City Council Agenda Item Report

FROM: Ryan Cummins, City Manager

MEETING DATE: February 5, 2025

SUBJECT: Oval Beach Concessions

DESCRIPTION:

Last spring, the City issued a request for proposals (attached) for a third party to run the Oval Beach concession stand. In exchange, the City would negotiate a flat fee and/or percentage of the profits. We received one proposal and elected to proceed with the City operating the concession stand for the summer.

Last summer, the City essentially broke even on operating the concession stand. While we anticipated a greater profit, prices compared to food cost, labor costs, and scheduling issues caused that to not materialize.

Council has requested a discussion about whether the City should continue to operate the concession stand or make another attempt at locating a private vendor.

LEGAL REVIEW:

Legal will be at your meeting if you have any questions.

SAMPLE MOTION:

N/A. Workshop item at this time.

CITY OF SAUGATUCK
REQUEST FOR PROPOSAL
OVAL BEACH CONCESSION STAND

CITY OF SAUGATUCK
REQUEST FOR PROPOSAL
OVAL BEACH CONCESSION STAND

The City of Saugatuck is seeking proposals for furnishing equipment, supplies, and staffing necessary to provide food/beverage concessions at the City of Saugatuck Oval Beach.

Request for proposal packets may be obtained from the City Clerk at Saugatuck City Hall, 102 Butler Street, Saugatuck, MI 49453 or by calling 269-857-2603.

Technical questions regarding this Request for Proposal may be directed to the Department of Public Works Superintendent (Scott Herbert) at 269-857-2558.

Sealed proposals will be received by the City Clerk of the City of Saugatuck up to the hour of 2:00 p.m., **Friday, April 5, 2024.** Responses delivered after the said date and time will not be accepted. The City of Saugatuck is not responsible for delays in delivery.

All responses to this request that are mailed through the United States Postal Service shall be addressed to the Saugatuck City Clerk, P.O. Box 86, Saugatuck, MI 49453. All responses to this request that are mailed through the FedEx, UPS, or similar delivery service that do not deliver to P.O. Boxes shall be addressed to the Saugatuck City Clerk, 102 Butler Street, Saugatuck, MI 49453. Hand-delivered responses shall be delivered to the Saugatuck City Clerk, 102 Butler Street, Saugatuck, MI 49453.

All proposals shall be placed in a sealed envelope, which is clearly marked “OVAL BEACH CONCESSION RFP”. Responses by fax or e-mail will not be accepted.

The City of Saugatuck reserves the right to accept the proposal that is, in its judgment, the best and most favorable to the interests of the City and to the public; to reject any and all proposals; and to waive irregularities and informalities in any proposal submitted or in the request for proposals process.

INTRODUCTION

The City of Saugatuck's Oval Beach Park, located on the shore of Lake Michigan, serves as a destination point for residents and visitors each year – generally commencing in May and concluding in October. The lakefront park offers swimming, hiking, boating and other water and dune recreational activities to park visitors, as well as City-owned restrooms and the Oval Beach Concession Building. The Oval Beach Concession stand is typically open 7 days a week starting Memorial Day through Labor Day each year. The purpose of the Oval Beach Concession stand is to offer visitors to Oval Beach a variety of food and beverage options at reasonable prices.

The equipment provided by the City of Saugatuck includes:

- 200lb. Manitowoc icemaker
- Standup freezer
- Refrigerator
- Hot dog roller/grill
- Microwave
- (3) Crockpot warmers
- Slushie machine
- Ice Cream Machine
- Miscellaneous supplies (cleaning, buckets, kitchen utensils, etc.)
- Picnic tables/umbrellas
- Cash register
- Shelving units

APPROXIMATE PROJECT TIMELINE

RFP issued:	March 6, 2024
Proposals Due:	April 5, 2024
Council award:	April 22, 2024
Contract signed:	May 1, 2024

PROPOSAL SUBMITTAL FORMAT

The *General Information* form, on the next page, is designed to serve as the cover sheet. Do not attach cover letters, title pages, or blank sheets ahead of this form, nor substitute letterhead paper for it. If additional space is needed, plain paper may be attached behind this form. **This form must be signed by a person authorized to make proposals and enter into contract negotiations on behalf of your agency.** This individual must be at least 18 years of age. **Failure to submit this form will result in your proposal being deemed non-responsive.**

CITY OF SAUGATUCK

OVAL BEACH CONCESSION STAND

General Information

This form must be signed by a person authorized to make proposals and enter into contract negotiations on behalf of your agency. To be considered for this project, the submittals must be completed in accordance with this RFP and this cover sheet must be attached. ***Failure to submit this form will result in your proposal being deemed non-responsive.***

Authorized Official (Signature)	Date
Print Name of Authorized Official	Title of Authorized Official
Company Name	Contact Person
Address	City, State, Zip
Phone Number	Fax Number
E-Mail Address	Federal Tax ID #

TO BE COMPLETED AND SUMBMITTED

The request for proposal (RFP) is to solicit proposals from qualified vendors to use Oval Beach Concession Stand located at 690 Perryman Street, Saugatuck, MI 49453 (Property), for food/beverages and novelty souvenirs. Those interested are required to submit a written proposal that best represents the Proposer. The Property will be used as is with no proposed improvements planned by the City of Saugatuck.

PROPOSERS QUALIFICATION STATEMENT:

Check One: An Individual_____ A Co-Partnership_____ A Corporation_____

Submitted by: _____

With principal office at: _____

The completion and submission of this questionnaire reflects accurate and truthful statements of the signatory. (Attach additional pages if necessary)

Request for Proposal: Requirements

The proposal should include the following to coincide with this RFP:

1. Provide a business plan or explain in detail the Proposer's proposed use of the Property and how it will contribute to the vitality of the City.

2. Explain how proposers use of the facility is compatible with the City's Zoning Ordinances.

3. Resumé of Proposer's previous experience, identifying not less than three (3) years of experience directly related to the proposed use.

4. Three (3) business and/or personal references. Note – the City reserves the right to contact the references listed and references other than, and/or in addition to, those being furnished.

5. Financial statements including, but not limited to, balance sheets and income statements (audited statements preferred) for the past two (2) years supporting the financial abilities of the Proposer to operate at the facility.

6. Statement that the proposer is or is not a subsidiary of, or affiliated with, any other corporations, partnerships, or firm. If so, please specify. If the Proposer is a subsidiary, please indicate the extent to which the parent entity will guarantee performance by the subsidiary.

7. In what other businesses are you financially invested?

8. Statement that the Proposer or its officers, principal members, shareholders, or investors, or any of its parent, subsidiary, or affiliated entities or other interested parties have or have not been adjudged bankrupt, either voluntarily or involuntarily, within the past ten (10) years? If so, explain.

9. Statement that there is or is not pending litigation against the Proposing entity or its officers, principal members, shareholders, or investors, or any parent, subsidiary or affiliated entities or other interested parties other than the minor personal injury suits involving claims under $250,000? If so, explain.

10. Letter(s) from any financial credit rating service for the Proposer with whom the City may contract or the member or members of that entity who will be responsible for financial obligations and on whom the City should rely for financial performance.

11. Any other financial statements and/or other documents that would indicate acceptable financial standing and the ability of Proposer to fund the proposed services on the City Property.

12. A complete description and history of the Proposer's entity (corporation, partnership, etc.) and identification of all parties including disclosure of all persons or entities having a beneficial and/or financial interest in the proposal. Include names and qualifications of corporate/company officers/owners, their addresses/location(s) and other appropriate contact information.

13. Description of employment opportunities that will be created by the proposed services including a description of the type, number of positions, and the estimated salary range of those positions.

14. Proposed operating schedule detailing days and hours open to the public. The City requires the Proposer to open operations every weekend (Friday – Sunday), Memorial Day (and the day before and after the holiday), Independence Day (and the day before and after the holiday), Labor Day (and the day before the holiday), with a minimum of two (2) days during any given week, Monday through Thursday.

15. Description of the proposed menu items or vendor items with pricing.

16. Description of the proposed marketing, advertising, and sales promotion plans.

17. Description of the proposed annual lease payment and proposed monthly percentage of gross revenue payment paid to the City during the two (2) year contract period. Tier percentage fees will not be accepted. The City expressly reserves the right to accept an offer other than the highest responsive offered price, and also reserves the right to negotiate any terms.

18. List all major equipment Proposer will supply to provide services and/or goods proposed in this proposal.

19. Affirmative statements that:
    a. The Proposer's entity will occupy the Property.
    b. The Proposer will not sublet or sublease the Property.

20. You may, if you desire, provide a narrative that would include anything you feel might assist the City of Saugatuck in evaluating your experience or Business Plan. If appropriate, describe plans you may have for, including projected expenditures. Attach additional sheets if necessary.

12/10/2024 MONTHLY ACCOUNT BALANCE HISTORY REPORT FOR CITY OF SAUGATUCK

Month Ended: December

Fiscal Year	January	February	March	April	May	June	July	August	September	October	November	December	YTD Activity
Fund 101 - GENERAL FUND													
Revenues													
Dept 000													
101-000-652.000 OVAL CONCESSION	-	-	-	-	(827.00)	(11,773.00)	(40,688.00)	(40,593.00)	(4,764.00)	-	(990.00)	-	**(99,635.00)**
Total Dept 000	-	-	-	-	827.00	11,773.00	40,688.00	40,593.00	4,764.00	-	990.00	-	**99,635.00**
Expenditures													
Dept 758 - OVAL CONCESSION													
101-758-702.000 SALARY	-	-	-	-	844.00	13,500.00	7,056.00	15,923.00	2,610.00	-	-	-	**39,933.00**
101-758-720.000 FRINGE BENEFITS	200.00	-	-	-	65.00	1,033.00	540.00	1,218.00	200.00	-	-	-	**3,256.00**
101-758-730.000 SUPPLIES	-	-	-	355.00	5,763.00	6,469.00	3,690.00	14,411.00	19,031.00	1,481.00	124.00	12.00	**51,336.00**
101-758-801.000 CONTRACTUAL SERVICES	-	-	152.00	-	-	1,953.00	400.00	400.00	1,114.00	-	-	-	**4,019.00**
101-758-850.000 TELEPHONES	-	85.00	-	-	-	-	-	-	-	-	-	-	**85.00**
101-758-930.000 REPAIRS & MAINTENANCE	-	75.00	-	185.00	-	-	-	-	90.00	-	-	-	**350.00**
Total Dept 758 - OVAL CONCESSION	200.00	160.00	152.00	540.00	6,672.00	22,955.00	11,686.00	31,952.00	23,045.00	1,481.00	124.00	12.00	**98,979.00**
Net Profit:	(200.00)	(160.00)	(152.00)	(540.00)	(5,845.00)	(11,182.00)	29,002.00	8,641.00	(18,281.00)	(1,481.00)	866.00	(12.00)	**656.00**