

**FOOD AND RETAIL KIOSKS**  
**AT THE**  
**COURTHOUSE SQUARE**



**REQUEST FOR PROPOSAL**

No due date.

CITY OF REDWOOD CITY



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## **RFP Submittal**

Submittal 1	Application
Submittal 2	Kiosk Floor Plan Worksheet

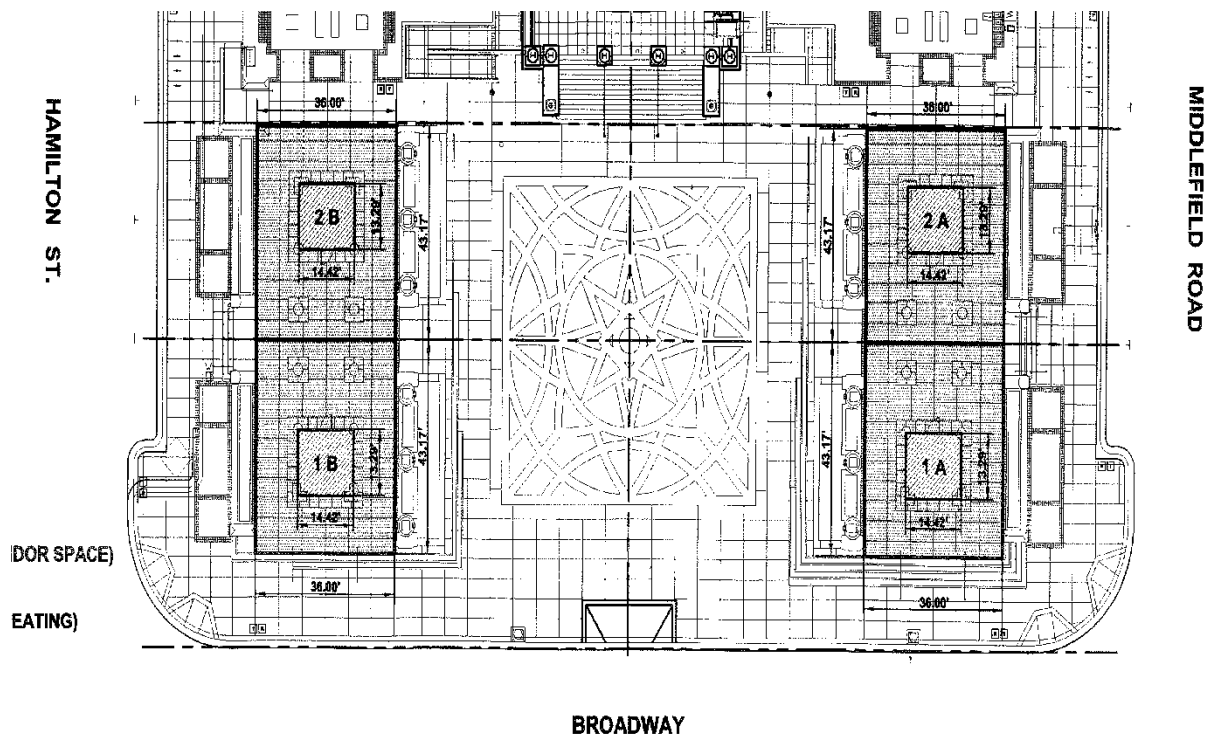
## **Appendices**

Appendix 1	Comprehensive Guidelines for Food Facilities Construction and Plan Review, County of San Mateo
Appendix 2	Form of Lease and License Agreements
Appendix 3	Site and Elevation Plans

## I. INTRODUCTION

The City of Redwood City (“City”) and the Redevelopment Agency of Redwood City (“Agency”) are seeking proposals to manage and operate one or more of the two kiosks – 2A or 2B at the Courthouse Square in downtown Redwood City as shown in **Illustration 1**. Kiosk 1B is leased to Daily Boost, an organic coffee and smoothie store while 1A is leased to Hidden Dragon Teahouse, a tapioca tea, slush drink, and prepared Asian food store. Each kiosk covers an enclosed lease area of 191 square feet. An unenclosed 1,360 square foot license area immediately surrounding the kiosk will be provided for shared outdoor seating. The selected Applicant(s) will be required to complete all improvements and operate the kiosk(s) according to the terms of the Lease and License Agreements.

**Illustration 1: Courthouse Square Kiosk Locations**  
*Kiosk 1A and 1B are not available*



### A. City and Agency Goals and Objectives

The City and Agency’s primary goal is to select energetic and collaborative Applicant(s) who will successfully fund, manage and operate a business in a visually appealing kiosk that attracts the community to the Courthouse Square.

The Agency and City’s objectives are to select Applicants who will:

1. Provide quality products and services to the Redwood City residents, visitors and employees
2. Enhance the character and atmosphere of Courthouse Square
3. Partner with the City and Agency in the revitalization of the Downtown
4. Take risks, make money, and have fun!

## **B. Preferred Uses**

Food and beverage services are preferred uses although the City and Agency are receptive to other proposals that enliven the Courthouse Square experience for residents, visitors, and employees working in the area. The kiosks DO NOT contain a mechanical exhaust ventilation system. Consequently, there is not sufficient ventilation to operate cooking equipment such as ranges, broilers, fry grills, griddles, ovens, and deep fryers unless the Applicant can demonstrate a viable design solution that does not impact the design integrity of the pavilion. For food and beverage proposals, Applicants are recommended to review the Comprehensive Guidelines for Food Facilities Construction and Plan Review (see **Appendix 1**).

Menu proposals listing coffee and espresso products, smoothies, breakfast sandwiches, teas, tapioca and slush drinks will not be accepted. Beer and wine sales will be considered if the selected Applicant meets the regulations of the California Department of Alcohol and Beverage Control and the County of San Mateo Health Department. Tobacco sales and distribution will not be allowed.

## **C. Minimum Qualifications Requirements**

City and Agency staff will verify that the Applicants meet the minimum qualifications requirements described below. Upon that determination, the Applicants deemed qualified will be interviewed. Proposals received from Applicants who do not meet these requirements may be disqualified.

- *Experience.* Two or more years of experience preferred in ownership and management of similar facilities within the past ten years.
- *Financial Ability.* Applicant must demonstrate the financial capacity and experience to fund the necessary tenant improvements and start-up working capital.
- *Lease and License Agreements.* The Applicant(s) must agree to enter into a Lease and License Agreements that will set forth the standard terms and conditions of the Redevelopment Agency and City, including those required by applicable local, state, and Federal law. The lease agreement will be with the Redwood City Redevelopment Agency for the 191 square feet kiosk while the license agreement for the 1,360 square feet outdoor area will be with the City of Redwood City.
- *Submission Requirements.* Must submit all required documents consistent with the proposal.

## II. BACKGROUND

Courthouse Square is a unique community asset for the benefit of all of the residents of San Mateo County. In April 2005, the City entered into a cooperative agreement with the County of San Mateo, primarily to create a public plaza called Courthouse Square as a civic, cultural and social gathering place in the heart of downtown Redwood City.

The City, with major financial contribution from the Redevelopment Agency funded the \$12.0 million Courthouse Square and Courthouse façade reconstruction which was completed in February 2007. The Square features a large, decoratively paved plaza at the foot of the Courthouse portico. Two semi-enclosed pavilions flank the central plaza space, framing views of the Courthouse and Fox Theatre, while providing shade and incorporating kiosks for food services and/or perhaps other activity-generating offerings.

In August 2006, the County amended the Cooperative Agreement to allow the City to install restrooms within the City's easement area for use by the general public. Placing restrooms within 300 feet of the Courthouse Square pavilions satisfies the County Health Department's requirements for food operations in the kiosks.

The four kiosks located within the two pavilions at Courthouse Square were assigned from the City to the Redevelopment Agency to manage and ensure the appropriate mix of retail goods and services in June 2007.

## III. KEY BUSINESS TERMS

The selected Applicant(s) must be willing to enter into a written Lease and License Agreements with the Agency and City which will incorporate all terms and conditions set forth in this RFP or as modified in the final Agreements. **Appendix 2** provides a sample Lease and License Agreement for further details.

### A. Term

The term of the Lease and License Agreements will be determined through negotiations and may be renewed at the sole discretion of the Agency and City. The length of the agreement will be determined in large part based on the Applicant's improvement investment.

### B. Rent

Rents are varied depending on the kiosk location. The 191 square feet lease area asking rents are current ranges in the downtown vicinity. The license area rent is a nominal fee for the use of City's tables and chairs and the common area maintenance (CAM) covers the general maintenance of the Courthouse Square. Rents will be annually adjusted by the consumer price index (CPI) from a minimum of three percent to a maximum of eight percent.

Area	Size (Square Foot)	Rent per Month
Lease Area	191	\$2.50 to \$3.00 per square foot NNN
License Area	1,360	\$.06 per square foot
Common Area Maintenance (CAM)	--	\$600.00

The selected Applicant(s) will be responsible for all expenses related to the space, including taxes, insurance, building permits, and installation and ongoing cost for utilities. The common area maintenance (CAM) includes, but is not limited to storage and collection of garbage, litter and debris pick up, maintenance of pavilion exterior, and power washing the Courthouse Square.

### **C. Late Payment**

If rent or any amount owed to the City and Agency under the terms of the Lease and License is delinquent for more than five (5) days or longer from the due date, selected Applicant shall pay to the City and Agency a late charge equal to ten percent (10%) of the rent payment rate in effect.

### **D. Security Deposit**

The selected Applicant(s) shall deposit with the City the sum of \$1,500.00 as the security deposit to be held as security for the full and faithful performance by the Applicant of all terms, covenants, conditions and obligations imposed under the Lease and License Agreements. If selected Applicant defaults with respect to any of the terms, covenants, conditions and obligations imposed under the Lease and License Agreements, the Agency and City may apply, retain or use all or any amount of the Security Deposit to compensate the Agency and City for any expense, loss or damage which the Agency or City may expend, incur, sustain or suffer by reason of Applicant(s) default hereunder.

### **E. Hours**

The selected applicant's minimum hours of operation are 11:00 AM to 7:00 PM every day. If the selected Applicant(s) desires hours of operation different from what is stated in this section and / or desires to open on specific days, write the request in **Submittal 1**. After the short-list selection, the days and hours of operation will be negotiated between the selected Applicant(s) and must be approved by the City and Agency.

### **F. Utilities**

Selected Applicant(s) shall be responsible for the connection and payment of utilities associated with the operation of the kiosk space, including water, sewer, electricity. Each kiosk contains a 100 amp subpanel and can be upgraded to approximately 140 amps with wire upgrades. Natural gas is not available. If water usage is needed, a water meter reader must be purchased from the City and installed within the kiosk by the selected Applicant.

### **G. City Fees**

Depending on the type of improvements to the kiosk(s), selected Applicant(s) shall be responsible to pay for all relevant Redwood City fees and taxes including, but not limited to plan check fees, general plan maintenance fees, building permit fees, sewer wastewater treatment fees, sewer system capital facilities fees, and business license tax.

### **H. Maintenance**

Selected Applicant(s) is responsible for maintaining the assigned kiosk(s). Specifically, the Applicant will be responsible for bussing all tables and chairs and immediately cleaning up spills/litter in the license areas throughout hours of operation. Applicant will provide, maintain and empty, at his/her own expense, adequate receptacles for trash within the license area, and

ensure that receptacles do not become overfilled during hours of operation. Applicant will take out and put away or otherwise secure tables and chairs during days of operation.

### **I. Operations**

The selected Applicant(s) shall: 1) be responsible for the staffing, operation and management of assigned kiosk, 2) offer menu items that require minimum on-site preparation with only electricity as a heat source and excluding combustible fuels, 3) allow seating in the Courthouse Square to be available to the public without purchase requirement.

### **J. Signage**

The selected Applicant shall pay for the design, installation, and maintenance of the business signage. Signage must comply with the City design criteria specifically for the pavilions.

### **K. Indemnification**

The selected Applicant will defend, indemnify and hold harmless City and Agency and their officers, agents, employees and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the Agreements, caused in whole or in part by the willful misconduct or any negligent act or omission of the Applicant, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, except where caused by the active negligence, sole negligence, or willful misconduct of City and Agency.

The Parties expressly agree that any reasonable payment, attorney's fee, cost or expense that the City and Agency incurs or makes to or on behalf of an injured employee under the City's self-administered workers' compensation program will be included as a loss, expense or cost for the purposes of this section, and that this section will survive the expiration or early termination of the Agreement.

### **L. Insurance**

#### Before Issuance of Building Permit

Prior to commencing the tenant improvements, the selected Applicant or its contractor shall furnish the City and Agency with copies of the insurance certificates and endorsements for review and approval.

#### Before Moving In

The Applicant(s) selected by the Agency and City shall furnish adequate insurance in effect before moving supplies, equipments and products into the kiosk. The insurance must cover the lease and license areas. Proposals should include a confirmation of the firm's insurance coverage, or its plans for obtaining the specified coverage. The insurance coverage requirements for the Lease Agreement shall be as follows:

- A. *Commercial General Liability Insurance.* \$1,000,000 combined single-limit per occurrence for bodily injury, personal injury and property damage. If the submitted policies contain aggregate limits, general aggregate limits will be twice the required per occurrence limit. Such insurance shall provide \$1,000,000 of fire legal liability coverage.

- B. *Workers' Compensation and Employer's Liability.* Workers' Compensation as required by the California Labor Code and Employer's Liability limits of \$1,000,000 per accident for bodily injury. Workers' Compensation and Employer's Liability insurance will not be required if selected Applicant has no employees and provides, to Agency and City's satisfaction, a declaration stating this.
- C. *Window Glass Plate Coverage-* In an amount sufficient of approximately \$40,000 to replace every panel of glass located within the lease area.

Additional Provisions

Selected Applicants will ensure that the policies of insurance required under this Agreement contain, or are endorsed to contain, the following provisions:

- A. For Commercial General Liability Insurance, the “City of Redwood City, Redevelopment Agency of Redwood City, their officers, agents, boards, volunteers and employees” will be named as additional insureds.
- B. For Workers' Compensation, the insurer shall waive its right of subrogation against the City of Redwood City, Redevelopment Agency of Redwood City, their officers, agents, boards, volunteers and employees.
- C. This insurance will be in force during the life of the Agreement and will not be canceled without thirty (30) days prior written notice to City and Agency sent pursuant to the Notice provisions of this Agreement.

**M. Taxes**

The selected Applicant(s) shall pay all taxes of whatever nature which may be levied or charged upon the Applicant to use the kiosk(s), or upon the Applicant's improvements, including, but not limited to Redwood City's business license tax and the County of San Mateo's “Possessory Interest Tax”.

**IV. DESCRIPTION OF KIOSKS AND RESPONSIBILITIES**

**Kiosk Specifications – see Appendix 3 for elevations and site plans**

- Size – 13'-2” length, 14'-4” width and 12'-4 3/4” height (top of capital)
- Floors – Finished concrete wipeable floor finish.
- All four walls are transparent windows enclosed by tube steel starting at an elevation 2' - 8” height (approximate) from the finished floor.
- Tenant Improvement Layout – Applicant shall maximize use of the kiosk corners for equipment and supplies to minimize obstruction of the windows.

The City will provide:

- A line for cold water. Hot water will require individual electrical heating elements purchased by the selected Applicant.
- A four inch sewer drain (must be maintained by the selected Applicant) connected to the City cleanout located on Broadway
- Interior kiosk lighting
- Chairs and tables for use by the selected Applicant and the public at-large. Each table will accommodate two people. Substitutions are not permitted.
- A main dumpster for interior kiosk trash
- Periodic power washing of the Square
- Cleaning of the pavilion's roof and breezeway interior
- Trash and debris removal outside the Lease and License areas
- Restrooms. Employees and the public will access the City's public restrooms located against the North Annex of the Courthouse on Hamilton within 300 feet from the Square
- 2-ton self contained HVAC

The Selected Applicant(s) will:

- Collaborate with the City and Agency to develop plans for the final design and build-out
- Purchase, install, operate, and maintain all fixtures and equipment
- Purchase and maintain trash and recycling receptacles within the lease and license areas.
- Clean the interior and exterior of the kiosk
- Meet applicable codes for plumbing, building, electrical, and fire
- Obtain all necessary permits and licenses from the City, including San Mateo County Health Department requirements for construction and operation for food service
- Maintain grease trap if supplied by Applicant and provide documentation of the maintenance program to the City Building Department for food service
- Include a list of all equipment and furnishings that will be used to operate the kiosk, including a summary of all appliances and their electrical loads

- Be responsible for the hook-up, upgrades and ongoing line service charges for all utilities. All utilities will be stubbed to the kiosk spaces with the exception of natural gas which is not available. It is the responsibility of the selected Applicant to pay for all fees and install service runs for water (including water meter reader), electricity and phone line.
- Comply with additional provisions that may be required by Agency and City from time to time for purposes of maintaining the kiosk and adjoining common area in condition reflective of the integrity of the Courthouse Square
- Not drive or place vehicles within the Square without prior written approval from the Agency. Delivery/loading zones and ramps are located both on Middlefield Road and Hamilton in a yellow striped zone. Deliveries need to be carried or hand-trucked to the Courthouse Square.
- Not cook and prepare food outdoors day-to-day. Outdoor cooking is prohibited unless selected Applicant obtains written permission from the Agency and City for special events
- Not store equipment, furniture, products, or other materials outdoors unless written approval from the Agency and City.

## **V. PROPOSAL**

The Agency and City will evaluate the business plans, conduct interviews and recommend Applicants for the Redevelopment Agency Board and Council approval. Agency and City staff will negotiate an agreement based on the submitted proposal and subsequent interaction. The Agency and City reserves the right to request additional information to clarify a submittal proposal.

### **A. Submittal Requirements**

Applicants are to respond in the following order. Clarity and conciseness are essential and will be considered in assessing the Applicant's capabilities.

#### **Part 1. Application**

Complete the application provided in **Submittal 1**.

#### **Part 2. Business Plan**

##### 2.1 Executive Summary (up to two pages)

The Executive Summary provides a concise overview of the entire business plan. This section describes where your company is and where you want to take it. More than anything else, this section is important because it tells City and Agency why you think your business plan will be successful.

##### 2.2 Experience

Provide a history and description of organization's or individual's experience in developing, managing, or operating a kiosk or similar business enterprise, including specific role and

accomplishments, dates, size, type of operations, type of improvement, and amount of revenues. Attach resumes of principals, partners or proprietors.

If applicable, provide evidence of relevant ownership or management experience within the past ten years. Each Applicant should consider submitting the following items:

<b>Ownership</b>	<b>Management</b>
<ul style="list-style-type: none"> <li>• Organizational documents, such as joint venture / partnership agreement, corporate articles/bylaws, share certificates</li> <li>• Financial statement of Applicant</li> <li>• Tax Returns of Applicant</li> </ul>	<ul style="list-style-type: none"> <li>• Management charts</li> <li>• W-2 forms</li> <li>• Business cards</li> <li>• Confirmation letter from employer</li> </ul>

### 2.3 Management Plan

This section should include the details about the ownership of the proposed business and the qualifications of your Board of Directors, business partners, or mentors, if any. Describe staffing and management plans. Specifically, explain how the business will be managed on a day-to-day basis. Who does what in your business? If you will have Board of Directors, business partners or mentors, what is their background and why are you bringing them into the business? What will their responsibilities be?

Specify if the proposed business is new, a relocation of an existing business or an expansion of an existing business. Please identify if the business is a franchise.

### 2.4 Marketing Plan

Identify the customer demand for the product/service. Identify the market, its size and locations. Discuss the advantages your business will have over other competitors. Explain the pricing strategy. Explain how the product/service will be advertised and marketed.

### 2.5 Service or Product Line Plan

Provide a list of all types of products and services to be sold. If food or beverage is proposed, provide a sample menu, including proposed prices. Applications for coffee, smoothies, breakfast sandwich, teas, tapioca drinks and slush drinks proposals will not be accepted if the anticipated combined monthly gross sales of these products exceed 10 percent.

The City and Agency prefers that the Applicants reduce, reuse, and recycle materials in order to reduce the amount of waste sent to landfills. Describe the type of utensils and packaging proposed for the business and plans to reduce the amount of waste. Styrofoam take out containers are not allowed. For information on the Green Business Program sponsored by the County of San Mateo, please refer to [www.recycleworks.org/green\\_business/index.html](http://www.recycleworks.org/green_business/index.html).

### 2.6 Financial Information

- A. Cash Flow Projections - Provide a two-year financial projection of revenues and expenses for the proposed business. The first year must be by month. The second year may be done by quarters. Explain how revenue figures were derived.

- B. Balance Sheet and Income Statement - Provide records for the last two years if Applicant owned a similar operation. Explain how revenue figures were derived.
- C. Start-up Costs - Provide a detailed list of startup costs including tenant improvements, fixtures, equipment, inventory, and identify the source(s) of financing to provide for startup in this space, operating costs, and any projected losses.
- D. State how you will fund the start-up costs. If all or part of the financing is by banks, indicate the bank and your creditworthiness, such as an existing line of credit or letter of credit. If you are financing the start up costs without the assistance of a lending institution, provide proof of available funds.

### **Part 3. Floor Plan**

Indicate what improvements you would require and illustrate the layout in a floor plan, including service counter area, sinks, merchandise shelves and/or racks, and location of equipment and fixtures as shown in **Submittal 2**. Three service windows are available for walk up sales. Note that to the maximum extent possible, equipment, fixtures or supplies should not obstruct view of the windows. The windows and doors can not be altered or replaced.

An AutoCAD file of the floor plan is available upon request.

### **Part 4. References**

Provide a minimum of two reference letters from non-affiliated organizations on their company letterhead. Content must include information directly related to Applicant's management, operation or ownership experience in a retail business.

### **Part 5. Operations**

Provide a monthly estimate of the electrical load and water usage (gallons). Include an estimated monthly volume (in gallons) of trash/waste to be generated by the business. Include an explanation of the delivery of products and services.

### **Part 6. Schedule**

Estimate the time it will take to install / construct the tenant improvements. If applicable, account for the timeline to obtain the San Mateo County Health Permit, City Building Permit and Sign Permit, and all other relevant fees, licenses, and documents.

### **Part 7. Insurance**

The City of Redwood City requires general liability insurance, fire liability insurance, and glass plate coverage (alcohol insurance is required for those serving alcohol). Workers compensation insurance is required for businesses with employees. See Page 5 Insurance for more information.

All selected Applicants (and any potential contractors) are encouraged to contact their insurance carriers to ensure that the insurance requirements can be met. Provide information on current or planned insurance carried by the business.

**B. Proposal Due Date**

There is not due date for the proposals. The City and its Redevelopment Agency will review complete applications on a first come basis. Provide a total of six (6) proposals. The City and Agency will reject any application they deemed incomplete based on the information required by this RFP. Faxed and electronic mail proposals will not be accepted. Proposals should be submitted to:

Jeannie Young  
Housing and Economic Development Division  
City of Redwood City  
1017 Middlefield Road  
Redwood City, CA 94063

Additional copies of this RFP may be obtained at [www.redwoodcity.org/squarerfp](http://www.redwoodcity.org/squarerfp) or contact Jeannie Young at 650.780.7365 or [jyoung@redwoodcity.org](mailto:jyoung@redwoodcity.org).

All proposals will remain firm for a period of one hundred twenty (120) days following the final date for submission. All proposals will be become the sole property of the City and Agency.

Questions on the RFP

All questions may be addressed to Jeannie Young by email to [jyoung@redwoodcity.org](mailto:jyoung@redwoodcity.org) or by telephone at 650.780.7365.

**C. Evaluation Process and Criteria**

The Applicants meeting the minimum requirements will be invited to interview before a recommendation panel set up by the Agency and City. The recommended Applicant(s) will be invited to discuss the lease terms with City and Agency which will be presented to the City Council and Redevelopment Agency Board for approval.

The responsive proposals will be evaluated solely on the criteria below:

#	Evaluation Review Criteria	Points
1.	Interview with applicant	25
2.	Experience <ul style="list-style-type: none"> <li>a. Extent of experience managing and owning similar businesses</li> <li>b. Success of comparable businesses</li> </ul>	20
3.	Financial Strength <ul style="list-style-type: none"> <li>a. Financial viability to operate all aspects of the kiosk(s) as supported by the financial statements, proformas, and other financial information</li> </ul>	20
4.	Business Concept <ul style="list-style-type: none"> <li>a. Innovative and attractive concept</li> <li>b. Demonstration and understanding of current market conditions</li> </ul>	30
5.	Overall quality, completeness, organization and responsiveness of the proposal.	5
<b>Total</b>		<b>100</b>

## VI. RFP SCHEDULE

The following schedule represents a target timeframe for the Applicant selection process and execution of the Lease and License Agreements. Timeframes are subject to change.

Action	Timeframe
Submit Request for Proposal (RFP)	First come basis
Applicant Interview	2-3 weeks from the submittal date of a complete proposal
Notify applicant the results of the interview. If applicant moves forward, City/Agency will commence exclusive negotiations for a period of time	Two to three weeks of interview date
Applicant meets with County Health for preliminary review of plans (food service only)	TBD
City receives email from County Health stating that the County has preliminary reviewed the plans and has no issues (food service only)	TBD
Prepare Staff report	30 days
Redevelopment Agency Board and Council Approval	Council and Agency Board meetings are scheduled Mondays at 7pm every other week

## VII. Conditions of the Proposal

1. All responses to the RFP become the property of the Agency and City.
2. The City and Agency reserves the right to accept, reject or negotiate modifications to any and all proposals as it shall, at its sole discretion.
3. Submission of an RFP does not bind the City and Agency to any action or to any party.
4. The City and Agency will not be liable for any cost incurred in the preparation of the proposals.
5. The Agency and City reserves the right to cancel in part, or in its entirety, this RFP and to waive any irregularities in the RFP process.
6. California Public Records Act – Once a final award is made, all RFP responses except certain financial and proprietary information become a matter of public record and shall be regarded by the Agency and City as public records. The Agency and City shall not in anyway be liable or responsible for the disclosure of any such records or portions thereof if the disclosure is made pursuant to a request under the California Public Records Act. Respondents should be aware that under the California Public Records Act, all documents submitted in response to this RFP, including financial information, are considered public records and may be subject to public disclosure.
7. The City and Agency have the dual role of landlord and regulator. As landlord, the City and Agency’s representative approves all business plans and improvements to the space. The Applicant(s) must still obtain all necessary approvals and permits from the City in its role as regulator (e.g., planning and building permits).