

REQUEST FOR PROPOSALS  
to  
Lease and Operate  
The Union Pacific Dining Lodge

Issued by:

The Town of West Yellowstone, Montana  
PO Box 1570  
West Yellowstone, Montana 59758  
406-646-7795

DUE DATE:  
July 29, 2011  
4:00 PM

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## **I. INTRODUCTION**

Notice of Invitation – The Town of West Yellowstone (“the Town”) is issuing a Request for Proposals (RFP) for the lease and operation of the historic Union Pacific Dining Lodge, 200 Yellowstone Avenue, West Yellowstone, MT 59758. The Town will consider proposals for full time or seasonal operation. Built in 1925, the Union Pacific Dining Lodge is a West Yellowstone landmark. Successful proposals will show commitment to and respect for the history, tradition and quality of the Dining Lodge. Only qualified, professional facility operators will be considered. The deadline for submittal of proposals is 4:00 PM, Friday, July 29, 2011. Additional project details are outlined in Section II below. There is no expressed or implied obligation for the Town to reimburse responding agencies for any expenses incurred in preparing proposals in response to this RFP.

## **II. BACKGROUND**

The Union Pacific Dining Lodge is one of several architecturally significant buildings that comprise a Historic District that is listed on the National Register of Historic Places. Designed by Gilbert Stanley Underwood, the Dining Lodge was completed in 1925 and served for a number of years as the dining hall for Union Pacific’s West Yellowstone passengers. In 1966, the Dining Lodge – along with the other Union Pacific buildings – was deeded to the Town of West Yellowstone. The Dining Lodge is currently operated as an events center by the Town of West Yellowstone.

In 2001, the Town of West Yellowstone employed A&E Architects from Missoula, Montana to develop a Historic Structures Report for the West Yellowstone Historic District. The Report provides a plan for the development and preservation of the Oregon Shortline Historic District. Certain parts of the plan for preservation have already been completed. For example, in 2007 and 2008, the Dining Lodge roof was replaced and the building was structurally reinforced and a major upgrade to the building’s windows is planned for the summer of 2011.

The portions of the Union Pacific Dining Lodge available for lease and operation include the following:

- The Firehole Room (includes 2 small bathrooms) – 38’ x 58’
- The Lobby – 18’ x 48’
- The Mammoth Room (includes 2 large bathrooms) – 55’ x 118’
- Kitchen – 21’ x 50’

The Town intends to continue using the office space in the north wing of the Dining Lodge for the Court, Social Services, and offices for the Yellowstone Historic Center until further notice. If the Town and the Historic Center should vacate those areas during the term of the lease for Dining Lodge, the selected respondent will be offered first right of refusal for the use of those rooms.

### III. GOALS

The Town of West Yellowstone and the Yellowstone Historic Center share the goal of preserving and restoring the buildings in the Historic District. In addition, it is the Town's intention that a lease agreement for the operation of the Dining Lodge will generate revenue that will, in turn, be utilized for continued preservation and restoration of the Dining Lodge in accordance with the *Historic Structures Report* dated July 2001. The Town expects that the Dining Lodge will continue to be used as an events center and, if possible, that such use will be expanded into the shoulder and winter seasons. The selected respondent must operate and maintain the Dining Lodge in a manner that is fully compliant with the *Preservation Easement for a Save America's Treasures Grant to a Historic Subject Property* dated August 5, 2008. The selected respondent should also plan to schedule future use of the building in a way that will accommodate existing community events such as the Yellowstone Historic Center Ball and the West Yellowstone Foundation's Happening. Finally, the Town would like to preserve – to the extent that it is financially feasible– affordable access to the Dining Lodge for residents of the Hebgen Lake Basin.

### IV. PROPOSAL SUBMISSION AND INQUIRIES

- A. Proposal Submission. Respondents should submit detailed proposals on or before 4:00 PM on July 29, 2011. Proposals received after that time will not be considered – no exceptions. Proposals should be mailed or delivered to:

Jamie Greene, Operations Manager  
Town of West Yellowstone  
10 S. Faithful Street / PO Box 1570  
West Yellowstone, Montana 59758

“Union Pacific Dining Lodge Lease - Sealed Proposal Do Not Open”

- B. Proposal Format. One unbound original copy of the proposal and one electronic version in Microsoft compatible or PDF format should be submitted in the format outlined in Section V, “Proposal Contents.”
- C. Inquiries. Should this RFP not contain sufficient information for the respondent to obtain a clear understanding of the services required by the Town or should the organization require additional information, questions should be directed to Jamie Greene, Operations Manager, at 406-646-7795. Copies of the *Historic Structures Report* and the *Preservation Easement for a Save America's Treasures Grant to a Historic Subject Property* will be made available upon request.
- D. The RFP is not to be construed as creating a contractual relationship between the Town and any organization submitting a response to this RFP.

- E. The Town shall have no obligation or liability to any organization responding to this RFP. All costs associated with responding to this RFP are borne solely by the respondent.
- F. The Town may require follow-up oral interviews with selected respondents and may require the respondents to participate in negotiations.
- G. The Town reserves the right to reject any or all responses, to modify the scope with one or more of the respondents, and to waive any/all requirements which the Town deems to be in its best interests.
- H. By submitting this information, the organization represents that it has examined and understands this RFP and has become fully informed of all the requirements of the RFP. All terms and conditions set forth in this document are accepted and must be incorporated in the submission unless explicit exception is made to individual items and accepted by the Town.
- I. By submitting a response, the organization represents that it has the ability to meet the requirements outlined herein.
- J. After evaluation of the responses, the Town will make its selection based on the response which best meets the needs of the Town, in the sole discretion of the Town. This Request for Proposals is not intended to create a public bidding process, and the proposal with the lowest quoted prices or expenses will not necessarily be accepted, nor will any reason for the rejection of any proposal be indicated. The Town reserves the right to privately negotiate with any organization with respect to the requirements outlined in this Request for Proposals.
- K. Minority and Women-owned Businesses. Minority-owned firms and women's business enterprises are encouraged to submit proposals.

## **V. PROPOSAL CONTENTS**

- A. Proposals must include the following:
  - 1. A cover page that includes the following information:

- a) Responding entity's name and mailing address
- b) Respondent's current legal status: corporation, partnership, sole proprietor, etc.
- c) Federal ID number or Social Security number
- d) State ID number
- e) Contact person's name, title, phone number, fax number and e-mail address
- f) Signature of authorized corporate officer for each entity proposing as a partnership or team

B. A **narrative summary of the nature and structure of the proposed lease and management arrangement** and how the proposal addresses each of the goals contained in Section III.

C. An **identification of the entities** that will be involved, a description of the roles they will play (e.g., property manager, event programmer), the contractual relationships within the team, the financial responsibilities of each team entity, a description and evidence of the nature of each entity's commitment to the project, and a summary of the team's past experience in working together. A description of each of the entities' experience in similar projects and roles must be included. Include specific previous relevant experience with public entities, including reference contact information. The Town may ask for supporting documentation substantiating claims of previous experience. Identify the principal person who will speak for the responding entity and any other key participants who will be involved in negotiating the contract terms. Specify whether the respondent entity is or intends to form a corporation, a general or limited partnership, a joint venture, a 501 (c) (3) corporation, or other type of business association to carry out the proposed activities.

D. A **term sheet** that outlines proposed lease and/or contract terms and conditions.

E. If applicable, a preliminary **capital pro forma** showing the detailed sources and uses of funds (debt, equity and other) to undertake proposed capital equipment purchases and capital improvements during the initial three years of the agreement. Information as to the status of securing those funds should be included and inclusion of a conditional financing commitment is strongly encouraged. Clearly indicate any public assistance to be requested.

F. A preliminary **operating pro forma** for three years. Include the assumptions underlying the income and expense projections. Clearly indicate the sources and amounts of revenues available for a capital improvement reserve. Also describe proposed distribution or utilization of net operating income.

G. A **staffing plan** that includes an organizational chart showing key management personnel and identification of onsite management personnel.

H. A **rental fee schedule for the facility**.

I. A **facility utilization and marketing plan** describing the mix of event types to maximize utilization of the Dining Lodge and the strategies, resources, and experience to achieve those goals.

J. A **description of the public economic benefits** that will result from the proposal, e.g., the direct and indirect economic benefit, creation or retention of jobs (including the estimated number, type and wage levels), tax base enhancement (sales, entertainment, and real estate, as applicable), etc.

K. A **transition plan** for the assumption of booking and management duties from the Town's Social Services Department.

L. Any other information that would help Town staff understand and evaluate the concept.

## **VI. INSURANCE**

The selected respondent will be required to provide the following insurance coverage for the Dining Lodge, naming the Town of West Yellowstone as an additional insured:

A. **Liability Insurance:** Liability insurance coverage shall be in the minimum amounts of \$750,000 per claimant/\$1,500,000 per occurrence and include alcohol liability, if applicable.

B. **Workers Compensation insurance** that meets the statutory obligations of the State of Montana.

C. **Property Insurance:** Replacement value (building and personal property). The current policy covers approximately \$4,300,000 in property.

Prior to the beginning of the leasehold, the selected respondent shall provide the Town with a copies of the insurance policy or policies meeting these requirements.

## **VII. SCHEDULE OF KEY DATES**

- July 29, 2011 – Responses Due
- Sept/Oct, 2011– Council Work Session to Evaluate Responses
- Nov, 2011 – Lease/Contract Award

## **VIII. EVALUATION AND SELECTION OF PROPOSALS**

The Town will base its evaluation of proposals on the following non-inclusive list of criteria:

A. The organization's past experience and performance on comparable engagements.

- B. The terms and conditions of the Term Sheet, including the proposed fee structure.
- C. The ability of the arrangement to fund maintenance and capital improvements to the Dining Lodge.
- D. The organization has no conflicts of interest with regard to any other work performed for the Town.
- E. The organization adheres to the instructions in this request for proposal on preparing and submitting the proposal.
- F. The quality of the organization's professional personnel to be assigned to the engagement and the quality of the agency's management support personnel to be available for consultation.
- G. Other criteria as deemed prudent.
- H. All proposals, including attachments, supplementary materials, addenda, etc. shall become, upon submission, the property of the Town. The Town reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

**IX. ADDITIONAL INFORMATION**

- A. Prerogatives. The Town reserves the following prerogatives.
  - 1. To reject any or all proposals.
  - 2. To terminate any contract following 30 days written notification to the selected organization.
- B. Contract Period. The Town will negotiate the terms of a lease or contract with the selected organization.
- C. Assignability. The selected organization cannot transfer any interest or provide for the assignment of services with the Town, without the expressed written permission and written consent of the Town Council.
- D. Ownership. All proposals and reports become the property of the Town of West Yellowstone upon submission, for use as deemed appropriate.