

**City of Philadelphia
Procurement Department**

Addendum No. 1

Date: January 30, 2012

Concession RFP # C-102-12R

Deadline for Submitting Proposals: February 14, 2012

NOTICE

It is the sole responsibility of the Respondent to ensure it has received all addenda to the RFP. The Procurement Commissioner may, in the Commissioner's sole discretion, reject any Proposal for which not all the addenda have been executed and returned.

PROPOSAL FOR

**The Management and Operation of the
Burholme Park Golf Center**

RFP # C-102-12R

IS AMENDED AS FOLLOWS

Except as expressly amended by this Addendum No. 1, the RFP is unchanged. Except as otherwise defined in this Addendum No. 1, capitalized words and phrases used in this Addendum No. 1 have the meanings assigned to them in the RFP.

Part 1

- 1.1. Any section of the RFP that contains the phrases "Licensed Premises" or "Licensed Space" is amended to replace those phrases with the word "Center".
- 1.2. Please see **Exhibit A.1** of this Addendum No.1 for a list of Pre-Proposal Meeting attendees who signed the meeting sign-in sheet.
- 1.3. The City believes that the information and data in this Addendum No. 1 is reliable, but the City does not represent or warrant that the information or data is accurate. Potential Respondents are encouraged to conduct their own investigations into any matter of concern to them about the Center, the RFP, the Concession Agreement, their Proposal, or this Addendum No. 1.

Part 2

The “**Deadline for Submitting Proposals**” under the RFP is changed to 10:30 a.m., local time, February 14, 2012.

Part 3

3.1 In accordance with the RFP, the City of Philadelphia conducted a mandatory Pre-Proposal Meeting and Tour on January 6, 2012. At the meeting, potential Respondents asked questions about the RFP. This Addendum No. 1 incorporates into the RFP the questions from the Pre-Proposal Meeting and Tour and any questions submitted to the City in writing after the meeting and tour, and the City’s written answer to each of those questions. Each of those questions and the City’s answer to them is set forth below.

Question No. 1: Do you have historical figures for the security deposit or the basis for determining the security deposit?

City Answer: The security deposit is a new requirement for operation of the Center under a concession agreement and, therefore, there are no historical figures for previous security deposits. For this Concession, the Concessionaire is required to pay a Security Deposit to the City equal to 25% of the highest year’s MAG offered in the Concessionaire’s Proposal. Please see Section 3.34 of the RFP for additional information about the Security Deposit.

Question No. 2: Does First Tee (which operates youth golfing programs) work in sport industries other than golf?

City Answer: No. More information on First Tee’s programs is available at First Tee’s website:
<http://www.thefirstteephiladelphia.org/Club/Scripts/Home/home.asp>

Question No. 3: What kind of fixtures, if installed by the Concessionaire, could qualify as capital expenditures for purposes of the Concessionaire’s Initial Capital Investment Plan under Section 6.9.3 of the RFP?

City Answer: The City’s internal policy for classifying a City expenditure as a capital expense requires that the item to be acquired or constructed cost \$15,000 or more and have a useful life of 5 years or more. The City is providing this information only as a rough guideline for Respondents, and the City is not bound by that policy in considering a Respondent’s proposed expenditure on fixtures. The City may determine, for example, that an expenditure of less than \$15,000 qualifies as a capital expense for the Initial Capital Investment Plan, or that an expense in excess of that amount is not a capital expense.

The City reserves the right when reviewing the Concessionaire’s Final Plans and Specifications to determine whether the Concessionaire’s proposed new fixture is

capital in nature. The City will consider the useful life of a fixture, whether it directly serves the Concession, and the cost of the fixture, as well as whether the fixture is generally considered capital in nature.

Question No. 4: Can you provide the percentage of revenue paid into the previous concessionaire's capital escrow account and records of all deposits made into the same account?

City Answer: The previous concessionaire was required to deposit 5% of each month's driving range gross revenue into a capital escrow account. The previous concessionaire deposited \$121,351 into the account during the term of the concession.

Question No. 5: Will there be outside experts on the Selection Committee?

City Answer: No, but the City selected officials and staff with experience in the golf industry and in administering the Center concession.

Question No. 6: Are the last two rejected proposals from the previously issued RFP in 2011 available for review?

City Answer: In the first proposal, the MAG started at \$140,000 in the first year of operation and increased to \$217,185 in the final year of the Concession. From the first year to the final year of the Concession, the Gross Revenue Percentage Fee was 5% of Gross Revenues. The first proposal offered an Initial Capital Investment Plan of \$324,193.

In the second proposal, the MAG started at \$25,000 in the first year of operation and remained at that annual amount through the final year of the Concession. For the Gross Revenue Percentage Fee, the second proposal offered the following terms:

- a. 35% of primary revenue (defined as range ball sales, miniature golf sales and batting cage revenue) over \$300,000 and 50% over \$450,000 (increased by 1% each year) annually;
- b. 10% of other revenue (defined as gross food and beverage sales, merchandise sales and room rentals); and,
- c. 20% of golf lesson revenue (defined as individual lessons, golf clinics, and golf school revenue).

The second proposal offered an Initial Capital Investment Plan of \$236,417.

The City cautions Respondents not to view the amounts offered in the two previous proposals as either floors or ceilings for their own Proposals. As set forth in Section 8.2.1 of the RFP, the City will consider several factors in

selecting a Respondent to execute the Concession Agreement, and the City will consider the overall feasibility of a Respondent's Proposal.

Question No. 7: Does the Philadelphia 21st Century Minimum Wage and Benefits Standard apply to this Concession?

City Answer: The City cannot give a single answer to this question that applies to all potential Respondents. Whether the Concessionaire will be covered by the Philadelphia 21st Century Minimum Wage and Benefits Standard is governed by Philadelphia Code Section 17-1303(4) and other provisions in Philadelphia Code Chapter 17-1300. The City recommends that each Respondent consult with an attorney about whether the living wage regulations would apply to that Respondent as Concessionaire and, if they do, what the regulations require.

Question No. 8: What kinds of repairs are needed for the parking lot? Are there any drainage issues in the parking lot?

City Answer: The City does not believe that the parking lot requires extensive repairs. Nevertheless, repairs to the parking lot may include surface sealing, restriping, caulking cracks, and landscaping the perimeter of the lot. The City is not aware of any parking lot drainage issues.

Question No. 9: What's the amount of the monthly storm water assessment bill on the Center?

City Answer: The Philadelphia Water Department did not issue a monthly storm water assessment bill to the previous concessionaire.

Question No. 10: Is the Center subject to property or real estate taxes?

City Answer: No, the Center is not subject to property or real estate taxes.

Question No. 11: Is the Center subject to use and occupancy tax?

City Answer: Yes, the Center is subject to use and occupancy taxes. In 2011, the use and occupancy tax was \$904.00 per month.

Question No. 12: Can you explain how the business privilege tax is calculated? Is it based on square footage?

City Answer: The City's business privilege tax rate is calculated at 1.415 mills (1.415/1000) on gross receipts plus 6.45% on taxable net income, not the square footage of the facility from which the business operates. The City recommends that each Respondent confer with a financial advisor or attorney about the Respondent's potential liability for business privilege tax as the Concessionaire.

Question No. 13: Are there any other taxes or government fees that the Concessionaire will be required to pay?

City Answer: In addition to the costs and taxes mentioned in the City's responses to Questions No.9—12 of this Addendum No.1, the Concessionaire shall pay all utility costs to operate the Center. Please see Section 3.14 of the RFP for additional information on utility charges. The City urges Respondents to carefully review the entire RFP to determine other costs and expenses the Concessionaire will be required to pay under the Concession Agreement.

Question No. 14: Did the City obtain a "Phase 1" environmental report about Center?

City Answer: No. As stated in Section 4.8 of the RFP, the City makes no representation or warranty regarding the condition of the Center, and the City will make the Center available to the Concessionaire in the Center's AS IS condition.

Question No. 15: Does the City know whether the clubhouse has lead paint and asbestos?

City Answer: No, the City does not know. The clubhouse was built in 1996.

Question No. 16: How long will it take the Selection Committee to award the Concession?

City Answer: It will take the Selection Committee approximately 30 days from the Deadline for Submitting Proposals to select a Respondent for award of the Concession.

Question No. 17: Please explain the option to object to certain language in the RFP.

City Answer: Under Section 6.14 of the RFP, a Respondent may object to any provision in the RFP. A Respondent's objection must be stated in writing, must be stated in a separate section of the Proposal, must identify the specific provision and language of the RFP that the Respondent objects to, must state the Respondent's reason(s) for the objection, and must propose an alternative provision. Even if a Respondent objects to a provision of the RFP, if the provision requires Respondent to submit a form or other information, the Respondent must still respond to that provision in addition to stating its objection separately.

Question No. 18: Are there fuel storage tanks at the Center?

City Answer: No.

Question No. 19: Does the Center have a record of issues with Montgomery County or Cheltenham Township, including regarding utilities?

City Answer: The City is not aware of any issues between the Center and Montgomery County or Cheltenham Township. Water service at the Center is provided by Aqua America, Inc. through the Cheltenham Township water system.

Question No. 20: Who provides maintenance on Cottman Avenue?

City Answer: The City of Philadelphia maintains Cottman Avenue in front of the Center and westward until the Montgomery County line.

Question No. 21: Does the Center have a record of any Health Department or Fire Department violations?

City Answer: No.

Question No. 22: Could you provide the size of the driving range well pump and the well pump location and electrical source?

City Answer: The well pump is located underground, in the middle of the driving range. The breaker for the well pump is located in the clubhouse and is a triple type 40 amp, equaling 120 total amps. The City does not have available information on the well pump capacity. Respondents are free to contact the manufacturer of the pumping system, Rain Bird, to try to obtain information on the well pump's capacity. Please see **Exhibit A.2** for a photograph of the pump equipment.

Question No. 23: Who provides snow removal?

City Answer: The City plows snow on Cottman Avenue and the sidewalk along Cottman Avenue. The Concessionaire is responsible for snow removal at the Center, including the parking lot.

Question No. 24: Could you provide a report of any security breaches or vandalism that has occurred at the Center over the last two years?

City Answer: The City is not aware of any security breaches or incidents of vandalism at the Center over the last two years.

Question No. 25: Please provide a list of any local community groups in respect to Burholme Park.

City Answer: **Exhibit A.3** of this Addendum No.1 contains a list of local community groups within a mile radius of the Center. The list may not be complete.

Question No. 26: Please provide the City's interpretation for the Center's declining revenues.

City Answer: The City believes the Center's declining revenues result from several factors. The City believes the most important factors to be the current physical condition of the Center, insufficient marketing of the Center, and no outreach to the community to engage youth organizations and surrounding schools.

Question No. 27: Does the Concessionaire need approval to posts signs?

City Answer: The Concessionaire must obtain the prior, written approval of the Commissioner of the Department of Parks and Recreation (or the Commissioner's designee) to erect, hang, paint or otherwise create any sign or advertisement on the exterior of the Center (other than routine way finding signs). For additional information concerning signs, please see Section 3.21 of the RFP.

Question No. 28: Are corporate advertisements permitted?

City Answer: The Concessionaire shall not, without the prior, written approval of the Commissioner (or the Commissioner's designee), erect, hang, place, or display in, on or about the Center any utilitarian items, including but not limited to trash receptacles, that promote or advertise any product or brand other than the Center. Again, for additional information concerning signs, please see Section 3.21 of the RFP.

Question No. 29: Is the Concessionaire required to pay the City fees to post signs?

City Answer: No.

Question No. 30: Does the previous concessionaire have any outstanding fee payments to the City?

City Answer: No.

Question No. 31: Is the Concessionaire required to pay a percentage of gross receipts to the City? If so, what percentage of gross receipts is required to be paid to the City? What did the previous concessionaire pay to the City?

City Answer: Respondents are required to complete Form B of the RFP in order to indicate the percentage of Gross Revenues the Respondent would pay to the City if the Respondent is selected to be the Concessionaire. It is up to the Respondent to determine the percentage of Gross Revenues it would pay to the City.

In addition to completing Form B, however, Respondents may also submit a separate form showing its preferred, alternative method of calculating the Concession Fee that the Respondent, as Concessionaire, would pay to the City. The City in its sole discretion will determine whether to accept a Respondent's alternative Concession Fee proposal.

For the previous concessionaire's fee payments to the City, please see the last column of the table provided in Section 2.2 of the RFP. Also, the concession agreement between the City and previous concessionaire required the concessionaire to pay a monthly concession fee payment that was the greater of

- a. one-twelfth of the amount set forth in the far right column of the table, for the then-current year, or
- b. 15% of gross revenues for the then-current month.

**ADDENDUM NO. 1
ACKNOWLEDGEMENT OF RECEIPT
JANUARY 30, 2012**

**PHILADELPHIA DEPARTMENT OF PARKS AND RECREATION
REQUEST FOR PROPOSALS FOR THE MANAGEMENT AND OPERATION OF THE
BURHOLME PARK GOLF CENTER
RFP C-102-12R**

I have carefully read Addendum No. 1 to the Request for Proposal for the Management and Operation of the Burholme Park Golf Center, and I certify that I have received all pages and exhibits listed in Addendum No. 1.

Name of Respondent

Signature of Individual or Authorized signer

Signature/Title of signer

Date

EXHIBIT A.1

LIST OF ATTENDEES FOR THE PRE-PROPOSAL MEETING

Company Name	Contact Name	Street Address	City	State	Zip Code	Phone	E-Mail
TED PASCANO	TED PASCANO	_____	Phila	PA	_____	_____	_____
BILLY CASPER GOLF	ROB WALDRON	8300 BROWN BLVD #350	VIRGINIA	VA	22182	703 891 3338	RWALDRON@BILLYCASPERGOLF.COM
	ABU RAHMAN	304 CRUM CREEK LN	NEWTOWN SQ	PA	19073	610 249 6242	aburahman@comcast.net
	Rich Lahey	141 W. BARK AVE	wildwood	NT	08260	570-5755812	RL61@comcast.net
TriState	John Kirinich	1001 W. CHELTONHAM	Elkins PK PHILA	PA	19027	404-307-3400	john.kirin@frontrunner.us
INNOVATIVE CONSTRUCTION SYSTEMS, INC.	Charles Ang	1341 N. DELAWARE AVE. SUITE 500 PHILA PA 19125	PHILA.	PA	19125	215-427-8700	CCAng@comcast.net
BQ GOLF	JACK HUBBERT	PO BOX 2193	PHILA	PA	19103	215 201 3125	JACK@Hubbert.co
TEES GOLF CENTER	PAUL TORNETTA OWNER	600 OLD ELMS SUITE 100	CONSHOHOCKEN	Pa	19428	610-842-6854	paul.tornetta@gmail.com

EXHIBIT A.2

DRIVING RANGE WELL PUMP



EXHIBIT A.3

COMMUNITY GROUPS WITHIN A MILE RADIUS OF THE CENTER

Resource Name	Address	ZIP
Charles Carroll High School	7431 Rockwell Ave.	19111
Eddie Polec Soccer Camp	8059 Pine Rd.	19111
FOP Softball	7800 Dungan St.	19111
Fox Chase Rec Center	7901 Ridgeway St.	19111
Fox Chase Soccer Club	P.O. Box 24658	19111
Fox Rok Athletic Association	30 Robbins Ave	19046
Fox Rok Athletic Association	30 Robbins Ave.	19046
Fraternal Order of Police	7800 Dungan St.	19115
Gibbons AA	7238 Tabor Ave.	19111
Gibbons Police Athletic League	6901 Rising Sun Ave.	19111
Jardel Men's Softball League	1400 Cottman Ave.	19111
Loudenslager AA	710 St. Vincent St.	19111
NEO	1400 Cottman Ave.	19111
Rhawnhurst AA	202 Jarrett Ave.	19046
St. Cecilia CYO	8429 Bridlo Rd.	19111
District Three Advisory Council	801 Hartel Street	19111
Jardel Recreation Center Advisory Council	914 St. Vincent Street	19111
Faith Tabernacle Church	817 Rhawn St.	19111
Fox Rok Athletic Association	P.O. Box 11433	19111
Gibbons PAL	522 Arthur St.	19111
NEO Inc. Soccer Club	806 Glenview St.	19111
Women's Softball (C-2 Div)	7427 Palmetto	19111
Fox Chase Community Resource Development	362 Borbeck Ave.	
Burholme Civic Association	7519 Lawndale St.	
Philadelphia Intercommunity Housing Corporation	800 Cottman Ave, #265 B	
American Legion, Post 366	7976 Oxford Ave	19111
Upper Northwood Community Council	814 Distton St.	
4-H Club	c/o Fox Chase Farm	19111
American Legion, Corporal John Loudenslager Post 366		
Birthright (United Way Agency)		
Fire Station, Engine 56		

Resource Name	Address	ZIP
Boy Scout Troop 160	c/o manuel Lutheran Church,1013 Cottman Ave.	19111
Boy Scout Troop 290	St. Cecilia School	19111
Burholme Community Town Watch and Civic Association	c/o United Methodist Church of the Redeemer, Cottm	19111
Cub Scout Pack 290	c/o St. Cecilia's Church	19111
CYO-Catholic Youth Organization St. Cecilia's Church	c/o St. Cecilia Church, 535 Rhawn St	19111
Fox Chase Homeowners Association	Philadelphia, Pa 19111	19111
Fox Chase Post Office		
Fox Chase Town Watch	P.O.Box 56528	19111
Friends of Fox Chase Library	c/o Fox Chase Library, 501 Rhawn St.	19111
Jeanes Hospital Thrift Shop		
Knights of Columbus - Assumpta Council		
Northwood Civic Association		
Pilgrim Gardens Retirement Community		
Police Athletic Assoc.-Gibbons PAL		
Veterans of Foreign Wars		
Fox Chase Academics Plus School		
Immanuel Lutheran School	1015 Cottman Avenue	19111
Kennedy C. Crossan School	Bingham St. and Bleigh Ave.	19111
Northeast Preparatory School		
Crossan, Kennedy C. Elementary School	7350 Bingham St.	19111
Fox Chase Elementary School	500 Rhawn St.	19111
Bethany Baptist Church		
Brazilian Baptist Church	460 Rhawn St.	19111
Burholme Baptist Church		
Cheltenham Friends Meeting of the Religious Society of Friends		
Fox Chase United Methodist Church		
Holy Nativity Episcopal Church	205 Huntingdon Pike	19046
Immanuel Lutheran Church		
Memorial Presbyterian Church of Fox Chase		
Portuguese Evangelical Church		
St. Cecilia's Roman Catholic Church		

Resource Name	Address	ZIP
St. Timothy's Lutheran Church		
Trinity Church Oxford		
United Methodist Church of the Redeemer		
United Methodist Church of the Redeemer	Lawndale & Cottman Avenue	19111
Gospel of Grace	420 Tyson Ave.	19111