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REQUEST FOR PROPOSALS  
**Revised & Reissued**  
March 31, 2011

COASTAL CRUISING CONCESSION AT 219-G STEARNS WHARF

A. INTRODUCTION

The City of Santa Barbara / Waterfront Department is seeking an established business entity to operate a cruise boat concession from the Passenger Loading Ramp and ticket kiosk on Stearns Wharf, Santa Barbara. The site has been used as a passenger embarkation /debarkation site for coastal cruises, dinner cruises, party cruises, whale watching cruises, and harbor tours for over 25 years. A parasailing business operated from the site between 1998 and 2004.

**Purpose**

The purpose of this Request for Proposal (RFP) process is to select a qualified and experienced operator and best acceptable proposal to re-establish a cruise boat operation from Stearns Wharf.

The Waterfront Department (Department) is seeking businesses that have the proven experience, financial resources, and professional expertise to develop and operate a cruise boat operation from Stearns Wharf.

**The Request for Qualifications / Request for Proposal for the Stearns Wharf cruise boat concession was initially offered in November 2010. The economic terms have been revised to include the vessel mooring in the base rent and the RFP re-issued to allow additional businesses the opportunity to submit proposals.**

**Process**

The RFP will involve the submission of qualifications, vessel acquisition and business plans, timing of the project, financing plans and credit check. The Selection Committee will review the RFP submittals and recommend a candidate for lease negotiations. Based on qualifications, the Department may enter into exclusive lease negotiations with a selected business. The Department expects to successfully negotiate a lease with the selected business; however, if negotiations are unsuccessful, the Department will enter into negotiations with the next selected business, and so on.

1. General

The intent of this Request for Proposal (RFP) is to result in a license agreement for a cruise boat operation from Stearns Wharf. The evaluation of

the responses and award of any resulting contract will be in conformance with the rules of this section and applicable State law, and City policy. An Offeror's proposal is an irrevocable offer valid for ninety (90) days following the closing date for receipt of proposals. This RFP includes, in addition to an explanation of the City's needs which must be met, instructions which prescribe the format and content of the proposal to be submitted.

2. Examination of the Request for Proposal

Offerors should carefully examine the entire RFP and addenda thereto, if any, and should become fully aware of the nature of the service to be provided.

If it becomes evident that this RFP must be amended, a formal amendment will be issued to the Offerors. If necessary, a new proposal due date will be established.

Oral communications from City staff concerning the RFP are not binding on the City and shall in no way excuse the successful Offeror of obligations as set forth in the RFP, unless the RFP has been formally amended. The Department reserves the right to reject any and all proposals submitted.

## B. BUSINESS TERMS-GENERAL

A sample license agreement and personal guarantee are available for review on the Waterfront Department website:

[www.SantaBarbaraCA.gov/Government/Departments/Waterfront/Business+Opportunities](http://www.SantaBarbaraCA.gov/Government/Departments/Waterfront/Business+Opportunities).

It is the responsibility of the applicant to review the license agreement, examine the economic environment, and make such further investigations as are necessary or appropriate to ensure that the nature of the undertaking and the obligations to be assumed by the applicant are fully understood.

Following the selection of a proposal by the Harbor Commission, the Waterfront Department intends to negotiate a license agreement with the selected party based generally on the following terms. The final license agreement will be subject to the recommendation of the Harbor Commission and final approval of City Council.

1. **Permitted Uses:** A coastal cruise business that may use one or more vessels. Permitted uses may include coastal cruises, dinner cruises, party cruises, weddings, parasailing, whale watching cruises, harbor tours, memorial services/ash scatterings, and other boating opportunities for Stearns Wharf visitors and local residents.

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2. **Proposed Term:** Initial term of five years, with the possibility of one five-year option to extend, depending on the nature of the proposed operation.
3. **Proposed Minimum Monthly Rent:** \$2,200 per month; includes use of the 2,520 square foot berth area at Marina 4-B-ET3 for vessel not greater than 85' in overall length.
4. **Proposed Percentage Rent:** 15% of gross receipts over \$14,667 or the minimum monthly rent, whichever is greater.
5. **Required Personal Guarantee:** The City's standard personal guarantee will be required if the lessee is a corporation.
6. **Required Insurance:** Lessee will be required to provide the City's required insurance with coverage limits not less than \$1,000,000 commercial general liability, naming the City as additional insured, as well as protection and indemnity insurance.

#### C. PROPOSAL CONTENTS

All proposals must include the information requested in this section.

1. **Identification:** Provide name of business owner and/or operator, project manager, designer, significant partners, or corporate officers as applicable. Resumes are recommended.
2. **Licensing:** Identify the type of Coast Guard captain's license that the applicant currently possesses.
3. **Experience:** Provide a description /resume of the applicant's experience in the cruise business. Describe a previous project(s) in which the applicant was involved in that is similar to what is being proposed in this RFP. Indicate the length of time and locations at which the applicant has operated a similar business.

#### Business Concept

4. Provide a narrative description for the business and services provided; i.e., coastal tours, whale watching, dinner cruises, parasailing, etc.
5. Identify the vessel(s) to be used in the operation and whether or not they are currently in your possession or the estimated length of time it would take to acquire such vessel(s) and place it (them) in service. Include the length, beam, passenger capacity, California Air Resources Board (CARB) compliance and Coast Guard inspection status.

6. List all contracts currently held for providing similar services. Provide agency name, address, telephone number, contact person and date contract expires.

### **Business Plan**

7. List approximate ticket prices for the various services offered.
8. List proposed days and hours of operation.
9. Submit an itemized projection of revenues and expenses for a five-year period.
10. Confirm that the City's personal guaranty and insurance requirements will be acceptable.
11. Indicate the proposed minimum rent, percentage rent, and requested lease term. The Department proposed a percentage rent of 15% of gross sales in the RFP which is consistent with other charter boat operations in the Harbor.
12. Indicate the proposed 2,520 square foot berth at Marina 4-B-ET3 is intended to be used in the operation. If the 4-B-ET3 berth is not intended to be used, indicate where the vessel(s) will be moored when not in use.
13. Submit a marketing /promotion plan for the business:
  - a) Designed to attract visitors; and
  - b) Designed to attract local residents.
14. Indicate how the proposed business would sustain itself during the low season and/or inclement weather.

### **Financial Information**

15. Submit a financial statement indicating total net worth. These statements should correspond to the most recent full calendar or fiscal year and be compiled by a qualified accountant.
16. Submit a profit & loss statement of the 2009 and 2010 calendar year showing gross sales, cost of goods sold, and net profit from applicant's similar business.
17. List all pending lawsuits which are concerned directly with the staff or part of your organization proposed to contract with the City.
18. List all judgments from lawsuits in the last 5 years which are concerned directly with the staff or part of your organization proposed to contract with the City.
19. Submit any other documents or reports that would assist in determining the financial condition of the applicant.

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The City may require a credit check.

D. STEPS OF PROPOSAL DEVELOPMENT AND REVIEW

1. Submission of Proposals

a. Preparation

The proposal must be complete in all respects as required in these specifications. A proposal is to be prepared in such a way as to provide a straightforward and concise discussion of the Offeror's ability to satisfy the requirements of this RFP. Emphasis should be concentrated on conformance to the RFP instructions, responsiveness to the RFP requirements and on completeness and clarity of content.

b. Offerors Cost

The cost of developing a proposal is the responsibility of the Offeror and is not chargeable to the City.

c. Signatures

Proposals shall be on Offeror's letterhead and signed by an individual who is authorized to bind the Offeror contractually. The Offeror must not include any limiting statements in their proposal that would preclude the proposal from being held as an irrevocable offer for at least ninety (90) days after the date the proposals are to be received. An unsigned proposal will be rejected.

d. Terms

Offerors proposal shall not include terms which conflict with the terms of this RFP "Coastal Cruising Concession At 219-G Stearns Wharf".

e. Delivery of Proposal

Proposals will be received by Waterfront Department of the City of Santa Barbara until **3:00 PM Thursday May 5, 2011** at 132-A Harbor Way. Proposals received after that time will be returned to the Offeror unopened.

2. Mandatory Requirements

These instructions prescribe the proposal format and the approach for the development and presentation of proposal data. Format instructions must be adhered to. All requirements and questions in the RFP must be responded to and all requested data must be supplied.

3. Proposal Format

Respond to all information requested in Section C of this proposal. Brochures, website pages and advertisements will not be accepted as a substitute for these requirements.

4. Conformance to Specifications

Each proposal will be checked for the required material and information in conformance with the requirements of this RFP. These requirements are obligatory and failure to respond fully may deem the proposal non-responsive.

E. TERMS AND CONDITIONS

1. Right to Reject Proposals & Waive Defects

The City reserves the right to reject all proposals or waive any technical defect or discrepancy in a proposal.

2. Proposal Acceptance periods

All Proposals shall remain firm for ninety (90) days following the closing date from receipt of proposal.

3. Ownership of Proposal Documents

Offeror understands that all information documents, records or similar materials submitted to the City in response to this Request For Proposal and subsequent documents deemed necessary by the City, will become and remain irrevocably the exclusive property of the City.

4. Proprietary Information

Financial statements and tax returns will be held as confidential information and returned to Offeror or destroyed following the evaluation process. Such information will not be made available for public review.

5. Rejection of Proposals

To better ensure open competition, offers may be rejected if, in the City's opinion, they show any irregularities, conditions, non-conformities, or obviously unbalanced proposals.

F. DISCLOSURES

The City will provide the Passenger Loading Ramp and Ticket Kiosk location "as-is".

The Santa Barbara Water Taxi operates from a nearby ticket kiosk and also uses the Passenger Loading Ramp to embark passengers and transport them to Cabrillo Landing in the Harbor. The Water Taxi uses the Passenger Loading Ramp

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at 15 minutes past the hour and again at 45 minutes past the hour, approximately 12pm-6pm. Ticket prices are currently \$4 adults and \$1 children, one way.

## G. PROPOSAL EVALUATION

### Evaluation Process and Criteria for Evaluation

Specific criteria have been established to assist the City in the evaluation of the proposals. The Selection Committee may use additional criteria that it deems to be significant in choosing the best proposal.

1. Business Plan –
  - Days/Hours of operation
  - Price structure
  - Customer benefit
  - Marketing & advertising plan
2. Management –
  - Company history
  - Business experience with similar services as those proposed
3. Vessel(s) –
  - Suitability of vessel(s) for intended charter services
  - Suitability of vessel(s) for embarking /disembarking passengers at Stearns Wharf Passenger Loading Ramp
  - Ability of vessel to use Marina 4-B-ET3 berth
4. Financial Information –
  - Financial statements
  - 5 year revenue & expense projection
  - Proposed percentage rent

### Tentative Timeline

- March 18- April 29, 2011- RFP advertised.
- May 5, 2011: RFP submittals due.
- May 6-12, 2011: Selection Committee review of RFP submittals.
- May 19, 2011: Selection Committee recommendation presented to Harbor Commission.
- June 2011: License recommendation presented to City Council.

### Additional Information from Proposers

The Waterfront Department reserves the right to request information from proposers beyond that specified in the request for proposal. Proposers may be requested to appear before the Selection Committee.

### Qualifications of Proposal

This is not a bid solicitation and the Waterfront Department is not obligated to accept any proposal or to negotiate with any proposer. The selection committee reserves the right to reject any or all proposals without cause or liability.

### Submission Requirements

Five copies of the proposal must be submitted no later than **3:00 P.M. Thursday May 5, 2011**. Postmarks will not be accepted. Submit proposals to:

City of Santa Barbara  
Waterfront Department  
132 A Harbor Way  
Santa Barbara, CA 93109  
Attention : Scott Riedman

## H. PUBLIC INFORMATION NOTICE

All information received from proposers will remain confidential during the review process. When the Selection Committee completes the review, the Committee will recommend selection or another action to the Harbor Commission. At that point, all information, except financial information defined below as excluded, will be treated as public information and made available upon request for review to the other proposers and the public.

All excluded information which contains financial assets, net worth and other such financial information of non-public nature, including real estate appraisals and ratings sheets and other notes resulting from the evaluation process, will be treated as confidential information by the City and will not be made available to public review or to other proposing parties.