CITY OF DULUTH

REQUEST FOR PROPOSALS FOR

GOLF COURSE OPERATOR

RFP NUMBER 22-AA08

ISSUED FEBRUARY 23, 2022

PROPOSALS DUE FRIDAY, APRIL 1, 2022 AT 4:30 PM

SUBMIT TO

CITY OF DULUTH
ATTN: PURCHASING DIVISION
CITY HALL, ROOM 120
411 WEST 1ST STREET
DULUTH, MN 55802
Purchasing@DuluthMN.gov

PART I - GENERAL INFORMATION

I-1. Project Overview.

The City of Duluth ("City") is seeking proposals for golf course operation and management services for two golf courses -- Enger Park Golf Course (27 holes plus 18 holes of disc golf) and Lester Park Golf Course (18 holes).

The City is progressing towards substantial capital improvements at Enger Park Golf Course, to include replacement of an aging irrigation system, repair and improvement to fairways and bunkers, and replacement of the degrading and non-ADA compliant clubhouse. To achieve these improvements at Enger Park Golf Course, consolidation of public golf in Duluth must occur. The following timeline shows the anticipated course operations by season through the Enger renovation process:

	Enger Park Golf Course	Lester Park Golf Course
2022	27 holes and driving range open for play, construction commences post-season	Minimally maintained, not open for play
2023	Closed during construction, maintenance by course management	18 holes and driving range open for play
2024-Beyond	27 holes and driving range reopen for play	Permanently closed, no maintenance by course management

The Operator will be responsible for all operating expenses, including building and course maintenance, and for a defined amount of small scale identified and evolving capital improvements as budget allows during the course of the management term for the Enger Park Golf Course. For the Lester Park Golf Course, the operator would only be responsible for operating and routine maintenance expenses for the season that Lester is open. The Operator will also be responsible for maintaining all operating equipment, including golf carts, kitchen equipment and course maintenance equipment.

The City is preparing to invest more than $4 million into Enger Park Golf Course; however, total course improvement needs total more than $6 million. Preference will be given to proposers willing to co-invest in Enger improvements.

Should sale of a portion of the Lester Park Golf Course be successful, proceeds shall be reinvested in Enger Park Golf Course improvements. While this process is underway, it shall not inhibit operation of Lester Park Golf Course for the 2023 season.

Additional detail is provided in **Part IV** of this RFP.

I-2. Calendar of Events. The City will make every effort to adhere to the following schedule (all times are local):

Activity	Date
Pre-proposal Conference	March 4, 2022 at 2 p.m.

Deadline to submit Questions via email to purchasing@duluthmn.gov	March 15, 2022
Answers to questions will be posted to the City website by 4:30 PM on this date.	March 22, 2022
Proposals must be received in the Purchasing Office by 4:30 PM on this date.	April 1, 2022
In-person interviews with finalists	April 14-15, 2022
Notification of Selection	April 27, 2022

I-3. Rejection of Proposals. The City reserves the right, in its sole and complete discretion, to reject any and all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in its best interests. The City is not liable for any costs the Bidder incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-4. Pre-proposal Conference. The City will hold an OPTIONAL pre-proposal conference as specified in the Calendar of Events. Interested Bidders can attend via Webex with the link provided at https://www.duluthmn.gov/purchasing/bids-request-for-proposals/. If requested, an in-person site visit beginning at Enger Park Golf Course will follow the conference. Bidders should be aware that the grounds will likely still be snow-covered. Submit site visit requests to jpeterson@duluthmn.gov by 2:00 pm on Thursday, March 3, 2022.

I-5. Questions & Answers. Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at purchasing@duluthmn.gov **no later than** the date indicated on the Calendar of Events. Answers to the questions will be posted as an Addendum to the RFP.

I-6. Addenda to the RFP. If the City deems it necessary to revise any part of this RFP before the proposal response date, the City will post an addendum to its website at https://www.duluthmn.gov/purchasing/bids-request-for-proposals/. Although an e-mail notification will be sent, it is the Bidder's responsibility to periodically check the website for any new information

I-7. Proposals. To be considered, proposals must be in Microsoft Office-compatible or pdf format and emailed to Purchasing@DuluthMN.gov before the time and date specified in the RFP Calendar of Events. The City email server will not accept files larger than 25MB. If your file is larger than that, please send a large file access email or request a large file drop box from purchasing@duluthmn.gov. The City will not accept proposals via facsimile transmission. The City reserves the right to reject or to deduct evaluation points for late proposals.

Proposals must be signed by an authorized official. If the official signs the Proposal Cover Sheet attached as Appendix A, this requirement will be met. Proposals must remain valid for 90 days or until a contract is fully executed.

All materials submitted in response to this RFP will become property of the City and will become public record after the evaluation process is completed and an award decision made.

I-8. Small Diverse Business Information. The City encourages participation by minority, women, and veteran-owned businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use minority, women, veteran-owned and other disadvantaged business entities as subcontractors and suppliers**.** A list of certified Disadvantaged Business Enterprises is maintained by the Minnesota Unified Certification Program at http://mnucp.metc.state.mn.us/ .

I-9. Award. The service agreement will be awarded based on the highest scoring proposal, which shall satisfy the operations and financial needs of the City.

I-10. Term of Contract. The term of the contract is anticipated to begin October 1, 2022 for a minimal operations and budgetary transition, with full service provision commencing January 1, 2023 continuing through December 31, 2025. An additional two-year extension shall be possible, should both parties agree in writing by September 1, 2025. The selected Bidder shall not start the performance of any work nor shall the City be liable to pay the selected Bidder for any service or work performed or expenses incurred before the contract is executed.

Year 1: Anticipated October 1, 2022 – December 31, 2023
Year 2: January 1, 2024 – December 31, 2024
Year 3: January 1, 2025 – December 31, 2025
If extension is agreeable:
Year 4: January 1, 2026 – December 31, 2026
Year 5: January 1, 2027 – December 31, 2027

Payment to the City shall occur in one lump sum on or before February 15 each year, with the first payment occurring on or before February 15, 2024.

Prompt Payment of Subconsultants.

I-11. Prompt Payment of Subconsultants. Per MN Statute 471.425, Subd. 4a., Each contract of a municipality must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the municipality for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of $100 or more is $10. For an unpaid balance of less than $100, the prime contractor

shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

I-12. Mandatory Disclosures. By submitting a proposal, each Bidder understands, represents, and acknowledges that:

A. Their proposal has been developed by the Bidder independently and has been submitted without collusion with and without agreement, understanding, or planned common course of action with any other vendor or suppliers of materials, supplies, equipment, or services described in the Request for Proposals, designed to limit independent bidding or competition, and that the contents of the proposal have not been communicated by the Bidder or its employees or agents to any person not an employee or agent of the Bidder.

B. There is no conflict of interest. A conflict of interest exists if a Bidder has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. If there are potential conflicts, identify the municipalities, developers, and other public or private entities with whom your company is currently, or have been, employed and which may be affected.

C. It is not currently under suspension or debarment by the State of Minnesota, any other state or the federal government.

D. The company is either organized under Minnesota law or has a Certificate of Authority from the Minnesota Secretary of State to do business in Minnesota, in accordance with the requirements in M.S. 303.03.

I-13. Notification of Selection. Bidders whose proposals are not selected will be notified via email.

PART II - PROPOSAL REQUIREMENTS

Proposal submission should include cover letter, background of the company and any applicable sub-contractors, resumes of key personnel, examples of similar work, references and information beneficial and necessary to clearly assess scoring as described in Part III – Criteria for Selection. Proposals should be limited to 25 pages, not including the cover letter or any addenda included as acknowledgment of receipt, if any.

PART III - CRITERIA FOR SELECTION

The proposals will be reviewed by City Staff. The intent of the selection process is to review proposals and make an award based upon qualifications as described therein. A 100-point scale will be used to create the final evaluation recommendations. The factors and weighting on which proposals will be judged are:

1. **Qualifications of the Bidder and Personnel** **30%**
    a. Personnel, experience, industry portfolio
2. **Prior experience with similar work** **30%**
    a. Course operations, volunteer groups, leagues, events
    b. Marketing and sponsorships
3. **Financial Modeling to meet City terms** **30%**
4. **Grounds/Maintenance Plan** **10%**

PART IV – PROJECT DETAIL

The City is seeking an experienced golf management firm interested in maximizing the use and enjoyment of Enger Park Golf Course in order to realize mutually beneficial annual profits to support renovation and ongoing capital improvements at the course.

While the City embarks on major capital improvements to Enger Park Golf Course, the selected golf management firm will support continuity of available public golf by temporarily relocating operations to Lester Park Golf Course for one season. Thus, the City is seeking proposals to manage Enger Park Golf Course for a three-year term with the possibility of an additional two-year extension, and Lester Park Golf Course for an anticipated one year of minimal maintenance and one year of full course operations. The selected course manager will be diligent in the operation, maintenance, and capital improvements of Enger Park Golf Course along with short-term maintenance and operation of Lester Park Golf Course. The selected course manager will provide an enjoyable golfing experience with adequate and proper service at a price that balances affordable public access to golf with annual net profits sufficient to support debt financing of long-term capital improvements at Enger Park Golf Course.

To achieve course renovations necessary for successful financial operation and long-term sustainability of Enger Park Golf Course, the course manager will provide the City with annual minimum net proceeds of $300,000. Respondents may supply rationale for an alternate term length and payment structure that still satisfies the annual minimum net profit threshold of $300,000 to the City.

IV-1. Description of Courses and Facilities

Enger Park Golf Course

Enger Park Golf Course ("Enger") was built as a Depression-era project. It opened in 1936 as an 18-hole facility. A third nine, designed by golf course architect Dick Phelps, ASGCA, was added in 1988. At that time, nine of the original 18 holes were also renovated, and a new irrigation system installed. Currently, nine of the greens at Enger are original and are now 80 years old.



Enger averages 40,000 rounds annually. However, at one time it hosted over 53,000 rounds.

The Enger Park Golf Course is a scenic golf layout with exciting topography and numerous mature trees bounded in many areas by natural woodlands. The facility is in a park-like setting, with no surrounding homes. The golf course is devoid of any development visible from the golf course, creating a true "oasis" atmosphere for golfers despite proximity to the busy city life that surrounds it.

The three nines at Enger Park are descriptively named "Front," "Middle," and "Back." They all start and finish proximate to back of the clubhouse. The three nines are roughly equivalent (although the one nine with older greens is a bit less popular), allowing the facility to operate as a true 27-hole layout. The three nines are played in rotation. Because of the high demand for nine-hole play, usually, two nines are set up for 18-hole play, and one nine is dedicated to nine-hole play.

There are approximately 42 bunkers over the 27 holes, with the Front nine having the most (18) and the other two nines having twelve each. Water comes into play on ten holes. There are some slight elevation changes on all three nines.

The three nines all have four sets of tees to accommodate golfers of all abilities. Yardages range from 5,159 to 6,573 yards. The course is scenic with some beautiful views of Lake Superior. The location is convenient to downtown, I-35, area hotels, and the popular Lake Superior waterfront.

In 2018, an 18-hole disc golf course was added at Enger. Disc golf is open year-round, with in-season play run through the clubhouse just like ball golf, and off-season play via a money drop-box. The Lake Superior Disc Golf Community has strongly supported this new amenity and is actively involved in promoting it. Future golf course management will be expected to continue disc golf at Enger.

The driving range is located on the other side of the parking lot from the clubhouse and is not convenient to any of the starting holes or clubhouse. The range has stations for about 20 golfers. There is a ball machine that takes tokens located in a small building adjacent to the range. In addition to containing the ball machine, the 1,200 square foot range building has about 400 square feet of interior space that is currently used for storage. The range itself is rather narrow, bordered on the left by trees, the parking lot, and Skyline drive and on the right by a cliff.

Current Clubhouse: The clubhouse is approximately 8,000 square feet in size. It first opened in 1938. The building has three levels, including a basement, main floor and an apartment upstairs. The main floor hosts the pro shop, grill, and offices. The clubhouse is severely outdated, and a new clubhouse was identified as a priority within course renovations. The building suffers from numerous structural problems and has an inferior layout for golf. Current concerns about the Enger Park clubhouse include:

- Not ADA Accessible: The building is not handicap accessible nor in compliance with Americans with Disabilities Act (ADA) regulations. Any renovation of the facility will likely require significant ADA improvements.

- No Air Conditioning: This is a detriment to clubhouse sales, especially food and beverage, as people do not want to sit around in an uncomfortable setting. It also has an adverse effect on employee morale, especially kitchen workers, where it can become uncomfortable.

- Parking: The parking lot is located on the other side of Skyline Drive. As there is no bag-drop area, golfers are thus required to carry their bags across a fairly busy street in order to access the clubhouse and course.

- Men's Restroom: Another significant issue is that the men's restroom is located in the basement, rather than on the main floor. There is no elevator connecting the floors.

- Insulation: The clubhouse has inferior insulation, making it unnecessarily hot in the summer and cold in the spring and fall. Like the AC, this affects both revenue and employee efficiency.

- Electrical: The clubhouse has some significant electrical problems. There is a definite problem with running too many appliances at one time, which can short the circuit.

Enger Park Grill: The basic snack bar at Enger Park, the grill area, serves the day-to-day needs of golfers and others. The space has seating for up to 50 and includes a counter bar area. The grill occupies the most space on the main floor and is the area golfers would walk into from the front door. The dining area is L-shaped, with some of the tables out-of-sight from the grill bar. There is a beautiful deck area outside the pro shop that would appear to have the ability to seat 30-40 people. A three-season

outbuilding with significant additional seating accommodates numerous corporate and nonprofit events throughout the season.

A 2021 public engagement process, supported by golf industry consultants, led to the completion of the Enger Park Golf Course Renovation Plan, which was approved by City Council in October 2021 and is available at this link: https://duluthmn.gov/media/12116/enger-park-golf-course-renovation-plan-final.pdf

The City of Duluth is actively pursuing design and funding packages to implement Phases 1 and 2 from the Renovation Plan. This includes irrigation system replacement and associated course improvements as well as replacement of the outdated, non-ADA compliant clubhouse with a modern, efficient new building.



Lester Park Golf Course

Lester Park Golf Course ("Lester") offers 18 holes remaining for play during 2023. Lester also shares most of the same operational concerns and facility issues, including an aging golf course and clubhouse.

Lester Park is located at the northeastern corner of the City (on the border), much further away from the population center. However, it is located less than a mile from Lake Superior, and it offers spectacular views of the Lake from a large percentage of the holes. There is no residential development along the course. Access to Lester Park Golf Course is convenient for tourists, located just off the main interstate, which is a gateway to Northeastern Minnesota.

The course was expanded from its original 18 to 27 holes in 1988 by Dick Phelps, ASGCA, with the creation of the Lake 9 and partial renovation of the original 18. The Lake 9 was permanently closed following the 2019 season and is no longer being maintained.

The remaining 18 holes at Lester Park Golf Course feature exciting elevation changes and dramatic vistas. Both the Front and Back nines have ten sand bunkers each. The Front has three holes where water comes into play, while the Back has two. While the irrigation system for all 27 holes was installed in 1988, seventeen of the greens are original and date back to 1939.

Yardage from the back tees for the Front and Back 18 total only 6,371, making it a relatively short course by modern standards. Because of its shorter length, lack of traps,

older greens, and lower difficulty level, the Front/Back 18 holes are not very appealing to lower handicap golfers or tourists.

The driving range is located down the hill from the clubhouse, convenient to both the parking lot and clubhouse, but on the opposite side to the first holes. There is an unoccupied range attendant building that houses the ball machine.

The Lester Park clubhouse was constructed in 1942 and consists of three levels, including a basement, and has about 4,000 square feet and is ADA accessible. The concerns about the Lester Park clubhouse noted include:

- No Air Conditioning: This is a detriment to clubhouse sales, especially food and beverage, as people do not want to sit around in an uncomfortable setting. It also hurts employee morale.

- Men's Restroom: The men's restroom is located in the basement, rather than on the main floor. There is no elevator connecting the floors. However, there is a unisex restroom on the main floor.

- Insulation: The clubhouse has inferior insulation, making it unnecessarily hot in the summer and cold in the spring and fall. Like the AC, this affects both revenue and employee efficiency.

The City currently holds a lease for golf carts and maintenance carts which continues through the 2023 season. The course operator will assist the City with determining the future direction of our cart fleet and assisting in cart recommendations and negotiations.

Supplemental information about the facilities is listed with links in Appendix B.

IV-2. Financial Performance

The overall Financial performance of the City's public golf courses has been poor. An increase in the number of publicly available holes of golf in the region, coupled with a decline in rounds played nationally, and capital borrowing have led to more than $2.5 million in debt in the Golf Enterprise Fund. Multiple studies and research have supplied recommendations for how to reverse this financial course and are listed with links in Appendix B.

Recent Financial Performance:

Rounds of Golf	**Total Revenue**	**Labor & Expenses**	**Net Income**
2015 – 81,059	2015 – $1,931,016	2015 – $1,873,249	2015 – ($180,370)
2016 – 76,127	2016 – $1,822,936	2016 – $1,716,265	2016 – ($141,314)
2017 – 67,657	2017 – $1,730,447	2017 – $1,584,087	2017 – ($105,627)
2018 – 61,004	2018 – $1,692,368	2018 – $1,520,405	2018 – ($66,444)

2019 – 51,308	2019 – $1,481,714	2019 – $1,477,342	2019 **–** ($191,490)
2020 – 39,337	2020 – $1,083,095	2020 – $1,063,304	2020 – ($100,294)
2021 -- 41,063	***2021 -- $1,363,704***	***2021 -- $1,041,169***	***2021 -- $186,415***

NOTE: Cost of Goods is not listed above, but is calculated to arrive at Net Income

IV-3. Capital Improvements – Enger Park Golf Course

Numerous studies and public input processes, followed by City Council action, have contributed to the current Enger Park Golf Course Renovation Plan, used as the concept now guiding the design and funding phases of this critical capital improvement project. The full plan is listed with a link in Appendix B for reference.

IV-4. Dates/Hours of Operation

The golfing season in Duluth generally runs from April through October. Weather is highly variable and a successful operator will maximize course operations in relation to the weather and available daylight.

Available for consideration are complementary off-season activities at the course, likely most practical once a new clubhouse is completed. In the off-season, the courses are currently enjoyed by the general public for walking, running, skiing, snowshoeing, and disc golfing.

Public input has emphasized the desire to maximize use of the grounds and facilities, which nonetheless must still ensure positive financial performance. A desire for golf simulators has been expressed by the golf community and is reflected in the Enger Park Golf Course Renovation Plan as well.

IV-5. Maintenance Standards

Applicants shall supply an overview of their proposed maintenance standards as they align with both industry standards, financial performance, weather, geography, and conditions of Duluth Golf.

Two maintenance levels shall be described:

1. Minimal maintenance necessary for asset preservation at Lester Park Golf Course prior to its single season reopening and at Enger Park Golf Course while it is closed for play and undergoing capital improvements.

Standard maintenance of the courses while they are open for full operation and play.

APPENDIX A - PROPOSAL COVER SHEET
CITY OF DULUTH
RFP# 22-AA08

Bidder Information:	
Bidder Name	
Mailing Address	
Contact Person	
Contact Person's Phone Number	
Contact Person's E-Mail Address	
Federal ID Number	
Authorized Signature	
Name of Authorized Signer	
Title of Authorized Signer	
Email of Authorized Signer	

APPENDIX B: REFERENCE DOCUMENTS
CITY OF DULUTH
RFP 22-AA08

1. Duluth Public Golf webpage: https://duluthmn.gov/parks/golf/duluth-public-golf/. Materials included are listed below and accessible by clicking on each link:

    a) Proposed Changes to Ownership and Use of Public Green Space in the Lester Park and Enger Park Areas
    b) Lester Area Future Protection Designation Map
    c) Golf Study Citizen Advisory Findings
    d) Duluth Golf Course Facility Assessment
    e) Facility Assessment Supplement - Enger Course
    f) Facility Assessment Supplement - Enger Irrigation
    g) Duluth Golf Public Opinion Research
    h) 2019 Fund 503 Budget Summary
    i) JJ Keegan Financial Review
    j) Golf Facility Strategies
    k) Golf Model
    l) Lester Park Golf Course Market Analysis
    m) Enger Area Development Master Plan Concept
    n) Golf Citizen Advisory Committee Charge

2. Progress in the Park – Enger Golf Course Renovation webpage: https://duluthmn.gov/parks/parks-planning/progress-in-the-park/enger-golf-course-renovation/

3. Enger Golf Course Renovation Plan: https://duluthmn.gov/media/12707/enger-park-golf-course-renovation-plan-final.pdf