

VILLAGE OF HOFFMAN ESTATES



REQUEST FOR QUALIFICATIONS AND PROPOSALS FOR FOOD AND BEVERAGE SERVICES AT THE SEARS CENTRE ARENA

ISSUE DATE: JUNE 6, 2012
DEADLINE: JULY 6, 2012

TABLE OF CONTENTS

Section	PAGE NUMBER
I. General Information	3
II. Scope of Services	6
III. RFQ Questions	9
IV. Evaluation Criteria	12

I. GENERAL INFORMATION

A. Introduction. The Village of Hoffman Estates, Illinois (the "Village") is proud to issue this Request For Qualifications ("RFQ") to qualified individuals and firms for our food and beverage selection process. Written qualifications submitted in response to this RFQ shall comply with the instructions and procedures set forth herein.

Parties interested in receiving a copy of this RFQ must provide a contact name, address, telephone number, and email address to the Village.

B. Purpose. The purpose of this RFQ is to establish criteria for the selection of an individual or firm to act as the exclusive vendor for food and beverage sales (the "Concessionaire") for all events at the Sears Centre Arena multi-purpose indoor arena located at 5333 Prairie Stone Parkway, Hoffman Estates, Illinois (The "Venue"). It is the Village's intention to establish a long term business relationship, but the Village will review the performance of the selected party (or parties) on an as need basis and at least annually. The Village reserves the right to:

1. Reject all qualifications submitted in whole or in part; and
2. Award the Concessionaire services to multiple vendors.

The Village reserves the right, in its sole and absolute discretion, to cancel or modify this RFQ in part or in its entirety.

C. About the Village. The Village is a home rule municipality located in northwestern Cook County, Illinois, approximately 35 miles from downtown Chicago. The Village was incorporated in 1959. The Village is populated by approximately 53,000 persons.

The Sears Centre anchors the emerging Entertainment and Retail District known as 59/90 - The Entertainment Crossroads. The Sears Centre Arena; a Cabela's destination retail superstore; the Saddle Room OTB and restaurant; Poplar Creek Crossing, Prairie Stone Crossing, and The Arboretum shopping centers; provide ample opportunities for dining, shopping, and entertainment.

D. About the Venue. Sears Centre Arena is a multi-purpose sports and event complex that is the home to the Chicago Slaughter arena football and Chicago Kick indoor soccer and a venue for headline concerts, family shows, religious events, niche cultural acts, and parking lot events. Global Spectrum took over management of the Venue in January 2010. Overall attendance has increased during the last two years of private management and 2011 marked the highest number of events since the building opened in 2006. The arena is the primary event venue for the northwest suburbs with over one million residents located within 15 minutes of the facility.

E. Response Format. Qualifications sent in response to this RFQ must include the name of the firm and the name of the person submitting the response. Responses should follow the format as outlined in the RFQ Questions section. All responses must be signed by a representative authorized to make a binding commitment on behalf of the party submitting the response.

F. Instructions. The Village must receive one (1) signed original and six (6) copies of all responses no later than 2:00 p.m. on July 6, 2012. Late responses will not be accepted. Responses submitted by electronic mail and facsimile will not be accepted. All responses should be delivered as addressed below:

Village Clerk
Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, Illinois 60169
847.781.2628

G. All questions regarding the RFQ should be sent to Mark Koplin, Owner's Representative for the Village, by email (mark.koplin@hoffmanestates.org) by 4:00 p.m. CST on June 22, 2012. All questions received prior to will be addressed and shared with all parties registering and requesting such information. Each Proposer shall carefully examine all proposal documents and any and all addenda or other revisions and thoroughly familiarize themselves with all requirements prior to submitting a proposal. Should a Proposer find discrepancies or ambiguities in, or omissions from the proposal documents, or should the Proposer be in doubt as to their meaning, Proposer shall notify the Village via email.

H. Remuneration. Interested parties are to present an outline of the fee schedule to be utilized in connection with the presented services as specified in the RFQ Questions section. Proposed investments will be considered in remuneration proposals. (See C.4. and C.6. under Scope of Services.) Specific proposals for upgrades to concession stands, other points of sale, technology improvements, or other such projects to improve efficiency, customer service, and/or profit, should be detailed in the proposal.

I. Oral Interviews. After receipt of all responses, the Village will review and evaluate submissions based on all of the criteria stated in this RFQ. The Village may request oral interviews of one or more companies to allow the most qualified candidates to clarify their responses or further define their offer. All oral interviews shall be at the expense of the candidates.

J. Timeline. The Village anticipates that its review of the responses submitted to this RFQ shall take four (4) weeks.

K. Before submitting a proposal, each Proposer shall make all investigations and examinations necessary to ascertain conditions and requirements affecting operation of the proposed services. Failure to make such investigations and examinations shall not relieve the successful Proposer from the obligation to comply with all provisions and requirements, nor shall it be a basis for any claim whatsoever for alteration in any term of or payment required by an Agreement.

L. The expense of developing and presenting the proposal is the sole expense of the Proposer, regardless of the results of the subsequent selection process of Concessionaire.

M. All foodservice employees are employees of the concessionaire and not the Village. The concessionaire shall at all times be an independent contractor and the Agreement shall not in any way create or form a partnership or joint venture with the Village. No agent, servant, or employee of the Concessionaire shall under any circumstances be deemed an agent, servant, or employee of the Village.

N. Video Poker - Manager shall commercially reasonably cooperate with the Village in securing video gambling devices. The installation and operation of said devices shall be at the sole discretion of the Village.

O. Utilities/Miscellaneous.

1. The Village shall pay for the usage of HVAC, electricity, gas, and water service for the Concessionaire's operation. Concessionaire will utilize prudent energy management.
2. The telephone service will be provided by the Village and the pro rata share billed to the Concessionaire as a Direct Operating Cost of the operation.
3. The Concessionaire will be responsible for bringing their trash and garbage from all foodservice areas to the designated dumpster or recycling areas. The removal of the dumpster and recyclables from the Track will be paid by the Village.
4. Concessionaire to provide or pay for:
 - ◆ Computers
 - ◆ Cell phone
 - ◆ Land lines
 - ◆ Copier and other office equipment

Village will provide office space without rent.

II. SCOPE OF SERVICES

The Village seeks a full service Concessionaire capable of delivering high quality, nutritious food and beverages designed to enhance the overall experience of persons attending events at the Venue while maintaining a focus on profitability. The Concessionaire shall be granted use of all the Venue's concession stands and equipment, which are complete with utilities, appliances, and storage. The Concessionaire shall be allowed signage within the Venue only upon the express written consent of the Village. The Concessionaire should outline the standard of service and care proposed to be provided, including enclosing any standard service contracts or quantitative measures to determine the quality of service being provided to the Village's patrons.

This section provides the minimal requirements that may be expected from your firm pertaining to the needs of the Village. Firms not meeting the minimal requirements may be eliminated from further consideration.

A. Minimum Qualifications.

1. Five (5) years of active experience providing concessionaire services at large stadiums or similar venues.
2. All active licenses necessary in the State of Illinois to prepare, handle, and sell food and beverages, including alcoholic beverages.
3. Firms shall submit evidence of compliance with all equal opportunity employment and affirmative action laws when and to the extent these requirements are applicable (which will be satisfied by an affirmative certification to the same).
4. Firms shall comply with all applicable federal, state and local laws, ordinances, rules, and regulations.

B. Service Requirements.

1. All items offered for sale and related pricing will be subject to approval by the Village.
2. Qualifications should include a proposed menu, including sizes and proposed prices for each item.
3. The Concessionaire will be responsible for hiring and supervising its own staff to conduct the daily operations of the concessionaire services at the Venue. The Village retains the rights to approve the on-site manager.

4. The Concessionaire will provide satisfactory evidence to the Village of its insurance coverage, including, but not limited to, general liability, automobile liability, property and workers' compensation insurance and dram shop insurance, which policies shall remain in full force and effect during the Concessionaire's performance of the concession services described herein and shall name the Village, its President, Board of Trustees, officials, officers, employees, consultants, insurers, attorneys, and independent contractors as Additional Insureds.
5. The Concessionaire shall preserve for a period no less than seven (7) years from creation of the same, all original books and records disclosing information pertaining to gross sales at the Venue and such other information regarding the Concessionaire's business operations on the Venue as directed by the Village.

C. Submittal Requirements.

1. Marketing Plan. Provide a detailed marketing plan for soliciting catering and other non-Venue day sales.
2. Quality Control. Because the highest level of culinary quality and service is imperative for this Venue to be successful in its marketplace, Proposer must propose an impartial quantitative mechanism to evaluate its level of services, menu, and overall quality. Failure on the part of the Concessionaire to reach that approved level of customer satisfaction, will allow the Village to terminate the agreement without constituting a default by the Concessionaire.
3. Green Initiatives. Describe environmentally friendly programs that are currently provided at other venues that could be incorporated at the Venue.
4. Creative Design Concepts. The Village seeks recommendations to better present and sell food and beverage products. Proposers should indicate any proposed design changes to the foodservice areas. Proposers should include any new equipment, portable carts, design, and any other information that indicates their unique approach to this project.
5. Proposer shall provide a list of sub-contractors that would be used and the menus they would serve.
6. Technology. Provide recommendations for technological programs that will enhance the customer experience at the Venue. Village provided capital improvements may include a POS system, digital menu boards, web-based ordering programs, kiosk ordering, and all other concepts that the Concessionaire is recommending for the Venue.

7. Detailed staffing charts for tenant sporting events, concerts, family shows, and miscellaneous events based on attendance. Include back of the house and front of the house employees for all areas (i.e. kitchen, commissary, Suite pantries, concession stands, vendors, Suites, Club, etc.)
8. Recommended staffing guidelines for each job (i.e. 1 concession server per 100 seats, 1 attendant per 2 Suites, 1 bartender per 75 guests, etc.). Indicate proposed pay scales and gratuity allocation for all hourly employees.
9. Provide source of staffing labor for charts provided above, i.e. staff is sourced from other accounts in the region, temporary labor is employed for a specific show, staff is bused from venues in close proximity to Venue.
10. Provide numbers of staff in Chicago DMA, concession accounts only.
11. Event Information Recaps. Provide samples of event information recaps, daily and monthly statements, etc. that will be furnished to the Village during the term of this agreement. Include forms from computerized cash registers.

III. RFQ QUESTIONS

A. Company Background. Describe your firm's history, ownership, financial condition, and client base, including, but not limited to:

1. Years in business.
2. Total number of employees in the firm, as well as the primary office.
3. Management and organizational structure.
4. Company culture, business philosophy, and service model.
5. Latest annual report/financial statements.

B. Indicate the total number of your municipal and indoor arena clients, provide summary of services provided to the same, and financial/remuneration terms (i.e. management fee or commission).

C. Service Team.

1. Describe your firm's expertise in the delivery of concessionaire services at mid-sized venues and, in particular, with municipal clients.
2. Identify and provide qualifications for the management team that would be assigned to work at the Venue. Briefly describe the duties and responsibilities that each individual will have regarding the Village and the requested services. Provide a list of full and part-time positions that would provide services at the Venue.

D. Supplemental Information. Additionally, be prepared to address, at a minimum, the following and your management style related to:

1. Menu and pricing input by the Venue, to include the option for regional and local fare. This will include any special menu items associated with luxury seating.
2. The option for local firms and restaurant participation.
3. Provisions in dealing with major sponsors, tenant teams, and recurring annual events/shows. This will include concessionaire related relationships and the pricing opportunities that may exist between the selected firm and the Venue.
4. Care provided to the facilities being used at/in the Venue.
5. Level of customer service to be provided to customers at/in the Venue.

E. Fee Schedule. Management Fee versus Commission Fee.

1. Interested parties are to present an outline of the fee schedule to be utilized in connection with the concession services described herein, including the following:

Commission Fee

- a. Gross concession split, less appropriate taxes and normal industry fees.
- b. Incentive clauses, if proposed, to the Venue related to attendance and/or revenue goals associated with concession operations. For example, if the overall attendance exceeds "X", the Venue is entitled to an additional percentage(s) of gross concession revenue or flat bonus payment.

- c. Desired terms:

General concessions	\$0 - 1.0 million	35%
	> \$1.0 million	40%
Suites/catering	\$0 - 100,000	25%
	\$100,001 - 250,000	30%
	>\$250,000	35%

Note: Any service fees charged to be included in the gross sales.

Management Fee with profit participation

- a. Fee percentage incentives.
2. Parties proposing a different gross concession split or fee structure for catering or luxury seating should note the same in their response. Include any proposed incentives/commissions that would apply if your company were to secure events to provide catering to the Suites at the Venue and/or for events held in the Club outside of the normal event scheduled at the Venue.

Additionally, firm should outline any initial investment for specific projects and the terms associated with said investment that they would be willing to make to enhance the Venue's concession operations for all parties involved. The Village, as a factor in determining the final candidates, will consider initial investments proposed.

F. Client References.

1. Provide a listing of representative public sector clients.

2. Provide at least five (5) references of current clients for similar sized venues with similar event mix (if possible), include their company name, address, contact person, phone number, email address, and length of service.
3. Provide a list of clients that have terminated your services in the last three (3) years. Include company name, address, contact person, phone number, email address, and length of service.
4. Include a list of all lawsuits filed against your firm regarding services rendered.

IV. EVALUATION CRITERIA

Be prepared to discuss your firm's advantages over others in the industry, particularly as it relates to maximizing the Venue's profitability, your firm's commitment to customer service, the ability to coordinate a successful transition, and the firm's ability to enhance the overall fan experience.

Finances will not be the only factors upon which the Village will make its selection. The following factors will be used to determine a firm's qualifications to service the Village. The order of the following factors does not determine any relative ranking:

1. The firm meets all of the Village's requirements.
2. Demonstrated knowledge and experience.
3. Conformance with specifications of the RFQ and completeness of the questionnaire responses.
4. The firm's ability to provide the products and services that are in the best interest of the Venue.
5. References.
6. Other matters not herein specifically enumerated.
7. Creativity reflected in the proposal for unique operational plans, point of sale areas, menu, personnel training, uniforms, and related marketing and promotional ideas.
8. The Proposer's performance at other facilities, as shown by contacts with representatives of those facilities by phone or mail which have been or may be made by the Village.
9. To reject proposals that are not accompanied by proper proposal bond or deposit.

Selection does not guarantee the award of a contract. This RFQ shall not create any legal obligation of the Village to evaluate any response that is submitted or to enter into any contract or any other agreement with an individual or firm who submits a response except on terms and conditions that the Village deems, in its sole and absolute discretion, to be satisfactory and desirable. The Village reserves the right to terminate the services provided by the Concessionaire. In person interviews may be scheduled to finalize the selection.

By submitting a response, the firm providing the qualifications acknowledges its understanding of the requirements of this submission and agrees to be bound to the same.

THE ARENA



Opened in 2006	Luxury Suites: 43	Managed by Global Spectrum
Seating Capacity: 10,595	Club Seats: 1,064	Owned by Village of Hoffman Estates
Lower Level Suites: 24	Locker Rooms: 4	Parking: 3,900 spaces

Located 35 miles northwest of downtown Chicago, in the Village of Hoffman Estates, the Sears Centre Arena (SCA), provides premier access to some of the largest Asian communities in the country.

The 10,500-seat arena consistently achieves ticket grosses usually associated with larger venues, ranking in the Top 15 in annual box office grosses in four out of the last five years for venues 5,001-10,000 seats and Top 20 for venue 10,001-15,000 seats.

With a suburban population upwards of four million people, the arena draws 90% of purchasers from outside the city. Boasting a modern, compact arena setup, the building has built a niche providing sporting events with access to a large and wealthy population without the burden of playing in oversized and undersold arenas.