

REQUEST FOR PROPOSALS
OPERATION OF STATE-OWNED SKI AREA
AT MOUNT SUNAPEE STATE PARK



ISSUE DATE:

January 15, 1998

STATE OF NEW HAMPSHIRE

JOINT LEGISLATIVE COMMITTEE
TO DEVELOP REQUESTS FOR PROPOSALS FOR OPERATION OF
MOUNT SUNAPEE AND CANNON MOUNTAIN SKI AREAS

DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT

REQUEST FOR PROPOSALS

OPERATION OF STATE-OWNED SKI AREA
AT MOUNT SUNAPEE STATE PARK

ISSUE DATE: January 15, 1998

DUE DATE: April 1, 1998

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I. INTRODUCTION

1.1 General Description of Project

The State of New Hampshire (the "State"), acting through the Joint Legislative Committee (the "Joint Legislative Committee") established to develop and review a request for proposal for leasing the state-owned ski areas at Mount Sunapee State Park and Cannon Mountain at Franconia Notch State Park and the Commissioner of the Department of Resources and Economic Development ("Commissioner" and "Department"), has developed this Request for Proposals ("RFP") to invite the submission of proposals by experienced ski area operators ("operators") for a lease, concession agreement or management contract to operate the state-owned ski area at Mount Sunapee State Park in Newbury, New Hampshire.

The Mount Sunapee State Park and ski area has been developed using outdoor recreation funding from the federal Land and Water Conservation Fund administered by the U.S. Department of the Interior, National Park Service (the "National Park Service"). The State recognizes its obligation under Section 6(f)(3) of the Land and Water Conservation Fund Act and related regulations and project agreements to make Mount Sunapee State Park available for public outdoor recreation uses. The National Park Service has advised the State that none of the land, buildings, equipment and other improvements at Mount Sunapee State Park can be sold or converted from public recreational use without federal approval. Federal regulations do allow leasing the operation of properties acquired or developed with Land and Water Conservation Fund assistance as long as the State retains ownership and control of the property to ensure that it continues to be used for public outdoor recreation uses.

Sealed offers will be received by the State at the offices of the Department of Resources and Economic Development, 172 Pembroke Road, P. O. Box 1856, Concord, New Hampshire 03302-1856, until 3:00 p.m. on April 1, 1998, for the year-round operation of the ski area at Mount Sunapee for a twenty (20) year

term beginning on July 1, 1998 and ending on June 30, 2018, with the opportunity for two ten-year extensions. This RFP seeks detailed responses describing each operator's experience, capabilities and commitment to successfully operating the Mount Sunapee Ski Area for year-round public outdoor recreation purposes. Offers submitted in response to this RFP will be reviewed and ranked using the criteria and point score system described in the RFP. All offers received in response to the RFP will be reviewed by a subcommittee of the Joint Legislative Committee in cooperation with the Commissioner. Any lease, concession agreement or management contract recommended by the Commissioner will be submitted to the New Hampshire Legislature's Capital Budget Overview Committee and the Governor and Executive Council for review and approval.

1.2 Statement of Legal Authorities

There are state and federal statutes that govern this project, either specifically or by general application. Operators who submit offers in response to this RFP will be required to certify that they have read and understand the following laws:

- a. Laws of New Hampshire 1997, Chapter 119 - An Act Relative to an Agreement or Contract for the Mount Sunapee or Cannon Mountain Ski Area Operations, or both, Establishing a Committee to Develop a Proposal and Review Responses, and Requiring Review of any Agreement or Contract by the Capital Budget Overview Committee.
- b. RSA 12-A:29-a - Lease Agreement; Terms.
- c. RSA 218:5-c - Admission Without Charge [Senior Citizens].
- d. RSA 219:21 - Purchases and Certain Expenses [Concessions at Cannon and Mt. Sunapee].
- e. RSA Ch. 225-A - Skiers, Ski Area and Passenger Tramway Safety.
- f. RSA Ch. 227 - Aerial Tramways.

g. RSA 72:23 - Real Estate and Personal Property Tax Exemption.

h. Section 6(f) of the Land and Water Conservation Fund Act (16 U.S.C. Section 4601-8) and related federal regulations and guidelines.

II. INSTRUCTIONS FOR SUBMITTING PROPOSALS

2.1 RFP Schedule

Event Description	Date
Public Notice of Project	October 14, 1997
Release of Draft RFP for Public Comment	October 17, 1997
Public Hearing on Draft RFP	November 12, 1997
Mandatory Meeting for Interested Operators	November 19, 1997
Deadline for Written Public Comment and Inquiries About Draft RFP	December 10, 1997
Combined Public Hearing	January 6, 1998
Release of Final RFP	January 15, 1998
Proposal Due Date	April 1, 1998
Interested Operator Presentations	To be announced

2.2 Draft RFP and Public Hearings and Comment

This RFP is being released in draft form so that interested persons, members of the general public and prospective operators have an opportunity to comment on its organization, clarity and content. Comments or inquiries about the RFP must be submitted in writing by the stated deadlines. Copies of all comments, inquiries and the State's responses will be made available to other interested parties. A public hearing was held at 6:00 p.m. on November 12, 1997 at the Ski Area. A second combined public hearing on the RFPs for both Mt. Sunapee and Cannon Mountain Ski Areas was held on January 6, 1998, at 6:00 p.m. in Room 305 of the Legislative Office Building in Concord. The RFP incorporates language changes deemed necessary by the State as a result of this dialogue.

2.3 Questions and Comments About RFP

Questions and comments about this RFP must be submitted in writing to:

Robb R. Thomson, Commissioner
State of New Hampshire
Department of Resources and Economic Development
172 Pembroke Road
P. O. Box 1856
Concord, New Hampshire 03302-1856
(603) 271-2629 (fax number)

2.4 Mandatory Pre-Submittal Meeting

A pre-submittal informational meeting for prospective operators was held to discuss this draft RFP at 10:00 a.m. on November 19, 1997 at the Ski Area. Attendance was mandatory for operators interested in submitting a proposal. Proposals will not be accepted from operators who did not send a representative to the informational meeting.

2.5 RFP Clarifications and Revisions

Oral statements, representations, clarifications or modifications concerning this RFP are not binding upon the State. The Department and the Joint Legislative Committee will, to the extent deemed to be in the public interest, incorporate the results of any public comment or inquiries from interested operators into the final RFP. The final RFP will be issued to interested operators or members of the public upon payment of a fifty dollar (\$50.00) administrative fee. If it becomes necessary to revise any part of the final RFP prior to the deadline for submitting proposals, a written addendum to the RFP will be issued to all eligible proposers.

2.6 Proposal Submissions

Proposals must be received prior to 3:00 p.m. on April 1, 1998. Proposals submitted after this deadline will be rejected as untimely. Proposals must be delivered to:

Robb R. Thomson, Commissioner
State of New Hampshire
Department of Resources and Economic Development
172 Pembroke Road
P. O. Box 1856
Concord, New Hampshire 03302-1856

2.7 Proposal Format

Proposals must be submitted in the format required by this RFP. Multiple or alternate proposals from a single operator will not be accepted.

2.8 Proposal Quantities and Labeling

Each proposal must contain one original and twenty (20) copies in a sealed envelope or package. Each proposal envelope or package shall be clearly labeled as follows:

Proposal for Operation of Mount Sunapee Ski Area
Submitted by: [insert operator's name]
Date: [insert date of submission]

2.9 Proposal Disposition

All proposals become the property of the State of New Hampshire and may not be returned to the operator.

2.10 Proposal Guaranty

By submitting a proposal, each interested operator pledges to enter into a lease and operating contract with the State on the terms stated in the RFP. Each interested operator's proposal must be accompanied by a guaranty in the amount of \$50,000, which may be in the form of a bid bond or certified check made payable to the "Treasurer, State of New Hampshire." If the selected operator fails to enter into any required contract, the amount of the bid proposal guaranty shall be forfeited to the State as liquidated damages and not as a penalty. The State reserves the right to retain the proposal guaranty of interested operators to whom an award is being considered until a contract has been executed and approved by the Capital Budget Overview Committee and the Governor and Executive Council.

2.11 Public Disclosure of Proposals

RSA 21-I:13-a provides, in part, that no information shall be available to the public concerning proposals for public bids from the time the proposal is made public and until it is actually awarded, in order to protect the integrity of the public bidding process. Accordingly, proposals submitted in response to the RFP will not be

released to the public until the Commissioner submits, or decides not to submit, a recommendation to the Capital Budget Overview Committee and the Governor and Executive Council for review and approval. At that time, all proposals will be disclosable to the public to the extent required by the statutes governing access to public records and meetings (the "Right to Know" law), RSA 91-A. If an operator submits information in a proposal it believes is exempt from disclosure under state law, the operator must clearly mark as "confidential" each page of its proposal containing such information.

2.12 Proposal Preparation Costs

No payment shall be made by the State or its representatives to cover costs incurred by any operator in preparation of or the submission of responses to the RFP or any other associated costs.

2.13 Right to Accept or Reject Proposals

The State reserves the right to accept or reject any part of any proposal, and to accept or reject any or all proposals.

2.14 Right to Waive Minor Deficiencies

The State reserves the right to waive minor deficiencies and informalities in a proposal if, in its sole judgment, the best interests of the State will be served.

2.15 Right to Cancel

The State reserves the right to cancel all or any part of this RFP at any time prior to final approval of a contract or lease with the selected operator.

2.16 Additional Information

The State reserves the right to make written requests for additional information from operators to assist in understanding or clarifying any proposal.

2.17 Proposal Evaluation and Contract Award

All proposals received by the State in response to this RFP will be subject to the evaluation process described in Section III. If the Commissioner recommends the award of a lease, concession agreement or management contract resulting from this RFP,

it shall not be final or binding upon the State unless and until it is approved by the Capital Budget Overview Committee and the Governor and Executive Council.

III. PROPOSAL EVALUATION PROCESS

3.1 Evaluation Process

The State will conduct a comprehensive, fair and impartial evaluation and comparison of proposals received in response of the RFP. The Joint Legislative Committee shall designate an Evaluation Subcommittee composed of five members of the House and two members of the Senate to review and rank the proposals based on the following criteria:

<u>Criteria</u>	<u>Maximum Score</u>
Financial Standing and Resources	20
Ski Area Operation Experience	20
Operations and Development Proposals	20
Public Recreational Benefit	20
Economic Return to the State	20
	<hr/>
	100
Oral Presentation (Top Three Only)	20
	<hr/>
	120

All proposals will be ranked by the Evaluation Subcommittee to develop a short list of the top three proposals.

3.2 Operator Presentations and Final Ranking

The top three proposals may be invited to make oral presentations to the Joint Legislative Committee. If one or more of the top three proposers decline to make an oral presentation, the State reserves the right to request a formal presentation from the operator with the next highest ranking. Following the oral presentations, the three proposals will be re-ranked in accordance with the total scores received. The Joint Legislative Committee shall advise the Commissioner whether a lease, concession agreement or management contract should be entered into with the operator with the highest ranking proposal. If the Commissioner concurs, he shall negotiate and execute leases, contracts or agreements consistent with this RFP and the successful operator's

proposal. Such fully executed leases, concession agreements, and management contracts shall be submitted to the Capital Budget Overview Committee and the Governor and Executive Council for review and approval.

IV. PROPOSAL CONTENTS

4.1 Introduction

Each proposal must respond to the requirements of the RFP by offering to provide ski area management and operation services at the ski area by stating information about the operator's financial standing, staff and resources, ski area operation experience, its proposal for the development and expansion of the Mount Sunapee Ski Area, and its payment proposal. Each proposal must be presented in narrative form, and must be organized and indexed by reference to the corresponding section of the RFP. Each proposal must include a proposed lease, concession agreement or management contract acceptable to the operator which incorporates substantially all of the provisions of the Draft Lease/Operation Agreement provided in Appendix B.

4.2 Financial Standing and Resources

Each proposal shall describe the financial standing of the operator, including current certified financial statement, latest company annual report, and current Dun & Bradstreet financial report and rating. Each proposal shall also describe the availability and qualifications of the key staff and other resources the operator will commit to the project.

4.3 Ski Area Operator's Experience

Each proposal shall describe the operator's level of experience in the management and operation of public or privately owned ski areas.

4.4 Operations and Development Proposals

Each proposal shall describe in detail the operator's proposal for year-round ski area operations, including the following:

- a. Types of recreational activities available to the public
- b. Ski lift operations
- c. Snow making and grooming operations

- d. Ski support services
 - i. Ski school
 - ii. Rentals and repairs
 - iii. First aid/public safety
 - iv. Retail ski shop
 - v. Food and beverage services
 - vi. Entertainment
- e. Maintenance procedures
- f. Security procedures
- g. Emergency operating plan
- h. Ability to honor special use permits and leases
- i. Marketing and advertising
- j. Environmental management program
- k. Signage
- l. Utilities and roads
- m. Employment opportunities for state employees presently working at ski areas.

n. Each proposal shall describe the operator's proposal for capital improvements relating to the ski lifts, snow making capabilities, ski lodges or other buildings, and utility and service road infrastructure.

4.5 Public Recreational Benefit

Each proposal shall describe the operator's proposal for continuing or improving public outdoor recreational opportunities at the Ski Area.

4.6 Payments to State

Each proposal shall offer to pay the State of New Hampshire an annual rental amount, consisting of a base fee (adjusted annually for inflation) and a specified percentage of the gross annual revenues from the operation of the ski area.