



# REQUEST FOR PROPOSAL

**The Operation of a Nine Hole Golf Course at  
London International Airport**

**Closing Date and Time:**

**2/17/2012**



**PART I - GENERAL INFORMATION FOR PARTIES INTERESTED IN  
LEASING LAND FOR THE PURPOSE OF OPERATING A NINE HOLE GOLF COURSE  
AT THE  
LONDON INTERNATIONAL AIRPORT**

**1. Airport Introduction**

Since 1998 the London International Airport has been operated as an independent airport authority. During that time, the airport has transformed into the hub of aviation for Southwestern Ontario. London and the surrounding communities have proven to be a growing and vibrant market for air travel. The airport community has grown to house over 75 businesses with a total of 1500 employees. London International Airport is committed to regional economic development and is dedicated to ensure that high quality services are provided to all users of the airport in order to satisfy our stakeholders and maintain growth.

London International Airport prides itself by providing fast, efficient, hassle-free service. Enhancing the level of customer satisfaction within all facets of the airport operations is the ultimate goal of the Greater London International Airport Authority.

Since 1985, a nine hole public golf course has been operating at the London International Airport and has offered an almost year round venue for the seasoned golfer. The golf course is on airport property and the tenant pays the London International Airport a concession fee for the right to operate the service. The golf course itself has been operated under the name "Golfland" since its inception and the current operator has decided to retire. Over the course of the last 10 years the revenues have steadily declined and the property was not being maintained as well as it could have been due to a number of contributing factors. The London Airport believes that the golf course can and will be a successful operation with a solid business plan.

The London International Airport, through this Request for Proposal, is offering the opportunity for a new operator to take over the operation utilizing the existing nine hole golf course, clubhouse, driving range and support facilities.



## 2. Nine Hole Golf Course Opportunity

The Greater London International Airport Authority is seeking proposals for the right to lease space for the purpose of operating, managing and maintaining a nine hole golf course on the airport property. The land is located on the southwest corner of the airport property. The property has prime road access via Crumlin Road to both busy streets of Dundas and Oxford Street.

### **Brief descriptions of the Golf Course Facilities are outlined below:**

#### A) The Course

- Flat and relatively easy course
- 9 holes - 3260 yard par 36
- Located in the Pottersburg Creek watershed that provides irrigation for the course and factors into the course design
- Previous operator priced the green fees in the \$14 to \$22 range for 9 holes
- Targets seniors, novice level and price conscious golfers
- The Course has been well maintained and remains in good shape making it a “turnkey” situation for the new operators

#### B) The Clubhouse

- Over 3000 sq foot
- In need of upgrades or renovations
- Has dining area, bar and proshop

#### C) The Driving range

- 300 Yards
- Reasonable shape
- 25-30 driving positions

#### D) Other storage / Maintenance facilities

- Over 1700 sq foot shed
- The current shed has awnings for additional storage
- 16 electrical outlets for cart plug in

#### E) Equipment

There is no equipment associated with this RFP. The interested parties will be required to obtain all necessary equipment which includes:

- ✓ All golf course maintenance equipment machines
- ✓ Kitchen / snack bar equipment and facilities
- ✓ Bar equipment and facilities
- ✓ Pro Shop



F) Utilities and Property Taxes

The tenant is responsible for the payment of all utilities and property tax.

Property tax for 2011 was \$8500 for the year.

3) Financial Information

The gross revenues of the golf course have declined over the last decade as a result of a variety of reasons including market conditions, unfavorable weather and decisions made by the operator. One of the benefits of this course is the lower fees, relative ease and the short duration of time required to play which all are factors that have kept a loyal customer base which can be built upon. .

The Green Fees to play the Golfland course have remained very reasonable over the years which helped in the success of the business..

**The fees for 2011 season were as follows:**

Green Fees		Driving Range	
Weekday 9 Holes	\$14.00	Large Bucket	\$6.99
Weekend 9 Holes	\$22.00	Small Bucket	\$4.99

**11 year reported financials**

Year of Operation	GROSS REVENUE
June 1/99-May 31/00	329,432.85
June 1/00-May 31/01	313,512.91
June 1/01-May 31/02	339,702.32
June 1/02-May 31/03	306,741.34
June 1/03-May 31/04	286,732.00
June 1/04-May 31/05	282,137.00
June 1/05-May 31/06	219,565.00
June 1/06-May 31/07	191,928.00
June 1/07-May 31/08	212,554.00
June 1/08-May 31/09	198,138.74
June 1/09-May 31/10	184,864.13
<b>TOTAL</b>	<b>2,865,308.29</b>

**Note:**

- **20 to 30 percent of revenues were from food and beverage up until 2005 (2005 was the last reported break down of sales)**



## **PART II – DETAILS OF THE GOLF COURSE OPPORTUNITY AT THE LONDON INTERNATIONAL AIRPORT and SITE VISIT INFORMATION**

### **1. Term of Lease**

The lease will be for a fixed term of ten (10) years commencing on March 1, 2012 and ending on December 31, 2021, with the Greater London International Airport Authority.

### **2. Rent**

The rent of the area will be based upon a flat rental fee for the land of \$ \_\_\_\_\_ per year payable in monthly installments and an additional \_\_\_\_\_ % of the gross revenue over the term of the lease payable on a yearly basis based on annual sales reports.

### **3. Area of opportunity for Recreational Golf - See Appendix's A, B and C for Diagrams**

### **Mandatory Site Meeting Meeting – February 1, 2012 2 PM.**

A mandatory site meeting is planned for the date of Wednesday February 1<sup>st</sup> at 2 PM. The visit will incorporate the clubhouse, maintenance shed and facilities, driving range, and weather dependant an overall look at the layout of the course. There will also be ample time for questions following the visit.

Please meet in the parking lot of the golf course which is located 1720 Crumlin Road, at 2PM sharp.



## **PART III - QUESTIONS AND SUBMISSION CLOSING DATE**

### **1. Questions Regarding the Request for Proposal**

Any questions concerning this request for proposal are to be submitted in writing to the address indicated below no later than Friday February 10<sup>th</sup>, 2012. A copy of any questions and response will be provided to all potential operators.

Gerry Vanderhoek  
Manager Commercial Services  
London International Airport  
1750 Crumlin Road  
London, ON  
N5V 3B6  
[gvanderhoek@londonairport.on.ca](mailto:gvanderhoek@londonairport.on.ca)  
Ph: (519) 452-4018  
Fax: (519) 453-6219

### **2. Request for Proposal Closing Date**

The tender will close at 3:00 P.M. (EST), on Friday February 17, 2012. Sealed responses to this request for proposal are to be submitted to the above address and person. (Facsimile or email-transmitted tenders **will not** be accepted).

**Any requests for proposal received after the closing date and time will be returned unopened.**



#### **PART IV - DOCUMENTS REQUIRED TO BE SUBMITTED WITH THE REQUEST FOR PROPOSAL**

Each perspective operator is required to submit the following;

- 1) Request for Proposal Form (Schedule I attached)
- 2) Organizational Data/Financial References
- 3) Company Description: This description should include such things as history of the company, management experience, company strengths, corporate clients and any other information the company considers relevant to this request for proposal.
- 4) Financial Offer (included in Schedule I attached)
- 5) Provide a strategic vision for the course to ensure its success in a very competitive golf environment in London
- 6) A detailed description of the business plan for the course that includes operating, marketing, design changes and timelines including maps or drawings of the proposal as necessary
- 7) A detailed financial plan over the next 10 years

**Request for Proposals that are not accompanied by the above documents will be considered incomplete and may be rejected.**

## **PART V - EVALUATION AND AWARD METHODOLOGY**

Every Request for Proposal submitted will be evaluated to ensure that all required documents have been submitted. Proposals that are not accompanied by the documents as detailed in PART IV will be considered incomplete and may be rejected.

### **The Proposal Evaluations and Award Methodology will consist of:**

- 1) A review of the Request for Proposal Form and attachments to ensure that proposals are complete;
- 2) Proposals determined to be acceptable, will then be ranked on the overall scores based on the criteria listed below. The successful bid will be the submission with the highest total point score.
  - Professional Qualifications – experience (weight 25 points)
  - Financial Offer to the airport (weight 25 points)
  - Business Plan (weight 40 points)
  - Financial Plan (weight 10 points)



*Part VI PROPOSAL FORM – SCHEDULE I*

**REQUEST FOR PROPOSAL FORM**

**Nine Hole Golf Course– LONDON INTERNATIONAL AIRPORT**

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(Full name of person, corporation or firm by whom the offer was made)

(Hereinafter called “the Proposer”) HEREBY SUBMITS a proposal for the right to operate a golf course on the property owned by the London International Airport.

**AND IN SUBMITTING THIS PROPOSAL, THE PROPOSER AGREES TO EACH OF THE FOLLOWING TERMS AND CONDITIONS:**

**1. CLOSING DATE AND EXTENSION THEREOF**

This proposal shall remain open for acceptance by the Greater London International Airport Authority for a period of forty-five (45) days from the 17th day of February 2012 (hereinafter referred to as the “Proposal Closing Date”). In the event the Greater London International Airport Authority deems it necessary to extend the Proposal Closing Date, they shall notify the Proposer by written notice, whereupon the Proposer shall have fifteen (15) days from the date of receipt of such written notice to, in writing, either accept such extension of the Proposal Closing Date or withdraw the proposal. In the event the Proposer accepts such extension of the Proposal Closing Date, the original forty-five (45) day period during which the proposal was to remain open for acceptance shall be extended for a period equivalent to the period of extension of the Proposal Closing Date referred to in the notice from the Airport Authority. In the event the Proposer does not respond to the Airport Authority’s notice hereinabove referred to, the Proposer shall be conclusively deemed to have accepted the extension of the Proposal Closing Date to the date referred to in such notice.

**2. ACCEPTANCE OF PROPOSAL**

The successful Proposer will be advised in writing within 15 days of the closing date and will be required to enter into a long term lease with the London International Airport for the term proposed.

**3. REJECTION OF PROPOSAL**

Where the request for proposal is rejected, the unsuccessful Proposer will be advised in writing within 15 days of the closing date.

**4. WITHDRAWAL OF PROPOSAL**

If the Proposer withdraws this proposal, it must be done so in writing.



**5. SECURITY DEPOSIT**

A security deposit in the form of an Irrevocable Letter of Credit, in the amount of the \$5, 000.00 will be required and is due upon execution of the lease agreement.

**6. FINANCIAL OFFER**

The Proposer, in consideration for the non-exclusive permission to manage and operate the nine hole golf course at the London International Airport, proposes to pay unto London International Airport, consideration as follows:

- (1) An annual Lease payments for the periods and in the amounts listed below, and \_\_\_% of the gross revenue as defined as gross revenue minus all applicable taxes.

For the first five years of lease, April 1, 2012 to March 31, 2017:

Annual lease payments of: \$ [redacted] payable in monthly instalments of \$ [redacted] and additional \_\_\_% of the gross revenue;

For the following five year period, April 1, 2017 to March 31, 2022:

Annual lease payments of: \$ [redacted] payable in monthly instalments of \$ [redacted] and additional \_\_\_% of the gross revenue;

**7. Attached Documents**

Submitted with the Proposal forms should be detailed information that outlines all of the criteria in Part IV of this RFP.



## 8. NOTICE

- (1) Any notice required to be given to the Proposer shall be sufficiently given if personally served:
  - (i) on the Proposer; or
  - (ii) if the Proposer is a corporation, then at its Head Office or principal place of business;
  
- (2) Any notice required to be given to the Airport Authority shall be sufficiently given if personally served on or forwarded by registered mail or priority post, addressed to:

Gerry Vanderhoek  
Manager Commercial Services  
London International Airport  
1750 Crumlin Road  
London, ON  
N5V 3B6  
[gvanderhoek@londonairport.on.ca](mailto:gvanderhoek@londonairport.on.ca)  
Ph: (519) 452-4018  
Fax: (519) 453-6219
  
- (3) Any and every notice mentioned in subsection (1) and (2) of this section, if forwarded by mail, whenever mailed shall be deemed to be given on the date on which the same is, in fact, delivered or on the fifth business day next following the date on which it is mailed, whichever is the earlier.



Please attach a signed copy of the RFP and include it with you submission of this proposal.

**PER:**

\_\_\_\_\_

(Name of Duly Authorized Official and Title)

**SIGNATURE:**

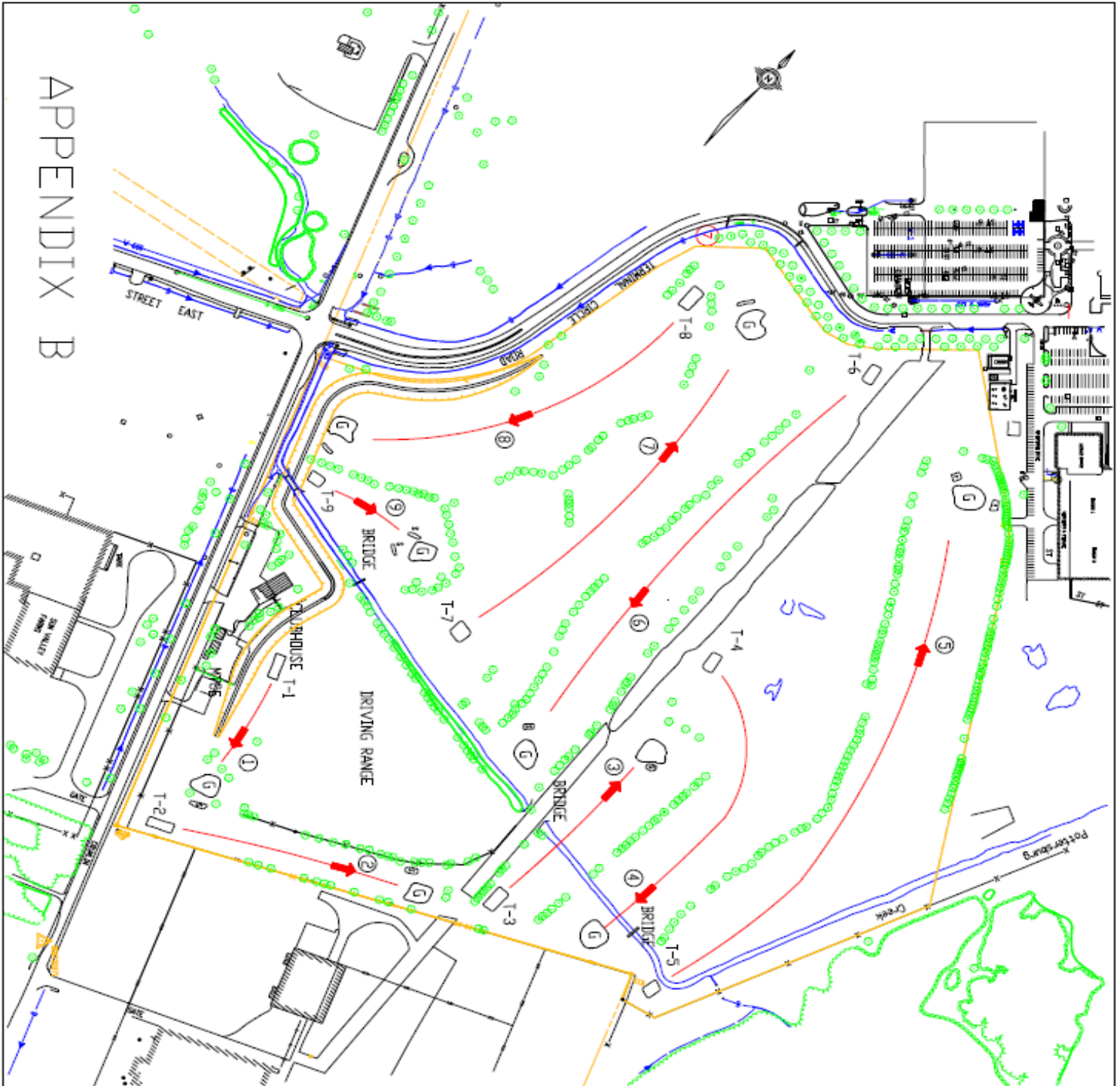
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**WITNESS:**

\_\_\_\_\_



# Appendix B



Details of the drawing:

Tee blocks are represented by the numbers T-1 thru T-9

Greens are represented by the encircled - G

Each hole is numbered and the numbers are located by the red arrows

# Appendix C

