

Sorensen Station Lease – Terms of Reference

1. Introduction

This Request for Proposals (the “RFP”) is an invitation by the City to submit non-binding proposals for the lease of **Available Retail Space** (the “Deliverables”) at the **Sorensen Station Parkade, 4830 48 Street, Unit 104, in Red Deer, Alberta**. The selected proponent will be requested to enter into agreement negotiations for Exclusive Operation of Available Space within the Sorensen Station Parkade.

2. Background Information

The City is seeking a business/service provider for available retail space at Sorensen Station Parkade that considers the City of Red Deer’s Strategic Goals:

Red Deer is:

A safe community: Red Deer is a safe and secure community. Safety is strengthened through a focus on enforcement, as well as prevention, intervention, and education.

A socially responsible city: Red Deer offers a welcoming community where everyone can enjoy a high quality of life. As a community, together we advocate for much needed social infrastructure and build a resilient community.

An economic leader: We have a strong, dynamic economy, fostered by entrepreneurship and innovation. Leveraging our central location, Red Deer is an economic hub with a revitalized downtown and diverse local economy.

A chosen destination: We are a four-season destination where visitors and residents enjoy our parks, trails and distinctive amenities, all within our "city in a park". Centrally located in the province, we attract events that generate investment and enhance our community identity.

Appendix A is the current available retail space and pictures.

Approximately 584 sq ft of Kiosk space and 312 of patio space located on the main floor of the Sorensen Station Parkade on the west side off the parkade adjacent to 49th Avenue. Sorensen Station sees on average 278 buses per day Monday to Saturday and 131 on Sundays and holidays. That equates to over 67,000 people per year boarding our buses at Sorensen Station.

Optional Site Visit

Proponents may arrange an appointment to tour the retail space by contacting Wade Martens, Land Coordinator for the City of Red Deer, at 403.506.6020 or wade.martens@reddeer.ca.

3. Purpose of Project and Deliverables

The City is seeking proposals for a retail space within the Sorensen Station Parkade. The City, at its sole discretion, may proceed with or cancel the project at any point.

- Management, operation and maintenance of the retail space during general operating hours.

- Daily maintenance and cleaning of the space.
- Furnishing all supplies, materials and staffing necessary for the performance of the space.
- Process all sales transactions and maintain proper financial records.
- Possess and maintain of all required licenses and permits.
- Participation in contract performance review meetings, as required.
- Permitted Uses Means:
 - The use and operation of the Retail Space for the purpose of offering goods and services to the public at fair market value including but not limited to:
 - Hot food and cold sandwiches prepared in a location other than the Retail Space, and which is approved by Alberta Health Services;
 - All typical convenience items such as pastries, muffins, sandwiches, wraps, catered goods, pizza, candy, chocolate bars, slurpees, toiletries, pop and pop displays, ice cream, cookies, soup, tea, baked goods, chips and chip related products, water, soft drinks, energy drinks, hamburgers, hot dogs, chocolates, salads, juices, smoothies, milk, gum, breads;
 - Coffee based refreshments;
 - Newspapers and various magazines subject to the City's approval;
 - Or any other such use that compliments Sorensen Station and the Downtown.
 - An exclusive right to install two (2) vending machines within the common area at the South entrance of the Building;
- Not Permitted Uses Means:
 - The sale of pornographic magazines, magazines and newspapers inappropriate for the general public and containing sensitive subject matters, cigarettes or any other tobacco product, liquor or other substances controlled by Alberta Liquor Board (cannabis), any illegal substances, or lottery.
- Material disclosures are as follows:
 - To maximize mutual benefits and respond to the changing needs of the public and City, regular contract review meetings will be held to monitor contract performance and explore ways to improve outcomes,
 - Security and locks of the space is the responsibility of the successful proponent,
 - The proposed retail space must incorporate within the existing envelope of the existing vacant space. There may be modifications to the space itself and its supporting infrastructure as allowed by current City building code.
 - It is the selected Proponent's responsibility to ensure the occupied space will be designed and operated to all current applicable building codes and industry standards.
 - Occasional shutdown of the space may be required for the City to provide necessary building maintenance,
 - All advertising and signage, design, and location, of the space will require prior written consent of the City or the City's Advertising Sales Vendor.
- The following will be the responsibility of the City:
 - Washrooms accessibility to the premises for the use of the retail space.
 - All utilities, excluding phone and data. Portion of utility costs will be included in monthly lease payment.
 - Building and infrastructure maintenance; regular cleaning of HVAC filters and ductwork.
 - Scheduling and arranging City's fire suppression and ventilation inspections and maintenance.

4. Proposal Requirements

4.1 Mandatory Requirements:

- a) None

4.2 Rated Requirements

4.2.1 Qualifications

Provide information and summary of experience on the Proponents proposed primary contact and operating manager and their role in implementing business plan.

4.2.2 Experience and References

Minimum of three years (3) experience operating a business/service similar in nature to this business/service proposal. The profile should include the following information at a minimum: business type, business/service name, business/service location, business/service owner, and scope of work.

Provide three (3) references and contact information for the specific business/service profiles provided within this proposal. References of previous landlords would be considered an asset.

4.2.3 Schedule

Provide a proposed schedule outlining how operation of the space can be executed to have delivery and city approval with completion by specific date. Include all milestone dates, including the anticipated meetings, design sign-off, assembly and completion for operation.

4.2.4 Compensation Model

Provide a comprehensive Compensation Model outlining compensation that the City will receive, in Canadian dollars exclusive of GST, and the proposed timing of payments (monthly, quarterly, yearly).

The City **will not** consider a compensation model that includes a percentage of revenue.

Proponents have the option to propose a length of contract term for consideration by the City.

4.2.5 Service Delivery/Business Plan

4.2.5.1 Provide a full description of services/business being provided, including staffing plans, management, equipment, and other resources.

4.2.5.2 Provide hours of operation committed to throughout the calendar year including statutory holidays.

4.2.5.3 Describe the approach to ensuring customer service, ensuring non-discriminatory practices when dealing with a broad cross-section of the public, as well as access for persons with disabilities, describe any risks and mitigation plans.

***Submission Options**

The City invites a creative approach to the exclusive operation of the vacant space; therefore Proponents are welcome to propose more than one option (different themed options and layouts that can be accommodated by the space). However, each proposed option must be submitted as a separate stand-alone proposal for evaluation purposes. Proponents are not to propose more than one option per proposal.

5. Evaluation

The evaluation process will occur in the following stages.

5.1 Stage I – Mandatory Requirements

Stage I will consist of a review to determine which proposals comply with all of the mandatory requirements. Proposals that do not comply with all of the mandatory requirements as of the submission deadline will, subject to the express and implied rights of the City, not be evaluated further.

5.2 Stage II – Evaluation of Rated Criteria and Pricing

Stage II will consist of a review of all compliant proposals to determine the highest ranking Proponent based on the rated criteria and pricing evaluation set out below.

| Rated Criteria Category | Submission Method | Weighting (Points) |
|--------------------------------|--------------------------|---------------------------|
| Qualifications | email | 25 |
| Experience and References | email | 10 |
| Schedule | email | 5 |
| Compensation Model | email | 10 |
| Service Delivery/Business Plan | email | 50 |
| Total Points | | 100 |

5.3 Stage III – Possible Presentations or Interviews

The City may choose, in its sole discretion, to hold presentations or interviews at Stage III of the evaluation process. However, the City is under no obligation to hold Stage III presentations or interviews and may elect to conclude the evaluation process after Stage II and proceed directly to the ranking and selection of the highest scoring Proponent in accordance with Section 5.4.

If the City chooses to hold Stage III presentations or interviews, The City intends to add up the scores from Stage II and invite the three (3) highest scoring Proponents to participate in an interview. However, the City may choose to invite fewer than three (3) Proponents and may exclude any Proponent that did not achieve a score within 20% of the highest scoring Proponent. For example, if the highest scoring Proponent has a total score of 80, the second and third highest scoring Proponents with a score of 64 or greater will be invited to participate in Stage III. Proponents that are not invited to participate in Stage III will not be considered further.

Based on the information received through the interview, The City may revisit and re-evaluate the rated criteria and adjust the scoring assigned in Stage II accordingly.

5.4 Cumulative Score

At the conclusion of the evaluation process, all scores for the rated criteria and interview (if held) will be added together to determine the Proponent with the highest score.

5.5 Tie Score

In the event of a tie score, the selected Proponent will be determined by the Proponent whose products and services score the highest in the Service Delivery/Business Plan rated criteria. If a tie score remains, then the tie will be resolved by way of a coin toss.

6. Selection Process, general process guidelines

6.1 Selection

The top-ranked Proponent, as identified above, will receive a written invitation to enter into direct contract negotiations with the City.

6.2 Timeframe for Negotiation

The City intends to conclude negotiations with the top-ranked Proponent within thirty (30) days commencing from the date the City invites the top-ranked Proponent to enter negotiations. A Proponent invited to enter into direct contract negotiations should therefore be prepared to provide requested information in a timely fashion and to conduct its negotiations expeditiously.

6.3 Process Rules for Negotiation

Any negotiations will be subject to the process rules contained in this RFP and will not constitute a legally binding offer to enter into a contract on the part of the City or the Proponent. Negotiations may include requests by the City for supplementary information from the Proponent to verify, clarify or supplement the information provided in its proposal or to confirm the conclusions reached in the evaluation, and may include requests by the City for improved pricing from the Proponent.

6.4 Terms and Condition

This RFP and the Proponents submission will form the starting point for negotiations between the City and the selected Proponent.

6.5 Failure to Enter into Agreement

Proponents should note that if the parties cannot execute a contract within the allotted thirty (30) days, the City may invite the next-best-ranked Proponent to enter into negotiations. In accordance with the process rules of this RFP process, there will be no legally binding relationship created with any Proponent prior to the execution of a written agreement. With a view to expediting contract formalization, at the midway point of the above-noted timeframe, the City may elect to initiate concurrent negotiations with the next-best-ranked Proponent. Once the above-noted timeframe lapses, the City may discontinue further negotiations with the top-ranked Proponent. This process shall continue until a contract is formalized, until there are no more Proponents remaining that are

eligible for negotiations or until the City elects to cancel the RFP process.

6.6 Notification to Other Proponents

Other Proponents that may become eligible for contract negotiations will be so notified at the commencement of the negotiation process. Once a contract is executed between the City and a Proponent, the other Proponents may be notified directly in writing and shall be notified by public posting in the same manner that the RFP was originally posted of the outcome of the procurement process and the award of the contract.

7. RFP Process Timelines

This RFP will remain open until an appropriate proponent is selected and may be changed or cancelled by the City at any time.

8. Supplemental Terms

The successful Proponent will be required to enter into a written agreement with The City of Red Deer.

The City's Retail Space Lease Agreement (Appendix B) will form the starting point of the contract negotiations with the successful proponent. Key contract terms to be aware of are:

- a. Services must comply with all legislation, regulatory requirements and City policy related to retail operations, as well as City policies in effect at the Facility.
- b. No substantial or material change to Services or the manner in which they are delivered will be permitted without the City's prior written approval.
- c. Leasehold improvements to the dedicated concession space may be made at the successful proponent's cost, subject to the City's prior written approval.
- d. The City shall have the right to take control of the retail space, in the event of a major emergency or disaster.
- e. No signs or advertising of any kind (with the exception of a retail name board) will be displayed without prior written consent of the City or the City's Advertising Sales Vendor.
- f. Full access and transparency are required with respect to the City's right to review all related financial records for auditing purposes in a timely manner.
- g. The City shall be notified immediately of any Public Health violations or failed inspections.
- h. City will continue to utilize the closet within the retail space for City infrastructure and Proponent will allow uninterrupted access to the space.
- i. Successful Proponent shall take over the maintenance and operation of the existing retail space security system.

Upon notification of a contract award, the successful proponent(s) must provide the following documentation:

- Commercial General Liability Insurance in the amount of not less than \$2,000,000 per occurrence with the City named as an additional insured on the policy
- Tenant's Legal Liability Insurance in the amount of not less than \$2,000,000 per occurrence
- City of Red Deer Business License
- Alberta WCB Clearance Letter
- Table of Contents from Safety Program

Proposal Submissions

All proposal submissions or questions to be sent via email to Wade Martens, Land Coordinator.

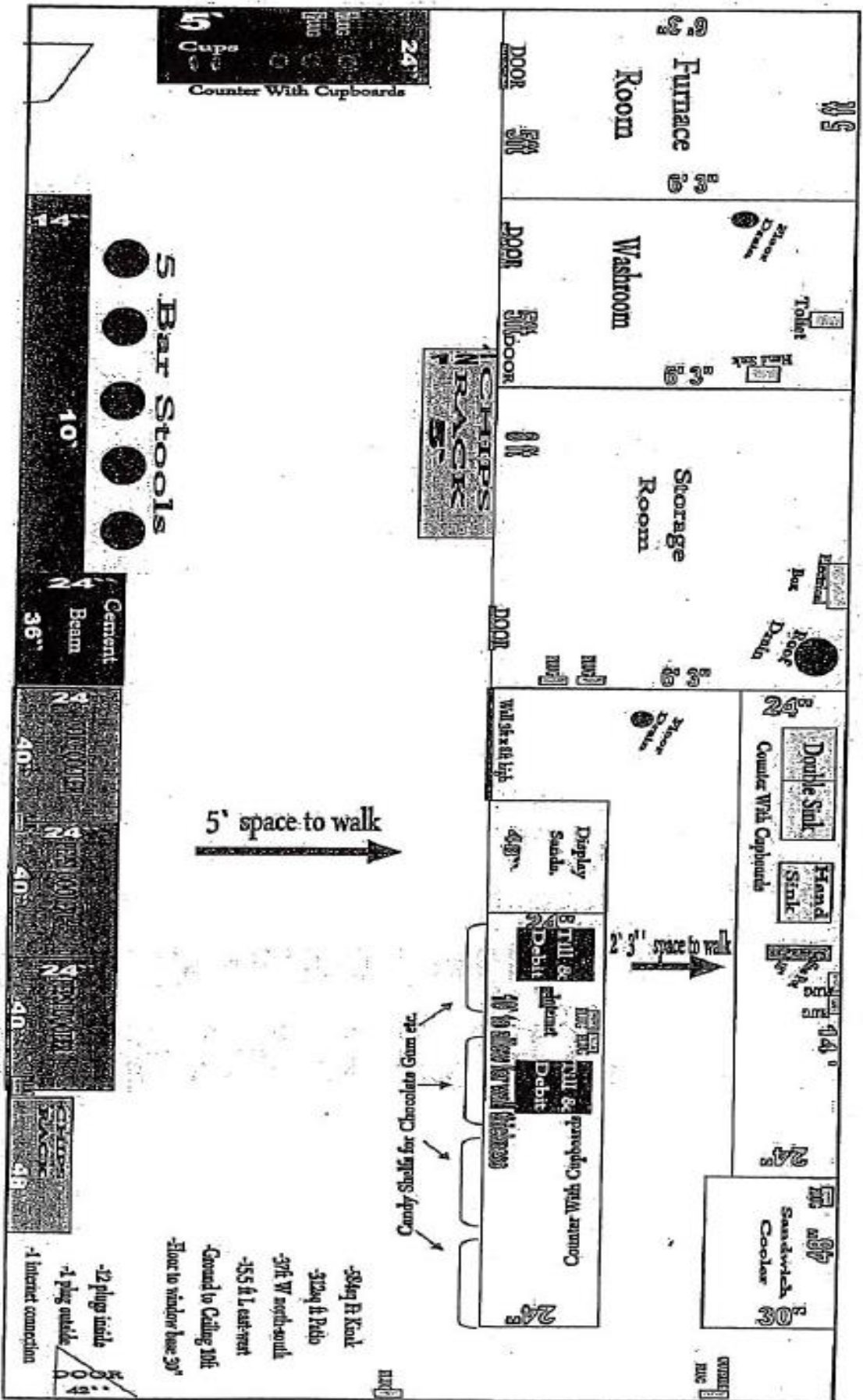
Email: wade.martens@reddeer.ca

Appendix A









Appendix B
(Copy of Lease to be Inserted)