



**DESTINATION MEDICAL CENTER
ROCHESTER, MN**

**REQUEST FOR PROPOSAL
MARKET ANALYSIS**

Issued as of May 3, 2018

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**REQUEST FOR PROPOSAL FOR
DESTINATION MEDICAL CENTER
CITY OF ROCHESTER, MINNESOTA**

1.1 INTRODUCTION

The Destination Medical Center Non-Profit Economic Development Agency (the “EDA”), pursuant to its contract with the Destination Medical Center Corporation (the “DMCC”), a public, non-profit corporation organized under the laws of the State of Minnesota, is seeking a qualified professional firm (the “Consultant” or “Respondent”) to conduct a Market Demand Study for the Destination Medical Center project (the “DMC Project”) in Rochester, Minnesota, as is further described in this Request for Proposal (“RFP”). The EDA is a private, nonprofit corporation established under Laws of Minnesota, Chapter 143 (2013-2014 Regular Session), Article 10, and Minnesota Statutes, Chapter 317A (the “Governing Acts”).

The Consultant’s Work shall inform the EDA’s market projections, the purpose of which is to guide development and investment on the DMC Project over the next five years. The goals of the DMC Initiative and the objectives of the DMC Development Plan have been established by the DMCC Board of Directors as:



Coordinating with the EDA, the Consultant shall be responsible to perform the Scope of Work described in **Exhibit A** to this RFP.

The issuance of this RFP constitutes only an invitation to submit proposals to the EDA. It is not to be construed as an official and customary request for bids, but as a means by which the EDA can facilitate the acquisition of information related to the purchase of services. Any proposal submitted as provided herein constitutes a suggestion to supply information/negotiate and NOT A BID.

The EDA reserves the right to determine, in its sole and absolute discretion, whether any aspect of the proposal satisfactorily meets the criteria established in this RFP, the right to seek clarification from any Consultant(s), the right to negotiate with any Consultant(s) whether or not they submitted a proposal, the right to reject any or all proposals with or without cause, and the right to cancel and/or amend, in part or entirely, the RFP.

The RFP does not commit the EDA either to award a contract or to pay for any costs incurred in the preparation of a proposal. Submission of a proposal as provided herein shall neither obligate nor entitle a prospective Consultant to enter into an Agreement with the EDA.

It is understood that any proposal received and evaluated by the EDA can be used as a basis for direct negotiation of the cost and terms of a contract between the EDA and the particular firm submitting such a proposal. The EDA reserves the right to negotiate pertinent contract terms concurrently with any number of firms as it deems in its best interest, whether or not such firm has submitted a proposal. In submitting this proposal, it is understood by the Consultant that the EDA reserves the right to accept any proposal, to reject any and all proposals and to waive any irregularities or informalities that the EDA deems is in its best interest.

Evaluation of proposals by staff or by any other group are advisory only; the EDA may consider or reject such evaluation(s) for any or all proposals, such evaluations are for the sole benefit of the EDA, and as such, they are not binding upon the EDA nor may they be relied upon in any way by a Consultant.

In the event that this RFP is withdrawn by the EDA for any reason, including but not limited to, the failure of any of those things or events set forth herein to occur, the EDA shall have no liability to Consultant for any costs or expenses incurred in connection with this RFP or otherwise. Accordingly, each proposal should be submitted in the most favorable terms of costs and programmatic considerations and in a complete and understandable form. The EDA reserves the right to request additional data, oral discussion, or a presentation in support of the written

proposal. The EDA is not obligated to respond to any proposal submitted nor is it legally bound in any manner whatsoever by the submission of a proposal. It is the intention of the EDA to enter into a contract with the firm(s) with which the EDA can make the most satisfactory arrangements for its needs.

The EDA has broad rights with respect to the procurement and contracting processes as detailed in this proposal. The EDA may decide to contract with more than one entity to develop the services contemplated herein.

This Request for Proposals (“RFP”) outlines the services, procedures and requirements that have been set forth by the EDA for the selection of a Consultant to represent the EDA in completing the work described herein (the “Scope of Work”).

1.2 SCOPE OF WORK

The Consultant will need to work in a collaborative process with the EDA to conduct a Market Demand Study of the Destination Medical Center District with considerations to activity occurring throughout the City of Rochester. The Market Demand Study shall examine demographic and market projections as outlined in **Exhibit A**. The Market Demand Study must highlight the market projections for types and supply of retail, office spaces, hotels, and housing within the DMC Development District.

The Consultant will:

- Conduct a Market Demand Study on the DMC Development District. Beyond the general scope of the Market Demand Study, analysis of five categories is of importance to the EDA: retail, entertainment, office, hotel, and housing
- Provide a Market Demand Study report for each of the five categories. This will include:
 - 1-2 page executive summary
 - Raw summary data in an excel spreadsheet
 - existing product inventory
 - projected market demand
 - gap analysis with recommendations to meet market demands over the next five years
 - guidelines for developing an ongoing data collection and analysis process (including the establishment of baseline indicators) for these markets that will enable the DMC EDA and its stakeholders to understand future changes in the study area’s markets

- Data sheets highlighting competitive advantages and distinguishing features of each market in the DMC Development District.
- Validate or update the projections within the DMC Development Plan as consistent with findings in the Market Demand Study

The full scope of work (“Scope of Work”) to be performed by the Consultant is outlined in **Exhibit A** to this RFP.

1.3 PROJECT SCHEDULE

A tentative schedule for the Market Demand Study is included below. The schedule is preliminary in nature and may be adjusted at the EDA’s sole discretion.

The following Project Schedule is adopted for the Project as part of this Scope of Work.

	RFP PROCESS / TIMELINE
EDA Issues RFP	May 3, 2018
RFP Deadline	May 17, 2018
Consultants Interview (as needed)	Week of May 21, 2018
Selection of Consultants	June 1, 2018
Project Completion Date	July 31, 2018

1.4 QUALIFICATION REQUIREMENTS

The Consultant must demonstrate knowledge and experience in the area(s) for which Services are proposed. The firm or entity and the individuals proposed for the Project must have recent experience with a project(s) of similar or greater scope. The specific criteria to be considered by the EDA in the selection of the Consultant firm including but not limited to:

- Experience of the proposed project personnel;
- Time availability and commitment of the proposed project personnel to the Project;
- Accessibility of Consultant’s office and staff to the project site;
- Knowledge and/or creativity of user requirements as demonstrated by the Consultant;
- Experience of the firm or entity in similar project(s);

- Commitment to diversity;
- References for the personnel and firm;
- Competitiveness of proposal;
- Acceptance of Consulting Services Agreement and its attached Scope of Work
- Additional consideration will be given to firms that employ or engage with local entities that are qualified, available and have the capacity for this scope

1.5 PROPOSAL REQUIREMENTS

Firms interested in responding to this RFP should deliver a proposal via email to the EDA using the following (email:timcody@dmceda.org) no later than 12:00 Noon (CST) on May 17, 2018.

All questions should be directed via email to the person(s) listed below. Questions should be forwarded to the person(s) listed below no less than three (3) days prior to the submission deadline. The person(s) listed below will do his/her best to respond to any questions prior to the submittal but failure to do so will not result in an extension of the deadline.

Tim Cody, Finance Director (timcody@dmceda.org)

Proposals for Consultant Services must include the following material and information:

- Section 1: Cover letter (Limit to 2 Pages);
- Section 2: Brief summary of the firm's qualifications and experience;
- Section 3: Organizational chart of the Consultant's personnel to be assigned to the Project and a matrix of time commitment and availability of these personnel;
- Section 4: Three (3) references for the firm or entity, all for projects executed in last five (5) years.
- Section 5: Description(s) of any other Consultants, contractors, service providers or advisors to be proposed to be employed by the Consultant;
- Section 6: A proposed fee schedule (in the form attached in **Exhibit A-3**)
- Section 7: A commitment to diversity evidenced by such factors as the actual diversity among its existing or proposed team members or the existence of an affirmative action plan addressing the diversity issues.

- Section 8: Insurance Certificates (see **Exhibit A-2**);
- Section 9: Confirmation of Acceptance of Base Form and Comments to the Consulting Services Agreement and Scope of Work (See **Exhibit A**);
- Section 10: Acknowledgement and Attestation Form (See **Exhibit B**)

Consultants must provide all of the information required in each of the above referenced sections. Failure to do so may cause that Consultant **to be disqualified** from consideration by the EDA.

The EDA may elect to conduct oral interviews with selected Consultants after review of each firm's Proposal. The EDA reserves the right to short-list firms for interviews or to interview all Consultants.

Nothing contained in this Request for Proposal shall be considered a commitment by the EDA to award a contract or compensate any Consultant for costs incurred in the preparation of a proposal in response to this RFP. Each Consultant expressly waives any and all rights to materials or documents submitted in response to this RFP.

The EDA reserves the right to approve or reject any and all personnel employed by the Consultant assigned to the Project and any Consultants proposed for the Project. The EDA will receive and review all Proposals in its discretion and according to the process that it develops, and the EDA reserves the right to accept or reject any and all portions of Proposals submitted in response to this RFP. Furthermore, the EDA reserves the right to reject any and all Proposals or to waive informalities in any Proposal or to accept any Proposal in its sole and absolute discretion. It is intended that award of this Proposal will be made to the Consultant who is responsive, competitive, and qualified to perform the work as determined in the sole and absolute discretion of the EDA.

1.6 CONTRACT AWARD AND CONTRACT

- **Award Discretion** - While the EDA may ultimately decide to enter into a contract with that person or firm with which the EDA can make the most satisfactory arrangement for meeting its needs, the EDA is not obligated to award any contract or respond to proposals submitted, nor is it legally bound in any manner whatsoever by the submission of a proposal.
- **Changes** - The EDA shall have the right at all times to require changes in, additions to, or deletions

from the work contemplated by the contract documents, and the same shall in no way make void the contract. Changes and additions resulting in increased costs shall be made only pursuant to a written contract amendment issued by the EDA and bearing the acceptance endorsement of the Consultant. Deletions from the scope of work required may be made at the sole discretion of the EDA.

- **Evaluation Factors** - Evaluation factors shall include, but are not limited to, the following:
 - Consultant's expertise and experience.
 - Consultant's key staff proposed to be assigned to perform work for the Authority
 - Consultant's past performance.
 - Consultant's telephone or in-person interview, if requested.
 - Total contract cost
 - Consultant's commitment to diversity.

- **Criteria Compliance** - The EDA reserves the right to determine, in its sole and absolute discretion, whether any aspect of a Proposal satisfactorily meets the criteria established in this RFP.

- **Additional Information Requests** - The EDA reserves the right to request additional information from Consultants during any phase of the proposal evaluation process.

- **Conditions of Award** - The EDA may elect not to award a contract solely on the basis of this RFP, and will not pay for the information solicited or obtained. The information obtained will be used in determining the alternative that best meets the needs of the EDA.

1.7 OTHER GENERAL PROVISIONS

- **Confidentiality** - Information supplied by the Consultant to the EDA is subject to the Minnesota Government Data Practices Act, Minnesota Statutes, Sections 13.01 et seq. Such information shall become public unless it falls within one of the exceptions in the Act, such as security information, trade secret information, or labor relations' information pursuant to Minnesota Statute Section 13.37. If the Consultant believes any non-public information will be supplied in response to the RFP, the Consultant shall take reasonable steps to identify and provide reasonable justification to the EDA regarding which

data, if any, falls within the Minnesota Government Data Practices Act exceptions. However, the Consultant agrees as a condition of submitting a proposal that the EDA will not be held liable or accountable for any loss or damage which may result from a breach of confidentiality as may be related to the responses submitted.

The EDA will not consider any cost information and references submitted by the Consultant to be non-public, confidential or trade secret material. Simply stating that the document is confidential or making a blanket claim of confidentiality without proper supporting justification is also not a valid reason to declare the document confidential.

- **Modification or Withdrawal of Proposal** - Unauthorized conditions, limitations, or provisions attached to a proposal may cause its rejection. No oral, telephonic, e-mail, or facsimile (FAX) proposals or modifications will be considered.

A Proposal may not be modified, withdrawn, or canceled by the Consultant for a period of three (3) months following the time and date designated for receipt of Proposals. Any such modification, withdrawal or cancellation shall be submitted in writing to the Contact Person.

Before the time and date designated for receipt of Proposals, no Proposal may be released or physically withdrawn, but any Proposal submitted may be modified, canceled, or withdrawn by written notice to said Contact Person. Such notice shall be in writing over the signature of Consultant. The original over the signature of the Consultant shall be mailed and received on or before the date and time set for receipt of Proposals, and it shall be so worded (if original Proposal is modified) so as not to reveal the amount of the original Proposal. Written withdrawal or cancellation by Consultant of a Proposal prior to the Proposal opening will nullify the Proposal. However, the original Proposal shall not be physically returned to the Consultant until after the time for receipt of the Proposals.

Withdrawn or canceled Proposals may be resubmitted up to the time designated for the receipt of Proposals, provided that the resubmitted proposal is in conformance with this RFP.

- **Equal Opportunity Statement** – Consultant agrees to comply with the provisions of all applicable federal, state, and local laws and regulations pertaining to civil rights and nondiscrimination.
- **Non-Discrimination** – Consultant will not discriminate against any employee or applicant for employment because of race, color, creed, religion, ancestry, sex, national origin, affection preference, disability, age, marital status, status with regard to public assistance, or status as a disabled veteran or veteran of the Vietnam era. Such prohibition against discrimination shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment, layoff or termination, rates of pay or other forms of compensation, and selection for training.
- **Extension of Time** - The EDA reserves the right to extend the proposal due date. If a Consultant needs an extension of time to prepare the proposal a written request should be forwarded no later than two (2) business days prior to the due date of this RFP. The request should be directed to the address noted in Section 1.8, Contact between Consultant and the EDA - Questions. The granting of an extension will be based on the number of such requests, and the reason(s) for each request. The EDA reserves the right to extend the submission deadline only at the discretion of the EDA and not at the mere request of the Consultant(s). In the event of an extension, prospective Consultant(s) will be notified immediately and appropriate addenda will be issued.
- **Addenda** - The EDA reserves the right to add, change, or delete any provision or statement in the RFQ/RFP at any time prior to the proposal due date. If it becomes necessary to revise any part of the RFQ/RFP, addenda to the RFP will be provided to all Consultants assure receipt of all addenda.
- **Right to Withdraw RFP** - The EDA reserves the right to withdraw, cancel, and/or amend, in part or entirely, this RFP for any reason and at any time with no liability to any prospective Consultant for any costs or expenses incurred in connection with

the RFP or otherwise.

EXHIBIT A

**BASE FORM OF CONSULTING SERVICES AGREEMENT,
CONSULTANT SCOPE OF WORK & INSURANCE REQUIREMENTS**

The following provides an outline of the requirements for the base form of agreement, scope of work and insurance requirements that will be associated with the Consultant's Scope of Work.

Base Form of Agreement

The Consultant agrees to use the EDA's base form of agreement (the "Consulting Services Agreement") which shall be provided to the Consultant as part of the request for information and/or outline of requirements for the interview, if the Consultant is shortlisted for the Project.

Scope of Work

Attached hereto as **Exhibit A-1** is a draft of the scope of work ("Scope of Work") to be attached to the Consulting Services Agreement. This Scope of Work is preliminary in nature and subject to change in accordance with the terms and conditions of the RFP.

Insurance Requirements

Attached hereto as **Exhibit A-2** is a preliminary outline of the types and limits of insurance to be maintained by the Consultant. The Consultant is required to provide its existing Insurance Certificates as part of the response to the RFP.

Fee Proposal

Attached hereto as **Exhibit A-3** is the form for the Consultant's Fee Proposal.

**DESCRIPTION OF DESIGNATED SERVICES
MARKET ANALYST
DMC DEVELOPMENT PLAN**

BASIC SERVICES

The Basic Services to be provided by the Consultant are described herein.

The Consultant shall provide a Market Demand Study of the DMC Development District and the City of Rochester as appropriate. The Market Demand Study will pertain to the demographic and market projections from the DMC Development Plan. This includes a cross reference of the Market Demand Study with the demographic and market projections from the DMC Development Plan. The Consultant(s) shall be responsible to coordinate its work with the work of the EDA.

The reports and all other documents prepared by the Consultant (the “Work Product”) are instruments of service, and the Consultant shall relinquish any ownership interest in said Work Product. The Consultant shall use the Work Product it prepares only in the interest of the Project.

A. PROJECT ADMINISTRATION AND MANAGEMENT SERVICES

The Consultant shall perform the following:

- .01 Project Administration** services consisting of administrative functions associated with the work including but not limited to consultation, meeting correspondence and directing the work of its staff and any approved third parties related to the execution of this Scope of Work.

- .02 Disciplines Coordination / Document Checking** services consisting of coordinating the work of the Consultant with the work of other disciplines involved in the Project (as applicable). The Consultant shall provide a complete and coordinated report for the Project.

- .03 Agency-Supplied Data Coordination**, including:
 - .01 Review and coordination of data furnished for the Project
 - .02 Assistance in establishing user criteria
 - .03 Assistance in obtaining data, including, where applicable, documentation of existing conditions.

B. MARKET ANALYSIS SERVICES

.01 Base Document Review consisting of:

.01 Review of all Project data and previously prepared design studies, including without limitation:

1. Rochester Downtown Master Plan (“RDMP”), August 2010, Adopted as part of the City’s Comprehensive Plan in June 2012
2. UMR Master Plan and Programming Documents
3. Mayo Clinic Five Year Plan Update, November 2016
4. City of Rochester Capital Improvements Plan
5. Infrastructure Master Plan for Rochester, Minnesota, April 2013
6. DMC Development Plan
7. Planning 2 Succeed: Rochester Comprehensive Plan 2040
8. Comprehensive Housing Needs Assessment for Olmsted County, Minnesota (Maxfield Study)
9. Rochester Convention and Visitors Bureau Report
10. Rochester Sports Commission Report
11. Heart of the City Retail Demand
12. Chateau Theater Market Demand

Additional documents as may be provided by the EDA, City or County.

.02 District Analysis consisting of:

- .01 Retail markets within the DMC Development District, pertaining to projections of the amount and types of retail the district could support. Specific to the analysis, please breakdown retail market types into the following categories: restaurants and drinking places, grocery and specialty food stores, book and music, clothing and accessories
 - a. Performance data by total market and building classes: (total SF, occupied SF, vacant SF, vacancy rate, absorption, asking rents, concessions, months of free rent, renovations, new construction and potential construction)
 - b. Projected performance
 - c. SWOT analysis (strengths, weaknesses, opportunities and threats)
- .02 Entertainment markets within the DMC Development District pertaining to projections of the amount and types of entertainment space the District could support
 - a. Performance data by total market and building classes: (total SF, occupied SF, vacant SF, vacancy rate, absorption, asking rents, concessions, months of free rent, renovations, new construction and potential construction)
 - c. Projected performance
 - d. SWOT analysis (strengths, weaknesses, opportunities and threats)

- .03 Office markets within the DMC Development District pertaining to projections of the amount and types of office space the District could support. This includes but is not limited to Class A, B and C office space, co-working space and rental suites.
 - a. Performance by total market and building classes: (total SF, occupied SF, vacant SF, vacancy rate, absorption, asking rents, effective rents, concessions, months of free rent, renovations, new construction and potential construction)
 - b. Major lease expirations in next five years.
 - c. SWOT analysis
- .04 Hotel markets within the DMC Development District pertaining to projections of the amount and types of hotels the district could support. This includes but is not limited to economy, extended stay, 3 – 5 star, luxury, select service, and full service hotels.
 - a. Performance data by total market and building classes: (total SF, occupied SF, vacant SF, vacancy rate, absorption, asking rents, concessions, months of free rent, renovations, new construction and potential construction)
 - b. Projected performance
 - c. SWOT analysis (strengths, weaknesses, opportunities and threats)
- .05 Housing markets within the DMC Development District, pertaining to projections of the amount and types of housing the two geographies necessitate and could support. Market rate and Affordable housing projections are of significance to the Project.
 - a. Performance data as of March 31, 2018 by total market and building classes: (total SF, occupied SF, vacant SF, vacancy rate, absorption, asking rents, effective rents, concessions, months of free rent, renovations, new construction and potential construction)
 - b. Projected performance
 - c. SWOT analysis (strengths, weaknesses, opportunities and threats)
 - d. Specific to the analysis, please breakdown housing types into the following categories:
 - I. Condominium
 - II. Townhomes
 - III. Single Family
 - IV. Multi-family
 - V. Supportive Housing
 - VI. Senior Housing

All material and data requested above shall be compiled into five reports (one per market)

- .01 **Review of Materials and Issuance of Final Deliverables.** All deliverables shall be issued in draft form upon the completion date outlined herein and the EDA shall be given the opportunity to review, comment and request reasonable changes and/or additions prior to issuance of the final version of said deliverable. Notwithstanding the foregoing, the targeted date for completion of the work will be automatically extended as needed to provide the EDA additional time to review the deliverables and the Consultant additional time to make changes to the deliverables in accordance with this provision of the Contract.

EXHIBIT A-2
INSURANCE REQUIREMENTS
MARKET ANALYST
DMC DEVELOPMENT PLAN

Insurance Certificates:

The insurance limits that will be required of the Consultant are outlined below. The Consultant should provide copies of its current policies as part of the submittal for the RFP. The EDA will formulate questions related to insurance (if any) as part of the interview process with shortlisted candidates.

Insurance Coverages:

Commercial General Liability

General Aggregate \$2,000,000

Products/ Completed Operations Aggregate \$2,000,000

Each Occurrence \$2,000,000

Automobile Liability

Combined Single Limit \$1,000,000

Worker's Compensation

Statutory

Employer's Liability

Each Accident \$1,000,000

Disease - Policy Limit \$1,000,000

Disease - Each Employee \$1,000,000

Professional Liability

Each Occurrence \$5,000,000

EXHIBIT A-3
FEE PROPOSAL
MARKET ANALYST
DMC DEVELOPMENT PLAN

The following fee proposal is submitted by the Consultant for the Scope of Work contemplated in this RFP. This fee proposal represents a total cost estimate for the Consultants fees, third party expenses and an estimate of reimbursable expenses. If the Consultant intends to work with more than one third party please list the fees for each third party separately.

	Consultant Fee	Third Party Fee (as applicable)
Office , Commercial, Research & Technology		
Hotel & Hospitality		
Retail , Dining, Arts & Entertainment		
Housing		
Preliminary Market Research Report		
Final Market Research Report		
Amendment Period		
Sub Total Proposed Fees for Deliverables		

Total Proposed Fees for Deliverables (From Above)	
Estimated Reimbursable Expenses	
Total Proposed Fees	

EXHIBIT B
ACKNOWLEDGEMENT AND ATTESTATION FORM

The Acknowledgement and Attestation Form is included herein and must be executed in accordance with the terms and conditions set forth in this Request for Proposals for Market Study Services and returned as part of the RFP response.

PROPOSED DESTINATION MEDICAL CENTER
ACKNOWLEDGEMENT AND ATTESTATION FORM

In submitting this proposal, the undersigned has certified that the Consultant has reviewed the Request for Proposal (“RFP”) dated May 1, 2018 and is familiar with the terms and conditions therein and accepts the terms and conditions imposed under the RFP and all documents identified therein. The Consultant hereby agrees to handle any and all information provided with this RFP, by the EDA on a confidential basis, in accordance with applicable laws.

The Consultant understands the EDA reserve the right to reject any or all Proposals in accordance with its best interest. The Consultant submitting a response does so at its own expense and materials submitted shall become the property of the EDA as defined in the RFP. I hereby certify that the foregoing is true and correct.

Consultant’s Name _____

Name: _____

Title: _____

Date: _____