

**COMMUNITY CORPORATION OF SANTA MONICA  
Request for Qualification (RFQ)**

**Commercial Operator Opportunity**  
**Community Corporation of Santa Monica**  
1423 2<sup>nd</sup> Street, Suite B  
Santa Monica, CA 90401

**ISSUE DATE: WEDNESDAY, FEBRUARY 19, 2020**

**QUESTIONS DUE: WEDNESDAY, FEBRUARY 26, 2020**

**~~SUBMITTALS DUE: WEDNESDAY, MARCH 4, 2020~~**

**EXTENSION - SUBMITTALS DUE: FRIDAY, MARCH 13, 2020**

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**Contact**

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### Proposer RFQ Checklist

- Read the *entire* document.** Note critical items such as mandatory requirements; supplies/services required; submittal dates; format and number of copies required for submittal; contract requirements (i.e., insurance, performance and or reporting, etc.).
- Note Community Corporation contact name, address, phone number, and email address.** Please reach out to them with any questions you may have.
- “Question and answer” period.** Submit your questions to the Community Corporation contact by the due date listed on the front page of the RFQ document. Questions and Answers will be issued as a formal addendum and they will be emailed to all proposers.
- Follow the format required in the RFQ** when preparing your response. Provide point-by-point response to all sections in a clear and concise manner. The proposals are evaluated based solely on the information and materials provided in your response.
- Use forms provided**, i.e., cover page, sample budget form, cover letter, etc. Before submitting your response, please check your email to see whether any addenda were issued for the RFQ.
- Submit your response on time.** Note all the dates and times listed on the front page of the RFQ document, and be sure to submit all required items on time. Late proposals will not be accepted.

## **I. INTRODUCTION**

Community Corporation of Santa Monica, (“Community Corp.”) is inviting proposals from qualified persons or firms interested in managing and operating 4,174 SF of ground floor commercial space at 1819 Pico & 2024 19<sup>th</sup> street in Santa Monica, CA.

## **II. GOALS**

We have heard from multiple Pico Neighborhood community members that there is interest in affordable commercial space for local businesses to operate.

Community Corporation of Santa Monica’s goal is to provide a marketplace that is affordable and celebrates the distinct culture of Santa Monica’s Pico Neighborhood. The space would include up to 3 small restaurant spaces plus 3-5 retail spaces. The marketplace will give priority to local Pico Neighborhood residents business owners and will provide a supportive environment to promote the long-term success of the businesses.

## **III. PROPERTY DESCRIPTION**

Community Corp. is developing a 48-unit affordable housing development. The current zoning requires Community Corp. to provide 4,174 square feet of commercial space at the ground floor fronting on Pico Boulevard, one of Santa Monica’s most diverse and active neighborhood commercial districts.

The site is currently designated with SMC2 Neighborhood Commercial zoning and is a part of the Pico Boulevard Business Improvement District. The property is located directly across the street from Santa Monica College which currently has a student population of 30,000 students and nearly a 2,000-person staff. If you would like more information on the Pico Neighborhood please go to the following link: <https://picowellbeing.smgov.net/1846/documents/2115>

## **IV. COMMUNITY CORP’S OBJECTIVE FOR THE REQUEST FOR QUALIFICATION**

- Find a business operator that is community driven and that seeks to uplift local businesses.
- Find a business operator that ideally would have experience running a marketplace or oversee the commercial space for a long period of time and help the commercial businesses prosper.

This RFQ seeks to find a person or business who is open to being a business operator and managing the commercial space. We are seeking an individual or a business that is community driven and that can help manage the day-to-day operations of the commercial space. The individual or business chosen to be the commercial operator must be prepared to take on full operations of the commercial space by Fall 2022.

Community Corp. is soliciting proposals from persons or firms who are interested in:

- A. Managing, operating and overseeing the 4,174 square foot commercial space. Help Community Corp. assemble a group of small businesses that fit the goals outlined for the commercial space. Provide feedback to the Community Corp. team on the design of the commercial space.

The development is currently in the planning phases, which involves Community Corp. researching the interest and ability of individuals and firms to open and operate a business on-site.

## V. EVALUATION CRITERIA

This RFQ requires proposers to provide the following items:

**Cover Letter must include the following (5 points):** RFQ title, Name(s) of person(s) authorized to represent the Proposer in any agreement negotiations and execution, contact information (street address, phone and email addresses). See application templates, Cover letter.

**Operational Plan must include the following (20 points):** Concise summary of your business operator philosophy, methods and practices and how they meet the goals and objectives of the Request for Qualification. Proposer's qualifications and experience; provide expected base property management fees expressed as a fixed monthly fee for property management services; details of any other expected capital or start-up cost that are related to the operation of the commercial space. A budget is included as part of this application, Exhibit D. Please complete the Start-up Cost tab in Exhibit D and provide details on any cost related to operating/maintaining the commercial component. Proposers who are looking to operate the commercial space must meet the insurance requirements provided in Exhibit B.

**Business Plan must include the following (20 points):** Provide a proposed business plan that clearly delineates your business proposal for operating the commercial space. The business plan should include the proposer's Basic Services (i.e. maintenance, bill payment, tenant relations, etc.). Since tenants have not been selected, Community Corp. has provided Exhibit A so the proposer can see the expectations that Community Corp. has of the commercial space and of the marketplace operator. Community Corp. has also provided Exhibit C, so the marketplace operator can see the current layout of commercial space and provide suggestions.

**Neighborhood Connection (1 point):** An additional point will be provided to marketplace operators who already reside in the Pico neighborhood or that can prove they are local to Santa Monica.

### Proposal Calendar

The following is a list of key dates:

Request for Qualification Issuance.....	February 19, 2020
Questions and Answer Period.....	February 25, 2020
Proposals due.....	March 4, 2020

## VI. Proposal Evaluation:

An evaluation review committee will evaluate the proposals received. For the purpose of scoring proposals, each of the committee members will evaluate each proposal in accordance with the following criteria:

- Evaluate the proposer's experience as a marketplace operator and their ability to mobilize by the Fall of 2022

- Review the proposer's familiarity with the Pico Neighborhood and their investment in the Pico Neighborhood
- Evaluate the compatibility of the marketplace operator with the goals set forth by Community Corporation of Santa Monica.
- Proposer's familiarity with Santa Monica, knowledge and ability to oversee the commercial space
- Proposer's who reside and/or operate a business in the neighborhood

The evaluation committee may seek outside expertise, including but not limited to input from technical advisors, to assist in evaluating proposals.

The successful Proposers shall be selected by the following process:

1. An evaluation committee will be appointed to evaluate submitted proposals.
2. The committee will score the written proposals based on the information submitted according to the evaluation criteria and point factors.
3. The committee will require a minimum of (5) working days to evaluate and score the written proposals; and
4. A short list of proposers may be selected for oral interviews if deemed necessary.

Community Corp. reserves the right to approve one or multiple proposals. Following the proposal evaluation, Community Corp. may select one of these options:

1. Approval of one or multiple proposals and enter into negotiations;
2. Request additional information from the proposer(s); or
3. Reject the proposal(s).

## EXHIBIT A

### CONDITIONS OF OPERATIONS

#### Preferred Hours

Preferred hours for each space shall be from 7:00 am to 8:00 pm, daily, seven days a week. Minimum operating hours and days will also be stipulated in the lease agreement.

#### Type of lease

The future tenants would have a sublease with the marketplace operator. The tenants would be responsible for all utilities, taxes and fees.

#### License Term

Option A (Single Stall):

Minimum Leasing Term is 1 year  
Maximum Leasing Term is 3 years

#### Leasing Rate

The rate will be negotiated between Community Corp. and the marketplace operator that is selected to oversee the sublessee. The monthly rate shall not be less than a preferred rate of \$2.60 per square foot. The leasing rate will be adjusted annually to reflect any increase in the Los Angeles CPI. If future tenants offer a lease rate lower than the preferred rate listed above, then they will be asked to submit financial projections/proforma justifying the rationale for the amount. Community Corp. and the marketplace operator will review the information provided by future tenants.

#### Security Deposit

Upon execution of the lease agreement, Tenant(s) will be required to pay a security deposit in the amount equal to one month's rent. The purpose of the Security Deposit is to ensure Tenant's performance, and to and keep and maintain the property in good order and condition. Security Deposit will be refunded upon the termination of the license agreement if the license area is returned in good condition (reasonable wear and tear considered) as the on the date of initial occupancy. The marketplace operator will be responsible for managing the security deposit for all the tenants.

#### Acceptability of Insurance

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: 6 unless otherwise approved by Community Corp. Please see Exhibit B for insurance requirements. The marketplace operator will be responsible for ensuring the future commercial tenants have the required insurance.

#### Business License

Each tenant will be responsible for maintaining a current business license. The marketplace operator will be responsible for making sure the tenants business licenses are maintained up to date.

## EXHIBIT B

### INSURANCE REQUIREMENTS

Licensee shall maintain limits of insurance of the types and in the amounts described below:

#### 1. Commercial General Liability

Licensee shall maintain commercial general liability insurance (CGL) with a limit of not less than One Million Dollars (\$1,000,000), each occurrence/Two Million Dollars (\$2,000,000) in the annual aggregate. The general liability policy shall expressly include coverage for fire-legal liability.

#### 2. Worker's Compensation and Employer's Liability

Licensee shall maintain workers' compensation insurance as required by the State of California and Employer's Liability Insurance in the amount of One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

#### 3. Builder's Risk Insurance

Before commencement of any construction or demolition on the License Area, Licensee shall procure or cause to be procured and shall maintain in force until completion and acceptance of work, an "all risks" builder's risk insurance policy providing coverage for improvements, additions or alterations in place and all material and equipment at the job site furnished under contract and coverage for any damages arising as a result of construction of any improvements, changes or alterations to the License Area, including but not limited to, hook-ups to utilities or upgrading of any utilities, with limits in accordance with project value.

#### 4. Personal Property Insurance

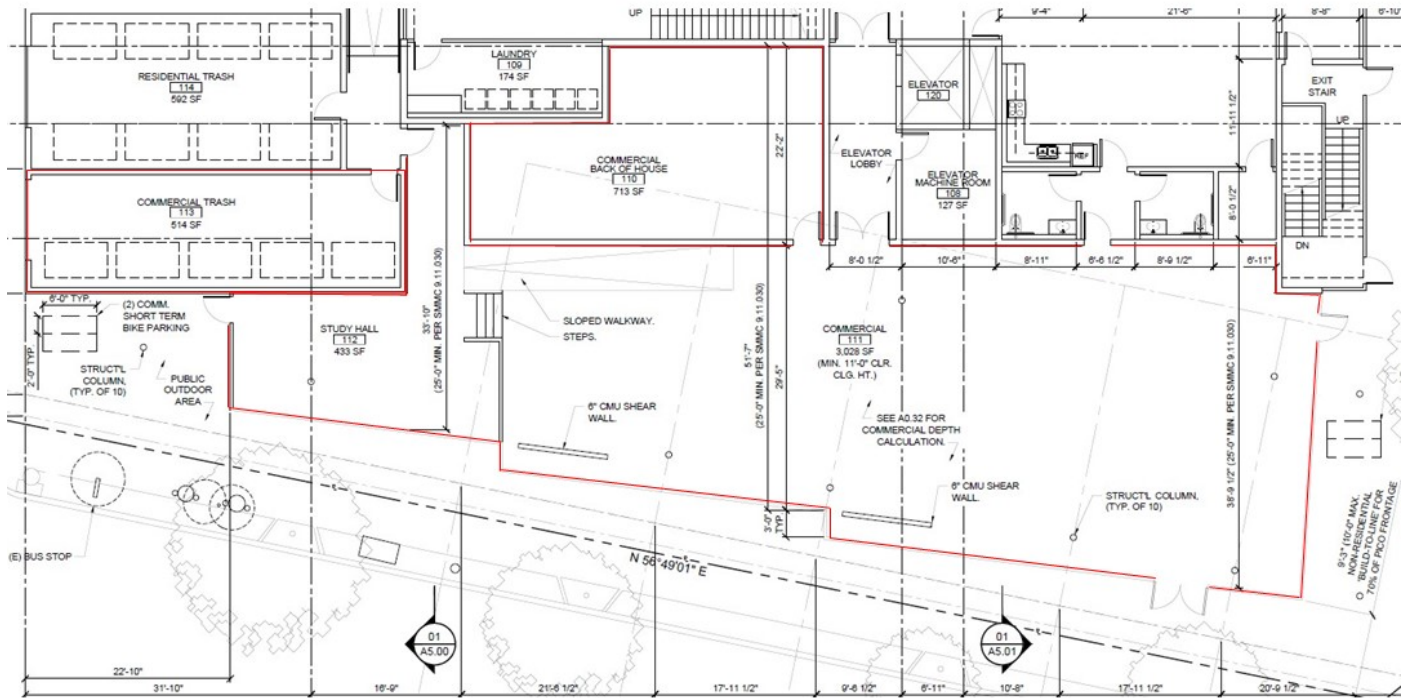
Personal property insurance shall be provided for Licensee's equipment, improvements and betterments made by Licensee to the License Area. Licensee shall obtain and keep in force during the term of this Agreement a policy or policies of insurance covering loss or damage to the equipment, improvements or betterments located in, on, or upon the License Area, in the amount of at least one hundred percent (100%) of the full replacement value thereof, as the same may exist from time to time, against all perils included within the classification of fire, extended coverage endorsement, vandalism, and malicious mischief endorsement. City shall bear no responsibility for any loss, damage or destruction of Licensee's equipment, improvements or betterments, even if Licensee fails to procure-and maintain the personal property insurance required hereunder.

#### Minimum Scope of Insurance

COL insurance shall be written on Insurance Services Office Form CO 00 0 1) or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury liability assumed under an insured contract (including the total liability of another assumed in a business contract), and explosion, collapse and underground hazards.

## EXHIBIT C

The image below displays the current layout of the commercial space. Please feel free to provide suggestions on equipment layout or images of your concept/business plan. The marketplace operator will need to provide feedback to the Community Corp. team on the design of the commercial space





## APPLICATION TEMPLATES

### COVER LETTER

<b>RFQ TITLE:</b>	
<b>Single Stall (Option A) or Entire site (Option B)</b>	
<b>IRS Tax Identification Number:</b>	
<b>Years of Business Experience:</b>	
<b>Physical Address:</b>	<p style="margin-left: 20px;">Mailing Address (if different than Physical Address):</p>
<b>Name(s) of person(s) authorized to represent the Proposer in any agreement negotiations and execution</b>	<p>Name:</p> <p>Title:</p> <p>Phone Number:</p> <p>Email Address:</p>
<b>Proposal Contact (If different than above)</b>	<p>Name:</p> <p>Title:</p> <p>Phone Number:</p> <p>Email Address:</p>

