the Selection Committee to be evaluated according to the criteria listed (below).

A list of two finalists will be selected.

Finalists will be required to provide financial information related to their business operations, partners, liabilities and assets.

o Proposers may or may not be required to make a presentation to the Selection Committee. This presentation will be to clarify the concept, design, and other pertinent business aspects of their proposal and to respond to questions from the Selection Committee **NOT ALL PROPOSERS WILL BE ASKED TO INTERVIEW; PROPOSALS SHOULD BE ALL INCLUSIVE.**

### **Proposal Evaluation Criteria**

The proposal evaluation criteria have been established to assist the Selection Committee in determining which proposer will provide the best overall mix of products, service, choice and quality for KSJD and its Sunflower Theatre/Cafe. The Selection Committee reserves the right to deviate from the evaluation criteria, in its sole discretion. The evaluation categories are as follows:

- Concept (Brand, Design, Merchandise/Menu/Services, Innovation, Operation, Management Experience) – (70 points)

- Rent (Total Annual Rent, Revenue Potential) – (30 points)

### **Submitting Proposals**

Each proposal package must be submitted in its entirety as a single proposal. Each proposal must be inclusive of all component documents referenced in the RFP.

## **X. PROPOSAL PREPARATION INSTRUCTIONS**

### **Proposal Submittals**

Responses to the requests in this section must be in full and complete answer form, numbered consecutively, with all requested information attached. Provide as much written text as you feel is necessary to effectively communicate your company's qualifications, subject to the page limitations set forth for each section.

Proposers may be asked to revise, clarify or provide additional information during the proposal review process. These requests will require immediate action and must be answered in writing within two business days.

The proposal submittal will consist of the following documents in the sequence shown below (Items XII - XIII). Electronically submitted proposals will not be accepted, but an electronic copy should be provided via email to [jeff@ksjd.org](mailto:jeff@ksjd.org). Proposal should not exceed a total of five (5) pages in length, 12 point font, single-spaced, single sided. Exhibits, Merchandise/Services List pages are not counted toward the page limit.

## **XI. PROPOSAL**

### **Part 1.0 Executive Summary (500 words)**

Provide an executive summary which answers each of these questions regarding how you are the best operator and best concept for KSJD's Sunflower Theatre and Cafe.

This section is your opportunity to communicate your company's abilities and your concept's strengths to KSJD, and should highlight key information regarding your proposal including:

1. Who is the proposing entity and what concepts or brands are you proposing?
2. What comparable experience does your company have in operating this concept or similar concepts?
3. How does your concept meet the minimum requirements for concept fit?
4. Highlight any additional WOW factors such as awards received, media recognition, uniqueness of brand and/or merchandise/services, growth potential, etc.

### **Part 1.1 Concept (750 words)**

## **A) Location Design**

Provide information regarding your proposed design for each location that is representative of your brand standards. Use this section to set Selection Committee expectations on what you intend to build. Features of your proposed design are expected to be part of the finished location. Design and finish materials for all tenant improvements must adhere to with the State Historical Fund and the Secretary of the Interior (per the direction of KSJD).

1. Provide a rendering of the proposed location showing streetfront design of cafe (Main and Market). Elevation Drawings are attached to assist.
2. Describe the overall look and feel of the location; the overall floor plan. Plan drawings attached to assist.
3. Provide a representative sample of materials and colors to be used (if other than current color pattern of Sunflower Theatre/KSJD).
4. Illustrate any innovative elements you will incorporate such as digital and dynamic features, interactive features, in-store technology, etc.

Detailed design plans will not be required until **after** KSJD Approval of the Concession Lease Agreement and are subject to KSJD approval.

The selected proposer will be required to completely furnish and equip the new facility, including the following:

- Bar and fixtures (custom plumbing will be provided by KSJD)
- Refrigeration;
- Sidewalk Extension on Market Street to make sidewalk three (3) feet wider adding 1000SF in the Fall of 2017 (Sidewalk Share Program with City of Cortez: cost for proposer up to \$1,500, cost for KSJD \$1500);
- POS System;
- Outdoor tables and chairs;
- Shade Structures;
- Signage;
- Plants/Landscaping; and
- Enclosure for patio area.

The Design Criteria Manual as well as the CADD Standards Manual, Construction and Fire Prevention Standards and Construction Permit are a matter of record with the City of Cortez.

Any foodservice/drink service furnishings (i.e. bar) must meet health code of Montezuma County.

## **B) Merchandise/Menu/Services List**

Proposer must submit a proposed merchandise/menu/services list with prices for each location within the package. This submittal must include all products that will be sold at KSJD. If the volume of items to be sold in the location makes this cumbersome, price ranges for the anticipated top 25% of SKUs by sales volume in each product category must be provided.

The merchandise/menu/services list must include:

1. Product type and brand name – if applicable,
2. Product size - if applicable,

### 3. Prices

Final menu and price lists will be requested prior to opening of the location.

#### **C) Operations Overview**

This section provides the opportunity for the proposer to clearly communicate why they are the best operator, and to demonstrate their ability to develop and manage the proposed operation.

1. Describe processes and procedures for providing high overall store standards and customer service, including:
  - a. Cleanliness Standards
  - b. Merchandising / Restocking
  - c. Customer Service Standards
  - d. Facility Maintenance
  - e. Storage Needs
  
2. Provide information demonstrating operational excellence over the previous 12 months (where applicable) such as:
  - a. Health Department Scores (where applicable) - Submit the 3 lowest scores and the plan to improve and the three (3) subsequent scores following the implementation of the plan.
  - b. Customer Satisfaction Surveys
  - c. Current Landlord Operation Reviews
  - d. Management Experience (includes Management/Staffing)

#### **Part 1.2 Conclusion (500 words)**

This section provides the opportunity to clearly communicate how you believe you are the most experienced operator. This section must include the following information:

1. Number of years of proposer's relevant experience in operating in the proposed subcategory and the scope of experience.

#### **Submit:**

- a. Organization/Staffing Chart showing reporting structure, management/operating committees (if applicable), names of owners, partners, management, supervisors, and staff.
- b. Describe key individuals including partners, their specific roles and responsibilities

#### **Part 1.3 Rental Income to KSJD**

Proposer must complete the Attachment 1 – Packages, Lease Exhibits and Rent Proposal acknowledgement with proposed percentage rent for each category and sign each Attachment 1.

In Attachment 1 Proposer will choose to pay rent as:

1. Percentage of gross revenue with Minimum Annual Guarantee, or
2. A Square Footage Rent;and/or
3. A blend of both.

Rent evaluation will consider not only percentage rent offered, but also overall revenue potential in relation to product offerings and/or brand.

### **XIII. SIGNATURE PAGE**

Printed Name of Authorized Person: \_\_\_\_\_

Title: \_\_\_\_\_

Business Address of Proposer: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Business Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_