



Request for Proposal
Management and Maintenance of Ledges Golf Club
Consultant Recommendations

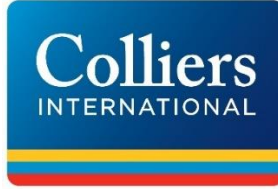
Prepared For:
South Hadley Selectboard
South Hadley, Massachusetts

Prepared By:



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June 5, 2018



June 5, 2018

Town of South Hadley

Attention – Selectboard

116 Main Street, #109

South Hadley, MA 01075

Dear Selectboard Members:

On behalf of Colliers Golf Course Advisory Services (CGCAS) we would like to thank the Selectboard for allowing CGCAS the opportunity to facilitate the Request for Proposal process for the Management and Maintenance of Ledges Golf Club.

Enclosed within please find an overview of the RFP Process, the steps taken to secure the highest quality bids from successful and established firms, a summation of the Evaluation Committee who reviewed the bids and concluding with our recommendation of a singular firm to be the stewards of Ledges Golf Course for the coming years.

Thank you again for the opportunity to participate in this process. We look forward to the opportunity to consult on behalf of the Town of South Hadley again in the future.

Sincerely,

Allen DePuy

Vice President – Colliers Golf Course Advisory Services

BACKGROUND – LEDGES GOLF COURSE

Ledges Golf Club, designed by Howard Maurer and Associates, opened in August of 2001 with wonderful views of the Pioneer Valley and the surrounding mountain range. Playing at 6,500 yards, the course offers exceptional course conditioning, winding through natural wetlands, mature forests and historic farmland for players of all abilities. This exceptional asset and recreational amenity for the Town of South Hadley is completed with a beautiful and functional 4,400 (+/-) clubhouse that features a golf shop carrying the latest golf merchandise as well as the Valley View Restaurant at The Ledges. Where residents and golfers alike can enjoy casual fare and an open air covered deck.

The property has been managed by the Town of South Hadley, except for a brief time in its early years, while contractually outsourcing the golf course maintenance and all related equipment. At present these services are outsourced through International Golf Maintenance (IGM) of Championsgate, Florida. The course is serviced through an irrigation system operating on three pumps (70HP, 40HP and 10HP) that draw water from the nearby Connecticut River to a holding pond. The course has municipal water and sewer connections for the clubhouse and maintenance building. The property is also serviced by a 6,500 (+/-) square foot grounds maintenance building which houses the golf course maintenance equipment as well as an additional separate 2,750 (+/-) 4 square foot golf cart storage building adjacent the clubhouse.

The golf course was constructed with a municipal general obligation bond. This 30-year bond has a repayment schedule that requires an annual payment of approximately \$320,000 per year and has approximately ten (10) years remaining.

Prolonged operating losses of approximately \$452,484 over the last five years despite revenue growing 28.6% since 2012 has led to a growing sentiment within the community to consider other options for the property. The Town would like to eliminate operating losses, offset annual costs of the bond payment and minimize or remove itself from daily operations of the golf course. Town's Bond Counsel has advised that because of the tax-exempt status of the general municipal bond and the significant balance still outstanding for the term, a lease arrangement is not possible. As a result, the Town is pursuing a contract for management and maintenance of the course that satisfies the safe harbor conditions of the Internal Revenue Service Revenue Procedures 2017-13 and in accordance with Massachusetts General Laws Chapter 30B at this time.

THE REQUEST FOR PROPOSAL (RFP) DEVELOPMENT PROCESS

The development of the RFP proved challenging with the municipal general obligation bond requirements as well as compliance with IRS Rev. Proc 2017-13 dictating ultimately how the bid could be generated.

Specific methods that Proposers would be able to utilize, as noted in the RFP include:

- **Capitation Fee:** A fixed periodic amount for each person for whom the vendor assumes the responsibility to provide all needed services for a specified period so long as the quantity and type of services actually provided to such persons varies substantially. A fixed periodic amount may include an automatic increase according to a specified, objective, external standard that is not linked to the output or efficiency of the Golf Course.
- **Periodic Fixed Fee:** A stated dollar amount for services rendered for a specified period of time. For example, a stated dollar amount per month is a periodic fixed fee. The stated dollar amount

may automatically increase according to a specified, objective external standard that is not linked to the output or efficiency of the Golf Course.

- Per-Unit Fee: A fee based on a unit of service provided specified in the contract or otherwise specifically determined the Town. For example, a stated dollar amount for each round of golf played, or a stated dollar amount per non-golf event held are Per-Unit fees.
- Incentives: Compensation based on standards that measure the quality of services provided, performance, or productivity.

Although it would have been desired that the RFP be a NNN lease or a concessionaire agreement, the above restrictions dictated the Request for Proposal be issued as a contractual management agreement. This determination was affirmed by independent counsel who specializes in the procurement process in the Commonwealth of Massachusetts.

THE RFP DISTRIBUTION AND MANAGEMENT

Utilizing CGCAS' wide network of email, social media, and personal contacts of golf industry professionals, we were able to directly place the RFP in the hands of key decision makers at some of the largest and most active professional golf management firms in the industry. While a number of these were New England firms, Ledges Golf Club received expressed interest from national golf companies' as far away as Nebraska, Texas and Florida. In total CGCAS on behalf of the Town of South Hadley (TOSH) distributed thirty-seven (37) RFP Bid Proposals.

Our Open House, although not mandatory did result in five firms, including one from Nebraska, visiting the property to learn more about the opportunity that exists in South Hadley. Additional questions were submitted by Proposers and answered to the best knowledge of CGCAS and TOSH staff.

Bid proposals were submitted on by Tuesday, May 1st in accordance with the RFP with two firms submitting proposals – Billy Casper Golf (BCG), based in Reston, Virginia and International Golf Maintenance (IGM) based in Championsgate, Florida. An Evaluation Committee was formulated on May 3, 2018 – Bruce Forcier, Rick Constant, Mark Dubois convened in Town Hall for the opening respective bids, with Allen DePuy of CGCAS, with Andy Rogers available to provide non-voting staff support.

The Evaluation Committee's – Evaluation Scorecard for each firm can be found in Schedule A.

SURVEY OF NON-BIDDERS

In addition to analyzing the respective bidders, CGCAS felt it was valuable information to understand why the other thirty-five (35) individuals and firms did not submit a bid. CGCAS conducted an email survey of those interested parties that received the Request for Proposal but did not initiate submitting a Bid Proposal. The survey is as follows:

We are asking potential bidders who did not respond to the RFP Management and Maintenance at Ledges Golf Course, South Hadley, MA as to the reason why they did not respond. This is a survey is to assist us in how we can improve our bidding process in the future.

Please email us back with your response to the following questions.

_____ *Not enough time to respond to the RFP.*

_____ *Not the business we were interested in providing.*

_____ *Not the geographical location we were interested in serving after further consideration.*

_____ *The bond requirements made structuring our proposal for the RFP too complicated.*

_____ *Our proposal would not meet the minimum criteria established in the RFP.*

_____ *Other* _____

From this we were able to ascertain feedback that may have diminished the quantity, but certainly not the quality of the Bidders. A sampling of the responses is below:

- *“We are on boarding two other clubs the same time and know that we would need to dedicate more time to the RFP to on board properly and be a success for the club. Thank you for considering us...we are honored that you considered us during the process”*
- *Not the geographical location we were interested in serving after further consideration. The bond requirements made structuring our proposal for the RFP too complicated – “not complicated, but excessive. Our group “would not consider obtaining equipment on a short term.”*
- *“To expensive to maintain in a declining market”*
- *“After further consideration due to the location we would not be able to service this club properly”*

The former was a point raised by multiple “smaller” firms that recently had taken on new ventures and did not wish to outgrow their respective infrastructures.

AN OVERVIEW – BILLY CASPER GOLF (BCG) VS. INTERNATIONAL GOLF MANAGEMENT (IGM)

The comparison between BCG and IGM presented an interesting quandary for the Evaluation Committee to consider. BCG is a highly recognized full service contractual management firm with over 150 golf courses nationwide, including 80+ municipal courses, under their umbrella. Conversely, IGM while themselves a large international contractual management firm in the specialized area of agronomic management – the firm has relatively few full-service contracts. IGM by contrast presented themselves as the local alternative with a wealth of experience in the market, through the strong local presence of Michael Fontaine, Golf Course Superintendent.

BILLY CASPER GOLF

As outlined on the Billy Casper Golf website - “Billy Casper Golf is one of the largest privately-owned golf course management companies in the U.S., with nearly 150 properties in 29 states. Headquartered in Reston, VA – with regional offices across America – BCG has more than 25 years of results-driven expertise. The company specializes in full-service course management as well as assistance in specific segments of the golf business, including: course and property maintenance, staffing and training, clubhouse operations, food and beverage, merchandising, golf instruction, marketing and public relations, special events and financial management.

BCG continues to evolve the golf experience through customized solutions and innovative programs like the annual World's Largest Golf Outing – a national golf fundraiser conceived by BCG Chairman and CEO, Peter Hill. The company recently launched its newest management solution, Billy Casper Signature, as a boutique division that specializes in country club, resort and private club management.”

An Overview of the Billy Casper Golf Proposal –

The strength of the Billy Casper Golf bid comes through the following:

- The professional manner in which the firm presents itself.
- The high-level customer service programs the firm promotes, and the TOSH could expect.
- the depth of marketing experience BCG brings to its partner clients.
- BCG's commitment to the environment through National Audubon designations.
- The depth of experience the firm brings to the project, as they currently operate 80+ municipal golf courses nationwide.

The committee did however express concerns over the “cookie-cutter” approach of the Billy Casper proposal, including a noted boiler plate language error on Page 29 of their Bid Proposal. That error incorrectly identified the name of the facility and the county the golf course is located. This raised concern amongst the Evaluation Committee to the genuine level of commitment to the people of the TOSH by the firm. The committee posed this supplemental question to Billy Casper Golf with the following response.

The BCG bid was very impressive and should be commended. However, in the section “Commitment to Community” (Page 29) it speaks of involvement within Sussex County, not Hampshire County. Assuming this was a mistake of boiler plate language, please offer comfort to the people of South Hadley that BCG will be committed to involvement within the community, and elaborate on how their team will specifically do it?

“Community Involvement is a priority at every BCG-operated golf course and will remain a priority if chosen to partner with the TOSH. BCG is adept at balancing the nuances of a publicly-owned amenity operated by the private sector. To this end, it is BCG Policy to always attempt to hire from the local market first; a clear and immediate benefit to South Hadley residents.

BCG would seek to quickly integrate ourselves in the local business community by joining the South Hadley & Granby Chamber of Commerce and supporting local charitable and community organizations. We would also search for unique ways to advertise/support community events, such as the Farmer's Market and Fall Fest.

Lastly, BCG will use events and programs proven successful at other managed facilities, to increase The Ledges' outreach to youth, women, minorities, and families in South Hadley.”

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Further the Committee asked for clarification on financial projections presented by Billy Casper.

To clarify, according to the Billy Casper Golf financial projections (Page 66) the EBITDA will decrease over the five-year term?

“BCG has conservatively budgeted moderate revenue growth for the initial five years of the Agreement. The decreasing negative EBITDA over the initial term is due to the increase in the minimum hourly wage per the Commonwealth of Massachusetts Statutes.”

This is important to understand which firm truly presents the greatest financial benefit to the Town of South Hadley. A complete analysis of their financial projections is found later in this document.

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Billy Casper Golf’s Fee Proposal –

Under the Billy Casper Golf Fee Proposal is the Respondent is seeking the following –

- Proposed Term:** Five (5) Years with a Five (5) Year renewal upon mutual consent.
- Structure:** BCG shall remain solely responsible for all obligations of the agreement and TOSH shall have full recourse to BCG for any liabilities caused by this entity. This entity will employ all the staff at the Course. This entity will be operated on a discrete basis and shall not commingle any assets or liabilities with any other BCG-managed property. Course-level financial statements will be prepared in the name of this single purpose entity.
- Course Operations:** BCG will operate the Course pursuant to an Annual Business Plan agreed to and approved by TOSH. All rates, fees, and expenses will be defined in advance as part of the budget process. BCG will not deviate from this plan without TOSH consent. All expenses of operating the Course will be the responsibility of the Course. All employees of the Course will be BCG employees, and will work exclusively for the benefit of the Course. All employee costs will be part of the operating expense of the Course.
- Management Fee:** BCG would earn a Base Monthly Management Fee of Seven Thousand Two Hundred Fifty Dollars (\$7,250) for the management and maintenance of the Course. The BCG Management Fee shall increase each Calendar Year by two percent (2%)
- Incentive Fee:** To be determined on achievement of agreed upon metrics and benchmarks. BCG recommends an incentive fee tied to the achievement of predetermined thresholds in operational profitability.
- Travel Expenses:** TOSH shall only be responsible for reasonable travel expenses of BCG corporate representatives. Such travel expense shall not exceed Three Thousand Dollars (\$3,000) per year.
- Procurement:** The course will have access to BCG’s national account purchase programs so that all materials and supplies pursuant to the approved annual budget may be purchased at lowest possible rates. BCG’s existing national account purchase programs including food, retail merchandise, course supplies, agronomic supplies, maintenance equipment, golf cars, property and casualty insurance among others.

Financial Reporting: Financial Statements will be prepared by BCG's in-house CPA's. BCG will furnish TOSH with balance sheets, income statements, cash flow statements, and bank reconciliations on a monthly basis. BCG can also supply TOSH additional reports during the month as may be requested.

Billy Casper Golf Financial Projections of Ledges Golf Club -

	<u>Historical</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
ROUNDS	29,500	29,872	30,122	30,375	30,630	30,630
REVENUE						
Green Fees	-	629,500	641,729	654,199	666,916	673,585
Cart Fees	-	250,675	255,301	260,015	264,820	267,468
Driving Range	-	26,250	26,734	27,228	27,731	28,009
Golf Shop Merchandise	-	44,808	45,635	46,017	46,868	46,868
Golf Operations	885,999	951,233	969,399	987,459	1,006,335	1,015,930
Food	-	213,540	217,480	219,304	223,356	223,356
Beverage	-	57,644	58,708	59,200	60,294	60,294
Food & Beverage	260,163	271,184	276,188	278,504	283,650	283,650
TOTAL REVENUE	1,146,162	1,222,417	1,245,587	1,265,963	1,289,985	1,299,580
EXPENSES						
COST OF SALES						
Golf Merchandise	-	29,125	29,663	29,911	30,464	30,464
Food & Soft Drinks	-	72,604	73,943	74,563	75,941	75,941
Alcohol	-	17,293	17,612	17,760	18,088	18,088
TOTAL COGS	-	119,022	121,218	122,234	124,493	124,493
LABOR						
Golf Operations	-	181,291	188,543	196,084	203,928	212,085
Course Maintenance	-	183,604	190,948	198,586	206,530	214,791
Food & Beverage	-	79,597	82,781	86,092	89,536	93,117
Total Direct Labor	-	444,492	462,272	480,762	499,994	519,993
Total Payroll Taxes	-	48,894	50,850	52,884	54,999	57,199
Total Medical / Health Benefits	-	17,928	18,645	19,391	20,167	20,973
Insurance - Worker Comp	-	11,112	11,557	12,019	12,500	13,000
TOTAL LABOR	-	522,426	543,324	565,056	587,660	611,165
Labor Percentage		42.7%	43.6%	44.6%	45.6%	47.0%
DEPARTMENTAL EXPENSES						
Golf Operations	927,993	30,410	30,714	31,021	31,331	31,645
General & Administrative	72,562	185,294	187,147	189,018	190,909	192,818
Course Maintenance	-	151,586	153,102	154,633	156,179	157,741
Food & Beverage	295,286	32,976	33,306	33,639	33,975	34,315
Sales & Marketing	-	21,475	21,690	21,907	22,126	22,347
Golf Cart Lease	-	56,000	56,000	56,000	56,000	56,000
Maintenance Equipment Lease	-	90,000	90,000	90,000	90,000	90,000
Insurance	-	13,200	13,332	13,465	13,600	13,736
TOTAL DEPARTMENTAL EXPENSES	1,295,841	580,941	585,291	589,683	594,120	598,602
TOTAL EXPENSES	1,295,841	1,222,389	1,249,833	1,276,973	1,306,273	1,334,260
EBITDA	(149,679)	28	(4,246)	(11,010)	(16,288)	(34,680)

The BCG projections are based on the following assumptions –

- BCG has assumed Golf Revenues and PAR at Historical Averages.
- BCG Suspects revenue projection is understated due to Golf Now Tee Time wholesaler agreement.
- BCG has budgeted \$1 per hour increase for all employees for each year through 2023
- BCG has budgeted for a full maintenance equipment lease.
- BCG maintenance budget reflects market appropriate maintenance standards, comprehensive fertilizer and chemical program.
- BCG has included the charges for utilities, phone, etc. in General & Administrative.
- BCG Management Fee is in General & Administrative.
- BCG maintenance budget assumes conditions similar to existing conditions.
- BCG has budgeted 2019 as a full 12-month year. Might be potential expense savings due to timing.

Understanding the Billy Casper Golf Bid Proposal

As noted earlier, the strength of the Billy Casper Golf bid comes through the pure size of the firm and their experience working with municipal clients (80+). The company offers a professional presentation of their credentials and there is little doubt they would do an acceptable job at Ledges Golf Club.

The strength and benefits of awarding Billy Casper Golf the Bid:

- BCG would manage the property through a single purpose entity to employ the staff and therefore mitigating the financial burden municipal employee benefits.
- CGCAS believe the financial projections by BCG are reasonable and includes a 13.4% increase in Total Gross Revenue from TOSH's \$1,146,162 to \$1,299,580 by Year Five.
- CGCAS has strong confidence that BCG will objectively operate the property in accordance industry widely accepted financial benchmarks. This is evident by way of example in their projected consolidated Food & Beverage Cost of Goods Sold percentage of 33.1%.
- The BCG bid also reflects a reduction in course maintenance expense from \$577,928 under the IGM Contract to an "adjusted" \$445,524 which is inclusive of a \$90,000 equipment lease.

The concerns of awarding Billy Casper Golf the Bid:

- The financial impact of awarding the contract to BCG.
 - Management Fee – The BCG Management fee of Eighty-Seven (\$87,000) annually will increase the operating shortfall at Ledges Golf Club, if they are unable to achieve improvements to the operating performance of the property.
 - The BCG Management Fee shall increase each calendar year by two percent (2%).
 - The proposed incentive fee on achievement of agreed upon metrics and benchmarks. BCG recommends an incentive fee tied to the achievement of predetermined thresholds in operational profitability. Per opinion of council this is not permissible under the safe harbor conditions of the IRS Revenue Procedures 2017-13. However, an incentive could be negotiated at time of contract discussion.
 - Proposed Five (5) year term with an additional Five (5) renewal may not be permissible.
 - BCG's financial projections (stated by the firm to be conservative and due to a rise in Mass. minimum wage) projects a decline in profitability over the term of their agreement
- BCG commitment to TOSH concerning the mistake regarding the location of the club. As stated one Evaluation Committee member – "this is simply another contract for a firm of this size".

INTERNATIONAL GOLF MAINTENANCE

As outlined on the IGM website - "International Golf Maintenance (IGM) is a full-service golf course maintenance company, overseeing day-to-day agronomic operations within their maintenance budgets. As an outsourced service, we often hire and then train existing maintenance employees to our standards. This unique partnership gives golf course operators a new freedom to focus on running their golf courses to full potential – and have complete confidence in course conditions and customer satisfaction."

In addition, IGM highlights the operating history of the "President and Chief Executive Officer, Ron Jackson, of Meadowbrook Golf, which includes IGM, who has owned or managed 68 golf properties throughout the U.S. He takes pride in the company's ability to improve player experience and property economics for clients, as well as opening a number of golf courses. Prior to joining Meadowbrook, Ron held the top executive position for major players in the international hospitality industry, and he has given many presentations on synergies between the golf and hospitality industries. Mr. Jackson has served on the board of Environmental Institute for Golf and other golf- related boards."

An Overview of the International Golf Maintenance Proposal –

The strength of the IGM bid is highlighted in its' long history with the Ledges Golf Club, as well as the following:

- Specific experience with the Ledges Golf Club and the environmental concerns of TOSH.
- Grass roots and community involvement of the existing onsite IGM management.
- Professionalism and quality of the Golf Course Maintenance operation under IGM, and how this can be carried forth to encompass the entire facility.
- IGM belief that the property can recognize greater profitability through a rate increase without experiencing any decline in course usage.

In reviewing the IGM bid, the Evaluation Committee identified two areas of concern.

- A. While the committee unanimously complimented the fine agronomic work that IGM and specifically Mike Fontiane, has performed through the term of the contract the Ledges Golf Club. The Committee noted the lack of current Total Golf Facility Management, with IGM opting to leverage the operating history of CEO Ron Jackson as well limited number of cited properties IGM stated they currently operate.
- B. Additionally, concern was expressed towards the marketing experience the IGM team could drive top line revenue growth as noted in their bid.

Each of these concerns were expressed to IGM through supplemental questions and received the following talking points in response.

How many golf courses does IGM currently have under "full" management? Defined as Administration, Golf Shop, Marketing, Food & Beverage, as well as Agronomics.

IGM has five golf courses currently under "full" management, and the portfolio includes: The Habitat at Valkaria, Reflection Bay, The Savannah's at Merritt Island, South Ocean and Spessard Holland.

Please elaborate further on how IGM intends to market the golf course with particular attention to electronic marketing and social media marketing?

The current social media accounts are Twitter - @LedgesGolfClub1 (268 Followers), Facebook - @ledgesgolfclub1 (273 Followers) and @valleyviewgrille (95 Followers). First, we would promote these accounts in all collateral material as well as on signage, info boards and receipts at the course. We would ask patrons to give us a review on these social media platforms as well as GolfNow, TripAdvisor, Google Places, etc., and we would monitor these reviews and respond to the reviews to protect the Club's social media reputation.

Regular posts would include feel-good stories about employee achievements, business partners, the Town, league winners, tournament winners and aces. Posts would also include unique pictures of the course and course condition information. Contests would be posted with fun-facts about golf, the Town of South Hadley and specifically The Ledges with a small prize to entice the winners to come out to the course. Fun, entertaining and short instructional videos will be posted. Of course, highly scrutinized paid campaigns will include: rate specials, open tee-times, events, new retail items, demo days and player development programs. All of these efforts will be geared toward building followers, promoting brand awareness and creating loyalty among players.

In addition, the club uses GolfNow to host its website, online tee time distribution, email database, and point of sale system. Payment is in the form of trade out rounds. Recently, GolfNow solutions has had a considerable amount of bad press. The articles state that GolfNow does not look out for the course's best interests, and that trade out rounds drive down overall course revenues. On the other hand, GolfNow is the world leader in online tee time distribution. Also, GolfNow will soon be rolling out a new cloud based point-of-sale tech platform to consolidate tee time services, food orders, merchandise sales and marketing, and social-media management. An analysis must be conducted to determine the "true cost" of these GolfNow services vs the benefit. The analysis should include online tee time booking trends at the course, and a comparison of other competitive online distribution outlets available. Regardless of the future use of GolfNow, IGM will begin to develop a self-managed player database to eventually become self-sustaining while reaching the local player base.

Email marketing remains one of the most cost-effective ways to drive revenue. Email allows for direct contact, better targeting, and more strategic approach to content. The Club will implement and maintain a database of segmented golfers (i.e., residents, non-residents, beginners, women, seniors, etc.) who have played at the course and target them with weekly offers with a call to action. Addresses can be collected in a variety of ways: tee sheet phone reservations & check in, fishbowl, stand on first tee, etc. Unfortunately, the course does not have access to email addresses of GolfNow reservations and thus the reasoning behind the need to build a self-sustaining database specific to The Ledges. IGM has access to a regional golfer list, which may be needed to jump-start the program. Results of any marketing strategy will be tracked via the Point of Sale system.

GolfNow hosts the course's website, www.ledgesgc.com. The site is based on a standard template, and is mobile friendly, but it should be built with SEO components in mind. Visitors want active content (announcements, specials, and events), updated pictures and quick access to tee times. We will review site analytics, online round sources, competitive set websites, and vendor links to increase visibility, utilization, and revenues generated from website.

It is the opinion of CGCAS that IGM has accurately identified those areas where Ledges Golf Club can benefit from devoting time to social media, and the capture of “low hanging fruit”. The growth of a social media presence by the Ledges, will foster goodwill with the community and “connect” with both area residents as well as golf patrons. Additionally, coupling this with a dedicated attempt to organically grow the club’s database will assist in driving rate exclusively to those targeted play segments of their email club as noted in the IGM response. Each of these key points are viable to the long-term success of Ledges Golf Club.

IGM’s Fee Proposal –

Under the IGM Price Proposal the Respondent is seeking the following:

- IGM will operate the golf facility in accordance with the agreed upon operating budget.
- For its services, IGM will collect a “Management Fee” from TOSH in the amount of \$3,000 per month or \$36,000 annually.
- IGM will continue to maintain the golf course for the current maintenance fee as outlined in the financial projections section in the Technical Proposal.
- IGM will employ all personnel necessary to provide the services.
- IGM will continue to provide all maintenance equipment.
- IGM will provide golf carts. The lease payments must be funded by revenues collected by the golf course operations.
- IGM will collect all revenues and deposit them into a TOSH operating account.
- TOSH will fund financial shortfalls that may occur on a monthly basis.
- TOSH will fund any capital expenditures that may be necessary.

IGM Financial Projections of Ledges Golf Club -

	<u>Historical</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
ROUNDS	29,500	29,870	30,766	31,689	32,640	33,619
REVENUE						
Green Fees	-	605,221	623,378	642,079	661,341	681,182
Cart Fees	-	197,328	203,247	209,345	215,625	222,094
Driving Range	-	-	-	-	-	-
Golf Shop Merchandise	-	121,873	125,529	129,295	133,174	137,169
Golf Operations	885,999	924,422	952,154	980,719	1,010,140	1,040,445
Food	-	-	-	-	-	-
Beverage	-	-	-	-	-	-
Food & Beverage	260,163	284,640	293,179	301,975	311,034	320,365
TOTAL REVENUE	1,146,162	1,209,062	1,245,333	1,282,694	1,321,174	1,360,810
EXPENSES						
COST OF SALES						
Golf Merchandise	-	68,480	70,534	72,650	74,830	77,075
Food & Beverage	-	123,000	126,690	130,491	134,405	138,438
TOTAL COGS	-	191,480	197,224	203,141	209,235	215,513
LABOR						
Golf Operations	-	154,899	159,546	164,332	169,262	174,340
Course Maintenance	-	-	-	-	-	-
Food & Beverage	-	128,000	131,840	135,796	139,869	144,065
Total Direct Labor	-	282,899	291,386	300,128	309,131	318,405
Total Payroll Taxes	-	-	-	-	-	-
Total Medical / Health Benefits	-	-	-	-	-	-
Insurance - Worker Comp	-	-	-	-	-	-
TOTAL LABOR	-	282,899	291,386	300,128	309,131	318,405
Labor Percentage		23.4%	23.4%	23.4%	23.4%	23.4%
DEPARTMENTAL EXPENSES						
Golf Operations	927,993	67,800	69,835	71,929	74,087	76,310
General & Administrative	72,562	-	-	-	-	-
Course Maintenance	-	577,928	577,928	586,597	586,597	595,396
Food & Beverage	295,286	19,000	19,570	20,157	20,762	21,385
Sales & Marketing	-	-	-	-	-	-
Golf Cart Lease	-	48,720	48,720	48,720	48,720	48,720
Maintenance Equipment Lease	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
TOTAL DEPARTMENTAL EXPENSES	1,295,841	713,448	716,053	727,403	730,166	741,811
TOTAL EXPENSES	1,295,841	1,187,827	1,204,663	1,230,672	1,248,532	1,275,729
EBITDA	(149,679)	21,235	40,670	52,022	72,642	85,081

IGM Forecast Assumptions:

The IGM bid did not specifically outline the firm's forecast assumptions, however an analysis of their projections reveals some noteworthy observations –

- IGM anticipates revenue average per round to grow from \$38.85 under TOSH to \$40.48.
- The forecast calls for Food & Beverage Cost of Goods Sold to be 43.2% throughout the term.

- IGM incorrectly notes gift cards as a revenue line item, when in fact it is deferred revenue or liability account until redeemed.

Understanding the IGM Bid Proposal

The IGM bid proposal presents an interesting dichotomy. A large respected international firm in the agronomic component of the golf industry and more recently some full-service management, with that of a grassroots team that is fully entrenched within the community. IGM has proven success in presenting the guest of Ledges Golf Club a high-quality agronomic experience... can this be duplicated across all revenue centers as well?

The strength and benefits of awarding IGM the Bid:

- IGM would manage the property through a single purpose entity to employ the staff and therefore mitigate the financial burden municipal employee benefits.
- IGM's financial projections are aggressive and optimistic with total gross revenue anticipated to grow by an adjusted \$209,275 or 18.3% greater than when the property has been managed by the TOSH.
- The proposed "management fee" by IGM is thirty-six thousand (\$36,000) annually. If the property does not realize the financial projections of IGM, the expense savings necessary to offset a lesser management fee is reduced.
- TOSH can anticipate that golf course conditions will remain consistent and/or improve over the term of the contract.
- The proposed management structure eliminates the time and burden of TOSH staff in securing a new golf cart fleet, as it will be handled by the contractor.
- IGM onsite leadership is widely known and entrenched within the local golf community.

The concerns of awarding IGM the Bid:

- The financial projections as presented by IGM does not include their management fee. The absence of a management fee in their projections as well as the necessity to reduce revenue by the stated gift card revenue line item would negatively impact the proposed IGM EBITDA by approximately \$40,000 annually.
- The financial projections do not reflect industry benchmarks in both revenue centers that have an associated cost of goods sold – forecasted Food & Beverage COGS = 43.2% and forecasted Golf Merchandise COGS = 64.8%. These are respectively higher and lower than industry standards for a golf property similar to Ledges Golf Club.
- What is IGM's "real cost" of management at the Ledges Golf Club? The National Golf Foundation estimates that similar Daily Fee facilities have reported the "average" total maintenance expense of \$414,900 annually. The IGM contractual course maintenance fee in 2018 is \$577,928 (inclusive of equipment), and when coupled with the \$36,000 proposed management fee would place the place IGM's asset management fee between \$36,000 and \$197,028.
- Does IGM have the marketing system in place to preserve and drive top line revenue.

SUMMATION & RECOMMENDATION

Municipal Golf Courses

The leadership and residents of South Hadley, Massachusetts should be commended for the development of such a beautiful and affordable recreational venue in the Pioneer Valley Region. The benefits of a successful golf operation within a community are wide ranging, and include, but not limited to:

- Offers a healthy recreational amenity for residents.
- Creates jobs and income to the community through purchases, wages, and taxes
- Preserves open green space within the community.
- Enhances the business environment and brand of the community.
- Serves as a positive outlet for the youth of the community.
- Provides a venue to raise monies for local civic and charitable organizations.
- Attractive tourist destination.
- Enhanced real estate values resulting in an enhanced tax base.

In viewing the benefits of municipal golf on a community, CGCAS analyses it in terms of the cost per resident. In the case of South Hadley with its approximate 17,300 residents the annual financial burden of the Ledges Golf Club bond equates to a mere \$.05 per day / per resident.

The golf industry landscape has changed in the 20 years since Ledges Golf Club was first conceptualized. Increased competition coupled with a decline in golf participation has resulted in municipal golf courses becoming the focal point of many a town hall meeting. While many municipalities are willing to subsidize their golf ventures, it has become increasing imperative that business operations earn enough to cover direct operating expenses. The failure of the Ledges to earn sufficient funds to cover its operating expenses has become the catalyst for the issuance of this Request for Proposal. The goal being to identify a golf industry professional or firm that can improve operating results of the course over the next decade until the retirement of the bond and a more desirable concessionaire or lease structure.

IF operating results do not improve and/or the town wishes for the property to continue to operate for the next 10 years. It may require a transition in the public view of what Ledges Golf Course represents to South Hadley. Specifically, shedding the concept that the golf course represents an operating business, but instead a public amenity similar to a library or a public playground.

Golf Course Contractual Management

The goal of retaining a single, experienced party to operate all aspects of business operations at Ledges Golf Club while removing the burden of management as well as oversight from municipal staff.

The management firm collects all revenue and provides a transparent accounting to the municipality as requested. The municipality retains overall control of the operation and is the benefactor of all revenues, and the responsible party to all operating and capital expenses generated as a result of the operation. Because the employees will work for the management company as opposed to South Hadley, payroll costs will be reduced. The management firm pays all expenses from gross receipts generated from the golf course, with any financial shortfalls remaining the responsibility of the TOSH to reimburse, including the management fee. Although management fees fluctuate with the size of a facility and scope of services provided, the industry standard is typically 3% to 6% of total gross revenues, with many firms establishing an anticipated fee floor and incentives for profitability. The structure of an arrangement with a

management firm will allow the municipality to enjoy access to purchasing programs the savings from which will flow through to greater facility profitability.

The Bid Respondents

The Request for Proposal for the Management and Maintenance of Ledges Golf Club garnered interest from 37 individuals and firms, and although CGCAS would have liked to have more respondents, many firms indicated that external factors contributed to them not opting to pursue the opportunity. In the end, South Hadley received bids from two highly qualified firms – Billy Casper Golf (BCG) and International Golf Maintenance (IGM).

A Side-by-Side Comparison of the BCG and IGM Bids

The Evaluation Committee in conducting their review (See Appendix A) BCG and IGM, noted the closeness of attributes each firm offered South Hadley in the operation of the Ledges Golf Club. CGCAS in making this recommendation concurs with the Committee that the comparison and differentiation between the firms settles on three key points – financial impact; marketing strategy and lastly the intangible of local knowledge.

- Forecasted Revenue – Both BCG and IGM offered financial projections outlining their anticipated growth of revenue at the Ledges Golf Club. The IGM projections are aggressive and optimistic with total gross revenue anticipated to grow by \$209,275 or 18.3% greater than when the property has been managed by the TOSH. This as compared to BCG’s estimated 13.4% increase in Total Gross Revenue from TOSH’s \$1,146,162 to \$1,299,580 by Year Five.

	<u>Historical</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	
IGM Forecasted Revenue	1,146,162	1,204,288	1,240,416	1,277,629	1,315,957	1,355,437	
				<i>Percentage Increase</i>			18.3%
BCG Forecasted Revenue	1,146,162	1,222,417	1,245,587	1,265,963	1,289,985	1,299,580	
				<i>Percentage Increase</i>			13.4%

- Forecasted EBITDA – The increase in gross revenue by each firm coupled with recognized savings via outsourcing will improve the net operating performance of the Ledges Golf Club, in each firm’s projections. This is critical to mitigating the TOSH annual operating deficit at the course. To offer a true comparison, CGCAS adjusted the IGM projections to be inclusive of management fees while reducing gross revenue by the forecasted gift card revenue.

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>
IGM Forecasted EBITDA	21,235	40,670	52,022	72,642	85,081	271,650
<i>Adjustment - Add Managemet Fee</i>	36,000	36,000	36,000	36,000	36,000	180,000
<i>Adjustment - Decrease Gift Cards</i>	4,774	4,917	5,065	5,217	5,373	25,346
IGM Adjusted EBITDA	(19,539)	(247)	10,957	31,425	43,708	66,304
BCG Forecasted EBITDA	28	(4,246)	(11,010)	(16,288)	(34,680)	(66,196)

As evidenced by the graph above BCG appears to have the greatest immediate impact on the profitability of the Ledges, achieving a net profit in Year One. Thereafter BCG Forecasted EBITDA decreases as expense growth (specifically minimum wage) outpaces revenue growth over the term resulting in a cumulative net loss over term of the agreement of (\$66,196). Conversely, the IGM projections require until Year Three to achieve positive profitability, but escalates quickly thereafter to a positive \$66,304, almost double the BCG projections. There are countless internal, external and socio-economic factors that could change over the term that prevents either firm from obtaining the latter year projections. Should this occur – clearly Billy Casper Golf would be the logical selection based on the lone criteria of immediate impact.

However, CGCAS has considered the “what if” scenario. What if neither firm improves the existing gross revenues of the golf course? To consider this, CGCAS reduced the respective forecasted EBITDA of each firm by their forecasted revenue growth – and in the case of IGM decreased EBITDA further to account for the IGM Management Fee. As outlined below – the firms are nearly identical with an advantage going to IGM.

	<u>BCG</u>	<u>IGM</u>
Current Revenue	1,146,162	1,146,162
Year One Forecasted EBITDA	28	21,235
<i>Adjustment - Decrease Management Fee</i>	-	36,000
<i>Adjustment - Decreased Revenue</i>	76,255	58,126
Adjusted EBITDA	(76,227)	(72,891)

- Course Maintenance Expense – As noted the National Golf Foundation estimates total golf course maintenance in this region to be approximately \$414,900 annually. CGCAS also conducted an analysis of eight similar facilities and found annual course maintenance per hole to be \$22,281 or \$401,071 annually. The BCG forecasted course maintenance expense was “adjusted” to \$445,524 to be inclusive of a \$90,000 equipment lease. The proposed bid by IGM requests that in addition to their \$36,000 management fee they are seeking the continuation of the existing contract for Golf Course Maintenance valued in 2018 is \$575,928 or \$130,404 greater than the BCG forecasted expense and \$161,028 to \$174,857 the NGF data and CGCAS course comparison respectively.

It should be stated as well that the golf course under IGM supervision has been highly regarded for its’ excellent condition, and it is anticipated that they would remain the same moving forward under IGM.

- Management Fee – A Ledges Golf Course management fee of 3% - 6% of gross revenue would equate to an anticipated fee between \$34,385 to \$68,770, with many firms often setting a fee floor to their rates. The IGM proposed \$36,000 management would fall within this range, however this does not take into account the IGM request to have the continuation of their contractual maintenance agreement. By comparison the IGM maintenance expenses are between \$130,404 to \$174,857 greater than the BCG projected maintenance budget and the historical maintenance expense at a sampling of eight similar New England properties respectfully. What portion of this variance is IGM management fee, and what portion is operating expenses at Ledges Golf Club is

indeterminable. However, it is reasonable to estimate that if the IGM bid of \$36,000 represents the fee to manage the clubhouse half of the operation, it is at minimum an additional \$36,000 to manage the grounds maintenance – or an adjusted management fee of \$72,000 annually.

The BCG proposed base management fee of \$87,000 exceeds the normal range for this type of golf asset. In addition, BCG’s has requested a two percent (2%) annual increase in fees through the term of the agreement, as well as a negotiated incentive management fee based on increased profitability - which is not permissible under the safe harbor provisions.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
IGM Proposed Management Fee	36,000	36,000	36,000	36,000	36,000
<i>Minimum Adjusted Mgmt.Fee</i>	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>	<u>36,000</u>
IGM Adjusted Management Fee	72,000	72,000	72,000	72,000	72,000
BCG Proposed Management Fee	87,000	88,740	90,515	92,325	94,172

- Marketing – Key to driving top line revenue growth will come through a concentrated and dedicated marketing plan.

The IGM plan touches on the primary components of a successful golf course marketing plan – website SEO, social media engagement, the growth of an organic database for marketing are key to success. CGCAS is confident that IGM has accurately identified these grassroots deficiencies at Ledges Golf Club, however BCG has a distinct advantage in their proposed marketing prowess. As stated in the BCG bid – “BCG’s marketing capabilities have no rival in golf” – and is evidenced in their yield optimization & pricing, graphic designs, guest attraction programs, loyalty strategies, and guest retention programs are all designed to generate data that will provide for more detailed and concentrated marketing efforts.

- Intangible – Former Massachusetts statement Tip O’Neil was once quoted to say, “All politics is local” – this is applicable in golf management as well. Both respondents are national firms with distant corporate offices, however IGM has had a long tenure at the property and golf course superintendent / proposed General Manager – Mike Fontaine – has been an engaged in the community for years. It is the opinion of CGCAS and the Evaluation Committee that this local knowledge of community pulse is integral to success at the Ledges Golf Club.

Recommendation

In taking into consideration the current course conditions, the minimal cost of engagement as well as the financial projections presented and the financial commitment necessary from the TOSH for “full service” management. It is the recommendation of CGCAS and the Evaluation Committee that International Golf Maintenance is best suited to accomplish the bid as presented at this time.

CONCLUSION

CGCAS would be remiss if we did not offer the following closing thought / opinion.

We can greatly appreciate the concern of South Hadley leadership and the citizens over the financial performance of the Ledges Golf Club. This Request for Proposal was designed to bridge the gap of operating shortfalls, and identify one lone operator that can enhance revenues, mitigate expenses and grow profitability at the course. The golf course offers a wonderful amenity to the town and surrounding communities at a minimal annual expense per resident. The challenges TOSH is facing at the Ledges are relatively short term in the 250-year history of the beautiful town. The elimination of the general municipal bond in the next ten (10) years will dramatically change the landscape of what to do with Ledges Golf Course. At that time, TOSH will have much greater flexibility to enjoy the benefits of financial returns through a structured concessionaire or lease arrangement that is currently not permissible.

APPENDIX A

Evaluation Committee Scoring Sheets – Billy Casper Golf & IGM
RFP Management & Maintenance Ledges Golf Course

**LEDGES GOLF COURSE
REQUEST FOR PROPOSAL EVALUATION SHEET**

ORGANIZATION OF THE FIRM

Organization: IGM- INTERNATIONAL GOLF MAINT.

Size: 5

Structure: INCORPORATION

MINIMUM REQUIREMENTS

A. Proposer must have at minimum five (5) years' experience in the area of golf course management.

YES NO

B. Proposer must have two (2) or more golf courses presently under its management.

YES NO

C. Proposer shall provide an on-site manager with at minimum three (3) years' experience in managing a public golf course.

YES NO

D. Proposer shall employ a Golf Course Superintendent. The Golf Course Superintendent shall be a member of the Golf Course Superintendent Association of America with a minimum of three (3) years

YES NO

UNDERSTANDING	SCORE	WEIGHT	TOTAL
The Proposer has demonstrated a thorough understanding of the purpose and scope of the project.	10	5	50
The Proposer has identified pertinent issues and potential problems related to the project.	7	5	35
The Proposer has demonstrated that it understands what the Town expects the contractor to provide.	3	5	15
The Proposer has demonstrated that it understands the guidelines proposed by the Town for the operations required.	1	5	5

EXPERIENCE & MANAGEMENT QUALIFICATIONS	SCORE	WEIGHT	TOTAL
The individuals assigned to the project have the requisite experience on similar sized courses/projects	10	10	100
The Proposer has provided resumes that are complete and demonstrate backgrounds that would be desirable for individuals to engage in the work the contract requires.	7	10	70
The Proposer has demonstrated it possesses the applicable education and experience of the personnel designated to work on the course/contract.	3	10	30
The Proposer has demonstrated its personnel have the requisite knowledge in the management and maintenance in cool season turf grass environments	1	10	10

ABILITY TO PERFORM PLAN	SCORE	WEIGHT	TOTAL
The management plan supports all of the project requirements and logically leads to the results required in the RFP.	10	10	100
Accountability is completely and clearly defined indicating lines of authority.	7	10	70
The proposal is practical and feasible.	3	10	30
The proposal submitted is responsive to all material requirements of the RFP.	1	10	10

YEARS OF GOLF COURSE EXPERIENCE	SCORE	WEIGHT	TOTAL
Highly advantageous - ten (10) or more years	10	5	50
Advantageous - five to nine (5-9) years	7	5	35
Acceptable - one to four (1-4) years	3	5	15
Unacceptable - no experience	1	5	5

EXPERIENCE LOCALLY	SCORE	WEIGHT	TOTAL
Highly advantageous - demonstrated experience maintaining two golf courses in New England	10	10	100
Advantageous - demonstrated experience maintaining at least two golf courses in New England and/or Middle Atlantic states region.	7	10	70
Acceptable - demonstrated experience maintaining at least two golf courses on the East Coast	3	10	30
Unacceptable - no experience maintaining golf courses on East Coast	1	10	10

REFERENCES	SCORE	WEIGHT	TOTAL
Highly advantageous - three or more qualified references	10	5	50
Advantageous - two or three qualified references	7	5	35
Acceptable - at least one qualified reference	3	5	15
Unacceptable - no references for management/maintenance of golf courses	1	5	5

FINANCIAL STABILITY	SCORE	WEIGHT	TOTAL
Highly advantageous - financial statements demonstrates long term financial stability and ability to absorb fluctuations in expense required for contract.	10	10	100
Advantageous - financial statements demonstrate long-term financial stability.	7	10	70
Disadvantageous - financial statements demonstrate some financial instability in past.	3	10	30
Unacceptable - required financial statements not provided.	1	10	10

IGM

ENVIRONMENTAL IMPACT	SCORE	WEIGHT	TOTAL
Highly advantageous - Plan of service demonstrates proven track record in minimizing environmental impact through reduced usage of water, pesticides and chemical fertilizers and Integrated Pest Management Plan.	10	5	50
Advantageous - Plan of service demonstrates understanding of methods required to reduce environmental impact through reduced usage of water, pesticides and chemical fertilizers and Integrated Pest Management Plan.	5	5	25
Disadvantageous - Plan of service does not demonstrate any understanding of methods required to reduce environmental impact through reduced usage of water, pesticides and chemical fertilizers and Integrated Pest Management Plan.	1	5	5

STAFFING PLAN	SCORE	WEIGHT	TOTAL
Highly Advantageous: Staffing plan clearly demonstrates ability to maintain course, food and beverage operations and overall management at a high level.	10	10	100
Advantageous: Staffing plan demonstrates adequate ability to maintain course, food and beverage operations and overall management at sufficient levels.	5	10	50
Disadvantageous: Staffing plan is likely to result in deterioration, lower levels of course maintenance, food and beverage operations and overall management decline.	1	10	10

FINANCIAL BENEFITS TO SOUTH HADLEY	SCORE	WEIGHT	TOTAL
Highly Advantageous: Proposer offers the greatest financial return to either through the mitigation of expenses and/or fees returned to South Hadley	10	30	300
Advantageous: Proposer offers moderate financial return to either through the mitigation of expenses and/or fees returned to South Hadley	5	30	150
Disadvantageous: Proposer offers the greatest financial return to either through the mitigation of expenses and/or fees returned to South Hadley	1	30	30

PROPOSER TOTAL SCORE 970

IGM

**LEDGES GOLF COURSE
REQUEST FOR PROPOSAL EVALUATION SHEET**

ORGANIZATION OF THE FIRM

Organization: BELLY CASTER GOLF, LLC
 Size: 150+
 Structure: VIRGINIA - LIMITED LIABILITY CORP.

MINIMUM REQUIREMENTS

- A. Proposer must have at minimum five (5) years' experience in the area of golf course management.
 YES NO
- B. Proposer must have two (2) or more golf courses presently under its management.
 YES NO
- C. Proposer shall provide an on-site manager with at minimum three (3) years' experience in managing a public golf course.
 YES NO
- D. Proposer shall employ a Golf Course Superintendent. The Golf Course Superintendent shall be a member of the Golf Course Superintendent Association of America with a minimum of three (3) years
 YES NO

UNDERSTANDING	SCORE	WEIGHT	TOTAL
The Proposer has demonstrated a thorough understanding of the purpose and scope of the project.	10	5	50
The Proposer has identified pertinent issues and potential problems related to the project.	7	5	35
The Proposer has demonstrated that it understands what the Town expects the contractor to provide.	3	5	15
The Proposer has demonstrated that it understands the guidelines proposed by the Town for the operations required.	1	5	5

EXPERIENCE & MANAGEMENT QUALIFICATIONS	SCORE	WEIGHT	TOTAL
The individuals assigned to the project have the requisite experience on similar sized courses/projects	10	10	100
The Proposer has provided resumes that are complete and demonstrate backgrounds that would be desirable for individuals to engage in the work the contract requires.	7	10	70
The Proposer has demonstrated it possesses the applicable education and experience of the personnel designated to work on the course/contract.	3	10	30
The Proposer has demonstrated its personnel have the requisite knowledge in the management and maintenance in cool season turf grass environments	1	10	10

ABILITY TO PERFORM PLAN	SCORE	WEIGHT	TOTAL
The management plan supports all of the project requirements and logically leads to the results required in the RFP.	10	10	100
Accountability is completely and clearly defined indicating lines of authority.	7	10	70
The proposal is practical and feasible.	3	10	30
The proposal submitted is responsive to all material requirements of the RFP.	1	10	10

YEARS OF GOLF COURSE EXPERIENCE	SCORE	WEIGHT	TOTAL
Highly advantageous - ten (10) or more years	10	5	50
Advantageous - five to nine (5-9) years	7	5	35
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Highly advantageous - demonstrated experience maintaining two golf courses in New England	10	10	100
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Advantageous - two or three qualified references	7	5	35
Acceptable - at least one qualified reference	3	5	15
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FINANCIAL STABILITY	SCORE	WEIGHT	TOTAL
Highly advantageous - financial statements demonstrates long term financial stability and ability to absorb fluctuations in expense required for contract.	10	10	100
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Unacceptable - required financial statements not provided.	1	10	10

BCA

ENVIRONMENTAL IMPACT	SCORE	WEIGHT	TOTAL
Highly advantageous - Plan of service demonstrates proven track record in minimizing environmental impact through reduced usage of water, pesticides and chemical fertilizers and Integrated Pest Management Plan.	10	5	50
Advantageous - Plan of service demonstrates understanding of methods required to reduce environmental impact through reduced usage of water, pesticides and chemical fertilizers and Integrated Pest Management Plan.	5	5	25
Disadvantageous - Plan of service does not demonstrate any understanding of methods required to reduce environmental impact through reduced usage of water, pesticides and chemical fertilizers and Integrated Pest Management Plan.	1	5	5

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Highly Advantageous: Staffing plan clearly demonstrates ability to maintain course, food and beverage operations and overall management at a high level.	10	10	100
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FINANCIAL BENEFITS TO SOUTH HADLEY	SCORE	WEIGHT	TOTAL
Highly Advantageous: Proposer offers the greatest financial return to either through the mitigation of expenses and/or fees returned to South Hadley	10	30	300
Advantageous: Proposer offers moderate financial return to either through the mitigation of expenses and/or fees returned to South Hadley	5	30	150
Disadvantageous: Proposer offers the greatest financial return to either through the mitigation of expenses and/or fees returned to South Hadley	1	30	30

PROPOSER TOTAL SCORE 780

TSCG