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Addendum 1
Solicitation 25-AA06
RFP for Beach House Management

This addendum serves to notify all bidders of the following changes to the solicitation document:

Questions from the Pre-Proposal Tours are listed and answered below:

- 1. Where does trash go?**
 - a. The operator must ensure that either the rental party or operator removes trash after all events and deposits it in the dumpsters in the parking lot. The City of Duluth will pay for the service of the dumpsters.

- 2. What is the parking capacity?**
 - a. Events at the Beach House have been maxed out at 200 occupancies due to limited parking. Parking is shared between Beach House, 2 pavilion rentals and general beach-goers.

- 3. Requested 2025 and 2024 rental schedules.**
 - a. See attached.

- 4. Does the Beach House have internet?**
 - a. No internet is provided or set up at the Beach House; the operator may secure their own service if they wish. Prior efforts by the City to extend internet to the beach house have proven very expensive, suggesting wireless internet options are most likely to be cost effective, but may still be limited.

- 5. Requested clarification on trail/road/vehicle access.**
 - a. The path in front of the building is a trail. Vehicle access is allowed for loading and unloading event supplies only; no permanent parking or driving through. Food Trucks or other Mobile Vendors may be parked in designated loop area upon approval from Parks and Recreation.

- 6. Are renters on time?**
 - a. Renters enter and vacate during designated hours. Operator may decide if they allow renters in early or to extend if available and if they will incur fees or withhold damage deposits. Operator must coordinate these hours in collaboration with the public beach hours/lifeguarding services.

7. Is there electricity in the facility?

- a. There is ample electricity in facility, 20 amp only. There has never been any issues with circuit overload.

8. Are weighted tents allowed on the patio?

- a. Weighted tents less than 400 square feet are allowed only during reservation times; they are not allowed to stay up overnight.

9. Requested Lifeguard Hours 2025.

- a. See attached.

10. Requested information on fire safety.

- a. There is a smoke detector in the facility, which alerts Duluth Fire Department; there is no sprinkler system. No flame candles are allowed in the facility.

11. Are there policies on banners/hanging items?

- a. Event hangings may be done on any of the hooks installed or free standing. Operator will be responsible for enforcing policies to reduce long term damage to all interior and exterior walls, windows, ceiling, etc. Sponsorship signage must be approved via Parks and Recreation prior to any installation.

12. Requested information on painting.

- a. Painting touch ups will be completed this spring before first rental.

13. Requested information on tours for potential renters?

- a. Operator is responsible for providing tours for potential renters (hosting monthly open house, or individual walk throughs).

14. Requested information on rental rates.

- a. 2025 rental rates are set and approved by City Council. For 2026 and beyond, rates could be included in the proposal and incorporated into the management agreement (draft attached) to the operator.

15. Requested YMCA Management Agreement.

- a. See attached.

16. Requested example rental contract.

- a. See attached.

17. Requested information on cleaning after events.

- a. Ten events in 2025 have booked a “full service cleanup” that requires the Operator to clean the facility after the event. The renter will remove all personal items by the end of rental time, and Operator will clean. Parks and Recreation stopped allowing this to be an

add-on service due to this upcoming management contract. Operator may choose to resume offering this add-on service to other events this summer. Fees for this service for 2025 are \$500.

18. Can we remove kitchen amenities and install our own?

- a. Yes, this can be worked out in the Operator management agreement if there are no alterations needed to the facility.

19. Does the city have target revenue goals?

- a. The City does not have set revenue targets, but will look for creative strategies for budgeting and revenue generation.

20. Requested information on a liquor license.

- a. There are a few options below.
 - i. Separate license for that space. Apply in Clerks Office and go through the processes. Cost is roughly \$4,000.
 - ii. Can be a Liquor Caterer for that space, need to submit annual registration and need to alert Clerks Office for each event.
 - iii. Can bring in a caterer to the space or have renters work with a licensed caterer.
 - iv. Private events may provide "Private Service or BYOB" liquor to their attendees, which only requires them to get a Parks Alcohol permit.
 - v. Can operator be preferred vendor?
 - 1. Potentially, as long as the following are met:
 - a. 2025 Reservations are allowed to utilize any vendor they have already secured, changes can be phased for 2026.
 - b. Renters are still given the option to "Private Service or BYOB" alcohol at events.

21. Can air conditioning be installed in the facility?

- a. No, this is a seasonal facility; it is not insulated or designed for that.
- b. Two fans are in the facility.

22. Is music on the patio allowed?

- a. Music on the patio is allowed for ceremonies at a reasonable sound level. DJ and dances are not allowed on the patio due to the area being a shared-use space with the general public.

23. Requested information on locking the facility.

- a. Operator is responsible for ensuring the facility is secure at all times. At the end of events, the Operator needs to ensure all internal and external doors and windows are locked, as well as access gates. This may require coordination with the Duluth Y lifeguard program as well.

24. Requested information on building access.

- a. Operator will be issued the necessary keys, gate access codes, and door key cards.

Questions from the pre-proposal meeting are listed and answered below:

25. What are the City's primary goals for this project?

- a. The City's primary goal is to contract managing the space and facilitating access to the community. The Parks and Recreation division is not set up for managing events and event space such as the Beach House.

26. What does success look like?

- b. The City is looking to maintain community access to the space, with revenues coming in for facility capital improvements. The site is already heavily utilized, so the City desires to maintain the level of utilization with some room for growth.
- c. The City is also looking for a strong collaborator with both the City and the other party contracted to use the site, the Duluth Y, which provides lifeguarding services during the summer.

27. How will financial and operational considerations be weighed when scoring proposals?

- d. The City does not have set revenue targets, but will look for creative strategies for budgeting and revenue generation.

28. Is there a minimum revenue share that the City is expecting from this?

- e. The City hopes to have some reservation fees be the revenues back to the City, and is open to seeing submissions in proposals regarding revenue sharing.

29. What financial guarantees and support are available from the City in the form of incentives, subsidies, grants, building improvements, and marketing?

- f. The City is responsible for improvements to and maintenance of the facility, capital needs. There are no grants associated with this site, and the City does not have a marketing budget for the Beach House. Information will remain on the Parks website and in published materials.

30. Requested confirmation that the operator would be responsible for website, marketing, outreach to potential renters, etc.

- g. Correct.

31. Does the City have any longer-term plans beyond the initial 3-year contract?

- h. The City's standard for these types of contracts tends to be a 3-year cycle. Because this is a new contract for the City, we are looking to start with a 3-year contract without built-in renewal or extension.
- i. The City could choose to transact a renewal of contract at the end of the 3-year cycle.

32. Does the City have any restrictions on how to set rental pricing, or for adjusting rates in 2026?

- j. 2025 rates are already set and approved by City Council.
- k. Any changes to rates in 2026 and beyond can be included in the proposal, which would then be included in an agreement. The agreement would then go to City Council for approval.

33. Would Operator take over collecting payments for rentals, then submit quarterly reimbursements to the City?

- l. Correct. The structure of payments should be included in the proposal.

34. How much autonomy will the Operator have for determining daily operations, and what will need to be brought to the City for approval?

- m. City ordinance and park rules apply to all operations. The City will work with the Operator to find daily operations and procedures that work for all parties. There will be regular meetings and touchpoints between the City and Operator.
- n. All schedules must account for lifeguarding and public access. The City will prescribe these access needs.

35. What are some of the bigger issues encountered in the past 3 years and what would the City like to see improved at this site?

- o. Facility cleaning, including staffing, has been a challenge. It has also been a challenge to manage interactions between renters and the general public.

36. Would reaching out to current bookings in 2025 to offer additional services and add-ons be allowed?

- p. Any additional services proposed to be available to rentals should be included in the proposal along with rates, which will be included in the contract and approved by Council.
- q. This is a contract for professional services, so it can include a range of prices for services, rather than a completely itemized list of all services.

37. Would Operator need to list all of their services in the proposal, or can they hold a preferred vendor list through which the Operator would establish other contracts?

- r. Definitions:
 - i. Preferred Vendor = List of vendors that are familiar with the facility and needs of renters. Preferred Vendor list would need to be established in a fair process as determined by the City.
 - ii. Exclusive Vendor = the sole provider of that service in the space. The City would only consider liquor license for this option due to the liability and regulatory processes required through the Clerks office.
- s. Operator should include in proposal any strategies for Preferred Vendor or Exclusive Vendors.
- t. The Operator shall only include fees and expenses associated with the Beach House Management in the proposal. Contracts for services outside of those related to direct management would not need to be included.

38. Any final comments from the City?

- u. Park Point Recreation Area as a whole is larger than solely the Beach House and will require close collaboration with the City, as pavilions and field space are also rented out, sometimes in conjunction with Beach House rentals.

Please acknowledge receipt of this Addendum by including a copy of it with your proposal or acknowledging it in the beginning of your technical proposal. The pages included will not count toward any page limitation, if any, identified in the RFP.

Posted: **January 31, 2025**

Attachments referenced above are available as separate documents in the same location as this addendum:

1. 2024 Beach House Rental Schedules
2. 2025 Beach House Rental Schedules
3. 2025 Lifeguard Hours
4. YMCA Management Agreement
5. Example Rental Contract (See Sample – BH Rental Receipt and Sample -- Alcohol Permit)
6. Draft Beach House Management Agreement