



**RETAIL/WHOLESALE GROCERY STORE LEASE/PURCHASE -
REQUEST FOR PROPOSAL**

RFP-2023-ED-001

**Lease and/or Purchase of Real Property for City of Douglas
Douglas, Arizona**

CITY OF DOUGLAS
REQUEST FOR PROPOSAL #RFP-2023-ED-001

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 20th day of April 2023 for the following.

Retail/Wholesale Grocery Store Lease and/or Purchase

Specifications may be obtained at our website www.douglasaz.gov/Bids.aspx. Bids will be received until the hour specified above and opened on said date and time at a Bid Opening conducted by the Procurement Specialist in the Council Chambers. Address all Bids to City of Douglas, City Clerk, Alma Andrade, 425 10th St., Douglas, Arizona 85607, specifying on the outside wrapper the nature of the Bid and reference RFP-2023-ED-001. 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 17th day of January 2024

Rene Rios
Procurement Specialist
City of Douglas

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INTRODUCTION

The City of Douglas (“City”) is issuing this Request for Proposal (RFP) seeking a qualified retail and/or wholesale grocery store business for the lease and/or purchase of approximately 35,341 square feet of City owned prime commercial retail space at 1300 San Antonio Avenue located in Douglas, Arizona.

The City of Douglas will accept competitive sealed bids for the lease and/or purchase of Real Property located at *1300 San Antonio Avenue*, Douglas, Cochise County, Arizona until the date and time detailed below. Bids shall be delivered to the location listed below and shall be in the actual possession of the City on or prior to the exact date and time indicated below. Late bids shall not be considered. Bids shall be submitted in a sealed package with “RFP-2023-ED-001/Lease and/or Purchase of Real Property for the City of Douglas, Douglas, Arizona” and the bidder’s name and address clearly indicated on the front of the package. All bids shall be completed in ink or typewritten. Bidders are strongly encouraged to carefully read the entire Request for Proposal.

Due Date:	3/14/2024
Site Visit Date & Location:	2/28/2023 at 10:00 am 1300 San Antonio Ave Douglas AZ 85607
Number of Bid Copies	1 original and two (2) copies. (Please label original)
Contact:	Rene Rios, Procurement Specialist
E-Mail:	Rene.rios@douglasaz.gov
Mailing Address:	425 10 th Street, Douglas, AZ 85607
Bid Submittal Location:	425 10 th Street, Douglas, AZ 85607

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PURPOSE AND OVERVIEW

Purpose

The City of Douglas, a municipal government, recently acquired commercial real estate for the purpose of establishing a grocery store in Douglas, Arizona. The property, formerly occupied by Food City (part of Bashas' family stores), consists of 35,341 square feet on a 3.82-acre lot including approximately 200 parking spaces and lighting.

Background

Douglas, Arizona is located at the Southeast corner of the state on the United States/Mexico border. With its vibrant binational heritage, Douglas offers a warm and hospitable environment, making it an ideal locale for families. Historically, Douglas was recognized for its copper smelting operations, operating until the late 1980s. Since the closure of the smelter, Douglas diversified its focus to embrace cross-border commercial enterprise with Mexico, presently the source of \$2.55 billion in annual cross-border trade through the Douglas/Agua Prieta Port of Entry. In 2022, the Douglas Port of Entry received on average 4,268 cars and 7,651 people daily into Douglas. Individuals crossing the border come to Douglas to work, go to school, shop or a combination thereof. Currently, Douglas lacks a dedicated grocery store, after losing the Food City grocery store in October 2021 creating an opportune vacancy for a new purveyor to establish itself in the area. Notably, the main grocery option available to residents within a 30-mile radius is the Walmart Supercenter who received the title of the "Number One Performing Walmart in the Nation" in 2021. In addition, a 99 Store establishment opened operations in 2022, while other locally owned small-scale enterprises with a specialty in meat products are also situated in Douglas.

The property is in an ideal location for retail as it is near a high traffic street and is conveniently located near residential areas. According to an Esri business summary report on the subject property, a population of 10,400 exists within a 1-mile radius of the subject location; 17,204 within a 3-mile radius of the subject location; and 20,337 within a 10-mile radius of the subject location. Additionally, Douglas serves as the primary retail trade area within a 30-mile radius. See attachment "Esri Business Summary Report" for full report.

Economy

Douglas is in a great position for economic and community success. The community's rich history and culture, economic drivers, community assets, and strategic border location make Douglas a good location for business and investment. Douglas' population is 16,534, however the number doesn't capture the true retail trade area which is much larger than the existing population base. The City's economic makeup caters not only to Douglas but also includes several adjacent unincorporated areas, ranches and the substantial City of Agua Prieta, Sonora, Mexico boasting a population of 92,000. Furthermore, the City's sales tax collections for the past 5 years have increased by an average of 13% year over year. Food for home consumption taxable sales have also increased on average by 14% over the same period. In Fiscal Year 2023, from July 2022 through June 2023, sales tax collections have exceeded the same period last year by 11%, while food for home consumption sales increased by 46%.

Douglas is expected to grow within the next 10 years as the new commercial port of entry is currently in design phase and slated for construction in 2028. The "Two Port Solution" will have a new dedicated commercial Port built 4.5 miles west of Douglas and expand the existing port with more processing capacity for regular vehicles, bicycles and pedestrians. The nearly \$400 million investment from the Federal Government into the City's ports will bring a new attraction for more manufacturing, warehousing and logistics along with greater job opportunities.

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Building

The building space is located inside the San Antonio Plaza, home of other local businesses including H & R Block, a fitness center, a salon, a beverage store, and a Dollar General located across the plaza. Built in 1978, the building has gone through various remodels in 1989, 2004 and more recent improvements including a new roof installation in 2012. The city purchased the building on February 22, 2023, after conducting a thorough commercial inspection through a third-party contractor. The City has repaired all issues raised in the inspection including HVAC and electrical. A mold test in the building revealed negative results in the air. Before the Food City closure, the grocer occupied an additional 8,320 square feet from the adjoining building space. Currently owned by LRS Investments, the space may be available for future expansion.

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SCOPE OF WORK

The following section outlines the scope of work for interested retail/wholesale grocery store applicants who wish to submit proposals to the City of Douglas. Prospective candidates review and must adhere to the specified requirements and guidelines as outlined below.

Applicant Requirements:

The Applicant must satisfy and/or comply with all the following:

1. Detailed business plan including business name in which the store will be operating under and a listing of current operations by the franchise, franchisee, and/or company with controlling interest in the proposed store, if any.
2. Outline of store's layout, product offerings, and marketing strategy.
3. Brief history of the business and experience in grocery retail/wholesale operations, along with relevant professional affiliations, such as with the National Grocers Association (NGA).
4. Financial plan, including projected revenues and expenses, including a proposed lease rate and/or purchase price.
5. Evidence of financial capacity and a budget demonstrating the financial feasibility of the project, including cost estimates to bring the building into operation.
6. Provide proof of funding to cover any required improvements and/or installation of all equipment and furnishings necessary to bring the building into operation.
7. Employment plan demonstrating a commitment to hire local residents including the number of employees to be hired and their qualifications.
8. Plan for community outreach and engagement.

Applicant Preferred Requirements:

Applicants are encouraged to adhere to the preferred requirements, however, failure to comply with one or all does not disqualify the proposal.

1. Resumes or brief biographies of principal project and store managers.
2. Offering of a full-service grocery store providing perishable goods such as dairy, fresh produce, and fresh meats.
3. Documentation demonstrating that the store offers SNAP and WIC redemption.
4. Provide an original notarized affidavit disclosing ownership. If applicable, provide a certified original copy of the Articles of Incorporation, Articles of Organization or Partnership Agreement.
5. Provide a banking reference and a supplier reference. If directly involved in/as product manufacturer or importer, please explain.
6. Applicant's business includes a defined specialty or theme.

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OFFER

To the City of Douglas: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a bid that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposals issued by the City. Any exception to the terms contained in the Notice of Request for Proposals must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with the Terms and Conditions contained in the Request for Proposals package issued by the City.

Arizona Transaction (Sales) Privilege	For clarification of this offer contact: Name: _____ Email: _____
Tax License Number: _____	Telephone: _____ Cell Phone: _____
Federal Employer Identification Number: _____	_____
Company Name _____	Authorized Signature for Offer _____
Address _____	Printed Name _____

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INSTRUCTIONS TO BIDDER

1. PREPARATION OF BID:

- a. Telegraphic (facsimile), email or Mailgram bids will not be considered.
- b. The offer document shall be submitted with an original ink signature by a person authorized to sign the offer.
- c. Erasures, interlineations, or other modification in the bid shall be initialed in original ink by the authorized person signing the Offer.
- d. No bid shall be altered, amended, or withdrawn after the specified bid due date and time.
- e. Periods of time, stated as a number of days, shall be calendar days.
- f. It is the responsibility of all Offerors to examine the entire *Request for Proposals* package and seek clarification of any item or requirement and to check all responses for accuracy before submitting a bid. Negligence in preparing a Bid confers no right of withdrawal after bid due date and time.
- g. Signatures: All bid responses are required to be signed by an authorized representative of the bidding entity. Bid responses received unsigned will not be accepted.

2. INQUIRIES: Any question related to the *Request for Proposal* shall be directed in writing or via e-mail **no later than five (5) calendar days prior to the review due date**, to Rene Rios, Procurement Specialist at rene.rios@douglasaz.gov. Questions submitted after that period may not be answered due to time constraints. Any correspondence related to the *Request for Proposal* should refer to the appropriate *Request for Proposal ID*, page, and paragraph number. However, the Offeror shall not place the *Request for Proposal ID* on the outside of any envelope containing questions since such an envelope may be identified as a sealed proposal and may not be opened until after the official *Request for Proposal* due date and time.

3. BID FORMAT: A total of one (1) original and two (2) copies signed and sealed bid bearing RFP#2023-ED-001 must be submitted to the City Clerk at the Douglas City Hall, located at 425 10th Street, Douglas, AZ 85607 to be considered as part of the initial review.

4. DUE DATE AND TIME: Bidders must submit bids to the City's contact as listed on the front to the address or physical location listed on the Introduction (Page 1 of RFP) to be considered as part of the initial review.

5. WITHDRAWAL OF BID: At any time prior to the specified review due date and time, an Offeror (or designated representative) may withdraw the bid. Telegraphic (facsimile) or Mailgram bid withdrawals will not be considered.

6. AMENDMENT OF BID: Receipt of an RFP Amendment shall be acknowledged by signing and returning the original document prior to the specified bid due date and time or with the original submittal document.

7. EVALUATION OF BID: The successful bid will be selected based on the following evaluated elements:

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Selection Criteria: (100 points)

1. Business and Financial Plan	30 points
2. Product Offerings, Marketing Strategy, Community Outreach	20 points
3. Business Experience and Credentials in Grocery Retail/Wholesale Operations	20 points
4. Staffing Plan	20 points
5. Applicant Preferred Requirements	10 points

8. AWARD OF CONTRACT: Notwithstanding any other provision of this *Request for Proposal*, The City expressly reserves the right to:

- a. Waive any immaterial defect or informality; or
- b. Reject any or all bids, or portions thereof, or
- c. Reissue a Request for Proposal

9. RESULTANT CONTRACT: The selected bidder shall have the opportunity to negotiate a lease and/or purchase agreement with the City of Douglas.

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STANDARD TERMS AND CONDITIONS

1. **Certification:** By signature in the Offer section of the Offer Award Page, the Offeror certifies that:
 - a. The submission of the offer did not involve collusion or other anti-competitive practices.
 - b. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246.
 - c. The Offeror has not given, offered to give, or intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor, or service to a public servant in connection with the submitted offer. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contracts, and the Offeror may be debarred.
2. **Gratuities:** The City may, by written notice to the Offeror, cancel the resultant contract if it is found by the City that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Offeror or any agent or representative of the Offeror, to any officer or employee of the City with a view toward securing an order, securing favorable treatment with respect to the awarding, amending, or the making of any determinations with respect to the performing of such order. In the event the City pursuant to this provision cancels the resultant contract, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of gratuity. Paying the expense of normal business meals, which are generally made available to all eligible city government customers, shall not be prohibited by this paragraph.
3. **Applicable Law:** In the performance of the resultant contract, Purchaser shall abide by and conform to any and all laws of the United States, State of Arizona, and the City of Douglas including but not limited to federal and state executive orders providing for equal opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to the contract.

The resultant contract shall be governed by the State of Arizona and suits pertaining to the contract may be brought only in courts in the State of Arizona.

The contract is subject to the provisions of ARS §38-511; the City may cancel the contract without penalty or further obligations by the City or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

ARS §35-393.01; All materials submitted as part of a response to a solicitation are subject to Arizona public records law and will be disclosed if there is an appropriate public records request at the time of or after the award of the contract.

4. **Bid Ambiguity:** Any ambiguity in the bid as a result of omission, error, lack of clarity or non-compliance by the Offeror with the specifications, instructions, and all conditions of bidding shall be construed in the favor of the City.

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5. **Relationship to Parties:** It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Offeror is advised that taxes or Social Security payments will not be withheld from any City payments issued hereunder and that the Offeror should make arrangements to directly pay such expenses, if any.
6. **Incurring Cost:** The City is not liable for any cost incurred by any proposer interested in submitting an RFP, or any selected proposer, prior to the execution of a contract.
7. **Indemnification:** The successful proposer shall indemnify and hold harmless the City of Ocala, its officers, boards, commissions, agents and employees against any and all claims, demands, causes of action, suits, proceedings, damages, costs or liabilities (including costs or liabilities of the City with respect to its employees), of every kind and nature whatsoever, including, but not limited to, damages for injury or death or damages to person or property, regardless of the merit of any of the same, including any attorney fees, accountant fees, expert witness or proposer fees, court costs, per diem, expense traveling and transportation expense, or other costs or expense arising out of or pertaining to the performance of this Agreement by the successful proposer and for which the proposer would otherwise be responsible unless resulting from the negligence of City or its officers, boards, commissions, agents, or employees.
8. **Force Majeure:** Except for payment for sums due, neither party shall be liable to the other not deemed in default under the resultant contract if and to the extent that such party's performance of the contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God: acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; floods; lockouts; injunctions-intervention-acts, or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when such party is unable to prevent by exercising reasonable diligence.

The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with the resultant contract.

Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand delivered or mailed *certificate-return receipt* and shall make specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with the resultant contract.

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9. **Acceptable Bid:** An acceptable bid is one received from a responsible Bidder, whose bid, conforming to this RFP, will be most advantageous to the city.
10. **Bid Executed on Behalf of Bidder:** A bid executed by an attorney or agent on behalf of the Bidder shall be accompanied by an authenticated copy of their Power of Attorney or other evidence of their authority to act on behalf of the Bidder.

If the Bidder is a corporation, the Certificate of Corporate/Organization Bidder, included in this RFP, must be executed. The certificate must be executed under the corporate seal by some duly authorized officer of the corporation other than the officer signing the bid. In lieu of the Certificate of Corporate Bidder, there may be attached to the bid, copies of so much of the records of the corporation as will show the official character and authority of the officer signing, duly certified by the secretary or assistant secretary, under the corporate seal, to be true copies.

If the Bidder is a partnership, and all partners sign the bid, with a notation that they are all general partners, the city will NOT ordinarily require any further proof of the existence of the partnership. If all the partners do NOT sign the bid, then the names of all those except limited partners must be furnished on the bid and the city, in its discretion, may require evidence of the authority of the signer(s) to execute the bid on behalf of the partnership. The name(s) and signature(s) of the designated Bidder(s) must be included on the Bidder Registration and Bid Form.

If the Bidder is a limited liability company, a certificate of the LLC must be completed and executed by the manager and submitted with the Bidder Registration Form. The Certificate of Corporate / Organization Bidder form may be used for this purpose.

11. **Notice of Acceptance or Rejection:** Notice by the City of acceptance or rejection of the bid shall be deemed to have been sufficiently given when faxed, mailed, or e-mailed to the Bidder or their duly authorized representative at the fax phone number, mailing address, or e-mail address indicated in the bid. The city reserves the right to reject any or all bids or portions thereof for any reason.
12. **Backup Bidder:** In the event that the preferred bidder is unable to successfully complete and comply with lease and/or purchase terms and agreements, the next preferred bidder may be selected.
13. **Assignment:** The final selected proposer shall not assign, transfer, convey, sublet, or otherwise dispose of any award, or any or all of its rights, obligations, or interests under this contract, without the prior written consent of the City.

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SPECIAL TERMS AND CONDITIONS

PURPOSE

The Purpose of these Special Terms and Conditions is to set forth the specific manner in which the lease and/or purchase of the described property shall occur.

- 1. Definitions:**
 - a. City. The term "City" as used herein refers to the City of Douglas.
 - b. Bidder(s). The term "Bidder" or "Bidders" as used herein refers to the offeror or offerors for the lease and/or purchase of the subject Property and is used interchangeably with "applicant" and "you."
 - c. Preferred Bidder. The term "Preferred Bidder" as used herein refers to the Bidder, whose bid conforms to the terms and conditions of the RFP and is determined by the City to be the most acceptable bid.
 - d. Back-Up Bidder. The term "Backup Bidder" as used herein refers to the Bidder, whose bid conforms to the terms and conditions of the RFP and is determined by the City to be the most acceptable bid after the Preferred Bidder.
- 2. Continuing Offers:** Each bid received shall be deemed to be a continuing offer for ninety (90) calendar days after the close of the Bid Due Date until the bid is accepted or rejected by the City. If the City desires to accept any bid after the expiration of the ninety (90) calendar days, the consent of the Bidder shall be obtained prior to such acceptance.
- 3. Authority:** This solicitation as well as any resultant contract is issued under the authority of the City. No alteration of any resultant contract may be made without the express written approval of the City in the form of an official contract amendment. Any attempt to alter any contract without such approval is a violation of the contract. Any such action is subject to the legal and contractual remedies available to the City inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the bidder.
- 4. Offer Acceptance Period:** In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the opening time and date.
- 5. Bid Format:** *A total of one (1) original bid and two (2) copies shall be submitted in the format indicated in the Bid Format and Requirements section of the RFP.*
- 6. Bid Opening:** Bids shall be opened at the time and place designated on the cover page of this document. The name of each Offeror and the identity of the Request for Proposals for which the bid was submitted shall be publicly read and recorded in the presence of a witness.
- 7. Evaluation and Award:** The City of Douglas shall evaluate the bids to determine the most advantageous bid submitted in a responsive manner from a responsible Offeror.

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- a. Disqualification: A Offeror (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity may have its bid rejected.
- b. Clarifications: The City reserves the right to obtain Offeror clarifications where necessary to arrive at a full and complete understanding of the Offeror's product, service and/or solicitation response. Clarification means communication with an Offeror for the sole purpose of eliminating ambiguities in the Bid and does not give the Offeror an opportunity to revise or modify its bid.

8. Confidential Information:

- a. If a person believes that a bid, proposal, offer, specification, or protest contains information that should be withheld, a statement advising the City Manager of this fact shall accompany the submission and the information shall be identified.
- b. The information identified by the person as confidential shall not be disclosed until the City Manager makes a written determination.

9. Confidentiality of Records: The applicant shall establish and maintain procedures and control that are acceptable to the City for the purpose of assuring that information contained in its records or obtained from the City remains confidential pursuant to applicable requirements.

10. Resultant Contract: A lease and/or purchase agreement shall be issued between the City and the successful Bidder following award.

11. Cancellation: The City reserves the right to cancel the whole or any part of any resultant contract due to the failure of the Bidder to carry out any obligation, term or condition of any resultant contract. Upon receipt of the written notice of concern, the contractor shall have ten (10) days to provide a satisfactory response to the City. Failure on the part of the Bidder to adequately address all issues of concern may result in the City resorting to any single or combination of the following remedies.

- a. Cancel any contract;
- b. Reserve all rights or claims to damage for breach of any covenants of the contract.