



METROPOLITAN PIER AND EXPOSITION AUTHORITY

REQUEST FOR PROPOSALS #2020-12-M
HOTEL ASSET MANAGEMENT

ADDENDUM NO. (1)

October 6, 2020

This Addendum No. 1 consists of three (3) pages and has the following information to be incorporated into the Request for Proposals (RFP). Proposers must acknowledge receipt of this Addendum No. 1 in their RFP submittal in Required Form A, Form of Transmittal Letter.

Item #1: Proposers’ questions and/or requests and the MPEA’s responses are provided below.

Proposers’ Question:	MPEA’s Response:
<p>Can you please provide the following to better understand and evaluate the opportunity for each hotel. We can sign an NDA.</p> <ul style="list-style-type: none"> ○ Copy of Hotel Management Agreements ○ Copy of applicable bond indenture(s) ○ Copy of applicable labor agreements ○ Sample Hotel monthly financial/reporting package and contractor report for December 2020 and most current month of 2020 ○ 2020 Marketing & Business Plans submissions ○ Operator’s latest annual capital plan submissions with supporting details ○ Latest 3-year financial plan projections and long-range budget <p>Related Question(s) If there are Collective Bargaining Agreements, will we be provided copies prior to the submission of the proposal?</p>	<p>The Authority is providing the management agreements and the 3-year financial plan submitted to the State in May 2020. The Authority’s 3-year financial plans are available on the Authority’s website at www.mpea.com/finance.</p> <p>The Authority does not have any hotel revenue bonds outstanding.</p> <p>Current contract and amendments posted as separate PDF files.</p> <p>CBAs will not be provided prior to proposal submission.</p>
<p>Is there the ability to complete a physical tour and meet on property with executive teams for 2 hours prior to proposal submission deadline of October 26th?</p> <p>Related Question(s) Will there be an opportunity to meet with the current management team before the proposals are submitted?</p> <p>Will there be an in-person or virtual pre-submittal conference for this RFP? If so, can you please tell me when?</p> <p>Will there be an opportunity to meet with the brand teams before the proposals are submitted?</p>	<p>In light of the COVID-19 pandemic, the Authority is not doing tours and will not allow any meetings with executive teams prior to the submission of the RFP.</p> <p>The MPEA RFP evaluation committee will host calls with shortlisted proposers.</p>
<p>What is the current amount of work subcontracted from the current engagement to WBE and MBE companies?</p>	<p>25% MBE and 5% WBE.</p>

<p>Is a certification from the Women’s Business Enterprise National Council (WBENC) a recognized agency to certify WBE? It is not listed on your required Form B item 5 but referenced in your required form I, section III.</p>	<p>Yes.</p>
<p>Could a higher percentage of WBE compensate for a lower percentage of MBE, presuming good faith efforts to fulfill the process is completed?</p>	<p>Yes. Proposers must target meeting a minimum of 30% combined MBE and WBE participation. Presuming a show of good faith efforts, proposer may ask for a waiver if its plan falls below the 25% MBE and 5% WBE goals.</p>
<p>What are the Authority’s stated mission, goals and objectives of the hotels? Is it to maximize profitability? To maximize economic impact to the city/county? Other? Please provide details.</p>	<p>Financially, the objectives of the hotels are to help the Authority become a self-sufficient entity after accounting for the losses provided by McCormick Place, which will reduce MPEA’s need for public funds. Operationally, the collective capacity of the two hotels is designed to attract mid-tier shows which will increase the utilization rate of McCormick Place.</p>
<p>Understanding that one or both of the hotel HMAs may expire during the term of the Hotel Asset Manager engagement, do you want us to incorporate a new manager selection and contract negotiation as part of the proposed scope and fees?</p>	<p>The proposer should assume the Authority will undertake a process to identify the best managers for its hotels at the end of the term of each management contract.</p>
<p>Regarding the MPEA Form of Agreement, will you accept “gross negligence” instead of the simple negligence standard regarding Consultant indemnification of Authority?</p>	<p>No.</p>
<p>In relation to RFP requirements ‘C’: Our team is asset manager of four hotels, with one of similar size. However, our team member has been a GM of a convention center hotel and COO for many convention center hotels. Is this experience sufficient in meeting the submission requirement of ‘C’?</p>	<p>Please provide details of your proposed team members and related experience in the RFP submission.</p>
<p>What is the current monthly contract amount for Asset Management Services?</p>	<p>\$22,000 for both hotels</p>
<p>Will there be a revised budget for 2020 and a three-year pro forma for McCormick Place due to the changes in the marketplace?</p>	<p>The Authority plans to submit a modified financial plan to the State of Illinois in the future but we are still formulating the revisions. The monthly operating performance of the hotels is available on the Authority’s website at www.mpea.com/board.</p>
<p>With regards to brand support, are there special negotiated agreements for off-property support from the brand marketing team?</p>	<p>No. MPEA only has one contract with each of the brands.</p>

Have there been any recent Asset Management plans, including a marketing/business plan with SWOT analysis, for each property? If so, will we have access to these plans?	The asset manager will have access to this information when hired.
Are there additional details for the five-year capital plan for our review?	The plan is under adjustment due to the impact of the COVID-19 pandemic.
Would Ownership be open to repositioning the asset to capture new revenue opportunities? If so, have there been any recent considerations and would we have access to those plans?	If your firm has general ideas on how to help conference center hotels generate new revenues, the Authority would be happy to listen and consider. We will not share any of the Authority's current internal plans regarding these opportunities.
Have studies been performed to re-engineer the staffing plan for the hotel? If so, would we have access to such studies?	Staffing information will not be discussed until a manager is under contract.
Is there a recent booking pace available for McCormick Place? Where could we obtain copies?	Booking and pace reports are confidential and cannot be shared in this process.
We understand that McCormick Place was used as a temporary hospital to treat overflow patients during the pandemic. Were the Hotels' rooms or their facilities utilized to house patients?	Patients were not housed in the Hyatt or the Marriott.
For the submitted staffing plan of the Proposer, is there flexibility in the key personnel, or would approval be needed for changes?	Approval process includes MPEA interviews prior to any changes in key personnel.
Will MPEA be issuing a list of vendors who are document holders of this RFP?	See below/attached.
Could you provide a breakdown of the evaluation criteria and scoring methodology?	Please review the evaluation criteria listed in the RFP and the evaluation and award process – see pages 13 and 14.