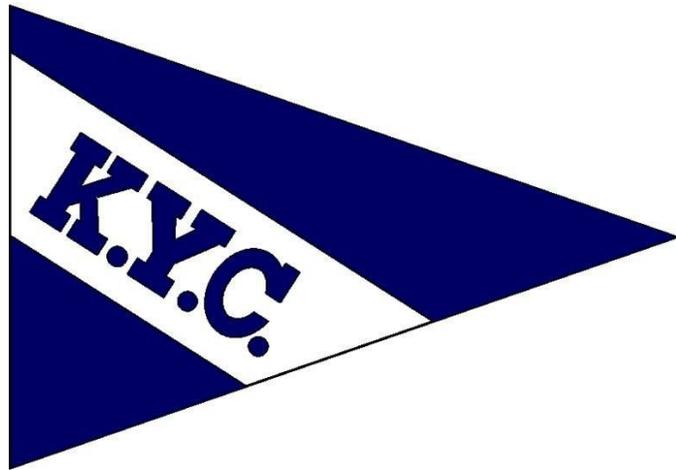


KENOSHA YACHT CLUB

Request for Proposal

RESTAURANT MANAGEMENT AGREEMENT

1/24/2018



1. INTRODUCTION

The Kenosha Yacht Club (KYC) seeks to identify interested parties to enter into a Management Agreement to operate a restaurant and facilities located in the KYC yacht club facilities at 5130 4th Avenue, Kenosha 53140.



Located directly on the water at south-west corner of Simmons Island in the downtown Kenosha waterfront area, the KYC is ideal setting for indoor and outdoor dining and banquets. The city of Kenosha, with a population over 99,000, is uniquely situated not only on Lake Michigan, but right in between the cities of Chicago and Milwaukee. With previous and present investments, the Metra connection to Chicago, and general accessibility, the downtown waterfront area has witnessed a rebirth of activity and events in recent years. It is the major contributing catalyst to the well over \$200 million in tourist revenue each year in Kenosha, but also the increase in the local population's reliance on the downtown and waterfront area as their go-to entertainment and dining out hub. Additionally, with the continued support of large corporations such as Amazon, Snap-On, Jockey, and soon Foxconn in Racine, and Haribo in Pleasant Prairie, and the multitude of larger business operations moving to the area business parks, combined with its revitalization, Kenosha stands in a position of continued growth in the years to come

1.1 FACILITIES OVERVIEW: Club facilities include full bar with additional table seating in the bar area and, a separate dining room (approximate occupancy is 200). The outdoor deck and lawn both have seating areas that accommodates additional guests. Moreover, the deck can accommodate bands for live music performances. The waterfront area possesses the only bar/restaurant docking space for watercraft parking, and an unimpeded view of the downtown area across the harbor. There is a large carpark and space can be made available for holding larger events. Additionally, the facilities include a full commercial kitchen ready for immediate use. A detailed description of the facilities can be observed during a walk-through of the premises.

2. BACKGROUND AND PURPOSE:

KYC was founded in 1912 to provide an active and diverse organization whose members share and enjoy a common bond: The love of the water and its many varied activities. The KYC also strives to utilize and promote the complete resources of the “Port of Friendship”, Kenosha WI. To this end, the KYC has significantly broadened its relationship with the community. The Kenosha Community Sailing Center was established in partnership with the KYC. The Club’s restaurant and bar facilities have always remained open to the public, thus necessitating a professional restaurant management and operations staff. The KYC Membership elected to engage a qualified, professional and industrious management entity to operate the restaurant facilities.

3. PROPOSAL INVITATION:

We are therefore excited to extend to you this Request for Proposal in our search for a qualified business entity to enter into a management agreement with the KYC for the operation of the restaurant located within the bounds of the club. Qualified proposals must specifically meet requirements listed in Section 7 of the RFP. The requirements are designed to demonstrate industry experience and knowledge of restaurant operations, including finances, marketing, design and management oversight. Final proposals must contain realistic financial projections or expectations based on statistics of industry experience in southeastern Wisconsin and the knowledge and experience of the entity making this submission. Quantitative bases for projections should be cited. All reasonable business model proposals will be considered. Timely and complete responses increase your chance of being considered. Serious Inquiries Only.

4. FORECASTED SCHEDULE FOR EVALUATION PROCESS

RFP Milestones	Due Date
RFP Release	Monday, January 24, 2018
Walk thru of facility	Contact: rearcommandore@kenoshayachtclub.com
Operator ’s submit questions	January 24 th – February 23 rd
Response to Bidders’ Questions	January 24 – February 22, 2018
RFP Responses Due	February 23, 2018
Selected Presentations/Interview	Week of March 5 th
Final Decision	Estimated Mid/Late March
Grand Opening	Must be open by May 1, 2018

5. GOALS/OBJECTIVE OF RFP: To obtain a long-term management agreement to an entity/operation that will accomplish the following:

- Open and manage a successful public restaurant with a distinctive experience and provides recompense to the members of KYC.
- Provide quality and consistent service, food, ambiance, special events or featured menu items with the purpose to maximize business operations and profitability.
- Maintain efficient Kenosha code compliant operations, cleanliness of all restaurant areas and work with KYC to maintain the building per management agreement.
- Create, implement and effectively manage a quality advertising and marketing campaign to continually attract the greater public to patronize the establishment.
- Identify KYC as a model corporate citizen keeping context with KYC values and serve as a complement/partner to the KYC and City of Kenosha and the vendor community.

6. RESTAURANT

6.1 Operating Parameters: Limits and Conditions, Utility Systems and Services

The restaurant is served by common water, natural gas, sewage and electricity meters and the cost of these services, as well as appropriate trash removal, will be the responsibility of the Operator. The Operator will be responsible for all routine maintenance and cleaning of utilized space and equipment, as well as maintaining specific outside areas. Full details are provided in the Management Agreement.

6.2 Restaurant Equipment

The KYC owns all furniture, fixtures, and equipment necessary to operate the restaurant, including tables, chairs, commercial ovens, prep stations and dishwashers. The operator will be responsible for this equipment per 6.1 above. An approximate inventory is included in **APPENDIX A**.

6.3 Restaurant Character and Type of Food

It is specifically the intent of KYC that the restaurant not be operated, or give the appearance of being operated, primarily as a bar. A full service restaurant is required. The restaurant shall meet or exceed the needs and expectations of KYC and surrounding community. The restaurant must maintain a KYC board approved nautical atmosphere. A high quality diverse and affordable menu is expected, promoting locally sourced foods wherever possible. Operators should note that peak restaurant operations occur during the summer months (May – September). Therefore, a seasonal business model can be considered.

6.4 Operations and Maintenance

If any improvements are desired by the operator, they are subject to prior written approval of KYC Board of Directors. Additionally, the operator shall operate and maintain the restaurant in compliance with all relevant federal, state and local codes, rules and regulations. Restaurant should be open a minimum of five days a week for lunch and dinner. Friday, Saturday, and Sunday weekend service is required. A breakfast service is desired but optional.

6.5 Smoking

Smoking by restaurant patrons or employees is not to be permitted anywhere within the Yacht Club building, deck or any other buildings on the premises, per the requirements of the Wisconsin State Statute Section 101.123.

6.6 Additional Considerations

Outdoor dining on the deck and adjacent lawn area is encouraged. Entertainment is also permitted subject to reasonable limitations on hours and impacts on surrounding properties, all per Kenosha code requirements.

6.7 Marketing

The successful Operator will be required to participate in the marketing of the restaurant facility, for example, joining the Kenosha Chamber of Commerce, participating in 2nd Saturdays (example) and developing a program to promote and grow the business. Operator's detailed marketing plan will be incorporated into the final operating agreement as a material term.

7. RFP REQUIREMENTS:

The submitted RFP should include the following information:

- A detailed business plan describing the concept planned for the restaurant and bar operations:
 - Company Name and Contact information of all partners including name, address, phone.
 - Include the structure of the proposed management and staffing team.
 - Sample menu reflecting quality of food, pricing and ability to create a workable menu
 - Description of any capital improvements planned for restaurant, including within kitchen, furnishings or building in general
 - Expected hours of operation
- Evidence of Operator service industry experience and principal personnel specifically with the management and operation of a restaurant. Vendor, financial and personal references
- Financial statement of the prospective Operator indicating sufficient resources available for successful promotion, management and operation of such a facility
- A detailed marketing plan, including budget for advertising and promoting the restaurant to the members, public and the area business community.
- Convey a true understanding of partnership with KYC and what benefits your operation would offer the members over the general public
- Express your commitment to serve as a model business through your operational, financial, legal, reputational and partnership responsibilities
- Implementation plan, including timeline.
- Please include answers to the following questions in your proposal:
 - What is your preferred POS system?
 - Are you willingly to use the POS system currently in place at KYC?
 - Do you agree to allow KYC to audit your POS and Inventory System and Property?
 - Are you willing to allow access and provide sales reports to the KYC? (if no, please explain)
 - Do you have experience in operating facilities that are member focused? Ie, Country Clubs, Yacht Clubs, Golf Clubs, etc). If yes, please detail prior experience.
 - How you will accommodate club members, member functions/events, member discounts and member sales?
 - Would you be able to Escrow in the amount of \$20,000?
 - If no, what amount would you be able and willingly to escrow?
- What do you feel will be the biggest challenge in opening and operating a restaurant in the Kenosha Yacht Club?

8. PREFERRED REQUIREMENTS:

- Complete description of the operator team including names and individual resumes' of those individuals to be assigned to the project; the responsibilities of each team member and the experience of all those involved
- Provide a complete description of the Operator's entity (corporation, partnership, LLC, Sole Proprietorship etc.) and identification of all parties, including disclosure of all persons or entities having a beneficial interest in the proposal
- Include a description of the commitment to develop, maintain and operate the business
- Fully demonstrate the Operator's direct experience in producing the proposed project including the quality and quantity of similar projects by the Operator
- A listing of all bankruptcies or lawsuits (civil or criminal) filed against the operator or any of its owners, predecessors or any other entity or individual listed above, within the last ten years

9. CAPITAL INVESTMENT:

Provide the cost for interior construction, finishes, furnishings, fixtures, trade equipment, and architectural and engineering fees and the proposed method of financing.

- All architectural revisions and changes in décor will require prior KYC Board review and approval, in writing.
- It is understood any and all architectural revisions or changes to décor will proceed at the Operator's expense and is not reimbursable.

Upon board approval Operator must provide an expeditious planning and construction schedule with 15 days of operator agreement execution.

10. INSURANCE REQUIREMENTS:

Provide evidence the operator has the ability to obtain the necessary insurance required to operate the proposed restaurant. KYC must to be named as additional insured.

Operator should hold and maintain the following insurance levels at no additional charge to the KYC for the length of negotiated Agreement.

(a) Commercial General Liability

- Five million dollars (\$5,000,000) for each occurrence
- Five hundred thousand (\$500,000) damage to Rented Premises
- Two hundred Fifty thousand (\$250,000) Med Exp (Any one person)
- One million dollars (\$1,000,000) personal & Adv injury
- Five million dollars (\$5,000,000) General aggregate
- Five million dollars (\$5,000,000) Products – Comp/OP Aggregate

(b) Workers Compensation and Employer's Liability

- One hundred thousand dollars (\$100,000) E.I. Each Accident
- One hundred thousand dollars (\$100,000) E.I. Disease Ea. Employees
- Five hundred thousand dollars (\$500,000) E.I. Disease Policy **Limit**

(c) Property Section

- Five hundred thousand (\$500,000) Contents

(d) Employer Liability (sexual harassment/wrongful discharge)

(e) KYC shall be named as an additional insured on all of the above policies with notice of cancellation due to KYC at the same time such notice is sent to the policy named insured.

11. DESCRIPTION OF EVALUATION CRITERIA

Operators will be asked to submit their responses to this Request for Proposal (RFP) for review by the KYC Restaurant Search Committee.

Following response submission, KYC will reduce the potential Operators to a short list based on an evaluation of a variety of criteria including but not limited to

- Strength of management experience and operations approach and demonstration of relevant experience
- Quality of proposal, concept, and business plan; including operations concept, management ideas and implied dedication to quality of food and service
- Alignment with KYC culture and area development goals of the City of Kenosha
- Quality and diversity of references
- Proof of financial capability/strength and the ability to cover financial responsibilities for obligations agreed to in the management agreement
- Conveyed understanding of proposal goals for KYC end and ability to work with the KYC to maintain, develop, and grow a long-term restaurant operation.
- Overall financial feasibility of proposed operation

Candidate selection will be made based on the Primary Evaluation Criteria outlined above. Strong consideration will be given to the overall desirability of the proposal, the basis of financial strength and experience needed to run the operation. At its sole discretion KYC has the right to reject any and all proposals. In selecting the Operator, KYC will consider all of the information provided by the respondents to the RFP as well as reference checks and other information derived from any investigation that KYC may perform, including, but not limited to, background checks and credit checks. The financial terms and length of the Management Agreement will be negotiated with the prospective Operator, identified through this RFP process.

12. FACILITY WALK THROUGH

Walk through of the facility will be conducted per the timeline outlined in Section 4 of the RFP and will be limited to two hours.

13. RESPONSE SUBMISSION

Responses must be submitted in electronic version (via e-mail) no later than 4:00 PM CST on February 23, 2018. The electronic file shall be in Microsoft Office (Word, Excel or PowerPoint) or Adobe PDF format.

Responses to this document should be sent via e-mail to: rearcommodore@kenoshayachtclub.com

Should Operator decide not to respond to this RFP, KYC would appreciate notification by e-mail by January 31, 2018. All contacts with KYC regarding this RFP and any subsequently submitted responses should be coordinated via email to Deborah Strouf at rearcommodore@kenoshayachtclub.com Any deviation from this process may result in disqualification.

14. QUESTIONS and CLARIFICATION PROCEDURES

During the RFP response period, all questions must be submitted in writing to : rearcommodore@kenoshayachtclub.com. Responses to these questions will be provided in writing to all Operators. No other correspondences will be entertained. KYC will stop accepting questions at

3:00 PM CST on February 16, 2018 unless otherwise advised in writing to all Operators.

15. RIGHT TO TERMINATE PROCESS

KYC holds the right at its sole discretion to terminate or modify the RFP process at any time, for any reason, or for no reason. KYC makes no commitments, stated or implied that the RFP process will result in any type of business transaction with any Operator. Furthermore, this RFP does not signify an offer to contract by KYC and any Operator. The Operator's participation in the RFP process could result in KYC's selection to engage in further discussions and in negotiations toward execution of an Agreement. The commencement of such negotiations does not, however, signify an obligation by KYC to execute an Agreement nor to continue or conclude negotiations with any said Operator.. KYC may, in its sole discretion, terminate negotiations, or terminate or modify the negotiating process, at any time, for any reason, or for no reason.

16. PREPARATION COSTS

Each Operator will be responsible for all costs and expenses (including legal fees) incurred by (a) preparing, submitting, and delivering its Proposal to KYC, in asking or responding to any questions of KYC, and in producing any additional information or materials requested by KYC to execute the RFP process or the negotiation process; and (b) in participating, if selected by KYC, in negotiations to institute an Agreement. KYC shall not be responsible for any costs or expenses incurred by any Operator in association with the RFP or negotiation processes.

17. RFP AWARD

KYC may choose to enter into an Agreement with any Operator whose Proposal, in KYC's judgment, most closely coincides to KYC's requirements and will produce an optimal outcome of the needs of KYC. KYC may, in its sole discretion, waive or revise any requirements in selecting or rejecting any or all Proposals submitted.

18. CONFIDENTIALITY AGREEMENTS

All information submitted by Operator in conjunction to this RFP process will be considered confidential property of KYC. Operator may not use, disclose, or duplicate the contents of this RFP for no other purpose than preparing a response without obtaining prior written consent from the KYC. Operator will keep KYC's data confidential and prevent its disclosure to any other party. KYC will not disclose or share Operator's response to this RFP with another competing Operator, but it shall be permitted to share the responses with KYC Restaurant Search committee and Board members as well as contract professionals working with the KYC on this project.

19. IMPLEMENTATION PLAN

Operator should outline a brief Implementation plan your organization will follow, if awarded business. Operator plans should include implementation activities with estimated timeline, responsible parties identified, and any applicable resources needed from the KYC. Please indicate in your response an Implementation plan provided in MS Word document and label as ***Implementation Plan Proposal*** and submit with your completed RFP response as a word document attachment.

20. PROPOSAL VALIDITY

Each Operators proposal will remain valid for a period of 90 days after the proposal submittal due date. KYC will view all proposals, information and responses to this RFP and their attachments will be considered as an offer to KYC to enter into an Agreement.

APPENDIX A:

**KYC Owned Restaurant Equipment in Place:
Includes, but not limited to:**

	<u>Description</u>	<u>Model/Serial Number</u>	<u>Quantity</u>	
Kitchen	Kitchen Oven		1	
	Convection Oven		1	
	Kitchen Grill		1	
	6 burner stove		1	
	Steam table		1	
	Stainless Steel counters for prep work		3	
	Walk-in Refrigerator	various sizes and kinds	1	
	Freezer		1	
	Refrigerator		2	
	Ice Machine		1	
	Dishwasher		1	
	Shelves/wine racks		3	
	Pots/Pan/cooking utensils		1	
Upstairs				
	Meeting Room Chairs		red cloth covered, no arms	45
	Meeting Room Tables		wood,	8
	Meeting Room Round tables		plastic	2
Dining Room				
	Table with 4 chairs		square wood	15
	Table with 5 chairs	round wood	2	
	table settings: dinner plate, side plate, soup bowl, salad bowl, coffee cup, knife, 2 forks, 2 spoons	Should be able to serve about 200 people with settings available	200	
	banquet equipment: chafing dishes, platters, serving ware, sterno set ups	assorted serving to do buffets or banquets	10	
Bar Room				
	High top tables	wood	8	
	High bar chairs for bar and tables	wood	38	
	Glassware: tumblers, martini, wine, beer	assorted glassware	300	
	Coolers		3	
	Public Address System		1	
	TV	32 inch	2	
Outside Dining				
	picnic tables	aluminum	6	
	picnic tables	wood	4	
	High top tables with 4 chairs each	aluminum	8	
	low tables with 4 chairs each	aluminum	15	
	Umbrellas		20	

Appendix B Photos



