

City of Virginia Beach

Request for Proposal

Management of Golf Courses

RFP #PRGA-11-0002

August 8, 2010

THE CITY OF VIRGINIA BEACH DOES NOT DISCRIMINATE AGAINST FAITH-BASED ORGANIZATIONS

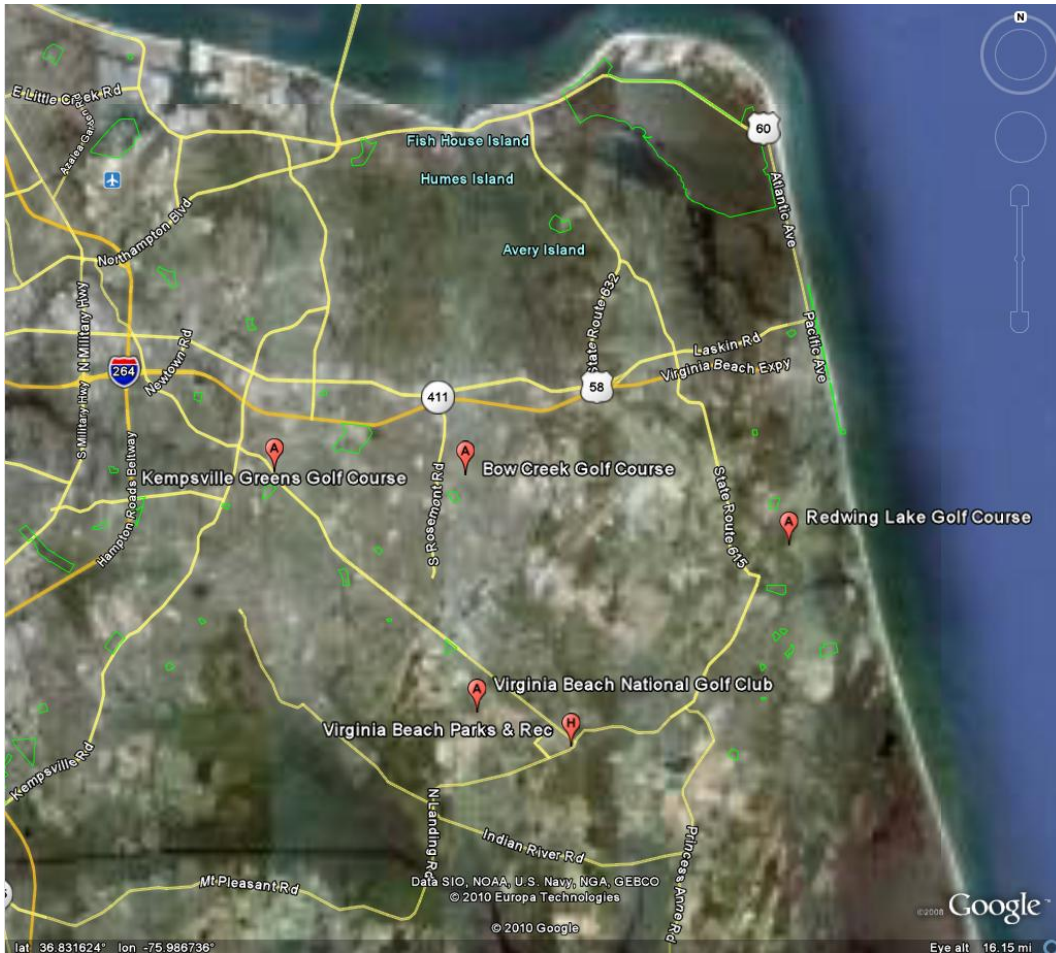


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Exhibits

EXHIBIT "A": OVERALL REQUIREMENTS FOR FACILITY OPERATION

EXHIBIT "B": GOLF OPERATIONS SCOPE OF WORK

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EXHIBIT "D": FOOD, CATERING AND BEVERAGE REQUIREMENTS

EXHIBIT "E": FINANCIAL REPORT FOR VIRGINIA BEACH NATIONAL

EXHIBIT "F": COMBINED FINANCIAL REPORT FOR BOW CREEK, RED WING AND KEMPSVILLE GREENS

TRANSMITTAL FORM

THE CITY OF VIRGINIA BEACH DOES NOT DISCRIMINATE AGAINST FAITH-BASED ORGANIZATIONS

SUBMIT RFP TO: Attention: Bill Davis, Purchasing Agent Purchasing Division Princess Anne Executive Park 2388 Court Plaza Drive Virginia Beach, VA 23456 (t): (757) 385 4438 (f) (757) 385 5601	RFP Item #PRGA-11-0002 Bid Due Date: September 15, 2010 Bid Due Time: 3:00 PM THIS IS NOT AN ORDER Attention of Offeror is Directed to Section 2.2-4367 – 2.2-4377 of Virginia Public Procurement Act (VPPA)(Ethics in Public Contracting)
Location of Public Opening: Princess Anne Executive Park 2388 Court Plaza Drive Virginia Beach, VA 23456 In compliance with this solicitation and to all the conditions imposed herein, the undersigned agrees to execute the contract as a result of this solicitation. An agent authorized to bind the company shall sign the following section. Failure to execute this portion may result in proposal rejection.	Pre-Proposal Conference: Date: August 18, 9:00 am Location: 2416 Court House Drive Municipal Center Building #19 Conference Room A All questions and responses from the Conference will be posted on the City website www.vbgov.com or Demand Star at http://www.demandstar.com/supplier/bids/agency_inc/bid_list.asp?f=search&mi=10049
The City of Virginia Beach reserves the right to accept or reject any and all proposals in whole or in part and waive any informalities in the competitive negotiation process. Further, the City reserves the right to enter into any contract deemed to be in the best interest of the City.	Acknowledge Receipt of Addendum: #1 ____ #2 ____ #3 ____ #4 ____ (please initial) If returning as a "No Submittal", state reason (if so, return only this page):
Offeror Name:	Federal Identification Number.
Mailing Address:	Type of Entity: (Circle one) Corporation ____ Partnership ____
City, State, Zip:	Proprietorship ____ Joint Venture ____
Incorporated in the State of:	Authorized Signature (Manual) Name:
Telephone Number:	Title:
Toll Free Telephone Number: (800)	Date:
Fax Number:	Email:

THIS FORM MUST BE COMPLETED AND RETURNED WITH YOUR PROPOSAL

RESPONDENT'S FINANCIAL PROPOSAL

The City of Virginia Beach is seeking proposals for the management of Bow Creek, Kempsville Greens, and Red Wing Lake Golf Courses effective January 1, 2011. The City is also seeking a proposal for the option to include the management of Virginia Beach National Golf Course effective January 1, 2012.

The City will contract with a firm to manage the golf courses in accordance with the standards of service comparable to other top-quality golf courses in the Virginia Beach area based on the following standards:

Golf Course	Desired Standard*
Bow Creek	Bronze
Kempsville Green	Steel
Red Wing Lake	Silver
Virginia Beach National	Gold

*While precise definitions of these standard's, platinum (high) to steel (entry door), these standards are based on PGA PerformanceTrak quartile reporting which provide indication of gross revenue and net income expectations.

The courses will remain under the ownership of the City and the contract will be administered by the Department of Parks and Recreation.

With full knowledge and understanding of the current challenges within the golf industry and the diversity of agreements that are being negotiated with qualified third-party management companies across the United States, the City will consider the following two options.

- 1) Management Contract: The **City pays the third party** for the complete management and oversight of the aforementioned courses.
- 2) Lease: The **Respondent pays the City** for the complete management and oversight of the aforementioned courses.

The City prefers to enter into a "lease agreement" (Option 2) but will fully consider all proposals submitted.

The principal difference between these two forms of a negotiated agreement is who inures to the benefit of the profits earned and who is responsible for ongoing capital improvements. Under a management agreement, 100% of the profits and the capital investment responsibility would inure to the benefit of the City. The City is requesting of Offerors to delineate what they believe the annual capital investment budget should be. Under a lease, the respondent will receive 100% of the profits and have the responsibility, over the lease term, to invest in the capital improvements.

City of Virginia Beach: Golf Course Management Financial Proposal Form

Presented below is the “term sheet” that the City of Virginia Beach seeks each respondent to complete. This summary shall serve as a basis for discussion with qualified respondents. Please complete the “white” boxes and submit as an integrated part of your response to this Request for Proposal. Should you elect not to submit a proposal on either the management contract or the lease option, please mark N/A for the option that you are declining to submit a proposal.

Thank you.

CITY OF VIRGINIA BEACH: GOLF COURSE MANAGEMENT FINANCIAL PROPOSAL FORM		Management Contract	
		Three Courses	Four Courses
Length of Agreement		2011, 2012, 2013	3 Courses: 2011, 2012, 2013
			4th Course: 2012, 2013
Financial Compensation	Please specify annual fee City to pay per course		
Capital Investment	Please specify amount respondent's desires City to provide in capital investment per course, if any		
Contract Extension	Please specify the number of contract renewals, in years, preferred		

CITY OF VIRGINIA BEACH: GOLF COURSE LEASE FINANCIAL PROPOSAL FORM		Lease	
		Three Courses	Four Courses
Length of Agreement	Length of Agreement	2011 - 2021	3 Courses: 2011 - 2021
			4th Course: 2012 - 2021
Financial Compensation	Please specify basis for Lease to pay City, i.e., % of gross revenue		
Financial Compensation	Please specify amount		
Capital Investment	Please specify amount respondent will invest in capital improvements per course, if any		
Contract Extension	Please specify the number of contract renewals, in years, preferred		



SECTION 1: OVERVIEW – CITY OF VIRGINIA BEACH GOLF DIVISION

The City's Business Style

The City of Virginia Beach prides itself in the efficient conduct of business. It is the City's desire to provide extensive information to facilitate the respondent preparing a cogent response as we seek to enter into a negotiated agreement that is mutually beneficial. We sought to provide you as much salient information possible. A response of 40 pages would be deemed appropriate.

Golf Vision Statement

The intent of this RFP is to help determine how the City of Virginia Beach can best manage, operate and improve our municipal golf courses (CVB). We feel that golf courses contribute to the enhancement of the City's attractiveness, stimulate residential and business development, increase tourism, and improve the tax base.

A key objective to this overall plan is to determine if an individual, partnership, or private company or companies, can contribute to achieving these goals while maintaining an attractive and affordable golf experience, consistent with the Golf Course Division's Vision Statement:

Golf Course Division

We will provide, in a responsible fiscal manner, as a recreational component of our leisure programs, golf consistent with the standards of leading municipalities with respect to green fees, maintenance and administrative operations in order to maximize revenue, increase operational efficiency and ensure optimum customer service as prudent stewards of a government owned asset.

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Scope

The City of Virginia Beach, VA (City) is seeking proposals from qualified firms (Offeror) to provide one (1) or more of the following service options at the Bow Creek, Kempsville Greens, Red Wing Lake Golf Courses commencing January 1, 2011, with an option to include Virginia Beach National Golf Course commencing January 1, 2012.

- **OPTION A: Golf Management Contract —**

Management and operation of all facets of Bow Creek, Kempsville Greens and Red Wing Lake Golf Courses for three years (3-years) commencing January 1, 2011 with three two- year options as mutually agreed. Management and operation of all facets of Virginia Beach National Golf Course for two years (2 years) commencing January 1, 2012 with three two- year options as mutually agreed. The Contractor would manage play on the courses — tee time reservations, driving range, lessons, starting, etc., including retail operations in the pro shop. Contractor would also provide all grounds and building maintenance services at the golf course on both play and non-play areas, landscape features and trees, including irrigation system, consistent with maintenance practices at high-end, municipal golf courses, providing quality golf experiences. Under this option, the City will pay a fee to the Offeror for such service.

- ◆ **OPTION B. Golf Lease Contract –**

Management and operation of **all** facets of the Golf Courses as defined in Option A on a long term basis (10 year minimum with two five- year options). Under this option, the Offeror pays the City a fee for the lease.

The City of Virginia Beach

Virginia Beach is the most populous city in Virginia and the 42nd largest in the United States, with an estimated population of 434,000. The median household income is \$61,234¹. The City encompasses 248 square miles and 58 miles of shoreline on the Atlantic Ocean and the Chesapeake Bay. As a major resort City, there are hundreds of hotels, motels, and restaurants along its oceanfront.

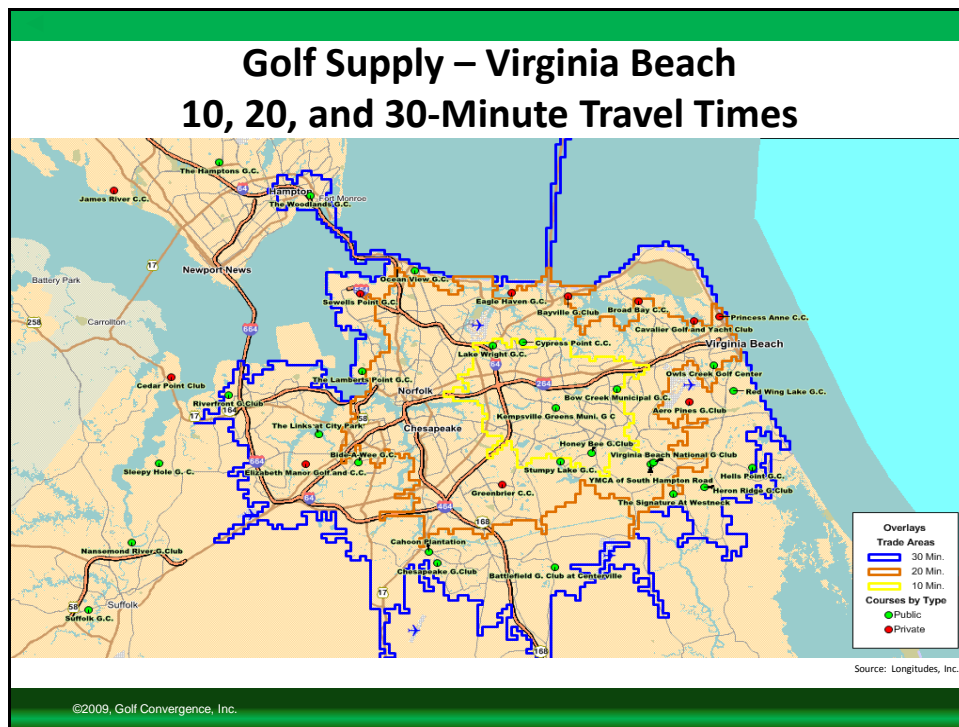
Virginia Beach was chartered as a municipal corporation by the General Assembly of Virginia on January 1, 1963. The City currently operates under the council-manager form of government. The City's legislative body consists of an 11-member City Council. The City Manager is appointed by the Council and acts as the Chief Executive Officer. The City's net assets are \$3.095 billion, and the annual revenues generated near \$1.346 billion. Property taxes make up the largest component, at 42.6% of revenue.

The Local Golf Market

Supply of Golf Courses

In determining the competitive forces surrounding the City's facilities, golf courses that are located within a 10/20/30-minute drive from Virginia Beach are included. The competitive map, which is presented to determine the market potential of the golf courses, is reflected below:

¹ U.S. Census Bureau, 2005 Population Estimates, Census 2000, 1990 Census: <http://factfinder.census.gov/>



Note: Data sources for this analysis included: Tacticians licensed annual consumer survey (2007), state-level facts on participation and frequency, National Golf Foundation database of 16,000 US golf facilities (not including stand-alone driving ranges), licensed U.S. Census data, 2000 actual, 2008 estimate and 2013 projections.

When considering price, quality, proximity, and accessibility to City of Virginia Beach, golfers have many viable alternative courses to play. However, proximity from work/home to the golf course is a determining factor in measuring the viability of a golf course and its tendency to prosper.

Presented below is a summary of the supply/demand factors found within the City of Virginia Beach:

Supply Mix

Category	30 Minute Drive Time City of Virginia Beach	National Average
Golfers per Facility	1,885	1,737
Private/Public Mix	26% / 74%	28% / 72%
Premium/Value Mix %	44% / 56%	25% / 75%
Premium >\$71 %	17%	9%
Value \$40-\$70 %	42%	28%
Price <\$40 %	41%	63%

Source: Longitudes Group

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This chart reflects that the market for golf in the City of Virginia Beach is oriented toward higher-priced facilities, thereby creating an opportunity for the City of Virginia Beach at a value price point. There is an ample supply of premium golf courses in Virginia Beach. However, because of the oversupply of golf courses in the area, the market is prone to discounting, in which the premium golf courses have the flexibility to create a great golf experience for only a slightly higher fee. The overall point is that golf in this area is *highly* competitive.

Presented below are the green fees assessed in the Virginia Beach marketplace:

Virginia Beach Golf Rates															
CARTS OPTIONAL						Resident		All		Non-resident					
Golf Course	Type	Fee Range	Highest	Opened	W/D	W/E	W/D	W/E	W/D	W/E	Carts	GPS	Range	# of Rates	
Aeropines Golf Course-Hornet	Military	25-50	34	1948	17	18				22	26	13			15
Aeropines Golf Course-Tomcat	Military	25-50	36	1948	17	18				22	26	13			15
Bay Creek Resort and Club - Nicklaus	Resort	100-125	115	2001			95	115			Included	Included	Included		90
Bay Creek Resort and Club - Palmer	Resort	100-125	115	2001			95	115			Included	Included	Included		90
Bow Creek Golf Course	Municipal	25-50	33	1961	16	21			20	24	12				44
Cypress Point Country Club	Daily Fee	25-50	45	1987	36	42			52	65	Included				9
Hell's Point Golf Club	Daily Fee	25-50	49	1982	35	39			45	49	Included				10
Heron Ridge Golf Club	Daily Fee	50-75	69	1999	52	62			69	69	Included				9
Honey Bee Golf Course	Daily Fee	25-50	40	1989	25	35			40	55	Included				44
Kempsville Greens Golf Course	Municipal	25-50	32	1987	19	23			22	26	12				24
Ocean View Golf Course	Municipal	25-50	42	1926	32	40			34	42	Included				
Red Wing Lake Golf Course	Municipal	25-50	40	1971	30	35			42	52	12				44
Riverfront Golf Club	Daily Fee	50-75	59	1999	49	59			59	69	Included				23
Stumpy Lake Golf Course	Municipal	25-50	40	1958	25	35			40	55	Included				6
The Signature at West Neck	Daily Fee	75-100	80	2001	64	70			80	80	Included	Included			10
Virginia Beach National	Municipal	50-75	75	1999	55	65			75	75	Included				34

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The Golf Division's golf courses are priced in the lower third tier, which is significant.

Population vs. Golfer Demographics

To understand the potential growth opportunities for golf within a market, a study of the age, income and ethnicity of the population within a 30-minute drive time is essential. Presented below are those statistics for Virginia Beach Golf Course Division:

Customer Demographics

Category	30-Min	US
Golf Participation	9%	11%
Avid Golfer Index	91	100
Age Index	94	100
Income Index	94	100
Ethnicity Index	80	100

Source: Longitudes Group

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The chart reflects that demographics are slightly unfavorable in the Virginia Beach market. There are 9% fewer avid golfers (100 – 91) in Virginia Beach compared to the nation. Further, the age of the population is 6% younger, they have 6% less household income, and they are 20% more ethnically diverse than the United States as a whole.

However, the demographics for the current customers of the City's golf courses are very representative of national trends. In a survey conducted, in February, 2010, respondents surveyed comprised the following:

Who Is City of Virginia Beach Golfer: Demographic Profile

Gender Demographics			
Gender	Survey Response	National Average	Index
Male	77%	55%	140
Female	23%	45%	51

Household Income Demographics			
Household income (\$s)	Survey Response	National Average	Index
0 - 34,999	5%	5%	90
35,000 - 49,999	10%	10%	96
50,000 - 74,999	20%	25%	79
75,000 - 99,999	22%	35%	63
100,000 - \$249,999	41%	23%	176
\$250,000 or more	3%	2%	170

Age Demographics			
Age group	Survey Response	National Average	Index
Junior (up to age 17)	0%	24%	1
Student (18-23)	1%	8%	14
Young Adult (24-34)	8%	15%	51
Adult (35-59)	55%	35%	157
Senior (60 and older)	36%	18%	200

Race/Ethnicity			
Race/Ethnicity	Survey Response	National Average	Index
White, Non-Hispanic	92%	69%	133
African-American	3%	12%	26
Hispanic	1%	13%	11
Asian or Pacific Islander	2%	4%	51
Other	2%	3%	62

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City of Virginia Beach customers are older and wealthy – both great demographics for golf. Their penchant to play the City golf courses emphasizes that cost is an important determinant in that decision.

Regarding the City's customers, 89% play at least eight rounds per year on more than four different courses, with most playing 18 holes. They prefer to pay between \$31 and \$45 for a weekend green fee and cart.

Net Result – Supply Exceeds Demand by 8%

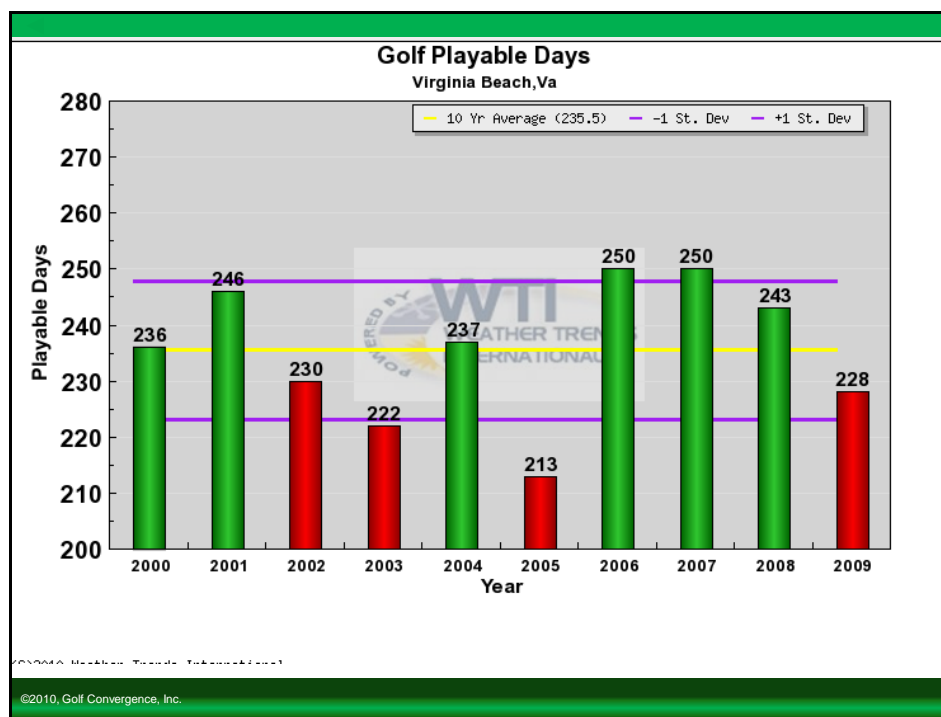
When calculating the supply of golf courses in the City of Virginia Beach market with the demand for golf when considering the local demographics, the result is a golf intensity index. The market is oversupplied by 8%.

The oversupply of golf courses suggests that two golf courses in the City of Virginia Beach Market should close to bring demand in balance with supply to ensure that each facility has a reasonable chance of being self-sustaining.

Playable Golf Days

A key measure in determining if the revenue potential of a golf course is being realized is correlating the number of playable golf days to revenue. Measuring numerous variances, including Season Days, Golf Playable Hours, Equivalent Golf Playable Days, and Corporation Rounds in total, allows us to measure the efficiency of management in maximizing the course's potential.

The chart below, prepared for Virginia Beach Golf Course Division, reflects that during the past decade there are, on average, 236 playable days per year.



The number of playable days determines the rounds potential. For Bow Creek, Kempsville and Red Wing Lake the rounds potential in 2009 was 205,200 rounds. Considering that the Golf Course Division's actual annual rounds-played statistic is 88,604, the actual course utilization of 43.2% is below the national course utilization rate of 52%. This suggests that the fundamental financial structures of the golf courses are misaligned, including expenses being too high to offset the potential revenue realized; thus creating an opportunity for private management.

Parks and Recreation Department

The City of Virginia Beach Parks and Recreation Department is a nationally award winning enterprise.

The City owns more than 6,500 acres of open space, and wildlife properties account for more than 15,200 acres of the City that are also preserved. With 255 playgrounds, 131 ball fields; 66 multi-purpose fields, 236 basketball courts, 161 tennis courts; two skate parks, two dog parks; 170 picnic pavilions, and four major beach-use facilities, and with an open space benchmark of 16 acres per 1,000 in population, the City of Virginia Beach Parks and Recreation Department is widely heralded.

The Parks and Recreation Department oversees the operation of the Golf Division.

Golf Course Division

The City of Virginia Beach golf courses operate as a Special Revenue Fund. This means it is operated like a business and revenue is expected to cover operational and maintenance expenses, capital improvement costs and any debt that may be incurred by the Golf Course. It is vital to maintain and manage the Special Revenue Fund in a fiscally responsible manner so that the users of the facilities (golfers and guests) are not only supporting the daily operational and maintenance costs, but also the long-term capital improvement projects to keep the facility attractive, functional and competitive with the local golf market, up to today's industry standards, and mitigate the deterioration of the course and the club house.

Assets Managed

The City of Virginia Beach owns six 18-hole golf courses under varying management oversight and operating agreements:

Course	Par	Course Rating	Slope Rating	Yardage	Management Oversight	Operations	Contract	Expiration Date
Bow Creek	70	67.9	120	5,917	Parks and Recreation	Concessionaire: A.J. Menk	Managed	December 31, 2010
Heron Ridge	72	73.9	131	7,017	Virginia Beach Development Authority	Concessionaire: Heron Ridge, LLC	Leased	December 31, 2039
Kempsville Greens	70	68.3	122	5,843	Parks and Recreation	Concessionaire: A.J. Menk	Managed	December 31, 2010
Red Wing Lake	72	73.9	129	7,124	Parks and Recreation	Concessionaire: A.J. Menk	Managed	December 31, 2010
Stumpy Lake	72	72.2	119	6,846	Parks and Recreation	Concessionaire: Hampton Roads Golf Clubs	Leased	December 31, 2029
Virginia Beach National	72	75.8	142	7,432	Virginia Beach Development Authority	Virginia Beach Golf Club, LLC	Managed	December 31, 2011*

Note 1: * While this agreement can be extended by the mutual consent of the parties for three two-year terms, it is the intent of the City of Virginia Beach to ascertain pursuant to this RFP if, as an option, more favorable terms and conditions for the management/lease of this facility can be obtained.

Note 2: ** This RFP is only applicable to the management of Bow Creek, Kempsville Greens, Red Wing Lake and Virginia Beach National.

The courses are open 364 days per year, closed Christmas. Hours of operation are 6:00 AM to dark, weather permitting.

Each of these golf courses is unique in management and operation.

Organizational Structure: Bow Creek, Kempsville Green, and Red Wing Lake

The Parks and Recreation Department is responsible for administration, marketing, and maintenance which is accounted for in a Special Revenue Fund. The Pro Shop, merchandise and food and beverage for Bow Creek, Kempsville, and Red Wing Lake are managed by the concessionaire.

The City of Virginia Beach uses a bi-furcated organizational structure, as summarized below:

Responsibility	Private Concessionaire	Golf Course Division
Revenue Management		X
Marketing		X
Maintenance		X
Pro Shop Staff	X	
Starters		X
Player Assistant		X
Cart/Range Attendants	X	
Lessons	X	
Snack Bar and Beverage Carts	X	
Merchandising	X	

Because of the high labor costs with the associated fringe benefits of employing municipal employees, it is practical to transfer to the private sector the responsibility for the operation of the golf course in areas where practical golf industry experience is preferred.

Currently, the Golf Course Division pays the private Contractor for Bow Creek and Kempsville \$56,700 + 10% of the cart rental commission + 15% of the driving range commission and, at Red Wing, \$139,200 + a percentage of the increase in gross revenue to perform the duties as noted. The concessionaire also earns income from the snack bar, beverage carts, merchandising and lessons. The concessionaire employs individuals and recruits volunteers to fulfill their responsibilities under the contract. The City retains volunteers to serve as starters and player assistants.

This organizational cultural has the principal limitation that the goals of the Golf Course Division and the Concessionaire are not fully aligned, for each entity is trying to generate a profit, and the customer experience may suffer because of this.

Organizational Structure: Virginia Beach National

The TPC of Virginia Beach, L.L.C. constructed and operated the course under an agreement with the City of Virginia Beach. In 1999, the par 72, 7,436 yard Pete Dye designed golf course opened for play and has reported annual rounds as high as 27,550 in 2002 and as low as 20,057 in 2000. In 2005 it reported 22,804 rounds.

The property includes a colonial design one-story brick, wood framed, 12,635 sq. ft., clubhouse. The clubhouse contains a full kitchen, multiple dining areas, pro shop, offices and locker rooms. The 254-acre property also contains a brick 6,048 sq. ft. cart storage building, on-course brick restroom, maintenance complex, continuous concrete cart paths, practice facilities, and a course irrigation system. The course has L-93 bent grass greens, 419 Bermuda grass fairways and tees, and numerous hazards. It is also the home of a First Tee of Hampton Roads Chapter which the offeror will be required to maintain at their direct cost. It should be noted that the First Tee owns the land independently.

The PGA Tour, in partnership with the City, was responsible for the construction and management of the golf course from inception in 1999 until the PGA Tour chose to leave the lease at Virginia Beach National in 2007.

This course is now managed by the Virginia Beach Golf Club, LLC, (VBGC) which is owned by the Heron Ridge Golf Club, LLC and the contract is managed by the Virginia Beach Development Authority (VBDA), a City Council appointed authority of the City of Virginia Beach which is completely autonomous from the Parks and Recreation Department.

The lessor is responsible for all aspects of operation and remits to the City monthly an amount equal to five percent (5%) of the Gross Revenues received in the preceding month. In addition, VBGC shall contribute an additional five percent (5%) of Gross Revenues and give five percent (5%) of all Special Revenues received each month of this Agreement to the VBDA. These payments have been abated. At the current time, the City of Virginia Beach is responsible for all capital maintenance with a cost exceeding \$500 per service, repair, or item.

Virginia Beach National is located on city property adjacent to the First Tee of Virginia Beach. The First Tee is managed in partnership with the YMCA of South Hampton Roads under a ninety-nine (99) year lease.

If the Offeror proposes to manage Virginia Beach National, the Offeror agrees it will negotiate with First Tee of Virginia Beach to provide maintenance and grounds keeping services to the First Tee of Virginia Beach at a rate acceptable to the Offeror and at no charge to the City. Revenue received from First of Virginia Beach shall be offset by any expenses incurred by the Offeror in providing services to the First Tee of Virginia Beach and shall not be considered in the calculation of gross revenues.

Under the lease option, the City or VBDA shall retain the right to realign certain golf holes located on the Virginia Beach National Golf Course facility to other areas on the Golf Course parcel. If the City or VBDA undertakes such a realignment: (i) the Offeror shall receive notice of the realignment at least ninety (90) days before any construction is commenced; (ii) the Offeror shall be afforded the opportunity to comment on the proposed realignment; (iii) the realignment shall be done with the approval of Pete Dye (Architect of the existing golf course) and the golf course facility shall retain the designation as a "Pete Dye Course" after the realignment, unless Pete Dye is unwilling or unable to approve the realignment or designation; (iv) so long as eighteen (18) holes are open for play, due to realignment, the Offeror shall not be entitled to an abatement in previously negotiated fees or payments; (v) If at any time during a realignment, less than eighteen (18) holes are open for play, the Offeror shall be entitled to an abatement in previously negotiated fees or payments; (vi) after the completion of realignment and all eighteen (18) holes are opened for play, all fees and payments shall remain at previously negotiated rates.

Organizational Structure: Stumpy Lake and Heron Ridge

The management of these facilities is beyond the scope of this Request for Proposal but the following information is provided as it is the City's strong preference to "lease" vs. retain for a management fee a third party Contractor.

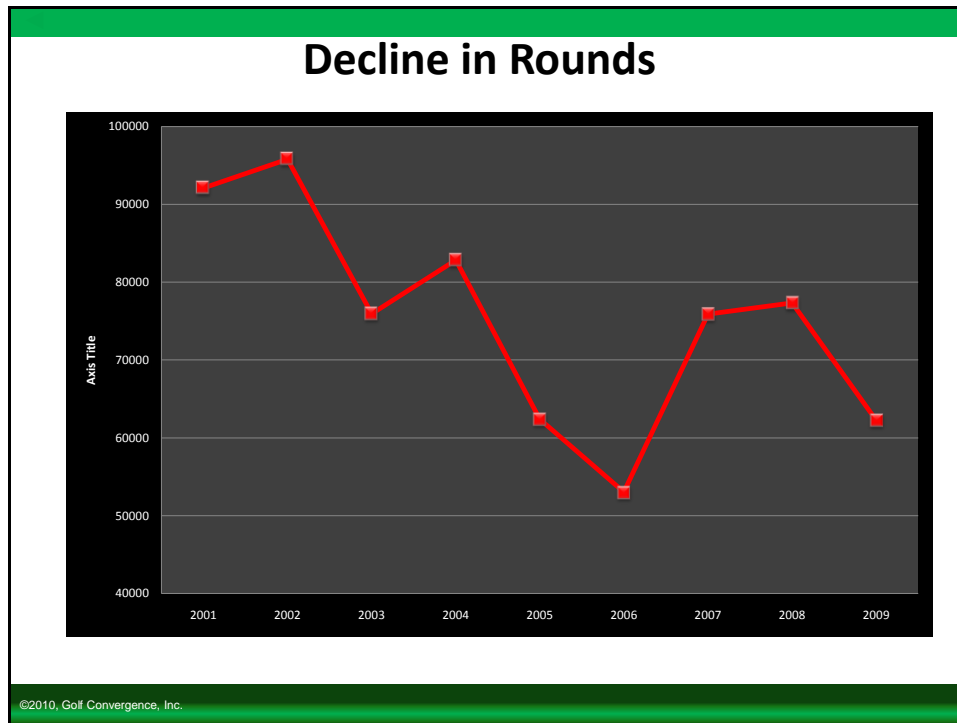
The terms of each of the leases vary from a flat fee to a percentage of net revenues. The Parks and Recreation Department monitors the Stumpy Lake Agreement and the Virginia Beach Development Authority overseeing the Heron Ridge agreement.

Why the Need for Privatization of Management?

The City of Virginia Beach maintains that each Special Revenue Fund operate with a positive fund balance. As of June 30, 2009, the Special Revenue Fund balance for Bow Creek, Kempsville and Red Wing Lake had fallen to:

	Revenues	Expenses	Net Income	Transfers, Net	Revenue Over Expenditures	Ending Fund Balance
2004						1,040,814
2005	1,860,217	2,029,677	(169,460)	(200,000)	(369,400)	671,534
2006	1,616,328	2,112,096	(495,768)	252,565	(243,203)	428,151
2007	2,485,230	2,339,733	145,498	(252,123)	(106,626)	321,525
2008	2,670,741	2,298,791	381,950	(200,000)	171,750	493,525
2009	2,182,190	2,171,439	10,751	(270,691)	(259,940)	233,535
Last Six Years	10,814,706	10,951,736	(127,029)	(670,249)	(807,419)	233,525

This decline, as measured by rounds, has occurred for over a decade, as shown below (Red Wing Lake Golf Course was closed for renovation beginning December 2004 and opening September 2006:



Note 1: in 2005 and 2006, Red Wing Lake was closed for renovation.

It is forecast that Bow Creek, Kempsville, and Red Wing Lake for the fiscal year ending June 30, 2010, may have lost an additional \$200,000. The City projects the following based on “status quo.”

			GOLF BUDGETED PROJECTIONS		
	Actual	Actual	Budgeted	Proposed	Proposed
Fiscal Year	<u>FY 08</u>	<u>FY09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>
Total Revenues	2,670,741	2,182,189	\$2,834,784	\$2,380,390	\$2,380,390
Total Expenditures	2,298,791	2,171,439	\$2,486,191	\$2,329,869	2,370,752
Revenues Over (Under) Expenditures	371,950	10,750	\$348,593	\$50,521	\$9,638
Less: Transfers Out					
To CIP	200,000	100,000	\$200,000		
To GF Debt Service	0	89,500	\$89,550	\$89,550	\$89,550
Less: Reserves					
Regular – Salary	0		\$34,043	\$30,000	\$30,000
Stumpy Lake Lease Agreement	0		\$25,000	\$27,000	\$27,000
Storm Water	0	81,141	0	0	0
Expenditures in Excess of Revenues	371,850	(259,940)	\$0	(\$96,029)	(\$136,912)

With the fund balance as of June 30, 2010 of \$233,535, expenditures may exceed projected revenues for FY 2010 by greater than \$250,000, creating a negative fund balance. Cash is further restricted, as debt associated with the renovation of the golf course at Red Wing Lake exceeds \$3.4 million and will burden the cash flow through 2028 with annual payments of \$179,101. The City will pay 50% of the debt serve from the general fund. The golf course special revenue fund is expected to cover the remaining 50% of debt service.

It is a harsh reality that golf is not a core City service akin to fire, police, schools, etc. While the City’s golf courses have an aggregate book value of \$9.528 million exclusive of land (\$2.024 million at Bow Creek, \$2.914 million at Kempsville, and \$4.590 million at Red Wing Lake), a return on that investment should be expected, measured in both financial terms and in the quality of life afforded to the citizens of Virginia Beach.

As currently constituted, the golf courses are not generating the return desired. Further, without change and without considering the deferred capital investment or the repayment of the outstanding debt, golf will require increasing subsidy from the General Fund.

Therefore, options to privatize the management of courses are being tendered via this Request for Proposal.

The Challenges Faced

The Department of Parks & Recreation contracted with Golf Convergence, Inc., to conduct a comprehensive analysis of the financial, management and operational performance of Bow Creek, Kempsville Greens and Red Wing Lake golf courses. In addition, the financial performance and associated management contract of Virginia Beach National was reviewed. The report, analysis and recommendations were presented to the City on April 22, 2010 and can be found at http://www.vbgov.com/file_source/dept/parks/Projects-golf_division/admin/Document/Operational_Review_of_Municipal_Golf_Courses.pdf.

Questions regarding the Virginia Beach Golf Convergence report published April 22, 2010, should be addressed to:

J. J. Keegan, Managing Principal and Author
Golf Convergence
4215 Morningstar Drive
Castle Rock, CO 80108
t 303 283.8880
c 303 596 4015
jkeegan@golfconvergence.com
www.golfconvergence.com

Objectives of this Request for Proposal

The City of Virginia Beach is seeking to have Bow Creek, Kempsville Greens, and Red Wing Lake Golf Courses , with an optional consideration to include Virginia Beach National Golf Course, operated in a professional manner to achieve the following **business goals**:

The City requires that the golf course be operated in a professional manner to achieve the following goals:

- ◆ **Objective #1: Serve the resident and guest golfers of Virginia Beach with a notable golf operation.** The primary objective is to provide a golf course with a level of service and standard of maintenance, which will exceed the expectations of the community and its guests. The City desires that all those wishing to use the course for group outings, charity events, tournaments, etc. will be served by a professional staff able to coordinate pro shop, driving range and cart rental services.
- ◆ **Objective #2: Professional, friendly customer service.** The City desires all customers to experience a professional welcoming atmosphere that conveys respect, courtesy and a genuine desire to please! The City expects all who visit the course to recommend it and look forward to playing the course over and over again. The Contractor may offer golf memberships.
- ◆ **Objective #3: Quality food operation.** The City desires to have the food and beverage service exceed the minimum standards. This must be based on the desired standard set by the Virginia Department of Environmental Health.
- ◆ **Objective #4: Quality merchandise and lessons.** The City desires to have all merchandise, apparel, and repair work provided in the pro shop to be of high quality and within the typical realm of a golf shop. The City desires to have all merchandise, apparel, repair work and services provided at the course to be of high quality. The City desires to have private and group lessons provided and a certified golf professional available for instruction. Virginia Beach Public High School Golf Teams will be allowed free use (non-negotiable) of the course for matches and practice in parity with the City's other municipal golf courses. This responsibility is shared by Bow Creek, Kempsville Greens, Red Wing Lake, Virginia Beach National and Stumpy Lake golf courses.
- ◆ **Objective #5: Course, buildings and infrastructure.** The City desires to have the course, buildings and infrastructure maintained in a manner consistent with the existing quality through standard maintenance practices. Two percent (2%) of annual course gross revenues will be set aside for capital equipment and facility repairs; three percent (3%) of course annual gross revenues will be set aside for golf course capital repairs. The Contractor will recommend how to spend the reserves. The City will reserve the right of approval for all reserve expenditures.

- ◆ **Objective #6: To add the necessary capital improvements** to the golf course and facility pursuant to a 5-year plan, which will be updated annually.
- ◆ **Objective #7:** Have a **short and long term marketing plan** supporting goals and objectives.
- ◆ **Objective #8: Increase the number of rounds played and increasing the revenue per available tee time.**
- ◆ **Objective #9: Provide cost effective management** with an eye toward how to improve.
- ◆ **Objective #10: Environmental Stewardship Cooperation with Virginia Department of Environmental Quality and involvement with Audubon International Certification program**
- ◆ **Objective #11: Accountability to the City.** The City expects income and/or profit loss statements to be completed in a timely and accurate manner reflecting all revenue reported annually under the business license.

The City anticipates that these goals will be achieved by the management firm introducing to the City of Virginia Beach professional management, proven systems, flexibility in contract negotiations with vendors and aligning their own interest harmoniously with the interests of City Council, management and the golfers.

As a result of achieving services, the City hopes to derive the following benefits:

- ◆ Eliminate the City's financial exposure for operating the golf courses.
- ◆ Minimize the requirement for the City to invest in capital improvements.
- ◆ Generate annual lease income/management profit.
- ◆ Ensure that the properties are enhanced through industry-standard capital investment programs by the management company.
- ◆ Introduce best management practices to the operation of the City's golf courses, providing integrated tee time reservations and POS software to effectively manage and to enhance the customer experience.

SECTION 2: OFFERORS SCOPE OF RESPONSIBILITIES AND CONTRACT COMPLIANCE

General Requirements

The Contractor will act as an independent Contractor and will be expected to provide, without the City's assistance, all staffing, equipment, amenities, marketing, and services for the complete operation and maintenance of the property. The City will negotiate the use of, or ownership of existing equipment inventories, based upon lease or management agreement.

The Contractor shall be responsible for payment of all maintenance or repairs (incident/occurrence), which occurs to the course, buildings, fixtures, and/or structures from the operating expenses.

The City is responsible for life-cycle parking lot and roadway resurfacing and striping. City will notify Offerors of all conveyance assets acquired from the current tenant. All capital and non-capital items needed for start up of the operations will be the responsibility of the Contractor. All employees, goods for resale, utility costs, maintenance expenses, taxes, and insurances will be the responsibility of the Contractor.

Rates, including green fees, price points of goods for resale, and dining will be set by the Contractor, based on City approval. The clubhouse operation shall, at a minimum, provide for breakfast, lunch and catering services. In addition, full ABC permit and outing/tournament services are to be provided through the term of the agreement.

All monies specified and due to the City shall be paid to the Treasurer, City of Virginia Beach, on a monthly basis, commencing with the first payment due on the 15th day of the month following the closure of the first operating month. The remaining payments will be due and payable by noon on the 15th day of each month thereafter, or, if the 15th day of a specified month falls on a Saturday, Sunday or holiday, by noon on the next business day following the 15th day of the month which is not a Saturday, Sunday or holiday. A copy of the monthly sales and participatory tax reports must accompany each payment.

The City would recommend membership in the Virginia Beach Golf Association, an organization that promotes local golf packages for Red Wing and VBN. Current annual dues are \$7500.

Complete Management Services Proposal

The Offeror(s) selected to enter into any management contract agreement with the City will be expected to manage the service option or options listed in this RFP and all of its operations consistent with modern management trends in the golf industry. It is up to each Offeror to fully describe their approach to the specific service outlined in this RFP.

The City of Virginia Beach is requesting the submission of written proposals, with detailed information, by the company or individuals who are interested management or lease of ALL operations and maintenance for the City of Virginia Beach Golf Courses including the clubhouse, driving range and course:

The Offeror will be responsible for providing, at a minimum, the following:

1. Managing general site operations, including the golf course, practice areas, food and beverage areas, pro shop and maintenance building and all other outdoor spaces, excluding the parking lots
2. Developing and submitting an annual operating budget for all course operating costs, materials and equipment.

3. Developing and implementing all critical business systems including but not limited to: preparing audits, completing asset inventories, developing personnel management procedures, paying all taxes, licenses and utilities and providing all required reports and accounting.
4. Providing appropriate insurance and indemnifying and holding the City harmless from any liability arising from the operation of the golf course and related facilities.
5. Identifying any projected capital improvement plans and costs associated, and how the proposed improvements will be financed.

Golf Pro Shop Operations (See Exhibit B for Full Description of Responsibilities)

The Offeror will be responsible for providing, at a minimum, the following:

1. Managing the pro shop site operations including the golf Pro Shop, practice areas and the cart storage areas.
2. Selecting and/or acquiring all golf shop merchandise, display fixtures, furniture, equipment and supplies.
3. Providing and supervising staff to operate and manage the Course Pro Shop from sunrise to sunset, 7 days a week, except for Christmas day.
4. Providing and managing golf cart and equipment rentals, including maintaining golf carts and assuming existing golf cart loan agreements, if desired.
5. Regulating and controlling play, including the enforcement of Course rules and regulations.
6. Supervising and controlling the starting time and reservation system.
7. Following the City's policies for collecting and depositing green fees, cart fees, and range fees daily.
8. Scheduling and facilitating golf tournaments, clinics and junior golf promotions.
9. Recruiting, hiring, training, scheduling and supervising course ranger services.
10. Developing a complete golf instruction program and employing a Class "A" Professional Golfers Association (PGA) professional or LPGA equivalent, to oversee and implement the program.
11. Developing and implementing marketing strategies for promotion of special group and tournament play particularly on days, and during periods, of low demand.
12. Promoting golf and golf-related activities in cooperation with existing golf clubs, organizations and the City of Virginia Beach.

13. Working cooperatively and collaboratively with other organizations (e.g. restaurant if under separate contract) to coordinate, develop and schedule golf events that are mutually beneficial to both parties and that promote golf play.
14. Offeror may, as requested, attend monthly meetings with the City to provide updates on overall golf operations.

Maintenance Services (See Exhibit C for Full Description of Responsibilities)

The Offeror will be responsible for providing, at a minimum, the following:

1. Maintaining the landscape and hardscape of the entire site to promote and support operations at a level consistent with a high quality, daily fee golf facility including, but not limited to: tees, greens and green collars, fairways, irrigated and non-irrigated rough, native and wetland areas, bunkers, water features, cart paths, practice area putting/hitting surfaces, fencing and turf, maintenance building, parking lots, entrance roads, signage, perimeter fencing, adjacent unimproved rights-of-way lighting, storage, drainage and utility services.
2. Developing a complete facility maintenance program and employing a fulltime, Class "A" PGA/LPGA and a Class A Golf Course Superintendent Association of America (GCSAA) professional and/or local chapter of Superintendent Association with a license to apply chemicals normally used in the geographical area to oversee and implement the program.
3. Selecting and/or acquiring all landscape and hardscape maintenance materials, tools and supplies.
4. Maintaining and/or replacing as necessary existing maintenance equipment and/or assuming existing lease agreements.
5. Maintaining in accordance with manufacturers recommendations, all tools and supplies for golf course maintenance equipment repair.
6. Offerors for the management option must present capital improvement plans, including proposed funding. Offerors for the lease option must include capital improvement plans. A preliminary list of needed improvements to the existing golf courses is Exhibit H.
7. Maintain all facilities to ensure vitality and course conditioning.

Food and Beverage Catering Lease (See Exhibit D for Full Description of Responsibilities)

The Offeror will be responsible for providing, at a minimum, the following:

1. Provide food and beverage concession services to golfers, tournament groups and visitors of the City of Virginia Beach Golf Courses during all course operating hours to include breakfast, and lunch.
2. Maintain customer service as a top priority. The Contractor must provide restaurant employees who are professional, friendly, well dressed and courteous to all golfers and general public. The employee must maintain a neat appearance, exercise good public relations skills, respond to

customer complaints and questions, have good wait person manners and conduct themselves in a high standard that is acceptable to the City. The Contractor shall also maintain a good working relationship with the City staff.

Evaluation of Operations

The City intends to protect its interests and ensure that expectations outlined in this document are met.

The details of the golf course evaluation process are outlined below. These details are for a Management Option. For a Lease Option, the same items will be reviewed and the lessee's performance will be evaluated. However, the specific details and timing of reports and communication will be subject to negotiation with the City.

1. A written golf course evaluation report will be issued monthly by the Golf Director or Designee which shall be coordinated with the Contractor's Golf Course Superintendent. Action items shall be addressed immediately by the Contractor with dates of completion documented weekly.
2. At the end of the first ninety (90) days of golf course maintenance, the Contractor shall submit a formal report to the City representative outlining recommendations which will improve the quality of service and assist in effecting future cost savings.
3. The City's Golf Coordinator or Designee shall, on a frequent basis or as necessary, inspect some or all of the golf course for purposes of ensuring Contractor's compliance with the scope of services. In conducting such inspection and evaluation, the City representative shall complete applicable portions of the Golf Course Operations and Maintenance Standards form (included in this section) and shall promptly thereafter provide Contractor a copy of the completed form or applicable portion. The City representative shall act reasonably and in good faith in making the determination of whether the Contractor has met the standards identified in the scope of services for the applicable areas being evaluated.
4. The golf course operations and maintenance components shall be rated as "Acceptable," "Needs Improvement," or "Unacceptable." An overall rating using the same scale shall also be determined. The City's Golf Coordinator or Designee's rating of an item as "Unacceptable" or "Needs Improvement" shall, upon Contractor's receipt of the Golf Course Operations and Maintenance Standards form, constitute a Notice of Golf Course Deficiency with respect to the deficient item(s).

Rating Scale shall be as outlined below:

◆ Acceptable	95 — 100
◆ Needs Improvement	81 — 94
◆ Unacceptable	80 and below

5. Within one (1) week after receipt of the Golf Course Operations and Maintenance Standards form, the City representative and the golf course superintendent shall meet to review the deficiency item(s), including the corrective actions the superintendent intends to take to correct the deficiency item(s) and the time schedule for completion of corrective action. The proposed corrective action and the time schedule shall be approved by the Golf Coordinator or Designee. When a deficient item has been satisfactorily corrected, the superintendent of the golf course shall notify the City's Golf Course Director.

6. If Contractor obtains an overall rating of "Unacceptable" for a period of two (2) consecutive months, or fails to take action to timely correct any deficiency item(s), a vendor complaint shall be submitted to the City Purchasing Department notifying them that the Contractor is in material breach of their contract, which may result in contract termination. In addition, any failure to achieve an overall rating of "Acceptable" for any four (4) months within any single operating year, or any three (3) consecutive months, will be considered as a material breach of the contract, which may result in contract termination.

SECTION 3: PREPARATION OF RESPONSE TO PROPOSAL

Proposal Guidelines

The Offeror(s) warrants its response to this Request for Proposals to be fully disclosed and correct. The Offeror must submit a response complying with this RFP, and the information, documents and material submitted in the proposal must be complete and accurate in all material aspects. All proposals must contain direct responses to the following questions or requests for information and be organized so that specific questions being responded to are readily identifiable and in the same sequence as outlined below.

Offerors are advised to carefully follow the instructions listed below in order to be considered fully responsive to this RFP. Offerors are further advised that lengthy or overly verbose or redundant submissions are not necessary. Compliance with all requirements will be solely the responsibility of the Offeror. Failure to provide requested information may result in disqualification of response.

The proposal must be submitted on 8 1/2" x 11" paper, numbered, typewritten, with headings, sections, and sub-sections identified appropriately.

The proposal and required copies shall be placed in a sealed envelope or package that shall be identified with the Request for Proposal's item number, the Date and Time of closing, and the name and address of the Offeror. An original and six (6) copies of each proposal shall be submitted. The original proposal should be clearly marked "ORIGINAL" on its outside cover.

All proposals shall be received and time-stamped in the office location described below no later than 3:00 PM local time, Wednesday, September 15, 2010. Proposals received after the specified date and time (time-stamped 3:01 p.m. or later) shall not be considered and shall be returned unopened to the Offeror.

Issuing Office:

City of Virginia Beach
Bill Davis, Purchasing Agent
Princess Anne Executive Park
2388 Court Plaza Drive
Virginia Beach, VA 23456
(757) 385-4438

Proposals received by telephone, telegraph, facsimile or any other means of electronic transfer shall not be accepted. An Offeror receiving a Request for Proposal from a source other than the Issuing Office or DemandStar by Onvia, should contact the Issuing Office to become an Offeror Of Record before submitting its proposal.

Offerors may withdraw their proposal by notifying the City in writing at any time prior to the time set for the proposal deadline. Offerors may withdraw their proposal in person or through an authorized representative. Offerors and authorized representatives must disclose their identity and provide a signed receipt for the proposal. Proposals, once opened, become the property of the City and will not be returned to the Offerors.

No additional information may be submitted, or follow-up performed by any Offeror, unless requested by the City, after the stated due date, outside of a formal presentation requested by the Evaluation Committee.

Any material changes to the Request for Proposal will be addressed by a formal issuance of a written addendum to all Offerors of Records that will become part of the proposed documentation.

Oral instructions do not form a part of the proposed documents.

The Offeror should check with the Issuing Office within forty-eight hours (48) hours prior to the proposal closing to secure any addenda affecting bidding.

Proposal Sections

It is hoped that proposals can be limited to forty (40) pages.

The proposal must be divided into seven (7) sections with references to parts of this RFP done on a section number/paragraph number basis. The seven (7) sections shall be named:

1. Letter of Transmittal
2. Executive Summary
3. Qualifications and Capabilities: components of this section should include:
 - ◆ Company Background
 - ◆ Years in the Business
 - ◆ Municipal Experience
 - ◆ References
4. Transition Plan
5. Marketing Approach
6. Management Approach: components of this section should include:
 - ◆ The On-Site and Corporate Team
 - ◆ Description of Golf Shop Operations, Maintenance, Food and Beverage, Outings and Banquet and community outreach philosophies
 - ◆ Staffing Plan and Organization
 - ◆ Current Employees
 - ◆ Revenue and Expense Models
 - ◆ Reports
7. Fees and Compensation
 - ◆ Management Fees
 - ◆ Lease Compensation
8. Financial Stability of Vendor

Letter of Transmittal

The Proposal letter shall be addressed to the City of Virginia Beach's Purchasing Agent and shall include at a minimum the following:

- ◆ Name of Individual, Partnership, Company, or Corporation submitting proposal;
- ◆ Contact information for proposal submittal questions and future performance questions;
- ◆ Statement that all terms and conditions of the RFP are understood and acknowledged by the undersigned;
- ◆ Signature(s) of representative(s) legally authorized to bind the Offeror.

Executive Summary

The Offeror will include an Executive Summary, (maximum 3 pages), that states how they view this contractual opportunity and provides an overview of their proposed approach.

Qualifications and Capabilities

The City of Virginia Beach prefers a minimum of seven years of experience.

In order to determine if a proposing firm has adequate experience, the Offeror needs to provide answers for the following questions or requests for information as they relate to its existing operation of similar facilities.

- 1) Indicate the number of years the Offeror has been providing these types of services.
- 2) Provide a listing and description of municipal courses operated by the Offeror including the number of rounds per year per course.
- 3) Provide the annual gross and net revenue, number of rounds and type of rounds, per golf course.
- 4) Provide the average annual maintenance expense per course.
- 5) Provide a brief description of the location and market overview for each market operated (e.g. number of courses in market, market share competition, cost structure and revenue generation)
- 6) Describe the previous role of any partners/vendors/Contractors that might be employed to assist in the management and operations at the City's golf course. Provide examples of how your firm or organization has performed these types of management, operations, and maintenance partnership and/or relationships in the past.
- 7) Detail the types of support anticipated from your company's central office if applicable. Describe how individual courses currently obtain such support and how the administrative costs for each individual course are apportioned and accounted for.
- 8) Indicate how your organization has elevated the image of other courses you operate.
- 9) Please provide a list of five (5) references that can describe your previous performance in the management, operations, and maintenance of facilities for whom the Offeror has provided services comparable to those described in this RFP. This listing shall include contacts for the last three (3) contracts entered into by your organization.

For each reference, detail:

- ◆ Name of entity (firm, city, etc.).
- ◆ Address of entity.
- ◆ Name, title, e-mail address, phone, and fax of a contact for the entity.
- ◆ Number of years Offeror has served the entity.

- ◆ Brief summary of scope of services provided, and type of contract.
- ◆ Brief summary of measures of success of your operations.

10) Provide legal history of the company including, but not limited to:

- ◆ Offeror shall disclose if it has made any claims for extra payment or increases in compensation during the course of its agreements to provide services at any golf course.
- ◆ Offeror shall provide an outline history of contract amendments with any current contracts to include timeline and purpose of amendment.
- ◆ Offeror shall list any current Contractors or lessees or list intent to subcontract if known.
- ◆ List any history of claims, litigation, arbitration, and/or termination for cause associated with any work contracted on any project in the past ten (10) years.
- ◆ Has the Offeror had a contract terminated for default within the past ten (10) years?
- ◆ Has the Offeror filed any lawsuits, requested arbitration, or been involved in any litigation with regard to your contract activity within the last ten (10) years?
- ◆ Does the Offeror have any judgments, claims, arbitration proceedings, or lawsuits pending?
- ◆ Has the Offeror filed for Chapter 7, 11 or 13 bankruptcies in the past ten (10) years?
- ◆ List any current litigation pending with any municipality.
- ◆ If Offeror has no history of litigation, claims, or disputes, please so state.

Transition Plan

Offerors should submit a transition plan indicating how the Offeror will assume the services provided by the City in a smooth and orderly fashion. The Offeror should discuss (maximum three pages) their approach and methodology and should include interviews that may be conducted with current City of Virginia Beach staff, any rate changes contemplated, etc.

Marketing Approach

Offeror shall include a 3-year marketing plan summary regarding their intent to increase rounds of golf with expectations for annual updates. Include examples of successful market analysis and marketing plans that demonstrate your organization's ability to move into a new market and be successful.

Management Approach

This section details the components to be included in the Offeror's Business Plan describing the services to be performed and the manner in which they will be performed. Such description should, at a minimum, provide the following information.

1. Offeror's understanding of the project.
2. Overall project plan with a listing of all major tasks to be performed by the Offeror and the deliverable products associated with each task.
3. Listing and annotation as to the manner in which the Offeror proposes to meet each provision stipulated in this RFP.
4. Examples of measurable goals and objectives that can be incorporated in the agreement.

5. List of any exceptions taken to the provisions of this RFP.
6. Identify proposed staff members who will be involved in providing services including qualifications and specific responsibilities.
7. Offerors for the management option must present capital improvement plans, including proposed funding. Offerors for the lease option must include capital improvement plans. A preliminary list of needed improvements to the existing four (4) courses is shown in Exhibit I

Staffing and Organization

Offeror shall include a staffing plan for the City of Virginia Beach Golf Courses and shall indicate the following:

1. Identify the overall manager and other key personnel by name with their skills, background and credentials. Include references and proposed job descriptions. If you cannot at this time identify the person by name, supply the required qualifications and how you will acquire that individual.
2. The Offeror must have certified Class A Professional Golf Association (PGA) and Class A Golf Course Superintendents of America (GCSAA), and/or local chapter of Superintendent Association with a state pesticide Applicator licensed professional on staff at each course.)
3. Provide staffing levels, and an organizational chart, for each segment of your overall local organization. Provide an organizational summary that will highlight the experience and the role of the individuals who will be directly involved in the management of the City of Virginia Beach Golf Courses. Include a listing of all personnel that will be assigned to the project along with a summary of their qualifications and specific responsibilities for the project.

Current Employees

Provide a detailed plan for status/transition of current City employees at the golf course. Contractor is encouraged to evaluate and retain current interested employees to the best extent possible. Hiring seasoned staff that are familiar with a course would be an advantage to new management.

Revenue and Expense Models

Proposal shall include a financial plan (detailed proforma) that demonstrates a viable revenue and expense model for the period of the proposed term of the agreement. Such a proforma shall include proposed fees, driving range, food and beverage services.

The expense portion (model) shall include all of the anticipated golf course maintenance, pro shop operating, debt service and any capital improvement costs. Any fixed capital improvements shall become the property of the City of Virginia Beach upon termination or expiration of the term of the agreement.

Reports

Sample Monthly reports of activities shall be submitted by the Contractor. Reports to be submitted with the proposal should include but are not limited to the following:

1. Gross Revenue Statement/Pro Forma
2. Staffing
3. Maintenance Conditions Report
4. Rounds of Golf by Type
5. Expenditures Statement/Pro Forma
6. Issues and Their Resolutions
7. Recommendations

Fees and Compensation

Term Sheet

The City of Virginia Beach is seeking proposals for the management of Bow Creek, Kempsville Greens, and Red Wing Lake effective January 1, 2011. The City is also seeking a proposal for the management of Virginia Beach National effective January 1, 2012.

Presented on Page 8 is the “term sheet” the City of Virginia Beach seeks each respondent to complete.

Management Fees

The Offeror shall submit a description of the management fees they propose the City pay for their services for Bow Creek, Kempsville Greens and Red Wing Lake for 2011 – 2013 and for the Virginia Beach National option for 2012 – 2013.

The fee can be structured to include a base fee plus incentives or a simple monthly fee for all services contemplated herein. The proposed fee structure should also identify future years’ adjustments. The management fee will be payable to the Contractor in monthly increments, paid for by the operating revenues of the City of Virginia Beach Golf Courses.

Options to extend the agreement will be evaluated and, if agreed to by both parties may be included in the final agreement. Three two- year options for 2014 – 2015, 2016 – 2017, and 2018 – 2019 will be considered.

If Offeror wishes to propose capital improvements, please provide a clearly defined plan and how it will be financed.

Note: It must be expressly stated here that the City will in no way be obligated to subsidize or support the operation of the City of Virginia Beach golf courses by the successful Offeror. The City of Virginia Beach Golf Course Operations is a Special Revenue Fund and as such it must be able to pay all of its financial obligations, including operational expenses, debt service, and capital improvement projects from its own operating revenues. It will be the complete responsibility of the successful Offeror to insure the City of Virginia Beach Special Revenue Fund operates in a financially responsible manner. The City will not pledge any revenues, taxes, fees, or other financial resources to pay expenses incurred by the Offeror that enters into a management and operations agreement with the City.

Lease Compensation

The Offeror shall indicate how the proposing firm intends to compensate the City for use of the City of Virginia Beach Golf Courses in a lease proposal. Proposal shall include a plan for minimum of 10 years with two five-year extensions available by mutual agreement.

Each proposal must specify an annual base rental, which the Offeror will pay to the City and proposed percentages of revenue streams. All or part of the payment to the City may be waived if the funds are used to improve the golf course, and the City Council is in agreement by taking official action to waive the payment in any particular year.

It will be the responsibility of the Offeror to determine what capital projects are needed to improve the overall operation and maintenance of the golf course. Offeror will be expected to assist the City in developing a capital improvement budget, to be updated each fiscal year. The budget shall identify the projects, the costs, funding method, and the proposed dates for initiation and completion of projects. Proposals shall also include a description of the projects they believe will be necessary to maintain the long-term viability of the golf course.

Under a lease arrangement, rather than a management agreement, there will be certain differences in contract terms and scope of work. For instance, in addition to lease payments, the lessee shall be required to make an annual payment to a Capital Replacement Reserve Fund, which will be utilized to make repairs to/replace City-owned equipment and fixtures utilized by the lessee. The reserve fund will take priority over any monies that are distributed to the City for revenue. This amount will be subject to negotiation.

Financial Stability of Vendor

Provide clear evidence of financial stability and resources necessary to successfully develop/manage the proposal option. Please note that prior to entering into any agreement, the City requires a comprehensive review of the firm's financial statements and additional financial information on individual investors:

1. If a publicly held corporation, provide the latest annual report and any quarterly reports issued since the annual report, the latest 10K and any 10Q reports issued since the 10K.
2. Provide audited/certified business financial statements or business income tax returns for the previous two (2) tax years.
3. Please provide a description of ownership structure identifying key owners and their backgrounds.
4. Provide additional financial information for demonstrating financial stability and strong credit relationships. (e.g. Dunn and Bradstreet Report)

SECTION 4: EVALUATION OF PROPOSALS

Evaluation Method

The City Manager appointed an Evaluation Committee to evaluate Proposals considering both the written proposal and reference checks. Upon completion of the evaluations the Evaluation Committee will recommend, to the City Manager, the Offeror(s) which offer the best value to the City of Virginia Beach, taking into consideration the importance of the evaluation factors set forth below.

Evaluation of Proposals

The Evaluation Committee will review and evaluate the proposals for the purpose of ranking them in relative position based on how fully each proposal meets the criteria for each category. The City shall be the sole judge of its own best interests and evaluation of Proposals. The City's decisions will be final. The ranking of Proposals will be at the sole discretion of the Evaluation Committee.

The City reserves the right to negotiate a contract with the highest evaluated Offeror as determined by the Evaluation Committee. The City reserves the right to negotiate with the selected Offeror the exact terms and conditions of the contract. Should negotiations with the highest evaluated Offeror not produce an acceptable contract, the City reserves the right to begin negotiations with the second highest qualified Offeror, and so on, until an acceptable contract is negotiated, or to break off negotiations with all firms and not award a contract. The responsibility for final selection and award of a contract rests solely with the City Council of the City of Virginia Beach which has the sole discretion at which option they believe will best meet the interests of the community. The City shall not be liable to any Offeror for costs associated with responding to this RFP, of Offeror's participation in any oral interview, or any cost associated with negotiations.

Based upon preliminary scoring of the written Proposals, the Evaluation Committee will shortlist the top three (3) to five (5) firms and may invite those firms to make a presentation so that the Offeror can further present the proposal and discuss various components of the Proposal. Following the presentations, if applicable, the Evaluation Team will rank the shortlisted firms considering both the written proposal and presentation. Offeror presentations/demonstrations shall be at a City site, at a date and time mutually agreed to between the City and Offeror, and shall be at the Offeror's expense. Evaluation Committee members will individually score each responsive and responsible proposal using the criteria below. Total score for each response will be tabulated for each Evaluation Committee member. Using those scores, each response will be ranked.

The City reserves the right to accept or reject any or all proposals with or without cause, to waive technicalities, or to accept the proposal, which, in its judgment, best serves the interest of the City. In the event contract(s) are to be awarded, it will be to the Offeror that demonstrates, in the City's opinion, the highest degree of compliance with the evaluation criteria, who will thereafter enter into a written Agreement with the City. The Offeror(s) understands that this RFP does not constitute an agreement or a contract with the Offeror. The City reserves the right to reject all proposals, to waive any formalities, and to solicit and re-advertise for new proposals, or to abandon the project in its entirety.

Evaluation Criteria

The criteria to review the proposals received includes:

1. Experience

- ◆ Company Background
- ◆ Years in the Business
- ◆ Municipal Experience
- ◆ References

2. Capabilities and Skills

- ◆ Staffing Plan and Organization
- ◆ The On-Site and Corporate Team
- ◆ Current Employees
- ◆ Financial Stability of Offeror

3. Services to Be Provided

- ◆ Transition Plan
- ◆ Marketing Approach
- ◆ Description of Golf Shop Operations, Maintenance, Food and Beverage, Outings and Banquet and community outreach philosophies
- ◆ Revenue and Expense Models
- ◆ Reports

4. Price

- ◆ Management Fees
- ◆ Lease Compensation

Negotiations shall then be conducted with each of the Offerors so selected. Compensation shall be considered, but need not be the sole determining factor. After negotiations have been conducted with each Offeror so selected, the City shall select the Offeror, which in its opinion, has made the best proposal, and shall award the Contract to that Offeror. Should the City determine in its sole discretion that one Offeror is qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror. The City of Virginia Beach is not required to furnish a statement of the reason(s) why a proposal was not deemed to be the most advantageous.

Award

The award of a contract shall be the sole discretion of the City. The award shall be based upon the evaluation of all information as the City may request. The City reserves the right to accept or reject any or all proposals in whole or in part and to waive any informalities in the bidding. Further, the City reserves the right to enter into any contract deemed to be in the best interest of the City.

Public Notice of Award or Decision to Award

Public notice of the award or the announcement of the decision to award shall be provided by posting the appropriate notice on the "bid board" located in the Issuing Office, posting notice with DemandStar by Onvia, and mailing the notice to the Offerors who submitted proposals in response to the solicitation.



SECTION 5: TERMS AND CONDITIONS FOR CONTRACTORS

Terms of this RFP

Issuing Office and Contact for Questions

All prospective Offerors are hereby instructed not to contact any member of the City of Virginia Beach City Council, City Manager, Golf Course Evaluation Committee or City of Virginia Beach City Staff members other than the noted contact person regarding this RFP. Any such contact may be cause for rejection of your proposal. All questions concerning this Request for Proposal shall be **in writing** and directed through:

All Questions regarding this Request for Proposal must be made in writing on or before September 1 to:

City of Virginia Beach
Purchasing Agent
Attention: Bill Davis
Purchasing Division
Princess Anne Executive Park
2388 Court Plaza Drive
Virginia Beach, VA 23456
(t): (757) 385 4438
(f) (757) 385 5601
bsdavis@vb.gov

Due Dates

The proposed timetable for the award based on this Request for Proposal is as follows:

Event	Deadline
Issuance of RFP	8/8/10
Pre-Proposal Conference	8/18/10
Last Day for Proposal Questions	9/1/10
Final Proposals to be Received	9/15/10
Evaluation Committee Identifies Short List Proposals	9/27/10
Offeror Presentations (Short List)	10/8/10
Final Proposal Scoring	10/15/10
Recommendation to City Manager	10/26/10

Pre-Proposal Conference

A pre-proposal conference will be held in Building #19, Conference Room A, 2416 Courthouse Municipal Center. The conference will be held at **9:00 a.m. on Wednesday, August 18**. The purpose of the conference is to clarify and answer any questions associated with the solicitation. Any changes determined necessary as a result of this conference or any other source which may affect the responses to the solicitation shall be formally addressed by the Issuing Office via addenda. Attendance of this conference is not mandatory, but is advisable.

Conditions of this RFP

Rules and Regulations Governing

Inquiries /Interpretations

All Offerors shall carefully examine the RFP documents. Any ambiguities or inconsistencies shall be brought to the attention of the City Purchasing Agent in writing prior to the due date; failure to do so, on the part of the Offeror, will constitute an acceptance by the Offeror of any subsequent decision. Any questions concerning the intent, meaning and interpretations of the RFP documents, shall be requested in writing, and received by the City Purchasing Agent at least fourteen days (14) business days prior to the due date at bsdavis@vbgov.com. The City will not be responsible for any oral instructions made by any employee(s) of the City in regard to this RFP. Oral statements given before the proposal due date will not be binding.

Delays

The City, at its sole discretion, may delay the scheduled due dates indicated above if it is to the advantage of the City to do so. The City will notify Offerors of all changes in scheduled due dates by posting the notification on the City's web site, www.vbgov.com, Bids and Purchasing web page and posting on DemandStar by Onvia.

Submittal

The Offeror shall submit the following documents/information:

1. Cover page of Request for Proposal with signature, title, and date;
2. Respondent's Financial Proposal Form;
3. Response to Request for Proposal consistent with the guidelines in Section 3;
4. Completed anticollusion/nondiscrimination/drug-free workplace form ;
5. Woman, Service Disabled, and Minority-Owned Business Participation Efforts statement as required under Section 6 of this document.

Proposal Opening

Proposals must be delivered to the City of Virginia Beach in a sealed package, clearly marked on the outside, RFP #PRGA-11-0002, the Date and Time of Closing, and the name and address of the Respondent by 3:00 p.m. on September 15, 2010 to:

City of Virginia Beach
Attention: Bill Davis, Purchasing Agent
Purchasing Division
Princess Anne Executive Park
2388 Court Plaza Drive
Virginia Beach, VA 23456

At the time specified, the proposals received timely shall be opened. Only all of the names of the Offerors submitting proposals shall be read aloud. No other information will be provided at the time.

Accuracy of Qualification Information

Any Offeror which submits in its proposal to the City any information which is determined to be substantially inaccurate, misleading, exaggerated, or incorrect, shall be disqualified from consideration.

Licenses

Offerors, both corporate and individual, must be fully licensed and certified for the type of work to be performed in the State of Virginia & the City of Virginia Beach prior to the signing of a contract. Should the Offeror not be able to obtain licenses and certifications, then contract negotiations will be terminated. Any permits, licenses, or fees required shall be the responsibility of the Offeror. No separate or additional payment will be made for these costs. Adherence to all applicable code regulations, Federal, State, County, City, etc., are the responsibility of the Offeror. The selected Offeror shall be responsible for knowledge of and compliance with all relative local, state and Federal codes and regulations.

The Affirmation

By submission of an RFP, Offeror affirms that his/her proposal is made without prior understanding, agreement or connection with any corporation, firm, or person submitting a proposal for the same services.

Mistakes in Qualification

Offerors are expected to examine the terms and conditions, and all instructions pertaining to the RFP. Failure to do so will be at Offeror's risk. Proposals having erasures or corrections must be initialed in ink by the Offeror.

Advertising

In submitting a proposal, Offeror agrees not to use the results there from as a part of any commercial advertising, without the express written approval, by the appropriate level of authority within the City.

Inspections

In addition to data and documentation being submitted by Offeror in response to this RFP, the City reserves the right to make an on-site inspection and evaluation of any facility at which contract operation services are being performed by Offeror. If the City chooses to exercise this right, Offeror shall provide a representative to accompany the City's designee on any on-site inspection. Inspection is not limited to only one facility. All cost of transportation and subsistence to inspect any facilities incurred by the City personnel shall be borne by the City.

Laws and Regulations

The Offeror's attention is directed to the fact that all applicable state laws, municipal ordinances, and the rules and regulations of all authorities having jurisdiction over the project shall apply to the contract throughout, and they will be deemed to be included in the contract the same as though herein written out in full.

Applicable Law/Compliance with All Laws/Prompt Payment/Venue

Applicable Law

The contract shall be deemed to be a Virginia contract and shall be governed as to all matters whether of validity, interpretations, obligations, performance, or otherwise exclusively by the laws of the Commonwealth of Virginia, and all questions arising with respect thereto shall be determined in accordance with such laws. Regardless of where actually delivered and accepted, the contract shall be deemed to have been delivered and accepted by the parties in the Commonwealth of Virginia.

Compliance With All Laws

The Offeror shall comply with all federal, state, and local statutes, ordinances, and regulations now in effect or hereafter adopted, in the performance of the scope of work set forth herein. The Offeror represents that it possesses all necessary licenses and permits required to conduct its business and will acquire any additional licenses and permits necessary for performance of this contract prior to the initiation of work. The Contractor further represents that it is a corporation, partnership, or limited liability company in good standing in the Commonwealth of Virginia and will remain in good standing throughout the term of this Contract.

Prompt Payment to Contractors

In accordance with Title 2.2, Chapter 43, Article 4 of the Code of Virginia (Virginia Public Procurement Act), the Contractor shall make payment to all Contractors, as defined in the Code, within seven (7) days after receipt of payment from the Owner, or, shall notify the Owner and Contractor in writing of the intention to withhold all or part of the amount due along with the reason for nonpayment. In the event payment is not made as noted, the Contractor shall pay interest at the rate of one (1%) percent per month, unless otherwise provided in the contract, to the Contractor on all amounts that remain unpaid after seven (7) days except for the amounts withheld as provided herein.

These same requirements shall be included in each subcontract and shall be applicable to each lower-tier Contractor. The Contractor shall provide Owner with its social security number or federal taxpayer identification number prior to any payments being made under this Contract.

The Contractor's obligation to pay an interest charge to a Contractor pursuant to the payment clause in this section may not be construed to be an obligation of the Owner. A contract modification may not be made for the purpose of providing reimbursement for such interest charge. A cost reimbursement claim may not include any amount for reimbursement for such interest charge.

Venue

Any and all suits for any claims or for any and every breach or dispute arising out of this contract shall be maintained in the appropriate court of competent jurisdiction in the City of Virginia Beach.

Non Assignment

The Contractor shall not assign its rights and duties under this contract without the prior written consent of the City.

Sub-Contractors

The use of Sub-Contractors and the work they are to perform shall receive prior written approval of the Contract Administrator. The Contractor shall be solely responsible for all work performed and materials provided by Contractors. The Contractor shall be responsible for the liability of Contractors for the types and limits required of the Contractor.

Termination With Cause/Default/Cancellation

In the event that the Contractor shall for any reason or through any cause be in default of the terms of the contract, the City may give the Contractor written notice of such default by certified mail/return receipt requested. Unless otherwise provided, the Contractor shall have ten (10) days from the date such notice is received to cure the default.

Upon failure to cure the default, the City may immediately cancel and terminate the contract as of mailing date of the default notice.

Upon termination, the Contractor shall withdraw its personnel and equipment, cease performance of any further work under the contract, and turn over to the City any work in process for which payment has been made.

In the event of violations of law, safety or health standards and regulations, the contract may be immediately cancelled and terminated by the City and provisions herein with respect to opportunity to cure default shall not be applicable.

Termination Without Cause

The City may at any time, and for any reason, terminate the contract by written notice to the Contractor specifying the termination date, which shall be not less than thirty (30) days from the date such notice is mailed. Notice shall be given to the Contractor by certified mail/return receipt requested.

In the event of such termination, the Contractor shall be paid such amount as shall compensate the Contractor for work satisfactorily completed, and accepted by the City, at the time of termination.

If the City terminates the contract, the Contractor shall withdraw its personnel and equipment, cease performance of any further work under the contract, and turn over to the City any work completed or in process for which payment has been made.

Non Appropriation

The City shall be bound, hereunder, only to the extent that funds shall have been appropriated and budgeted or are otherwise available for the purpose of this contract. In the event that no funds or insufficient funds are appropriated and budgeted or are otherwise unavailable by any means whatsoever in any fiscal period of payments due under this contract, then the City shall immediately notify the Contractor of such occurrence and this contract shall terminate the last day of the fiscal period for which appropriations were received without penalty or expense to the City of any kind, whatsoever.

Exclusivity

The City reserves the right to procure goods or services covered under this contract from a third party when, in the City's sole discretion, it is deemed to be in the City's best interest.

Submission and disposition of Contractual Claims

Prompt knowledge by the City of an existing or impending claim for damages or other relief may alter the plans, scheduling, or other action of the City and/or result in mitigation or elimination of the effects of the claim. Therefore, a written statement providing the City with notice of Contractor's intention to file a claim which (i) describes the act or omission by the City or its agents that the Contractor contends caused it damages or entitles it to other relief; and (ii) provides a description of the nature and amount of the claim. Such written statement shall be submitted to the City within twenty (20) days of the time of the occurrence or beginning of the work upon which the claim is based; provided, however, if such damage is deemed certain in the opinion of the Contractor to result from its acting on an order from the City, it shall immediately take written exception to the order. For purposes of this provision, "claim" shall include, without limitation, any request for an increase in the Agreement price or time and any request for equitable adjustment. Submission of a notice of claim as specified shall be mandatory, and failure to submit such notice shall be a conclusive waiver to such claim for damages or other relief by the Contractor. Neither an oral notice or statement, nor an untimely notice or statement will be sufficient to satisfy the requirements herein.

The City will review the claim and render a final decision in writing within thirty (30) days of receipt of Contractor's written request for a final decision. Such decision shall be final and binding to the fullest extent allowed by law.

Compliance With Immigration Laws

Contractor does not currently, and shall not during the performance of this contract, knowingly employ an unauthorized alien, as defined in the federal Immigration Reform and Control Act of 1986. See Section 2.2-4311.1 of Code of Virginia.

Severability

The provisions of this contract shall be deemed to be severable, and should any or more of such provisions be declared or adjudged to be invalid or unenforceable, the remaining provisions shall be unaffected thereby and shall remain in full force and effect.

Waiver

No failure of the City to exercise any right or power given to it by law or by this contract, or to insist upon strict compliance by Contractor with any of the provisions of this contract, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of the City's right to demand strict compliance with the terms of this contract.

Integration

This contract and any exhibits incorporated by reference in this contract constitute the final, complete, and exclusive written expression of the intentions of the parties, and shall supersede all previous communications, representations, agreements, promises or statements, whether oral or written, by any party or between the parties.

Foreign and Domestic Business Authorized to Transaction Business in the Commonwealth

The Contractor shall be registered and authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 or as otherwise required by law. The Contractor shall submit proof of such registration to the City. Additionally, the Contractor shall not allow its certificate of registration or authority to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or canceled at any time during the term of the Contract.

Environmental Liability

Any costs or expenses associated with environmentally related violations of the law, the creation or maintenance of a nuisance, or releases of hazardous substances, including, but not limited to, the costs of any cleanup activities, removals, re-mediations, responses, damages, fines, administrative or civil penalties or charges imposed on the City, whether because of actions or suits by any governmental or regulatory agency or by any private party, as a result of the storage, accumulation, or release of any hazardous substances, or any noncompliance with or failure to meet any federal, state or local standards, requirements, laws, statutes, regulations or the law of nuisance by Contractor (or by its agents, officers, employees, Contractors, consultants, sub-consultants, or any other persons, corporations or legal entities employed, utilized, or retained by Contractor) in the performance of this Contract or related activities, shall be paid by Contractor. This paragraph shall survive the termination, cancellation or expiration of this Contract.

Special Terms and Conditions

Payment Schedule

Payments shall be rendered in accordance with the previously noted schedule, or in accordance with a schedule mutually negotiated and agreed upon by both parties.

Insurance

All policies are subject to review by the City of Virginia Beach. Misrepresentation of any material fact, whether intentional or not, regarding the Contractor's insurance coverage, policies or capabilities may be grounds for rejection of the RFP and rescission of any ensuing contract.

The Contractor shall be responsible for his/her work and the work of his/her agents and every part thereof, and for all materials, tools, appliances and property of every description used in connection therewith. He shall specifically and distinctly assume, and does so assume, all risks of damage or injury to property wherever located, resulting from any action or operation under the contract or in connection with the work, and the work of his/her servants and agents.

A certificate of insurance written by a company or companies acceptable to the City of Virginia Beach shall be submitted to the City prior to beginning work under the contract and no later than ten (10) days after the award of the contract. Such insurance shall be maintained during the entire term of the contract and shall be in the forms and at the limits as shown below:

The Contractor shall, during the continuance of the work under this contract at their expense, including extra work in connection therewith, maintain the following:

Worker's Compensation and Employer's Liability Insurance in the amount of \$1,000,000.

1. Comprehensive General Liability Insurance, including contractual liability and products and completed operations liability coverage, in an amount not less than three (3) million dollars, to protect themselves from any liability or damage for injury (including death) to any of their employees, including any liability or damage which may arise by virtue of any statute or law in force or which may hereafter be enacted. Such policy shall cover bodily injury and property damage, and a broadened pollution endorsement.
2. Automobile Liability Insurance including Property Damage covering all used or operated automobiles and equipment used in connection with the work in the amount of \$1,000,000 per occurrence. Coverage shall include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, non-owned and hired automobiles and employee non-ownership use.
3. Maintain a standard form policy of fire and extended coverage insurance on the premises, including clubhouse, related buildings and furnishings, and all personal property and equipment.
4. Errors and omissions (Professional Liability Insurance at limits not less than \$1,000,000.

All insurance policies shall be issued by companies authorized to do business under the laws of the State of Virginia. The City of Virginia Beach shall be named as a named additional insured. All insurance policies will be endorsed to provide a waiver of subrogation in favor of the City.

Insurance carriers to be reviewed and approved by the City of Virginia Beach.

Cancellation of Insurance

No change or cancellation in insurance shall be made without thirty (30) days written notice to the City. Insurance coverage required in these specifications shall be in force throughout the contract term. Should any Firm fail to provide acceptable evidence of current insurance within ten (10) days of receipt of written notice at any time during the contract term, the City shall have the right to consider the contract breached and justifying the termination thereof.

Protection: Precaution shall be exercised at all times for the protection of persons, (including employees) and property. All existing structures, utilities, services, roads, trees, shrubbery, etc., shall be protected against damage or interrupted service at all times by the Contractor during the term of contract, and the Contractor shall be held responsible for any damage to the property occurring by reason of his operation on the property.

Fidelity Bond

A fidelity bond guaranteeing the City the faithful collection, accounting, and remittance of all monies due to the City collected as set forth in the agreement. The coverage shall include Employee Dishonesty, Forgery or Alteration, and Theft Disappearance Destruction. The fidelity bond shall have a \$100,000 limit and \$50,000 per loss limit.

Hold Harmless-Indemnification

It is understood and agreed that the Contractor hereby assumes the entire responsibility and liability for any and all damages to persons or property caused by or resulting from or arising out of any act or omission on the part of the Contractor, its Contractors, agents, or employees under or in connection with this Contract. The Contractor agrees to indemnify and hold harmless the City and its agents, volunteers, servants, employees, and officials from and against any and all claims, losses, or expenses, including reasonable attorneys' fees and litigation expenses suffered by any indemnified party or entity as the result of claims or suits due to, arising out of, or in connection with (a) any and all such damages, real or alleged, (b) the violation of any law applicable to this contract, and (c) the performance of work by the Contractor or those for whom the Contractor is legally liable. Upon written demand by the City, the Contractor shall assume and defend at the Contractor's sole expense any and all such suits or defense of claims made against the City, its agents, volunteers, servants, employees, or officials.

Modification

There may be no modification of any resulting Contract, except in writing, executed by the authorized representatives of the City and the Contractor.

Claims for Extra Compensation

If Contractor encounters work and services not included in the resulting Contract or any supplement thereto but which in the opinion of Contractor is necessary for the successful completion of the Contract and requires extra compensation, Contractor shall, before it begins the work on which it bases its claim, promptly notify the City in writing of its intention to perform the work and to make claim for extra compensation. Notification by Contractor under the terms of this paragraph shall not be construed as proving the validity of the claim. No claim for extra compensation will be filed or considered unless notification is given as herein set forth.

Upon notification, the City shall promptly review any claim for extra compensation. If a claim is accepted by the City, it shall be paid as extra work in accordance with the terms of a supplemental agreement executed by the parties before such work is begun.

The amounts claimed as extra compensation by Contractor shall be separately itemized, become a part of the claim, and serve as documentation thereto. The amounts itemized shall be in sufficient detail to enable the City to analyze the need for the extra work and the costs claimed for the work. Where Contractor intends to claim the costs (other than attorney's fees) of preparing a claim for extra compensation, such costs incurred by Contractor in preparing a claim shall be maintained in a separate account, clearly coded and identified, and shall be subject to audit by the City].

Audits

The City shall have the right to audit all books and records (in whatever form they may be kept, whether written, electronic or other) relating to or pertaining to any resulting Contract (including any and all documents and other materials, in whatever form they may be kept, which support or underlie those books and records), kept by or under the control of Contractor, including, but not limited to those kept by Contractor, its employees, agents, assigns, successors and Contractors. Contractor shall maintain such books and records, together with such supporting or underlying documents and materials, for the duration of this Contract and for at least three (3) years following the completion of this Contract, including any and all renewals thereof. The books and records, together with the supporting or underlying documents and materials shall be made available, upon request, to the City, through its employees, agents, representatives, Contractors or other designees, during normal business hours at Contractor's office or place of business in Virginia Beach, Virginia. In the event that no such location is available, then the books and records, together with the supporting or underlying documents and records, shall be made available for audit at a time and location in Virginia Beach, Virginia, which is convenient for the City.

Ownership

All intellectual property rights and other proprietary rights in any work resulting from the performance of services under any resulting Contract shall vest and be held in the name of the City.

Independent Contractor

The Contractor shall agree and covenant that it is and shall be at all times, an independent Contractor, and as such, shall have and maintain complete control over all of its employees and operations. Neither the Contractor nor anyone employed by it shall be, represent, act, purport to act, or be deemed to be an agent, representative, employee or servant of the City. Nothing in this section shall be deemed to absolve or otherwise limit the Contractor's liability and responsibility to safely and correctly perform its duties under this contract.

Definitions of Terms

The following definitions of terms are used herein:

- ◆ The term "City" refers to the City of Virginia Beach.
- ◆ The term "Contractor" or "Respondent" refers to the person, firm, or company that provides a proposal in response to this Request For Proposal (RFP) and who may or may not be successful in achieving an opportunity to negotiate for the final award of a contract.
- ◆ The term "Contractor" means the Contractor to which the contract will be awarded. References to the Contractor in this RFP shall also apply in full to any Contractor for the named Contractor.

Conditions of Work

Each Contractor shall inform himself/herself fully of the conditions relating to the project and the employment of labor therein. Failure to do so will not relieve a successful Contractor of his obligation to furnish all materials and labor necessary to carry out the provisions of this agreement.

Anticollusion/Nondiscrimination//Drug-Free Workplace Form

The attached Anticollusion/Nondiscrimination/Drug-Free Workplace form incorporated herein (Section 6) should be executed and returned with the proposal documents.

Woman, Service Disabled and Minority Participation Plan

Woman, Service Disabled and Minority Participation Plan must be filled out and submitted with Contractor proposal response. (See directions in forms sections).

In addition, within ten days of expiration or termination of the Contract, the successful Contractor shall submit a report documenting its efforts undertaken in compliance with its Woman, Service Disabled Veteran and Minority Participation Plan. This final Plan should document the actual minority-owned, service disabled veteran-owned and woman-owned business participation efforts taken through the life of the contract. The report shall include, at a minimum:

- ◆ *A statement of whether any Contractors were utilized;*
- ◆ *A list of all woman, service disabled veteran and minority-owned Contractors utilized;*
- ◆ *A brief description of the work performed by each woman, service disabled veteran and minority-owned Contractor;*
- ◆ *The amount paid to each woman, service disabled veteran and minority-owned Contractor; and*
- ◆ *Any additional Good-faith Woman-owned, Service Disabled Veteran-owned and Minority-owned Business Participation Efforts the Contractor made in connection with the contract.*
- ◆ For contracts with a stated time of completion that is greater than 365 calendar days, the successful Contractor shall submit the required report on an annual basis calculated from the date of execution of the contract.

Proposal Binding for One Hundred Twenty (120) Days

The Offeror agrees that this proposal shall be good and may not be withdrawn for a period of one hundred twenty (120) calendar days after the scheduled closing time for the Request For Proposal.

Proprietary Information

Offerors are advised that Section 2.2-4342 of the Code of Virginia, i.e., the Virginia Public Procurement Act, shall govern public inspection of all records submitted by the Offeror. Specifically, if Offeror seeks to protect any proprietary data or materials, pursuant to Section 2.2-4342, **Offeror shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is needed.** Furthermore, the Offeror shall submit proprietary information under separate cover, and the City reserves the right to submit such information to the City Attorney for concurrence of the Offeror's claim that it is in fact proprietary. References may be made within the body of the proposal to proprietary information; however, all information contained within the body of the proposal not labeled proprietary or otherwise not meeting all three of the requirements of Section 2.2-4342 shall be public information in accordance with State statutes.

Exceptions

Proposals should be as responsive as possible to the provisions stated herein, however, an Offeror may take exceptions to the provisions without their proposal being disqualified. During the evaluation process, the City will consider whether the impacts of any such exceptions are positive or negative. The Offeror should clearly indicate when exceptions or deviations are being taken and state the reason why. Notwithstanding the above, proposals received late shall be rejected.

Contract Administrator

Whenever used in the Request for Proposal and for purposes of any notices under this contract, Contract Administrator shall be as described below:

Mr. Kevin Bennington, Acting Administrator of Golf
(o) 757-385-1127
(f) 757-385-1130

SECTION 6: FORMS RESPONDENT MUST COMPLETE

ANTICOLLUSION/NONDISCRIMINATION/DRUG-FREE WORKPLACE CLAUSE

ANTICOLLUSION CLAUSE:

IN THE PREPARATION AND SUBMISSION OF THIS BID, SAID OFFEROR/OFFEROR DID NOT EITHER DIRECTLY OR INDIRECTLY ENTER INTO ANY COMBINATION OR ARRANGEMENT WITH ANY PERSON, FIRM OR CORPORATION, OR ENTER INTO ANY AGREEMENT, PARTICIPATE IN ANY COLLUSION, OR OTHERWISE TAKE ANY ACTION IN THE RESTRAINT OF FREE, COMPETITIVE BIDDING IN VIOLATION OF THE SHERMAN ACT (15 U.S.C. SECTION 1), SECTIONS 59.1-9.1 THROUGH 59.1-9.17 OR SECTIONS 59.1-68.8 THROUGH 59.1-68.8 OF THE CODE OF VIRGINIA.

THE UNDERSIGNED OFFEROR HEREBY CERTIFIES THAT THIS AGREEMENT, OR ANY CLAIMS RESULTING THERE FROM, IS NOT THE RESULT OF, OR AFFECTED BY, ANY ACT OF COLLUSION WITH, OR ANY ACT OF, ANOTHER PERSON OR PERSONS, FIRM OR CORPORATION ENGAGED IN THE SAME LINE OF BUSINESS OR COMMERCE; AND, THAT NO PERSON ACTING FOR, OR EMPLOYED BY, THE CITY OF VIRGINIA BEACH HAS AN INTEREST IN, OR IS CONCERNED WITH, THIS BID; AND, THAT NO PERSON OR PERSONS, FIRM OR CORPORATION OTHER THAN THE UNDERSIGNED, HAVE, OR ARE, INTERESTED IN THIS BID.

DRUG-FREE WORKPLACE

DURING THE PERFORMANCE OF THIS CONTRACT, THE CONTRACTOR AGREES TO (I) PROVIDE A DRUG-FREE WORKPLACE FOR THE CONTRACTOR'S EMPLOYEES; (II) POST IN CONSPICUOUS PLACES, AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT, A STATEMENT NOTIFYING EMPLOYEES THAT THE UNLAWFUL MANUFACTURE, SALE, DISTRIBUTION, DISPENSATION, POSSESSION, OR USE OF A CONTROLLED SUBSTANCE OR MARIJUANA IS PROHIBITED IN THE CONTRACTOR'S WORKPLACE AND SPECIFYING THE ACTIONS THAT WILL BE TAKEN AGAINST EMPLOYEES FOR VIOLATIONS OF SUCH PROHIBITION; (III) STATE IN ALL SOLICITATIONS OR ADVERTISEMENTS FOR EMPLOYEES PLACED BY OR ON BEHALF OF THE CONTRACTOR THAT THE CONTRACTOR MAINTAINS A DRUG-FREE WORKPLACE; AND (IV) INCLUDE THE PROVISIONS OF THE FOREGOING SECTIONS I, II, AND III IN EVERY SUBCONTRACT OR PURCHASE ORDER OF OVER \$10,000, SO THAT THE PROVISIONS WILL BE BINDING UPON EACH CONTRACTOR OR VENDOR.

FOR THE PURPOSE OF THIS SECTION, "DRUG-FREE WORKPLACE" MEANS A SITE FOR THE PERFORMANCE OR WORK DONE IN CONNECTION WITH A SPECIFIC CONTRACT AWARDED TO A CONTRACTOR IN ACCORDANCE WITH THIS CHAPTER, THE EMPLOYEES OF WHOM ARE PROHIBITED FROM ENGAGING IN THE UNLAWFUL MANUFACTURE, SALE, DISTRIBUTION, DISPENSATION, POSSESSION OR USE OF ANY CONTROLLED SUBSTANCE OR MARIJUANA DURING THE PERFORMANCE OF THE CONTRACT.

NONDISCRIMINATION CLAUSE

1. EMPLOYMENT DISCRIMINATION BY OFFEROR SHALL BE PROHIBITED.
2. DURING THE PERFORMANCE OF THIS CONTRACT, THE SUCCESSFUL OFFEROR SHALL AGREE AS FOLLOWS:
 - A. THE OFFEROR, WILL NOT DISCRIMINATE AGAINST ANY EMPLOYEE OR APPLICANT FOR EMPLOYMENT BECAUSE OF RACE, RELIGION, COLOR, SEX, NATIONAL ORIGIN, AGE, DISABILITY, OR ANY OTHER BASIS PROHIBITED BY STATE LAW RELATING TO DISCRIMINATION IN EMPLOYMENT, EXCEPT WHERE THERE IS A BONA FIDE OCCUPATIONAL QUALIFICATION/CONSIDERATION REASONABLY NECESSARY TO THE NORMAL OPERATION OF THE OFFEROR. THE OFFEROR AGREES TO POST IN CONSPICUOUS PLACES, AVAILABLE TO EMPLOYEES AND APPLICANTS FOR EMPLOYMENT, NOTICES SETTING FORTH THE PROVISIONS OF THIS NONDISCRIMINATION CLAUSE.

- B. THEOFFEROR, IN ALL SOLICITATIONS OR ADVERTISEMENTS FOR EMPLOYEES PLACED ON BEHALF OF THE OFFEROR, WILL STATE THAT SUCH OFFEROR IS AN EQUAL OPPORTUNITY EMPLOYER.
- C. NOTICES, ADVERTISEMENTS, AND SOLICITATIONS PLACED IN ACCORDANCE WITH FEDERAL LAW, RULE OR REGULATION SHALL BE DEEMED SUFFICIENT FOR THE PURPOSE OF MEETING THE REQUIREMENTS OF THIS SECTION.
- D. OFFEROROFFEROR WILL INCLUDE THE PROVISIONS OF THE FOREGOING SECTIONS A, B, AND C IN EVERY SUBCONTRACT OR PURCHASE ORDER OF OVER \$10,000, SO THAT THE PROVISIONS WILL BE BINDING UPON EACH CONTRACTOR OR VENDOR.

Name and Address of Offeror:

Date:

Signature in Ink

Printed Name

E-mail Address:_____

Telephone Number:__(__) _____

Fax Phone Number:__(__) _____

Title

FIN/SSN #:_____

Is your firm a "minority" business? ☐ Yes ☐ No If yes, please indicate the "minority" classification bellow:

☐ African American ☐ Hispanic American ☐ American Indian ☐ Eskimo ☐ Asian American ☐ Aleut

☐ Other; Please Explain: _____

Is your firm Woman Owned? ☐ Yes ☐ No

Is your firm a Small Business? ☐ Yes ☐ No

Is your firm Service Disabled Veteran Owned? ☐ Yes ☐ No

Woman, Service Disabled and Minority-Owned Business Participation Effort

IN ORDER FOR A RESPONSE TO THIS RFP TO BE CONSIDERED, THE RESPONSE MUST CONTAIN A COMPLETE WOMAN AND MINORITY PARTICIPATION PLAN. FAILURE TO SUBMIT A WOMAN AND MINORITY PARTICIPATION PLAN THAT ADDRESSES EACH ELEMENT MAY RESULT IN A RESPONSE BEING DECLARED NON-RESPONSIVE. EVERY OFFEROR, INCLUDING ANY CERTIFIED MBE, SBE, AND/OR DBE, MUST SUBMIT A COMPLETE WOMAN AND MINORITY PARTICIPATION PLAN IN ACCORDANCE WITH THE FOLLOWING PARAGRAPHS.

MBE PARTICIPATION: It is the policy of the City of Virginia Beach to encourage the participation of minority, service disabled veteran and woman-owned businesses in city procurement activities. In furtherance of this policy the City adopted sections 2-224.1 through 2-224.8 of the City Code on February 28, 1995 (commonly referred to as the "Minority Procurement Ordinance"). City Council amended sections 2-224.1 through 2-224.8 of the City Code on April 4, 2006.

Pursuant to Section 2-224.5, in order for a response to this RFP to be given further consideration, the Offeror must provide a Woman, Service Disabled Veteran and Minority Participation Plan setting forth at a minimum:

- (a) The good faith minority, service disabled veteran and woman-owned business participation efforts which the Offeror has undertaken in the past two years;
- (b) Whether the Offeror intends to utilize any Subcontractors;
- (c) What, if any, woman-owned, serviced disabled veteran owned and minority-owned subcontractors the Offeror intends to utilize;
- (d) The work to be performed by each woman, service disabled veteran, and minority -owned Subcontractor;
- (e) The anticipated amount or percentage to be paid to each woman, service disabled veteran and minority-owned Subcontractor;
- (f) The composition of the Offeror's workforce, specifically indicating the percentage of woman, service disabled veteran and minority employees in their company;
- (g) The percentage of woman, serviced disabled veteran and minorities in management positions, supervisory positions, professional positions, and non-professional positions;
- (h) What steps the Offeror has taken to solicit subcontracting proposals from woman-owned, serviced disabled veteran owned, and minority-owned Subcontractors;
- (i) Which woman-owned, service disabled veteran-owned and minority-owned businesses the Offeror has solicited;
- (j) If the Offeror has elected not to utilize a woman-owned, service disabled veteran-owned, or minority-owned Subcontractor, an explanation of the decision; and
- (k) Any additional Good-faith Minority-owned, Service Disabled Veteran-owned, and Woman-owned Business Participation Efforts the Offeror intends to make in connection with the contract.

Woman, Service Disabled Veteran, and Minority Participation Plan forms are available on the City of Virginia Beach Purchasing Division's website, located at www.vbgov.com. Select Business, at top left corner of screen. Then select Minority Business Council. From there select "Related Documents". From there select Woman & Minority Participation Plan form for download, or by contacting the City of Virginia Beach Purchasing Division at (757) 385-4438.

OFFEROR MUST ADDRESS ALL ELEMENTS OF THE WOMAN, SERVICE DISABLED VETERAN, AND MINORITY PARTICIPATION PLAN IN ITS RESPONSE TO THE RFP. If detailed responses to elements (c), (d), and (e) are not practicable at this stage due to uncertainty as to the precise scope of the project, please indicate that the specifics are unknown at this time. The successful Offeror shall update the Woman, Service Disabled Veteran and Minority Participation Plan with detailed responses to all elements prior to execution of the contract with the City. **FAILURE TO SUBMIT A COMPLETE WOMAN, SERVICE DISABLED VETERAN AND MINORITY PARTICIPATION PLAN WITH THE PROPOSAL MAY RESULT IN THE PROPOSAL BEING DECLARED NON-RESPONSIVE.**



EXHIBITS

EXHIBIT "A"
OVERALL REQUIREMENTS FOR FACILITY OPERATIONS

This RFP process should result in establishing an independent Contractor relationship to provide for the operation, management, maintenance, equipment and planning of the golf course operations, golf course maintenance, and food and beverage operation to serve guests at the City golf courses. The Contractor will provide golf course operations, golf course maintenance and operate all food, beverage and catering services at the golf courses in a relationship that benefits the City of Virginia Beach and the Contractor.

A. General

1. The Contractor shall be responsible for orderly care, safety, security, maintenance and timely repair of all property which constitutes the golf operation according to applicable laws, permits, licenses and regulations.
2. The Contractor shall manage and account for all costs for golf course operations, golf course maintenance and operation of the food and beverage catering service. These include maintenance, insurance, any and all taxes, janitorial services and supplies, all permits and licenses required by law together with all water, propane, electricity and/or other utilities used for the golf facilities.
3. The Contractor, with the advice and consent of the City, shall determine reasonable hours for public access to services. With the exception of starting time reservation services and Contractor's support for special events, access to golf services, as a minimum, shall be provided between the hours of dawn and dusk each day, except as precluded by weather conditions. Any changes in the schedule of hours for golf operation previously agreed shall be subject to approval by the City.
4. The Contractor shall implement systems and procedures to allow effective future management of the course and its related support facilities and resources.
5. Contractor shall offer services consistent with the scope and quality of services offered at equivalent municipal daily fee golf courses in the area.
6. Contractor shall not offer services which the City deems objectionable or beyond the scope of the agreement.
7. The golf courses shall be open every day of the year, weather permitting, except for Christmas Day.

B. Customer Service

1. The Contractor will incorporate Customer Service training components into its new employee orientation program, as well as conduct periodic customer service training refresher programs.
2. The Contractor will provide uniforms, or visible identification, for all staff in both a customer service and maintenance role to ensure identification and high standards of customer service.
3. The Contractor is encouraged to implement a customer comment system to obtain written customer evaluations of service and food quality.

C. Furnishings

1. Except for those noted to be provided by the City, the Contractor will be expected to furnish all banquet tables and chairs, dining tables and chairs, tableware, catering carts, bar and kitchen supplies, uniforms, required fixtures, furnishings, tools and equipment as necessary for the operation of the food and beverage operation.

2. Contractor shall provide to the City, no later than the anniversary of each contract year, a current inventory of all City supplied items.
3. The Contractor may provide additional fixtures, shelving and equipment which shall be their exclusive property and responsibility.

D. Supplies and Equipment

1. Ownership and/or maintenance of current City equipment shall be negotiated based upon Offeror's proposal (management vs. lease).
2. The Contractor must provide, install, and maintain at its own cost and expense, all supplies, furnishings and fixtures, and equipment required for the golf course operations, golf course maintenance and Food and Beverage Catering Service including any City equipment provided upon execution of the Agreement.
3. The City shall be notified by the Contractor when any City-provided piece of equipment is disposed of.
4. The Contractor shall replace any equipment that has been destroyed, damaged, or worn beyond its useful life, with like equipment.
5. All equipment will be inventoried when the Contractor commences operation.
6. Upon the expiration of this Agreement, the Contractor shall relinquish equipment to the City in good and working order.

E. Facility Maintenance

1. During the term of the Contract, the facilities shall be maintained to the City's standard of cleanliness, fully operational and show no signs of visual or structural damage. Contractor shall establish a quality standard and schedule and oversee performance of its employees or Contractors to:
 - a. Vacuum carpets every day and clean as needed.
 - b. Clean ash trays daily.
 - c. Empty waste baskets and clean daily.
 - d. Sweep all building entrances daily.
 - e. Dispose of all waste daily.
 - f. Dust all desks, counters, chairs, file cabinets, tables and shelves daily.
 - g. Clean baseboards weekly.
 - h. Clean window glass in the doors inside and out daily or more often as needed.
 - i. Clean all windows inside and outside monthly or more often as needed.
 - j. Replace defective lamps in light fixtures as soon as possible after discovery.
 - k. Repair public address speakers as needed.
2. The Contractor shall keep the property in good order and shall make or manage all repairs including, but not limited to:
 - a. Interior and exterior cleaning
 - b. Painting
 - c. Decorating
 - d. Carpentry
 - e. Other normal maintenance and repair work
3. The Contractor acknowledges it is receiving control of the premises, City property and equipment in their current "as is" condition, with no warranties, expressed or implied, by the City. The Contractor assumes full responsibility for the maintenance and repair of all facilities. The Contractor will maintain the premises in good order and in sanitary and safe condition.
4. Facilities are to be available for inspection by designated City representatives during regular operating hours and at other times upon reasonable notice.

5. The Contractor shall provide termite, pest and vector control for all facilities.
6. Contractor shall be required to maintain the waste water treatment facility and potable drinking water system (well water) at Red Wing Lake Golf Course.
7. Bow Creek Clubhouse, Snack Bar and Golf Cart Storage areas share utilities with the Recreation Center. The cost-sharing of utilities will be included in final negotiations.

F. Environmental Practices

1. The City follows "green" practices and policies whenever possible for all aspects of the operation. The Contractor will be expected to incorporate recycling, green product use and operations for environmental sustainability.
2. The Contractor is responsible for any grease / oil pickup as the result of food service.
3. The Contractor shall comply with all environmental guidelines as well as local, state and federal regulatory requirements.

G. Advertising

1. The Contractor is responsible for maintaining separate e-mail addresses and websites for each golf facility.
2. The City does advertising and marketing in local print and radio media. The City is open to cooperative efforts to expand the advertising and marketing plans.
3. Advertising and promotional events shall be consistent with the City image.

H. Safety and Security

1. The City does not assume any responsibility for security other than usual and routine neighborhood police patrols and investigations.
2. The Contractor is to have a written safety and security plan for each golf facility which shall include the operation of a security system.
3. The Contractor shall cooperate with the City Police and Fire Departments and any other appropriate law enforcement agency.
4. The Contractor shall be responsible for fire suppression systems, inspections and maintenance at all facilities.

I. Emergency Response and Preparedness Plan

1. The Contractor shall take appropriate measures to identify potential emergency situations and develop a plan of action for responding to the same. This requirement relates to potential medical, fire and other emergency situations that threaten the health, safety and welfare of persons as well as golf course property.
2. All employees of the Contractor are required to be tested annually to demonstrate their proficiency in handling such situations.

J. Capital Improvements

1. Any and all capital improvements to the facility required for the Contractor's operation, permits or other needs will be the responsibility of the Contractor and require the approval of the City before implementation.

EXHIBIT "B"
GOLF OPERATIONS SCOPE OF WORK

The scope of work covered by these Golf Operations Specifications consists of providing labor; services; materials; supplies; golf carts; selecting golf shop furniture, fixtures, equipment, inventory for sale; and other items as may be required to support the operation of a quality, municipal golf course, golf shop, and practice facility. Services according to these specifications shall commence at a time necessary for the Contractor to adequately prepare for the start of revenue producing operations and will continue until termination of the agreement between the golf operations Contractor and the City.

A. AGREEMENT TERMS

1. Golf Operations as specified herein are part of golf course operating agreement between the City and the Contractor.
2. As part of the operating agreement, Contractor will be responsible for all approved, budgeted expenses including, but not limited to, payroll and payroll expenses, outside services, materials, utilities and supplies necessary to perform the scope of work, except where noted.
3. The City reserves the right from time to time as conditions warrant to hire outside golf course operations consultants at City's expense to inspect the golf course and Contractor agrees to carry out reasonable recommendations of the City made as a result of the inspection(s).

B. PERSONNEL & SUPERVISION

1. Golf operations as identified herein will be conducted under the direct supervision of an experienced, qualified onsite operations Manager.
2. The Contractor will be responsible for hiring, training, managing and compensating the necessary personnel for performance of the work according to these specifications and other terms contained in the agreement documents. Staffing plan must include a PGA/LPGA Class A Professional who is onsite a minimum of 40 hours per week and will provide staff on duty during pro shop operating hours.

C. HOURS OF OPERATION

1. In the event play and/or use must be temporarily suspended on the golf course due to inclement weather conditions, the decision on when to allow use and/or play to resume, and when to allow golf carts to go on the course, will be made by the Contractor and the City will be notified.

D. CLUBHOUSE AND GOLF SHOP

1. Merchandise Quality/Quantity

- a) Contractor shall agree to purchase the existing pro shop inventories from the current Contractor on the basis of actual cost and consistent with a physical inventory of such items.

- b) Contractor shall provide and maintain such inventory of golf merchandise as is deemed necessary by mutual consent of the Contractor and the City.
- c) Contractor shall provide a point-of-sale system, and all fixtures necessary for the display and sale of merchandise.
- d) The Contractor shall offer for sale only goods of premium quality consistent with the quality of goods sold at equivalent daily fee golf courses.
- e) Inventory shall include at a minimum: clothing including City of Virginia Beach Golf Course logo goods for men and women; equipment including golf shoes, clubs and bags; and accessories including balls, gloves, tees, etc.
- f) Contractor shall not offer for sale or rental any item of merchandise which the City deems objectionable or beyond the scope of the agreement.

2. Pricing

- a) The Contractor shall have the right to charge competitive prices for the same or similar goods sold at equivalent quality, daily fee golf courses in the area consistent with the cost to provide such goods.

E. GOLF AND OTHER SERVICES

1. Required Operating Responsibilities

The Contractor will be responsible for providing all Golf Services at the Course including, at a minimum, the following services and activities:

- a) Provide and manage golf cart and equipment rentals.
- b) Supervise and control the starting time and reservation system.
- c) Collect and deposit daily all revenues, including, but not limited to, monies from green fees, merchandise sales, cart and equipment rentals, lessons, tournaments, gift certificate sales, resident and multi-play cards, and membership programs.
- d) Provide quality golf lessons and instruction for all levels of play.
- e) Promote golf and golf related activities in cooperation with existing golf clubs, organizations, tourist development and the City of Virginia Beach.
- f) Schedule and facilitate golf tournaments, clinics and junior golf promotions that meet with the City's image and priorities.
- g) Provide, schedule and supervise course ranger and starter services.
- h) Attend monthly meetings, as requested, with the City to provide updates on the concession activities.
- i) Work cooperatively and collaboratively with maintenance, food and beverage and City management staff to provide a positive golf experience for all users.
- j) Contractor will make a representative available for meetings with the Men's and Women's Golf Associations.
- k) Contractor will maintain signage and advertisement for the Men's and Women's Golf Associations.

2. Reservations

- a) The Contractor shall provide, maintain and upgrade reservation systems as needed.
- b) Group and tournament events shall be handled by qualified, experienced personnel.
- c) Restricted walking will be permitted; Contractor to determine.

3. Starter/Player Assistants

- a) The Contractor shall provide a Starter and a plan for the Starter to monitor play and provide a quality experience as players begin each round of golf. Pace of play objectives shall be established by the Contractor, approved by the City and communicated to players before they begin each round of golf.
- b) The Contractor shall submit a plan to the City for Golf Course marshal services to promote a comfortable yet brisk pace of play. Any subsequent curtailment or decrease of this service shall be reasonably justified by the Contractor and approved by the City.
- c) Any special requirements for group/tournament play will be established by the Contractor, conveyed when reservations are booked and communicated by golf operations staff as groups are checked in.
- d) The Contractor shall provide all complimentary, necessary and consumable golf supplies including scoring pencils and "logo" scorecards.
- e) The Contractor shall provide cart assignment sheets, scoreboards and other special materials to support group/tournament events. The support materials shall be consistent in quality and "logo" identification with other daily fee play materials.

4. Rentals

- a) The Contractor shall provide and maintain for rental an inventory of quality, recognized brand sets of golf clubs, with bags, sufficient to meet player's demands.
- b) The Contractor shall provide and maintain for rental a supply of pull carts sufficient to meet player's demands.
- c) The Contractor shall ensure an adequate number of electrically-powered golf carts are available. Contractor will maintain an adequate number of this supply in a clean, fully-charged manner sufficient to meet player's demand.

5. Practice Areas

- a) The Contractor shall be responsible for the quality operation of the practice facilities.
- b) The Contractor shall be responsible for maintaining a high quality and sufficient quantity of all elements used at the practice facilities including balls, hitting surfaces, landing area, cups and flags.

6. Lessons

- a) The Contractor shall provide golf lessons and training by qualified instructors under the supervision of a Class "A" professional whose qualifications have been approved by the City.

7. Group Tournament Services

- a) The Contractor shall provide group event and tournament and outing scheduling services without discrimination consistent with the City standards and image.
- b) The Contractor shall promote the use of all other fee services and sale of goods.
- c) Existing tournament schedules and annual tournaments run by the local golf associations will have preferred scheduling.
- d) Contractor may negotiate fees for group/tournament activity or other special uses.

8. Equipment Repair

- a) If the City and the Contractor together determine that there is a demand for equipment repair service, the Contractor shall submit a plan to maintain all City owned and leased equipment to manufacturer's standards. (Referenced equipment includes items such as ID card printers, push carts, club fitting equipment, etc.)

9. Golf Green Fees

- a) Fees and Charges
 - i. Contractor shall keep current a comprehensive schedule of fees for golf play and cart rentals. Standard fees shall be displayed and posted on website.
- b) Establishing of Fees
 - i. Contractor shall conduct an annual, comprehensive survey of green fee and rental rates at comparable golf courses with-in the market area and submit recommendations for fee changes to the City.
 - ii. The City must approve all green fee and rental rate changes, for which approval will not be unreasonably withheld.
 - iii. Contractor may run fee discounts and special pricing packages at their discretion.

10. Cash Handling and Reporting

- a) The Contractor shall keep complete records of account with regard to all monies for fees and goods collected.
- b) The Contractor shall be responsible for and keep neat, accurate auditable records of reservations made, fulfilled, and fees charged for every individual and group who use the golf course.
- c) The Contractor shall, throughout the term of this agreement, comply with City's policy regarding the collection of all fees, reporting requirements for fees collected, and the system of accountability and procedures thereof.
- d) At the City's request, all accounting records and starting sheets shall at all times be completely available for examination by the City, its auditor and any 3rd parties so designated by the City.
- e) All greens fees and sales & rental transactions must be entered into Point-of-Sale System. A register receipt, showing correct date and time of issue, and amount paid, shall be tendered to every person paying for fees or services.

EXHIBIT "C"
GOLF COURSE MAINTENANCE

Golf Course Maintenance Requirements

Listed below are the standard maintenance guidelines and requirements to be performed. The addition or deletion of services necessary to maintain the course to USGA standards should be clearly identified in the Offeror's proposed Maintenance Plan.

A. Soil Analysis

1. Soil samples shall be taken at least once a year on greens, tees, and fairways.
2. A certified laboratory shall analyze the samples and the resulting report will be used to make treatment decision.
3. Fertilizer applications will be tailored to the soil/plant needs.

B. Fertilization Requirements (in accordance with USGA recommendations)

1. Greens shall be fertilized to promote playability, healthy grass and root system
2. Tees shall be fertilized as needed.
3. Fairways, roughs, driving range, and clubhouse turf shall receive necessary applications to promote maximum turf coverage per year based upon standard level set for particular course.
4. Landscape, ornamentals, and shrubbery to receive at least one application a year. Mulching must be maintained and replenished to maintain appearance standards.
5. Do we need amounts/quantities for each application?)

C. Mowing Requirements

These activities shall be scheduled at such a time as to limit the interference with play.

1. Greens:
 - a. Greens to be mowed on a daily basis, weather permitting and seasonally adjusted.
 - b. Mowing heights of the greens shall be consistent and be maintained on a daily basis to keep a smooth rolling service to USGA standards.
 - c. Collars will be maintained at less than 750/1000 inch.
1. Tees, Fairways, and Aprons. These areas will be mowed as needed and be consistent with a maximum of 5/8 inch for the tees.
2. Roughs and other areas:
 - a. Roughs will be mowed as needed.
 - b. Bunker slopes, clubhouse turf, and all other turf areas shall be mowed as needed.
 - c. Sand traps are to be raked daily.
 - d. During colder months it may be acceptable to mow bi-weekly.
 - e. Clubhouse flowerbeds will be maintained.
 - f. Leaf removal to be conducted to facilitate play.

D. Cultural Practices

1. Aerification:
 - a. Greens are required to be aerified a minimum of two times a year.
 - b. Tees and aprons are required to be aerified once a year.
 - c. Fairways are required to be aerified once a year.
 - d. Rough is to be aerified at the discretion of the Contractor.

- e. Topdressing is required as needed; topdressing material shall meet the requirements of the USGA specifications. Vendor information will be supplied to maintain consistent material to avoid creating a perch water table.
- 2. Verticutting:
 - a. Greens are to be verticut from April through October, twice a month. The greens mower shall follow immediately after verticutting. The height of the greens mower should be the same as the height of your everyday green setting.
 - b. Tees, aprons, and fairways are to be verticut bi-annually.

E. Over-seeding

- 1. Greens:
 - a. Only necessary if there is turf loss during season.
- 2. Tees and Fairways:
 - a. Tees, aprons, and fairways are to be over seeded with turf-type perennial rye grass and will be applied in late August and no later than the last week of September or as weather dictates.

F. Chemical Program

Contractor Must Provide a Detailed Agronomic Plan for Cultural Activities and Chemical Applications

G. Cups and Pins

- 1. Pin locations shall be changed seven days a week.
- 2. Cups shall be replaced and painted as needed.
- 3. Pins will be placed a least 10 feet from previous location and at least three (3) paces from the edge of the green.

H. Repairs

- 1. Repair all ball marks, divots and other damaged turf on greens including chipping area & practice greens as needed.
- 2. Out of bounds and hazard stakes will be replaced and maintained as needed and placed to USGA standards.

I. Cart Paths

- 1. It will be the responsibility of the Contractor to maintain the cart paths and the turf entering and exiting the cart paths.

J. Irrigation

- 1. It will be the responsibility of the Contractor to ensure that all of the equipment required to irrigate the golf course is maintained in good repair.
- 2. It will be the Contractor's responsibility to determine the frequency and the amount of irrigation used in each application.

K. Lake and Ditch Maintenance

- 1. It will be the responsibility of Contractor to maintain the lakes and ditches including culvert pipes and headways on the golf property.
- 2. Contractor shall provide a plan for maintaining ditches and lakes as part of the proposal.

L. Personnel

1. Contractor being awarded the maintenance contract shall provide adequate staffing to carry out services on a timely basis stated in finalized contract.
2. Contractor shall provide a qualified golf course superintendent who is a Class A Golf Course Superintendent Association of America (GCSAA) professional and/or local chapter of Superintendent Association with a license to apply chemicals normally used in the geographical area and approved by the City.

EXHIBIT "D"
FOOD, BEVERAGE & CATERING REQUIREMENTS

A. Licenses and Permits

1. The Contractor must obtain and keep current all licenses and permits necessary to run an indoor and outdoor food service facility at the City of Virginia Beach Golf Courses. According to the Virginia Department of Alcohol Beverage Control (ABC), the current license is non-transferable and would have to be reissued under a change of ownership if the golf courses are leased or managed by a company other than the current licensee.

B. Experience

1. The Contractor must demonstrate a minimum of five (5) years of food service management in an equivalent restaurant operation.

C. Staffing

1. The Contractor must provide all necessary staff to prepare and serve the menu and adhere to current Health Department regulations and standards.

D. Hours of Operation

1. The food and beverage operation is expected to operate seven days a week throughout the year (course is closed only on Christmas Day) in a casual environment to meet the needs of the golf course patrons, visitors and the surrounding community.
 - a. At a minimum the food and beverage operation are expected to be open when the Pro Shop is open.
 - b. The Contractor can, at their choosing, be open outside the operating hours of the Pro Shop.
2. Contractor will work with the Golf Pro and Golf Course Director in scheduling events to ensure the best use of the facility is allowed. Non-golf events will be welcome but are secondary to golf events.

E. Beverage Cart Service

1. The Contractor will be generally expected to provide roving beverage cart service.

G. Operating Costs

1. The Contractor will be responsible for ensuring the availability of all merchandise and supplies necessary for the production of the food and beverage menu, ensuring that an adequate level of supplies is kept stocked at all times, and accounting for all revenues and expenses.

H. Supplies and Equipment

1. All equipment will be inventoried when the Contractor commences operation. The Contractor shall replace any equipment that has been destroyed, damaged, or worn beyond its useful life, with like equipment. Upon the expiration of this Agreement, the Contractor shall relinquish inventoried equipment to the City in good and working order.

I. Financial Reporting

1. The Contractor shall maintain a system of accounting that accounts for all monies received at the time of sale and at any time be prepared to submit accurate records of all transactions.
2. The Contractor shall offer to provide receipts to customers for all goods and services sold in the restaurant.
3. The Contractor shall keep and maintain **all** required financial records in accordance with City policy and procedures while utilizing accounting procedures compatible with the City's financial system. The City will consider alternative procedures and reports proposed by the prospective Contractor, provided they assure adequate internal controls, compliance with State laws and City regulations and the safeguarding of City assets.

EXHIBIT "E"
FINANCIAL STATEMENTS: VIRGINIA BEACH NATIONAL

The following attachments are copies of the official financial records for Virginia Beach National Golf Course for January 1 through December 31 for calendar years 2008 and 2009.

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07/21/10

Accrual Basis

Virginia Beach National Golf Club
Profit & Loss Prev Year Comparison
January through December 2009

	Jan - Dec 09	Jan - Dec 08	\$ Change
Income			
400 Revenue			
401 Green Fees	487,274.68	508,786.57	-41,511.99
402 Cart Fees	483,728.78	442,766.39	-9,027.61
403 Outings	106,846.22	180,497.80	-73,651.58
404 Membership Fees	181,485.28	138,832.80	42,652.48
405 Merchandise Sales	154,763.90	180,667.72	-25,903.82
406 Range	38,021.00	37,074.00	947.00
407 Club Repairs	116.00	1,465.00	-1,350.00
408 Club Rentals	5,200.00	7,365.00	-2,165.00
409 Gift Certificates			
409.1 Gift Certificates Sold	26,230.54	21,499.05	4,731.49
409.2 Gift Certificates Redeemed	-21,326.96	-16,812.14	-5,514.81
Total 409 Gift Certificates	4,903.59	6,886.91	-783.32
410 Coupons	-1,155.00	-985.00	-170.00
411 Other Revenue	3,244.88	774.41	2,470.45
412 Cash Over/Short	61.49	1.05	60.44
420 Black Angus Net Revenue	76,307.15	89,367.77	-14,050.62
Total 400 Revenue	1,469,786.83	1,692,280.42	-122,493.59
Total Income	1,469,786.83	1,692,280.42	-122,493.59
Cost of Goods Sold			
425 Cost of Sales			
425.1 Purchases Merchandise	89,328.48	162,275.97	-62,946.48
425.2 Inventory Merchandise	16,118.00	-32,438.00	48,556.00
Total 425 Cost of Sales	105,447.49	119,837.97	-14,390.48
Total COGS	105,447.49	119,837.97	-14,390.48
Gross Profit	1,364,339.34	1,472,442.46	-108,103.11
Expense			
430 Pro Shop			
431 Salaries	42,326.81	49,161.88	-6,825.05
433 Utilities	53,630.27	52,646.00	984.27
434 Supplies	11,384.87	11,372.74	-7.87
435 Clubhouse Maintenance	1,126.25	2,512.52	-1,386.27
438 Club Repair Expense	91.85	664.71	-462.86
439 Cable	6,991.71	6,485.86	465.85
440 Internet	0.00	0.00	0.00
441 Computer / Reservations	1,776.10	2,070.88	-295.76
442 Security Systems	553.00	1,339.70	-786.70
443 Telephone	31.43	172.61	-141.06
Total 430 Pro Shop	117,831.29	126,286.76	-8,455.47
450 Golf Course Operations			
451 Salaries Outside Ops	54,258.71	60,714.95	-6,456.24
453 Salaries GM/Golf Pro	75,450.04	73,852.97	1,697.07
455 Cart Leasing	59,596.62	59,775.66	-178.94
458 Range Supplies	980.62	3,239.94	-2,259.32
459 Range Equipment Repairs	37.80	0.00	37.80
460 Golf Course Supplies			
460.1 Office Supplies	0.00	840.16	-840.16
460.2 Tournament Supplies	72.00	0.00	72.00
460.3 Score Card/ Pencils	2,952.89	3,561.27	-1,208.38
Total 460 Golf Course Supplies	2,424.89	4,401.45	-1,976.56
461 Education	0.00	204.00	-204.00
462 Handicapp Service	4,658.00	4,069.00	608.00
464 PGA Dues	0.00	992.00	-992.00
465 Utilities	7,134.43	8,794.73	-1,660.30
467 Cart Repair	420.62	2,490.87	-2,070.36
Total 450 Golf Course Operations	204,961.83	218,516.47	-13,554.64

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07/21/10

Accrual Basis

Virginia Beach National Golf Club
Profit & Loss Prev Year Comparison
January through December 2009

	Jan - Dec 09	Jan - Dec 08	\$ Change
470 Maintenance			
471 Salaries	258,275.14	288,305.09	-31,029.95
472 Chemicals	45,507.11	43,487.43	2,039.68
473 Fertilizers	62,984.66	84,412.65	-31,448.00
474 Water & Sewer	1,822.70	344.23	1,478.47
475 Equipment Supplies/Repair	26,587.40	37,687.84	-11,000.44
476 Building Repair & Maintenance	-168.07	1,590.50	-1,758.57
477 Dues & Education	770.76	1,318.67	-547.92
478 Fuel & Lubs	20,029.24	31,454.69	-11,435.45
480 Waste Removal	2,146.78	1,640.61	306.17
481 Golf Course Supplies	1,648.11	4,881.41	-3,333.30
482 Plant Materials	4,382.82	6,170.67	-807.75
483 Telephone	2,304.53	1,733.96	570.57
484 Utilities	9,339.05	9,665.03	-643.98
485 Golf Course Repair	12,983.91	25,856.36	-12,872.45
486 Shop Supplies	2,078.40	3,971.01	-1,892.61
488 Security Systems	274.00	610.00	-336.00
489 Uniforms	638.58	1,632.79	-994.21
490 Fans	0.00	0.00	0.00
491 Auto expense	2,400.00	600.00	1,800.00
Total 470 Maintenance	443,865.01	546,470.74	-101,605.73
600 G & A			
601 Accounting & Legal	7,200.00	8,400.00	-1,200.00
602 ADP Fees	4,028.03	4,261.64	-222.51
603 Bad debts / Returned Checks	19.90	1,882.51	-1,882.61
604 Bank Charges	2,198.73	234.20	1,864.53
605 Credit Card Fees	25,958.47	25,218.38	740.09
606 Contributions	102.00	312.00	-210.00
607 Dues & Subscriptions	110.00	100.00	10.00
608 Public Relations	498.34	3,583.20	-3,084.86
609 Fire Extinguisher Service	1,122.19	378.00	744.19
610 Insurance			
610.1 Workman's Comp	8,808.89	8,102.00	-1,193.01
610.2 Commercial / Umbrella	13,032.76	11,164.00	1,878.76
Total 610 Insurance	19,941.75	19,266.00	865.75
611 Health Insurance	18,277.67	26,787.98	-7,510.41
616 Office Expenses	568.88	776.69	-207.81
616 Permits	320.00	0.00	320.00
620 Supplies	24.25	0.00	24.25
623 Signs	0.00	0.00	0.00
625 Taxes & Licenses	22,554.99	27,628.36	-5,073.39
629 Marketing	17,022.49	13,722.00	3,300.49
630 Payroll Taxes	35,051.10	43,501.33	-8,450.23
632 Salaries	0.00	84.00	-84.00
633 Management Fees	40,008.00	41,675.00	-1,667.00
636 Interest Expense	462.84	0.00	462.84
638-Rent			
638.1-Rent	192,553.24	221,345.28	-28,792.04
Total 638-Rent	192,553.24	221,345.28	-28,792.04
639 Depreciation	68,290.00	120,005.00	-50,715.00
Total 600 G & A	457,313.77	558,141.49	-100,827.72
Total Expense	1,223,971.70	1,448,415.46	-224,443.76
Net Income	140,367.64	24,026.99	116,340.65

EXHIBIT "F"

COMBINED FINANCIAL REPORT: BOW CREEK, RED WING LAKE, & KEMPSVILLE GREENS

The following attachments are copies of the official financial reports for Bow Creek, Red Wing Lake and Kempsville Greens Golf Courses for July 1 through June 30, for Fiscal Years 2008, 2009 and 2010.

EXHIBIT F

Combined Financial Report Bow Creek, Red Wing Lake, & Kempsville Greens

	FY 2007-08	FY 2008-09	FY 2009-10*
<u>REVENUES</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
Green Fees	\$ 1,678,790.44	\$ 1,346,972.76	\$ 1,343,083.11
Cart Rentals	688,450.17	531,602.18	536,034.40
Driving Range	81,193.88	72,344.50	71,185.55
Golf Course Memberships	3,700.00	11,700.00	12,750.00
Miscellaneous	667.60	23,331.65	4,552.73
From Use of Money and Property	29,597.00	21,075.00	12,312.00
Total Revenues	\$ 2,482,399.09	\$ 2,007,026.09	\$ 1,979,917.79
<u>EXPENDITURES</u>			
Salaries	\$ 898,523.24	\$ 827,922.33	\$ 814,917.82
Fringe Benefits	292,705.54	245,783.84	257,900.27
Professional Services	615,785.29	585,441.19	512,585.13
Internal Services	76,450.16	81,359.98	85,473.39
Other Charges	66,700.27	77,414.95	45,423.69
Supplies	205,576.74	190,646.74	201,273.03
Total Expenditures	\$ 2,155,741.24	\$ 2,008,569.03	\$ 1,917,573.33
Revenues Over (Under) Expenditures	\$ 326,657.85	\$ (1,542.94)	\$ 62,344.46

* NOTE: FY 2009-10 data are unaudited.