



**CITY OF MANCHESTER**  
**Economic Development Office**



**REQUEST FOR PROPOSALS**

**CONVENTION FACILITY EXPANSION**  
**FEASIBILITY STUDY AND**  
**MARKET ANALYSIS**

Request Issued: July 30, 2007  
Proposals Due: 3:00 PM (EST) September 14, 2007

## **Section 1 - General Information**

### **1.1 - Background**

The Manchester Economic Development Office (MEDO) is seeking a consultant or firm to conduct a comprehensive feasibility study and market analysis of new or expanded convention facilities in the City. Development of new hotel/convention facilities is one of the strategic recommendations identified in the *Global Economic Development Strategy* prepared for the City of Manchester by Angelou Economics in 2006 and in the *Downtown Strategic Development Plan* prepared by Hillier Architecture, also in 2006. In addition, the development of new convention facilities is one of four strategic priorities recently adopted by the Greater Manchester Chamber of Commerce. To address these recommendations and goals, MEDO obtained funding to undertake the feasibility study that is the subject of this request for proposals.

This study will be funded in part with US Department of Commerce Economic Development Agency (EDA) funds as well as City of Manchester matching funds. MEDO will establish a seven to ten member Study Committee to assist in proposal review and consultant selection, and to help guide development of the study as it progresses. The Committee will consist of business leaders, MEDO Staff, and professionals associated with the tourism and hospitality industries.

### **1.2 - Purpose**

The purpose of this study is to analyze existing convention, meeting and hotel space in Manchester and surrounding communities alongside market and industry trends and other factors to determine whether new or expanded facilities are feasible, and if so, the appropriate size and location of such facilities along with any necessary support facilities. The study should also provide estimates of capital and operating costs and potential revenues. Previous economic development studies may be used for reference; however, MEDO seeks a comprehensive analysis and recommendations reflective of current facts and conditions, as well as future planning considerations with respect to the project.

### **1.3 - Key Events and Dates**

Event	Date
Issuance of RFP	30 July 2007
Deadline for RFP Questions:	31 August 2007 (3:00 PM, EST)
Proposal Due Date:	14 September 2007 (3:00 PM, EST)
Tentative Interviews:	Week of September 24, 2007
Notice of Award:	Mid October 2007
Completion Date for Project	Not Later than April 11, 2008

## **Section 2 - Scope of Services**

### **Task 2.1 - Project Orientation, Initial Fieldwork**

As part of the project orientation, the consultant will meet with the MEDO staff and the Steering Committee to confirm goals of the study and other contextual issues related to the project. The consultant will also:

- Obtain general background information and data from MEDO and other appropriate sources.
- Tour downtown, the airport and other key areas of the city.
- Interview stakeholders, and meet with the local officials, community leaders, and others as appropriate.
- Perform other fieldwork as necessary.
- Gather and analyze information related to existing convention, meeting and function space along with support facilities including hotel accommodations.
- Review available economic, demographic, and financial studies for the downtown area and other relevant areas.
- Analyze previous reports that have been prepared regarding community master plans or planned facilities.

### **Task 2.2 - Economic, Demographic, and Destination Market Analysis**

The consultant will evaluate the economic and demographic aspects of Manchester and the city's position as a destination for group visitors. These may include business travelers, leisure and sports visitors, concert-goers, and those coming to the area for meetings, events, and conventions. The consultant will also summarize key demand generator trends and comment on the overall growth prospects for the market. This analysis will provide a realistic assessment of the area's strengths, weaknesses, opportunities and threats. Among the data gathered and analyzed will be:

- Geographic attributes, accessibility, and transportation links.
- Trends in population growth and income.
- Major employers and any significant future changes.
- Analysis of business and commercial development that may affect the performance of convention and hotel related activity.
- Cores of economic activity.
- Retail destinations.
- Profile of public assembly and other meeting facilities.
- Arts, culture, and entertainment assets and activity.
- History and expected future trends for tourism.
- General real estate trends, with special emphasis on hotels and major demand generators.

The analysis will provide implications for future development of public assembly facilities, such as those proposed.

### **Task 2.3 - Meeting Industry Trends**

In this task, the consultant will profile the meetings and convention industry and discuss changes and trends affecting existing and proposed convention facilities. For this task, the consultant will provide the following:

- **Industry definitions.** The consultant will present a description of event and facility types and illustrate the multifaceted nature of the industry. The definitions will profile the market from the smallest to largest facility type, and facility quality levels from low quality to high quality. The consultant will also profile event types, including, but not limited to fairs, trade shows, consumer shows, association-based events, and conventions.
- **Industry growth.** The consultant will profile growth in both the supply of convention space as the well as the demand for such space and discuss implications for future demand in the area.
- **Trends.** The consultant will discuss the trends in the convention industry, show location choice and other matters with implications for the proposed convention/convention center.
- **Analysis.** Explain how industry data from sources such as the Center for Exhibition Industry Research (CEIR) will be analyzed to account for a more conservative industry outlook.

### **Task 2.4 - Review of Existing Meeting Facilities and Lost Business**

In this task, the consultant will conduct a review of existing facilities in Manchester, their performance and implications for a new convention center. The consultant will also review:

- **Current and past business.** An analysis will be conducted of the market's current bookings and future business to understand trends in market absorption, maximum practical capacity and unaccommodated business.
- **Lost business reports.** Review will be provided of lost potential business and the reasons behind the lost business, such as lack of available dates, lack of space or other items that may indicate the need for a new facility. Lost business reports may indicate other deficiencies either in the destination and support facilities (such as hotels).

### **Task 2.5 - Analysis of Comparable and Competitive Facilities**

In this task, the consultant will analyze the facilities that serve the meetings and event market in the region. Included in the analysis:

- Detail on the existing offerings in the market and their suitability for meetings, conventions, trainings and conventions in the region.
- Identify gaps in the market and discern whether new or expanded facilities would fill these gaps or merely serve to duplicate existing space or provide additional unneeded facilities.
- Identify peer markets. The focus should be on similarly-situated communities that have recently opened or expanded convention facilities.
- Interview managers of existing facilities to collect additional information on facility trends, and development of case study data about these facilities.
- Summary of meetings venues in the market and region, including review of potential developments.

- Review tourism or destination marketing budget size and sufficiency, if applicable.
- Summarize the consultant's experience in comparable and competing markets, along with identification of what critical factors the City should address in order to continually be successful in the convention center market.

### **Task 2.6 - Recommendations**

In this task, the consultant will analyze specific information that will allow it to determine what convention product the market will be able to absorb, if any, over the next five to ten years. Understanding the competitive market, the consultant will make recommendations regarding significant facets of any recommended facility, including:

- Location.
- Number, size, quality and type of function rooms (exhibit halls, ballrooms, breakout meeting rooms, board rooms, amphitheatre/lecture halls, special event rooms or spaces, and others as appropriate), based on optimal event footprints.
- Number, size and quality of food and beverage outlets, and other amenities.
- Pricing for facility rental.
- Phasing for future expansions.
- Describe in detail how you arrived at Market Capture Rate.

The consultant will also include recommendations in this task related to marketing and operational approaches to maximize event and revenue activity. This should include a discussion of public and private management of convention center activities.

### **Task 2.7 - Demand Projection**

Based on the facility improvements recommended and market penetration analysis, the consultant will forecast market demand by market segment/type of event for the proposed facility for a ten year period. The consultant will also develop demand projections addressing the number of events, number of event days, number of attendees, and the amount of space to be utilized for the following types of events:

- Conventions
- Trade shows
- Local expositions
- Conventions/corporate meetings
- Assembly events
- Public/consumer shows/local events
- Banquets
- Meetings

The demand projections will also categorize events and attendance by origin (local, regional, national) and segment (such as association, corporate, and others). The consultant will also:

- Analyze the expected seasonality of demand for the various types of attendees and segments, based on experience in comparable markets and facilities as well as industry research.
- Estimate the number of hotel room nights that will result from the facility for its first ten years of operation.

## **Task 2.8 - Hotel Market Analysis**

**A. Market Overview:** The consultant will analyze the local hotel supply to determine the need and potential demand for additional hotel facilities to support any convention facility expansion recommendations. The analysis will include:

- Overview of US lodging industry performance and trends.
- Profile of the local and regional lodging market, including number, size and quality of hotels and performance trends.
- Additions to supply in and around Manchester and relevant surrounding areas.
- Character of supply.
- Existing hotel occupancy, monthly room night demand, average daily rate (ADR), and Revenue per Available Room (RevPAR),
- Performance by year and month.
- Demand segmentation and diversification efforts.
- Meeting and function space availability within hotels.
- Seasonality.
- Unaccommodated demand.
- Demand type/market mix.

**B. Comparable Hotel Developments/Case Studies:** In this task, the consultant will review the various convention hotels developed in the U.S. in the last several years as well as discuss those under construction or in development. The consultant will focus on those in markets with similar characteristics. The consultant will consider:

- Location
- Size
- Year Built
- Cost
- Financing
- Flag
- Performance
- Impact on Convention Sales
- Critical Factors to Success or Failure
- Others, as appropriate.

These will be profiled and implications for any new or expanded convention facilities proposed will be assessed.

- C. Recommended Hotel Products:** In this task, the consultant will analyze specific information that will allow it to determine what hotel product the market will be able to absorb, if any, and which would be most appropriate to support any proposed convention facility expansion recommendations. The consultant will also analyze and discuss potential sites as well as suggest timing.

Understanding the competitive hotel market, the consultant will make recommendations regarding significant facets of any recommended hotels, including:

- Number and type of sleeping rooms,
- Amount, size and quality of meeting, ballroom and other function spaces,
- Number, size and quality of food and beverage outlets,
- Services and amenities.

### **Task 2.9 - Site issues**

The consultant should evaluate potential sites with regard to proximity to other hotels and to demand generators such as existing and proposed convention facilities, cultural attractions, office buildings, restaurants and sports amenities.

When considering sites, the consultant will consider:

- Access and visibility,
- Site size and ability,
- Adjacent buildings and uses,
- Walk-ability and proximity to other demand generators,
- Proximity to other hotels.

### **Task 2.10 - Financial Projection**

Based on the projection of demand and applying a number of assumptions regarding facility rental rates and other factors, the consultant will prepare a financial projection, which includes the following:

- Estimated revenues for ten years of operations. Expenses directly related to the facility will also be projected for the period. The demand profile, experience with other similar facilities, and data from the existing facilities will be used to model the operating revenues and costs of the facility and will be incorporated into the business plan. The model will generate a pro-forma operating statement that includes the revenue and expense items, including the following:
- Revenues: space and equipment rentals, reimbursed expenses, catering, sponsorships and advertising, telecommunications, audio/visual, decorating, electrical, and other income,
- Direct operating expenses: wages and salaries, contract services, utilities, maintenance and repair, supplies and other expenses,
- Unallocated expenses: administrative salaries, employee benefits, advertising and promotion, general and administrative, professional services, insurance, maintenance reserves, and other expenses.

One-time and recurring revenue opportunities and expenses should be considered. The results will be presented with full discussion of assumptions and projections.

Provide a projection of the annual surplus or subsidy needed for each of the ten years in the period.

### **Task 2.11 - Preliminary Development Cost Estimate**

In this task, the consultant will analyze development costs for similar convention center developments, review the recommended facility components, review construction cost data for current materials, and make projections for the total development cost for the facility, including:

- Land acquisition costs, if any
- Infrastructure and land preparation costs
- Hard construction costs
- Furniture, fixtures and equipment costs
- Soft costs

The study will be relied on by MEDO in connection with the financing of any new convention facilities or facility expansions proposed.

## **Section 3 - Required Proposal Content**

### **3.1 - General Requirements**

Following is a list of the information required to be provided by the proposer. A proposal that does not provide all of the information requested below may be subject to rejection. Provide the information in the same order in which it is requested. Your proposal must contain sufficient information to assure MEDO of its accuracy, however, proposers are requested to keep their submissions to the shortest length possible consistent with addressing each information request completely.

All proposals must contain a complete description of the approach to be taken by the consultant team to the proposed project, and discussion of any salient issues or concerns that must be addressed in the study. In addition, proposals must include the following:

- A. Name, address, telephone number, email address and website of the firm (lead) submitting the proposal.
- B. Names, contact information and qualifications of individuals employed by the firm who will participate in the conduct of the study and their individual responsibilities.
- C. The name of one or more individuals authorized to represent the consultant in its dealings with MEDO.
- D. Names, contact information and qualifications of any professional firms other than the lead firm, or individuals other than those employed by the lead firm and not listed in (B) above who will be a part of the consulting team.
- E. Detailed information on qualifications and past experience of the firms and individuals who will participate in the conduct of the study including experience and past performance on similar projects, professional staff, and number of years in business, and proposed and current contract obligations.

- F. A cost proposal based upon a maximum fee broken down separately for each of the tasks listed under the Scope of Services, indicating the individuals responsible for each, the projected number of hours of work, and the appropriate hourly rate of each. The cost proposal should include an estimate of any and all additional expenses anticipated.
- G. Names and addresses of at least three references including contact name for which the lead firm has performed the same or similar services within the last three to five years.

### **3.2 - Professional Liability Insurance**

The Market Analysis firm shall maintain professional liability insurance, commercial general liability and workers compensation and State of New Hampshire disability benefit insurance. The policy (policies) shall contain an endorsement entitling MEDO to not less than 60 days' prior written notice of any material change, non-renewal or cancellation of such policy (policies). A copy of the policy (policies) or a certificate(s) satisfactory to MEDO shall be delivered to the MEDO prior to the commencement of work. The adequacy of the insurance shall be subject to the approval of the MEDO. Failure to maintain insurance in accordance with this paragraph may be cause for immediate termination of this agreement by MEDO.

### **3.3 - Final Product**

City Charter requires an electronic copy of all contractual studies related to this topic.

## **Section 4 - Submission of Proposals**

### **4.1 - Submission of Proposals**

Ten (10) print copies of the proposal and one electronic version on CD-ROM must be submitted on or before 3:00 p.m. EST on Friday, September 14, 2007 in a sealed package addressed to:

Manchester Economic Development Office  
Attn: Glen Ohlund, Development Coordinator  
One City Hall Plaza  
Manchester, NH 03101

No faxed or emailed proposals will be accepted. Proposals received by MEDO after the proposal date and time will be rejected and returned to the proposer.

### **4.2 - Proposal Inquiries**

All inquiries regarding this RFP should be addressed in writing to the following designated staff person:

Glen Ohlund, Development Coordinator  
Manchester Economic Development Office  
One City Hall Plaza  
Manchester, NH 03101  
By facsimile 603-624-6308 or [gohlund@manchesternh.gov](mailto:gohlund@manchesternh.gov)

All questions must be submitted in writing (via electronic format or mail) to the Development Coordinator by Friday, 31 August 2007 (3:00 PM, EST)

Respondents should note that all clarifications and exceptions are to be resolved prior to the submission of a proposal. Answers to all questions of a substantive nature will be given to all recipients of this RFP in the form of a formal addendum. Questions should cite the specific section and paragraph of the RFP.

#### **4.3 - Withdrawal**

A respondent may withdraw a proposal anytime prior to the final due date and time by written notification signed by an authorized agent, to the contact person identified above. The proposal may thereafter be resubmitted, but not after the final due date and time. Modifications offered in any other manner, oral or written, will not be considered. MEDO will not be liable for any costs incurred by a respondent in the preparation and production of a proposal and/or an interview.

If within twenty-four hours after the proposal due date, any proposer that files a duly signed written notice with MEDO and promptly thereafter demonstrates to the reasonable satisfaction of MEDO that there was a material and substantial mistake in the preparation of its proposal, the respondent may withdraw its proposal. Thereafter, the respondent will be disqualified from making a further or additional proposal on the work contemplated by this RFP.

#### **4.4 - Conflicts, Errors & Ambiguities**

If a respondent discovers an ambiguity, conflict, discrepancy, omission or other error in this RFP, the respondent should immediately notify the contact person identified in Section 4.1.A above. Notice of such error or omission should be submitted prior to the final due date and time for submission of proposals. Modifications shall be made by addenda to this RFP. Such clarifications will be given by written notice to all parties who have received this RFP.

#### **4.5 - EEO Statement**

A copy of the respondent's Equal Employment Opportunity ("EEO") policy statement shall be included with the Proposal response.

#### **4.6 - MEDO Requirements, Rights and Prerogatives**

- A. By submitting a proposal, the respondent covenants that the respondent will not make any claims for or have any right to damages because of any misinterpretation or misunderstanding of the specifications or because of lack of information.
- B. MEDO shall not be obligated for any cost incurred by the respondent in proposal preparation or in activities related to the review of this RFP or any interview costs.
- C. Other than the contact person identified in Section 4.1.A above, or their designee(s), prospective respondent shall not approach MEDO employees during the period of this RFP process about any matters related to this RFP or any proposals submitted pursuant thereto.

- D. A respondent indicates its acceptance of the provisions and conditions enumerated in this RFP by submitting a proposal.
- E. MEDO reserves the right to exercise the following prerogatives:
1. To accept or reject any or all proposals and amend, modify or withdraw this RFP.
  2. To correct any arithmetic errors in the proposals.
  3. To change the final due date and time for proposals.
  4. To accept or reject any of the firm's employees assigned to provide services on this project and to require their replacement at any time.
  5. To waive or modify any irregularities in proposals received after prior notification to the respondent. This will in no way modify the RFP documents or excuse the respondent from full compliance with its requirements.
  6. To consider modifications to proposals at any time before the award is made, if such action is in the best interest of MEDO.
  7. To interview firms or consultants prior to selection.
  8. To reject any proposal containing false or misleading statements or, that provides references that do not support an attribute or condition claimed by the respondent.
  9. To accept a proposal for the engagement other than the lowest fee proposal.
  10. To negotiate an acceptable fee structure with any responsive proposer.
  11. The records and reports of MEDO are subject to New Hampshire State Law regarding Public Right to Know Law under CHAPTER 91-A "ACCESS TO PUBLIC RECORDS AND MEETINGS"

## **Section 5 - Evaluation of Proposals**

The selection process will begin with the review and evaluation of each of the written proposals. The purpose of this evaluation process is twofold: (1) to examine the responses for compliance with this RFP; (2) to identify the complying firms that have the highest probability of satisfactorily performing the scope of services. The evaluation process will be conducted in a comprehensive and impartial manner. The evaluation will be conducted as set forth herein.

### **5.1 - Preliminary Review**

All proposals will be reviewed to determine if they contain all required submittals specified in this RFP. Incomplete proposals may be rejected.

### **5.2 - Evaluation**

Proposals will undergo an evaluation process conducted by MEDO and the Steering Committee selected by MEDO. The Committee will evaluate the proposals based upon the criteria for selection set forth below.

### **5.3 - Criteria for Selection**

MEDO desires to employ a firm with an established track record of conducting convention center facility feasibility studies and working with municipal government. Proposals will be reviewed and evaluated on the ability of responders to meet or exceed the requirements set forth in the specifications as determined by MEDO and the Steering Committee. Proposals will be evaluated on various criteria including, but not limited, to the following:

- A. The breadth and depth of the firm's experience in conducting similar feasibility assignments.
- B. Quality of past work.
- C. Qualifications of the team assigned to work on this project including documented performance in similar projects.
- D. The quality and clarity of the proposal and presentation materials as well as the ability of the team to effectively communicate its proposal.
- E. Total cost as well as the cost effectiveness of the proposal and the ability of the consultant to focus the study in a way that will maximize the funds allocated for this study.
- F. Ability and capacity of the respondent to complete the project within budget and required timeline.
- G. The character, integrity, reputation, judgment, experience, location and efficiency of the respondent.

### **5.4 - Interviews**

MEDO reserves the right to determine whether interviews will be necessary. The purpose of any interview would be to further evaluate the proposer's ability to provide the required services, and to impart to the Committee an understanding of how specific services would be furnished.

## **Section 6 - Contractual Requirements**

### **6.1 - Contract**

- A. This RFP, the selected firm's proposal, and the resulting engagement letter shall constitute the contract unless otherwise noted.
- B. MEDO may negotiate contract terms and conditions to meet MEDO program requirements consistent with the RFP.
- C. Award of a contract is subject to negotiation and appropriate MEDO approvals.
- D. Modification of Contract:
  - 1. Any modification to the original contract signed between the successful proposer and MEDO will require the mutual consent of the successful proposer and MEDO.

2. Any contract or amendments thereto will be considered effective only after appropriate MEDO approvals.
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- E. **Termination of Contract:** The contract may be terminated by MEDO upon thirty days written notice for any reason, or immediately for cause. In the event of such termination, the successful proposer will be entitled to reasonable compensation for acceptable services performed through the date of termination. Furthermore, MEDO reserves the right to terminate this contract in the event it is found that any declaration by the proposer was intentionally false or intentionally incomplete. Upon such a finding, MEDO may exercise its termination right providing written notification to the proposer in accordance with the written notification terms of this RFP and the contract.
  - F. **Interpretation:** The contract shall be construed and interpreted in accordance with the laws of the State of New Hampshire. The State New Hampshire shall be the forum for disputes.
  - G. **Duration:** The term of the contract is disclosed in this RFP.
  - H. **Public Announcements:** Upon selection of the successful respondent and contract execution, public announcements or news releases pertaining to the contract shall not be made without prior written consent of MEDO.