

Talking Stick Golf Enterprise

Request for Proposal

Golf Consulting Services

RFP# Treasury-14-005

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PROPOSAL OVERVIEW

The Talking Stick Board of Directors (the "Board") is seeking a highly qualified golf consultant to provide the following services as the Board considers operational and financial issues as well as determining the effectiveness of the management company for its golf facilities.

1. Review past operational and financial performance measures and evaluate future viability and profitability of the golf facilities.
2. Conduct a comprehensive evaluation of the golf facilities and develop recommendations for operational strategies, financial opportunities and whether the management company is maximizing operational strategies and financial opportunities.
3. Provide an analysis of the Troon Card revenues and analyze whether the golf facility should continue to accept the Troon Card, have its own card or in tandem with the Troon Card, offer its own card to maximize profits.
4. Review the existing management agreement and management fee structure and benchmark management fees against other golf course management arrangements.
5. Provide an overview of current national, regional and local golf trends. Provide an in-depth analysis on the local market identifying the golf facilities strengths, weaknesses, opportunities and threats, and provide recommended changes to enhance its market share.
6. Recommend and provide strategies and objectives for the golf facilities that have achieved proven success at other similar public golf course facilities.
7. Provide an overview of the Food and Beverage operations and opportunities to increase revenues, profit, and customer satisfaction.
8. Provide a listing of capital investment projects necessary to maintain or increase market share as well as identify new investment projects that may enhance revenue and yield management.
9. Establish a process to obtain customer feedback (i.e. outside customers, Troon golf card members, tournament players and other interested community members).
10. Provide a thorough written report to the Golf Enterprise Board on the completed analysis

The Board has developed the following information in an effort to identify the Golf Consultant's responsibilities.

TALKING STICK GOLF COURSE

Talking Stick Golf Course is a 36-hole signature course designed by PGA Tour professional Ben Crenshaw and Bill Coore. Two uniquely different Arizona golf courses offer many options according to the golfer's level of playing skill. Located on, and owned by, the Salt River Pima-Maricopa Indian Community (the "Community"), the North and South courses provide a serene yet challenging day of play. "Whichever course one chooses or prefers, it was our desire to portray golf in a traditional sense, which quietly merges with its tranquil desert surroundings".

The elegant 26,000 square foot clubhouse offers an award winning golf shop, player's locker rooms, full service dining room, and private dining areas for groups of all sizes. There is a complete practice facility available for all guests as well as private and group golf instruction from the Tim Mahoney Golf Academy. The course is located adjacent to the Community's casino enterprise, Talk Stick Resort, which is managed and operated independently.

Talking Stick Golf Club has been consistently ranked among the top courses in the state of Arizona. Not only has it been ranked in the top ten, but the North course has held either the first or second position over those four years. The South course has also been ranked in the top-10 at number eight in previous rankings.

SRGC BOARD MISSION

The Board shall permanently protect, maintain and improve the financial and operational management of the Golf Enterprise and identify investment opportunities for current and future generations. The Golf Enterprise provides recreational opportunities for the public to gather, celebrate and socialize through the enjoyment of the sport of golf.

CURRENT GOLF OPERATIONS

The Board has retained Troon Golf LLC to manage the following:

- Two 18 hole golf courses – North and South course
- A “country club setting” with a pro shop, restaurant, banquet facility, and beverage cart operations including liquor service.
- A full service driving range with a golf school.

SCOPE OF SERVICES AND WORK PLAN

Scope of Services

The Board is seeking consulting services in order to evaluate the current financial and operational practices at the Talking Stick golf facility as each compares to golf industry’s best management practices in operating an “open to the public” country club. The consultant will work with the community government, Troon management, user groups (individual and tournaments), Troon membership cardholders, tournament players and the Board to provide the basic facts and data necessary to generate a report that addresses future capital investment recommendations, reviews financial and operational data with specific recommendations for operational changes to meet industry best practices, enhances the service level and assesses the effectiveness of the management company.

The consultant will:

1. Evaluate the future viability and profitability of the Talking Stick golf facility.
2. Conduct a comprehensive review and evaluation of the golf facilities as outlined and specified below in the Work Plan.
3. Provide an overview of the current national and local golf market including demographics and a summary review of the competition.
4. Provide an analysis of the Food and Beverage operations to include maximizing the profit and guest satisfaction of the restaurant and banquet facility. This includes how many weddings are booked annually as well as maximizing the Banquet usage through tournament and local groups.
5. Provide recommended course(s) of action for the golf enterprise including recommended capital improvements.
6. Provide recommendations regarding strategic initiatives that would be beneficial towards formulating a 10-Year Golf Master Plan.
7. Recommend a listing of viable Management Companies.
8. Present an executive summary and supporting documentation of the recommendations to the Board.

The Board will oversee the direction and quality of work of this consultant. The consultant will work with and have access to necessary Board staff, the financial and golf course records and reports. It is the Board’s intention to use in-house resources to the full extent possible. Golf Course employees may be assigned by, or requested from the various departments to assist the Consultant in the assembly of documents related to the Project.

The Board should be made aware of any tasks outlined in the Work Plan below necessitating the Consultant to outsource certain tasks pertaining to Golf Course Asset Analysis. If outsourcing is requested, the Consultant shall prepare a proposal for these services and submit it to the Board Contract Administrator for review. The Board reserves the right to participate in the selection process of any outsourced service provider.

Work Plan

To achieve these outcomes the consultant will be expected to complete the following tasks. The consultant may include additional elements and/or tasks consistent with the above Scope of Services but may not delete any task element listed below.

Task 1: Financial Analysis of Golf Operations

- a) Conduct a thorough evaluation of past financial performance of the golf facility including balance sheet review (assets and liabilities), profit and loss statements and debt review. This analysis needs to cover, at a minimum, FY2001 through FY2013. The evaluation will include a review of past financial performance and compare results to the national and local golf market. The evaluation shall also include pro forma 10-year financial projections based on identified opportunities or recommended operational/organizational changes.
- b) Conduct a review of current rate structures and membership levels. Assess how fees, fee structures and membership levels may be modified to maximize revenue streams. Provide opportunities or recommend changes to strategically implement rate and membership structure changes.
- c) Identify financial goals and objectives that Course management should expect to achieve in formulating a 10 year master plan.

Task 2: Golf Course Asset Analysis

- a) Evaluate the physical assets (buildings) of the golf facilities. Identify strengths and weaknesses of each facility with recommendations for improvements that provide for a welcoming atmosphere for users and guests of the golf courses.
- b) Evaluate the equipment assets of the golf facilities. Identify optimal and any excess level, of equipment necessary to adequately maintain the quality of the course play. Identify strengths and weaknesses of participating in an equipment fund, a leasing program or a combination of both. Provide opportunities and recommendations that optimize asset values and minimize equipment maintenance expenses.
- c) Evaluate course conditions and maintenance practices. Identify strengths and weaknesses of the golf facilities in relation to the "public value" local market. Provide opportunities and recommendations on course conditioning and maintenance practices that the Board may consider that would change the market segment of some or all the golf courses to "public premium".
- d) Provide strategic recommendation that the Board may consider in developing a 10-Year Golf Master Plan

Task 3: Golf Course Management and Maintenance Analysis

- a. Evaluate the management, programs, services, policies, procedures and daily operations of the golf facilities and benchmark to like industry facilities and competing facilities within the local market that share similar rate structures and compare to industry best practices. This analysis shall include, but is not limited to the following:

Golf Course Hours of Operation

Customer Service Practices

- Clubhouse Signage
- Course Signage
- POS System and Integration
- Tee Time Reservation System and Integration
- Course Policies and Procedures
- Cash Handling Procedures
- Staff Analysis including optimal organizational structure, staffing levels, roles, responsibilities and training
- Evaluate the benefits/detriments of existing or potentially new league play programs including marketing and services offered or needed
- Evaluate benefits/detriments of golf school and instructional programs including review of existing programs, profitability and opportunities for additional services.
- Determine the opportunity to host Tournaments including marketing and services needed, benefits of hosting as well as cost expected to be incurred.
- High School/Collegiate Golf Programs including marketing and services offered

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- b. Evaluate the management of golf cart operations including services provided, rental policies and procedures, lease/purchase options, storage facilities, maintenance practices, fleet rotation and staging and compare to industry best practices. This analysis shall also correspond to Task 1 above, Financial Analysis of Golf Operations and include an in depth review of revenues.
- c. Complete a comprehensive analysis of historical golf rounds and benchmark the golf facilities performance to like industry facilities and competing facilities within the local market that share a similar rate structure. Analyze historical daily play including utilization rates as they pertain to the day of the week and time of the day. Provide an in depth analysis benchmarking performance to like industry facilities and competing facilities within the local market that share a similar rate structure and compare to industry best practices.
- d. Analyze daily and season rate structures at the golf facilities including specifically the *Troon card* and whether the golf facility should have its own separate loyalty/discount card. It should include a benchmark to like industry facilities and competing facilities within the local market that share similar rate structures and compare to industry best practices. This analysis shall include, but is not limited to the following:
- Daily Green Fee Rate Structures
 - Season Rates Structure – peak, shoulder, and summer seasons.
 - Discount Rates and Structure including the Troon Card or other possibly golf card programs.
 - Cart Rental Rate Structures
 - Program Rate Structures - including leagues and lessons
 - Tournament Rate Structure
 - Miscellaneous Service and Rental Rate Structure
- e. Analyze pro shop operations and procedures at the golf facilities and benchmark to like industry facilities and competing facilities within the local market that share similar rate structures and compare to industry best practices. This analysis shall include, but is not limited to the following:
- Overall management structure and daily operational practices, including policies and procedures at the golf courses
 - Selection, adequacy, quality and appropriateness of the resale merchandise provided at the facilities, including both hard and soft goods
 - Pricing strategies for resale golf merchandise
 - Inventory procedures and controls of resale golf merchandise
 - Display, rotation and appearance of resale golf merchandise
 - Management decisions on promotions, sales and clearances of resale golf merchandise
 - Review procedures that ensure resale merchandise is being purchased at lowest possible cost and meet industry best practices
- f. Analyze food and beverage operations and procedures at the golf facilities and benchmark to like industry facilities and competing facilities within the local market that share similar rate structures and compare to industry best practices. This analysis shall include, but is not limited to the following:
- Overall management structure and daily operational practices, including policies and procedures that pertain to the safe serving of food and beverages and minimize spoilage
 - Selection, adequacy, quality and appropriateness of the resale food and beverage items at the facilities
 - Pricing strategies for resale food and beverage items
 - Inventory procedures and controls of resale food and beverage items including daily and weekly rotations to minimize spoilage
 - Display and appearance of resale food and beverage items
 - Management decisions on daily food and beverage promotions
 - Adequacy and functionality of kitchen and serving equipment
 - On course food and beverage service operations
 - Maximize annual weddings and banquets revenue opportunities and limitations.
 - Potential leasing of the Restaurant to a 3rd party Restaurant Company.
 - Customer demographics and appeal of the golf course restaurant facility.
 - Marketing opportunities or requirements necessary to draw customers, both golfers and casual diners, to the facility.

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- g. Evaluate the maintenance programs, services, policies, procedures and daily operations of the golf facilities and benchmark to like industry facilities and competing facilities within the local market that share similar rate structures and compare to industry best practices. This analysis shall include, but is not limited to the following:
- Staff Analysis including roles, responsibilities and training
 - Green Maintenance Practices
 - Tee Maintenance Practices
 - Fairway Maintenance Practices
 - Rough Maintenance Practices
 - Hazard Maintenance Practices
 - Environmental Sensitive No Mow Area Maintenance Practices
 - Pond/Creek Maintenance Practices
 - Fertilization Maintenance Practices
 - Pest Control Maintenance Practices
 - Tree/Shrub/Flower Maintenance Practices
 - Irrigation Maintenance Practices
 - Cart Path Maintenance Practices
 - Equipment Maintenance Practices
 - Aerification Maintenance Practices
 - Tee Services including benches, ball washers, markers, signage, water stations and other amenities
 - Course Directional Signage
 - Roping Maintenance Practices
- h. Evaluate the Capital Improvement Program (CIP) of the golf facilities and benchmark to like industry facilities and competing facilities within the local market that share similar rate structures and compare to industry best practices. This analysis shall include, but is not limited to the following:
- Current facility layout adequacy and limitations,
 - Golf course design improvements.
 - Banquet facilities
 - Future CIP projects that maintain golf course infrastructure
 - Future CIP investment opportunities that enhance revenue or decrease expenses.
- i. Evaluate the use of technology at the golf facilities and how that technology compares with like industry facilities and competing facilities within the local market that share similar rate structures and compare to industry best practices. This analysis shall also include a review of how the technology deployed at the golf facilities interfaces or should interface with the owners' technology.
- j. Provide strategic recommendations for the Board to consider in formulating a 10-Year Golf Master Plan.

Task 4: Marketing Analysis

1. Provide an overview of the current golf market (US and Arizona) including demographic trends and how they impact the local golf industry. Provide analysis on opportunities to grow market share, revenues, change management or maintenance practices and provide different and alternative programming based on local demographic trends.
2. Provide an overview of key competitors in the Arizona market including benchmarking key results from the Talking Stick golf facility operations to similar local golf operations. Provide analysis on opportunities to increase revenues, change management or maintenance practices or provide different and alternative programming based that takes advantage of local industry demands and grows market share.
3. Evaluate current marketing strategies and procedures at the golf courses and benchmark to like industry facilities and competing facilities within the local market that share similar rate structures and compare to industry best practices.

This analysis shall include, but is not limited to the following:

- Budget Review
 - Website
 - Social media sites
 - Website Search Optimization
 - Print Materials
 - On-line Registration
 - E-Mail Marketing
 - Couponing
 - Print Advertising
 - Website Advertising
 - Partner Links
 - Database Management
 - Newsletters
 - Current Promotions
 - Effectiveness of Campaigns
 - Promotion Tracking
 - Result Management
4. Determine the benefit or detriment of cross-marketing, promoting and coordinating golf course operations with Talking Stick Resort or other community owned enterprises.
 5. Provide recommendations that can be incorporated into a 10-Year Golf Master Plan

Task 5: Current and Future Economic/Trend Analysis

- a) Analyze the current and future economic trends that may impact the golf facilities both locally and nationally. Analyze and recommend changes that the Board may consider to capitalize on such trends.
- b) Analyze the current and future social trends that may impact the golf facilities both locally and nationally. Analyze and recommend changes that the Board may consider to capitalize on such trends.
- c) Analyze the current and future supply of golf course facilities both locally and nationally. Analyze and recommend changes that the Board may consider to capitalize on such trends.
- d) Analyze the current and future demand of golfers both locally and nationally. Analyze and recommend changes the Board may consider to capitalize on such trends.
- e) Provide recommendations that can be incorporated into the 10-Year Golf Master Plan along with the potential financial impact of such recommendations.

Task 6: Recommendations for Golf Master Plan

Based on the analysis conducted in Task 1 through Task 5, provide to Board and staff recommendations to be considered in formulating a 10-Year Golf Master Plan. In providing such a plan, the consultant shall consider the following:

- a) Continued operation of the golf facilities as they currently exist within the local “public value” market
- b) If deemed appropriate, recommended changes of current golf facilities.
- c) Strategic changes to one of the golf courses that allows for a mixture of “public value” and “public premium” courses that will improve the financial viability and profitability of the facilities.
- d) Identify strategies to increase profitability of the facilities while maintaining or improving the quality of services.
- e) Identify potential future issues and opportunities at each golf facility with specific recommendations that address preventative measures that may be undertaken that
- f) Minimize issues from occurring and recommendations that capitalize on potential identified opportunities at the facilities.
- g) Provide in-depth analysis of recommendations that establishes a strategic year by year schedule that produces a 10-Year Golf Master Plan. The plan shall include descriptive in-depth recommended changes in facility assets, service levels, maintenance procedures and programming with current costs identified for those recommended changes that include inflationary cost adjustments based on the future year recommendations.
- h) Provide pro forma financial analysis that would support all recommendations to be incorporated into a 10-Year Golf Master Plan. Include cash flow analysis as well as cost/benefit analysis for revenue enhancement and cost saving recommendations. **The Board recognizes that the consultant cannot guarantee the results of their recommendations; however the Board insists that any and all recommendations be supported by reasonable and verifiable data/analysis.**

Task 7: Final Report

Provide 20 print copies and 1 electronic copy of the final report including detailed analysis of Task 1 through Task 5 and detailed recommendations on Task 6 for the golf facilities no later than *March 31, 2014*. Present findings and recommendations to the Board staff, Executive Leadership Team and the Park Board of Commissioners on dates to be mutually agreed upon between the staff and the Consultant.

PROPOSAL FORMAT AND REQUIREMENTS

In Response to the RFP, the Golf Consultant’s should provide a detailed written presentation on the consultant’s ability to provide the services outlined in SCOPE OF SERVICES AND WORK PLAN above. The proposal is to identify key tasks, milestones, project status reporting, performance metrics, and deliverables within an identified timeframe. A cost proposal for the proposed work must be included with the project proposal. The proposal must include the names of all personnel, including the lead consultant, expected to be assigned to the project, including relevant experience and education. The proposal shall include the number of years that the firm has been in existence and the primary markets served. Include the history and experience in meeting the objectives of similar projects. The proposal shall include a minimum of 5 references for work of a similar nature completed by the consultant. An original and four (4) copies of the Consultant’s response to this RFP shall be presented to the Community’s Treasurer by the date and time stated in the schedule below. Any communications and/or inquiries by the consultant during this RFP process must be submitted in writing to the individual and address stated below.

TIMELINE:

- Questions regarding RFP scope of work, roles and responsibilities or other items in the RFP due back in writing to John Carroll at john.carroll@srpmic-nsn.gov by 2:00 pm PST , November 14, 2013
- Proposals should be submitted by 4:00 pm PST, December 2, 2013
- Board with evaluate proposals, interview consultants and award contact no later than January 15, 2014
- Consultant will commence work as soon as possible thereafter but no later than February 15, 2014
- Consultants final report ready for presentation to the Board shall be delivered no later than March 31, 2014

Should the Consultant believe this Timeline will be difficult to achieve , in their response the Consultant shall propose a timeline under which the scope of work will be achieved.

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Direct all Correspondence to:

The Talking Stick Board of Directors

Attn: John B. Carroll, Treasurer
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Cell: 480-242-1664

Consultant Selections:

The initial screening of proposals will be based upon the proposals alignment with all of the elements outlined in the RFP. Responses to this RFP will be evaluated using the following point system:

- | | |
|-----------|---|
| 20 Points | Professional Qualifications, preference given to team and individual background and technical experience. |
| 30 Points | Past Involvement with Similar Projects and verification of the references. |
| 30 Points | Proposed Work Plan Specifications in the RFP represent minimum performance necessary for response. |
| 20 Points | Fee Proposal |

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