

# **REQUEST FOR QUOTES**

## **Request for Quotes 2019-A-01**



## **Hotel Feasibility Study**

Administration Department  
City Hall- 2<sup>nd</sup> Floor  
425 Tenth Street  
Douglas, AZ 85607

**Bid Notice**

**NOTICE IS HEREBY GIVEN** that the Mayor and Common Council of the City of Douglas will receive sealed Bid Proposals until Four O'clock p.m. (4:00 p.m.) on the 20<sup>th</sup> of December, 2019 for the following:

HOTEL FEASIBILITY STUDY

Bids will be received until the above hour specified and will be opened on said date and time at a Bid Opening to be conducted by the Procurement Specialist in the Council Chambers. Address all Bids to, Procurement Specialist, Rene Rios, 425 10<sup>th</sup> St., Douglas, Arizona 85607, specifying on the outside wrapper the nature of the Bid and reference RFQ# 2019-A-01. The Council reserves the right to reject any Bid, defer action on Bids and to waive any informality thereof. Any late submissions will be returned to the sender.

Dated at Douglas, Arizona this 15<sup>th</sup> day of November 2019

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Rene Rios

Procurement Specialist

City of Douglas

## **INTRODUCTION**

The City of Douglas is seeking quotes for professional services from qualified bidders who can conduct a hotel feasibility study in the City of Douglas, Arizona. The study should address the current and projected market demand analysis for the number, type and duration of hotel stays in the City; a competitiveness analysis on what a new hotel facility must do to provide a unique alternative to the current lodging stock and be successful; and an economic feasibility analysis and proforma.

## **BACKGROUND**

The City of Douglas takes pride in its deep family roots and people, affordable living, great weather year-round and a binational culture, which continues to draw visitors from around the world. With an official population right at 16,000 residents, the demographic swells daily as international trade and commerce crosses through our port of entry and guests from the south come to shop. Our residents and visitors enjoy amazing vistas across the region, surrounded by mountains to the east and west, with atmospheric conditions that international photographers cannot resist. The City's dynamic relationship with Mexico and the collaborative vision tied to obtaining enhanced port of entry facilities has taken Douglas to the brink of transformation into a destination city that offers small town charm and culture. While international commerce is already substantial, it will continue to rise as heavy federal investment comes in for the modernization of the existing port of entry and the construction of a new commercial port over the next five years which will bring thousands of federal contractor workers to the City during building. Meanwhile, hundreds of federal contractor employees will be in Douglas to work on the southern border wall construction.

Changes in the global economy and the reduction of ranching and mining as historical economic engines have been replaced with Customs brokers, warehousing and a concentration of manufacturing and high tech and industrial companies, residing in varying degrees on both sides of the border. Our community college partners with the aviation industry and drone research is conducted by Northrup Grumman at the regional airport. Moreover, the City has an active Downtown Revitalization Plan underway and has budgeted Phase I funding to initiate streetscape redesign in the historic G Avenue business district. Douglas has also moved to broaden our economic development expertise in attracting retail and entertainment amenities with the assistance of a certified Economic Developer.

## **PURPOSE**

The purpose of the study is to evaluate if there is unmet demand for a hotel facility within the City of Douglas, Arizona. The City is looking to evaluate the market potential to expand and upgrade lodging options for visiting groups. Further, the City is looking to expand its economic development potential and would like to conduct a feasibility study to determine the necessary factors in constructing a hotel in this community.

This Request for Quotes provides prospective vendors with sufficient information to facilitate the preparation and submission of proposals for consideration, by the City of Douglas, to satisfy the needs as outlined in the information below at a price point of under \$10,000.

## SCOPE OF WORK

The City of Douglas is seeking quotes from qualified consulting firms to conduct a market feasibility study specific to a hotel facility within the municipality. Such a study supports our efforts to promote travel to the City of Douglas by business and leisure by expanding tourism opportunities in the City of Douglas area.

The consultant shall provide professional services to support the following tasks:

1. Market Demand Analysis specific to Douglas including:
  - Current and future lodging and hospitality demand in the market area
  - Primary and secondary market research to support analysis
  - Identify demand generator or potential users, including interviews with potential users and demand generators
  - Potential utilization, revenue, and occupancy to include, but not limited to, hotel occupancy percentage and Average Daily Rate
2. Project Feasibility Study
  - Assessment of the viability of a hospitality product in Douglas
  - Identified market constraints
  - Estimated capital investment required and expected revenue return required to attract investors
  - Estimated municipal hotel tax revenue (the City currently has a bed tax rate of 4%)
  - Identify potential public incentives that could improve the viability and/or investment attraction for the project
  - Economic impact forecast
    - o Forecast tax revenue increase to the City
    - o Forecast impact on City restaurants and retailers
    - o Forecast impact on hotel room nights
3. Financial Projections
  - Detailed financial proformas that can be provided to potential hotel developers, lending institutions, management companies and franchises
  - Estimated projections for years 1-5
  - Breakeven assessment
4. Optimal Site Selection
  - Determine the optimal site location(s) for a facility based on:
    - a. Property acquisition cost
    - b. Relationship to commercial core and other area amenities
    - c. Access, both vehicular and pedestrian
    - d. Ambiance of the surrounding neighborhood
    - e. Relationship to demand generators
    - f. Parking
    - g. Current land uses in the vicinity
    - h. Advantages/disadvantages of the site versus alternative sites.

## **SUBMISSION REQUIREMENTS**

1. Name and basic information of the consulting firm submitting the proposal at a price point of under \$10,000 with monthly progress reports until the product to be delivered in the first quarter 2020.
2. Names and professional qualifications of the representatives of the firm that will be conducting the study.
3. List of the firms or entities, including names and contact information, for which the bidder had conducted similar studies. Include a brief summary of the purpose of the study and any measurable results to date.
4. Describe in detail the approach or process that your firm will undertake to gather research, including identifying potential demand generators, conducting personal and/or group interview sessions.
5. Describe the methods for presenting the finding, conclusions, and recommendations that will enable the City of Douglas and potential stakeholders to make informed decisions.
6. Provide a schedule and time frame for completion of the study
7. The proposers will acknowledge receipt of all Addenda, if any, in their proposals. The City reserves its right to issue Addenda to this Request for Quotes up to five days prior to the bid due date as needed to clarify the City of Douglas' desires, or to make corrections or changes to the Request for Quotes document or submission process.

Please submit two (2) original copies and one electronic copy on a USB drive to the following **by 4:00 pm, December 20, 2019:**

Rene Rios, Procurement Specialist  
City of Douglas  
425 E 10<sup>th</sup> St  
Douglas, AZ 85607  
Email: [rene.rios@douglasaz.gov](mailto:rene.rios@douglasaz.gov)

## **EVALUATION**

Consultants will be evaluated according to the following:

- Qualifications and previous related work of firm/key project personnel, particularly with regard to working with municipalities of similar size, in similar market environments, and the demonstrated ability of key project personnel to conduct and produce a reliable study that will be valued by potential project stakeholders.
- Understanding of project goals, market environment, local issues and needs.
- Demonstrated relative experience to this project.
- Proposed fees and schedule to complete project.

## **REQUESTS FOR INFORMATION/QUESTIONS**

Requests for clarification or additional information should be submitted in writing via email to Dawn Prince at [dawn.prince@douglasaz.gov](mailto:dawn.prince@douglasaz.gov) by 12:00 pm on Friday, December 13, 2019.

**2019-2020 HOTEL FEASIBILITY STUDY PRICE QUOTE**

The bidder shall provide a firm fixed CONTRACT PRICE at a price point of under \$10,000 for the original specified professional services contract and no increases. The product is to be delivered to the City in the first quarter 2020, with vendor complying with the monthly progress report requirement. All costs associated with providing the required services shall be included in the City's quoted price(s).

**PROPOSER'S SIGNATURE**

Proposers are required to sign proposal below. Proposer's failing sign proposal will be considered non-responsive and their proposal will not be considered.

**AUTHORIZED SIGNATURE** \_\_\_\_\_

**PRINTED NAME AND TITLE** \_\_\_\_\_

**TELEPHONE** \_\_\_\_\_

**FAX NUMBER** \_\_\_\_\_

**EMAIL ADDRESS** \_\_\_\_\_

**NAME OF FIRM** \_\_\_\_\_

**ADDRESS OF FIRM** \_\_\_\_\_

Vendor's Name \_\_\_\_\_

**DEVIATIONS FROM SPECIFICATIONS**

Please list all deviations from specifications in space provided below. Please note item number of each piece of equipment for which you are showing deviations.

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**AFFIDAVIT BY VENDOR**  
**CERTIFYING THAT THERE WAS**  
**NO COLLUSION IN RESPONSE**  
**TO SOLICITATION**

STATE OF ARIZONA                    )  
  )  
CITY OF                                    )

\_\_\_\_\_ )  
(Name of Individual)

BEING DULY SWORN, DEPOSES AND SAYS:

That he is \_\_\_\_\_ )  
(Title)

of \_\_\_\_\_ )  
(Name of Business)

That Pursuant to Section 34-253 of the Arizona Revised Statutes, he certifies as follows:

That neither he nor anyone associated with said

\_\_\_\_\_ )  
(Name of Business)

has directly, or indirectly, entered into any agreement, participated in any collusion or otherwise  
taken any action in restraint of free competitive bidding in connection with this project.

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Name of Business)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

My commission Expires:

\_\_\_\_\_ )  
(Notary Public)