



## Legislation Text

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**File #:** ID#14-429, **Version:** 1

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### **SUBJECT/RECOMMENDATION:**

Approve Request for Proposal 35-14 (RFP) rankings for the operation and maintenance of the Barefoot Beach House located at 332 S. Gulfview Blvd. and allow staff to negotiate a lease agreement with Fields, Inc. of Clearwater, Florida, for a term of five years with one renewable term of five years.

### **SUMMARY:**

The current agreement with Fields, Inc. to operate the Barefoot Beach House (BBH) expires on December 31, 2014.

On June 16, 2014 the City issued RFP 35-14 to solicit interested parties in the operation of the BBH from January 1, 2015 to December 31, 2019 with one renewable term of five years.

On July 16, 2014 the City received two qualified proposals; Fields, Inc. of Clearwater, Florida and Boucher Brothers Clearwater Beach, LLC.

On August 21, 2014, after oral presentations by both proposers the RFP committee (Jay Ravins, Geri Lopez, Kevin Dunbar, Gina Clayton and Art Kader) recommend the following rankings for the two proposals.

1. Fields, Inc. of Clearwater, Florida
2. Boucher Brothers Clearwater Beach, LLC.

If for some reason staff cannot negotiate an acceptable lease agreement with Fields, Inc. then they will move forward with attempting to negotiate an agreement with Boucher Brothers.

It should be pointed out that both proposals were excellent and the RFP committee felt that either party would be acceptable and do an excellent job for the City.

The proposals were ranked by the following criteria:

- a. Successful experience in State of Florida and Pinellas County providing similar services
- b. Longevity of proposer providing these types of services
- c. Successful experience in Florida managing and operating a public building
- d. Compensation or financial benefits to the City of Clearwater.
- e. Proven financial stability and resources available to fulfill contract
- f. Documented involvement and service to the community
- g. Responsiveness and completeness of RFP

The ranking of both proposals were very close but the decision to rank Fields, Inc. as number one came down primarily on the issue of the potential financial return to the City and strong community relationships.

Fields, Inc. proposal provides for a greater opportunity for the City to make more revenue than the Boucher Brothers proposal; while the Boucher Brothers proposal provides for a greater guarantee to the City over the term of the agreement.

Guarantee return from Boucher Brothers was \$500,000 while Fields, Inc. was \$100,008 per year. However, the percentage on beach rentals and percentage on additional concessions revenue by Fields, Inc. was substantially higher than Boucher Brothers. Percentage returns on beach rentals for Fields was 50% compared to 10% for Boucher Brothers.

Formulas were developed to analyze the potential return scenarios based on calendar year 2013 and in all scenarios where there is any growth potential in concessions or rentals Fields, Inc. proposal yields substantially more revenue to the City. However if there were a down turn in the economy and the gross revenues per year decreased by 1% then the Boucher Brothers scenario would be higher in terms of total return to the City.

Based on 2013 gross revenue the City would receive \$602,979 from Fields, Inc. and \$596,767 from Boucher Brothers.

The 2014 gross revenue as of July 31<sup>st</sup> is running 12.8% higher than in 2013; (21.7%) in beach rentals and (3.8%) in concession sales. And, there is no indication that this revenue will decrease with the additional new developments coming to Clearwater Beach as well as projected growth in tourism.

While Boucher Brothers has been very active in supporting and partnering with both non-profit and civic organizations in the areas they have business in, contributing both time and money (over \$200,000 in 2012 and 2013), they have not contributed to any Clearwater community groups or organizations.

On the other hand Fields, Inc. has deep roots in the community and has been a part of and contributed to the fabric of the community for over 20 year. In addition to monetary assistance for over 30 organizations they have been active on local boards and civic groups as well as developing and sponsoring Sunsets at Pier 60 and Sugar Sand Festival as part of Fun N Sun Festivals.

If the ranking is approved by Council, staff will negotiate a new agreement with Fields, Inc. to be brought back to Council for approval at a later date.

**APPROPRIATION CODE AND AMOUNT:**

N/A

**USE OF RESERVE FUNDS:**

N/A