



## **REQUEST FOR PROPOSALS (RFP)**

### **Operation and Program Management of the Los Gatos Theatre**



**Proposals Due:**

March 4, 2022 by 5:00 p.m.

**RFP Contact:**

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408-354-6836

**Deliver To:**

Town of Los Gatos

Town Manager's Office

110 E. Main Street

Los Gatos, CA 95030

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## 1. INTRODUCTION

The Town of Los Gatos Town Manager's Office, ("Town") is pleased to offer an exciting opportunity for a well-qualified individual(s) or company ("Proposer") to operate and manage the Los Gatos Theatre ("Theatre") on behalf of the Town.

This Request for Proposals (RFP) is an invitation for qualified vendors to submit proposals to operate the Theatre on an exclusive basis. The Town envisions an initial period of three (3) years with the potential of two (2) additional consecutive five-year periods if mutually agreeable. The Town is open to various options but expects the Proposer to detail and justify any alternative contract term.

The successful Proposer shall demonstrate the ability to perform in this type of business and clearly articulate financially sustainable plans for operation of the Theatre. The Town's preferred operational model is a blend of presenting films and other cultural programming combined with facility rentals which results in the theatre's long-term financial viability and advances the following goals:

1. Preservation of the Theatre as one of the most significant historical, cultural and architectural resources in the Town of Los Gatos;
2. Enrichment of the community through the promotion and presentation of high-quality entertainment, cultural events, and community education programs of interest to all segments of the community;
3. Identification of the Theatre as a central destination point for cinematic and performing arts which drives economic activity in downtown Los Gatos and the broader region; and
4. Long-term financial sustainability.

## 2. TOWN OVERVIEW

The Town of Los Gatos is a small community nestled at the base of the Santa Cruz Mountains, approximately 60 miles south of San Francisco. The Town of Los Gatos is guided by the principles of Small Town Service, Community Stewardship, and Future Focus. The Town government is fiscally healthy, and focuses on teamwork, collaboration, and civic engagement. Los Gatos is a General Law Town with a five-member Council and an annually rotating Mayor's position. The Town Council sets the policies for which the Town employees implement under the leadership of the Town Manager.

The Town operates one Civic Center, one Police Operations building, one Service Center, and one Library and employs approximately 150 personnel.

### **3. THEATRE BACKGROUND**

The Los Gatos Theatre has been a fixture in Los Gatos since 1915, the dawn of the age of motion picture exhibition. Opening as the Strand Theatre it was remodeled after a 1929 fire. The remodel included a new Art Deco look, complete with marquee and murals. It became the Gatos Theatre in the 1940s, and then in the late 1980s the original “single” was turned into a “twin” with a modest interior renovation, at which time Camera Cinemas was brought in to operate the facility.

The Goetz family purchased the building in 2011 as a philanthropic project. A key priority of the Goetz family was to reinvigorate the building, which had fallen into disrepair. The theatre underwent a complete restoration between 2012 to 2014 which returned the building to its Art Deco glory days. The Goetz family ran the theatre until their recent donation of the theatre to the Town with the understanding that the Town would carefully steward this Los Gatos treasure.

### **4. THE FACILITY**

The Los Gatos Theatre is located in the heart of downtown Los Gatos. The Theatre is considered to be an important contributor to the economic and social fabric of the Los Gatos community.

**Main Theatre:** The main theatre has inclined stadium-style seating for up to 244 in rocking, leather-covered loungers rising up 14 rows. At the top, an intimate balcony offers two additional rows of premium seating for 21 in oversized velour-upholstered rocking chairs and loveseats. A state-of-the-art Barco 4K digital cinema projector, with 3D capability, can show films and presentations on a 38-by-19 foot screen.

**Lounge Theatre:** The lounge theatre is located on the second floor and offers an 18’ x 10’ screen. The smaller theatre, while more intimate with leather reclining and other seating for 38, has a total room capacity of 100, creating an ideal venue for both business and personal gatherings. The space also offers an outdoor balcony and a full caterer’s kitchen.

**Green Room:** A green room is located near the main stage of the Main Theatre with its own private entrance and is provided for artists and guests to wait before being called for their appearance, or to wait between appearances.

**Restrooms:** One restroom core is located on each floor.

### **5. SCOPE OF SERVICES**

At the conclusion of the process outlined in this RFP, the Town intends to enter into a contract for services to operate and manage the Los Gatos Theatre described herein. The Town intends to retain ownership of the Theatre and will maintain a close working

relationship with the chosen operator. The Town contemplates quarterly meetings to review theatre operations, event scheduling and content, resource development and community relations as well as other relevant issues.

The scope that will be incorporated into the contract may include but not be limited to the following items:

1. Proposer shall be responsible for all day-to-day functions and operations of the Los Gatos Theatre in accordance with the highest professional and ethical standards.
2. The expectation that the Proposer will strive for the maximum utilization of the venue to ensure its financial sustainability.
3. Proposer shall negotiate and execute all agreements for use of the Theatre space for events.
4. Proposer shall be responsible for recommending for Town approval all rental rates, fees, and charges for services provided through the agreement.
5. Proposer will have oversight responsibility over any and all subcontractors associated with theatre programming.
6. Proposer shall prepare and submit annual budgets for the operation of the Theatre. The Proposer shall also establish a system of internal controls to provide reasonable assurance that the Town's/Theatre's resources are used in an effective and efficient manner. The Proposer shall keep full and accurate accounting records relating to its activities at the Theatre in accordance with generally accepted accounting principles.
7. Proposer shall be considered an independent contractor and consequently, shall be considered responsible for all employment and payroll functions related to their operation of the Los Gatos Theatre.
8. Proposer shall thoroughly train and closely supervise all employees so that they provide high standards of service to patrons.
9. Proposer shall maintain administrative and operating policies and procedures to ensure the efficient and effective management of the Theatre.
10. Proposer shall abide by all applicable local, state, county, state, and federal laws pertaining to its operation and shall secure all licenses and permits necessary for the operation of the Theatre. The successful Proposer shall be responsible for, and pay all federal, county, Town, and state taxes arising as a result of managing theater operations.
11. Proposer shall be responsible for possessory interest tax through the County of Santa Clara.
12. Proposer shall be responsible for returning the Theatre and all Furniture, Fixtures and Equipment (FFE) to the Town in the same condition in which they were provided except for normal wear and tear.
13. Proposer will ensure the Theatre shall be kept clean, orderly, attractive, and sanitary at all times and in strict accordance with the applicable laws, ordinances, rules, and regulations as well as the standards of the Town.
14. Proposer shall constantly endeavor to improve the operation of the Theatre with a view toward developing the most efficient and highest quality of service to the

- customers, minimizing operating costs, increasing the quality of maintenance, and maximizing gross receipts without negatively impacting costs.
15. The Town has a preference for a triple net lease with structured oversight of financial operations, maintenance, and capital replacement.
  16. Roles and responsibilities regarding execution of routine maintenance issues versus larger construction projects.
  17. Town has a preference to be able to use the Los Gatos Theatre on occasion for specified Town events subject to Proposer’s previously booked events.
  18. Town has a preference for the Proposer to establish and maintain a consistent policy regarding discounts or subsidies that would be offered to nonprofits, community groups, or other designated categories subject to Proposer’s previously booked events.

**6. PROPOSED TENTATIVE TIMELINE**

**Pre-proposal Meeting Date and Time (voluntary, but highly recommended):** February 10, 2022 at 10:00 a.m. at the Los Gatos Theatre.

<b>Timeline</b>	
Distribution of RFP	<b>02/04/2022</b>
Deadline for Questions	<b>02/18/2022</b>
Proposals Due to the Town	<b>03/04/2022</b>
Selection Panel Review of Proposals	<b>Weeks of March 7 &amp; 14, 2022</b>
Vendor Presentations/Interviews	<b>Week of March 21, 2022</b>
Council Consideration of RFP Award	<b>04/5/2022</b>

**7. SUBMITTAL INSTRUCTIONS**

The Town of Los Gatos invites qualified firms to submit proposals to provide operation and program management of the Los Gatos Theatre. Proposals must be received by 5:00 p.m. on Friday March 4, 2022 to the address indicated on the cover of this RFP.

The submittal package shall include the following:

- One executed original and four printed copies of the proposal
- One electronic copy (sent via email)

**8. PROPOSAL FORMAT REQUIREMENTS**

Each Proposer must carefully examine the requirements contained herein. Upon receipt of responses hereunder, each Proposer shall be thoroughly familiar with all requirements contained herein. The failure or omission to examine any form or document shall in no way relieve a Proposer from any obligation in respect to this proposal submitted. Any misinterpretation of the requirements is solely that of the Proposer.

In addition, any material that will add to the persuasiveness of your proposal may be included. However, if the materials do not directly address the stated requirements, please include them in an appendix or separate volume. The Town will review and consider all material submitted but will concentrate on the material that directly addresses the Town's stated needs.

Proposals must include in the following, specified order:

**A. COVER LETTER**

The cover letter should include the title of this RFP; name and mailing address of firm; contact person, telephone number, fax number and email address.

**B. PROGRAM APPROACH**

Provide a detailed description of how the Proposer will achieve the objectives outlined in the RFP, which illustrates the Proposer's ability to ensure the financial stability and sustainability of the Theatre, ensure the Theatre will continue to serve as a cultural resource for the community that attracts quality entertainment clients and audiences, and ensure the Theatre will act as an economic catalyst for the downtown.

The description should include, but is not limited to, providing the following:

**Management Terms**

Town Responsibilities: Proposers must detail what the Town will be expected to provide in terms of the Town's financial contribution; expected role in building operations, maintenance, and capital projects; and/or other parameters. The Town is open to various options but expects the Proposer to detail and justify these expectations.

Operator Responsibilities: Proposers must detail what the Operator's role will be in terms of building operations, maintenance, and capital projects. The Town is open to various options but expect the Proposer to detail and articulate these responsibilities.

**Programming**

Describe your view of a representative mix of high-quality events, such as film, music, comedy, community events, lectures, private and commercial events, etc. and how you will achieve it. This list of genres is exemplary, not mandatory. Include your view on the Town's role in determining the appropriateness of recommended content. Give examples of specific productions, artists, events, etc. previously programmed by your organization that demonstrate this targeted quality and variety.

Include a description of capital investments that would be necessary to successfully meet the programming goals.

## **Operations**

Describe your approach to the following significant components of managing a theatre facility specific to the Los Gatos Theatre:

- Staffing plan;
- Marketing, community outreach, and audience development;
- Concessions;
- Ticket/Event/Rental pricing;
- Event management and accounting systems;
- Operating policies and procedures;
- Routine and capital maintenance;
- Relationship to building retail tenants; and
- Strategies to build and maintain a strong working relationship with the Town's program liaison(s). Include your expectations in working with Town program liaison(s).

## **C. FIRM PROFILE AND EXPERIENCE**

Include a profile of the firm including firm history, stability, and organizational structure; additional firm locations; and profiles of representative projects/locations that best demonstrate the firm's qualifications and experience maintaining, operating, and programming film and other cultural events.

The firm's profiles of the representative projects will be used as references and therefore shall identify the client contact persons with telephone numbers, and services provided by the firm.

## **D. FINANCIAL PROPOSAL**

One of the goals of this RFP is to select an operator that can establish consistent financial stability and sustainability for Los Gatos Theatre operations, while minimizing the financial contribution provided by the Town, if any. The Town has not determined a set financial or payment structure for the successful Operator but favors a lease arrangement. Town is open to various options and expects Proposers to detail their expectations.

Provide a pro forma projection detailing all anticipated sources of revenue and all expenses by category, including proposed lease payments to the Town for the initial three-year term. Based on projected net income (if positive) after taxes, describe potential revenue sharing arrangements with the Town. The Town has no specific pre-formulated requirements for lease payments or revenue sharing.

Provide any information regarding the financial capacity of the organization which demonstrates the organizations' ability to meet the obligations of the proposal [e.g., current financial statements (balance sheet and income statement), bank account



statements and/or letters from bank reporting on deposit, and/or federal tax returns for most recent year)].

#### E. CONFLICT OF INTEREST

The proposal must include the name of entities associated with the firm and any associated service provider who may have a conflict of interest with any activity of this RFP. Provide details and reasons. Firms/service providers are subject to disqualification based on conflict of interest as determined by the Town of Los Gatos.

#### F. EXCEPTIONS

Describe all proposed exceptions, alterations, or amendments to the scope of services or other requirements of this RFP. The nature and scope of the proposed exceptions may negatively affect the evaluation of the submittal and the Town's determination of whether it is possible to successfully negotiate a contract with the firm.

### 9. REVIEW AND SELECTION PROCESS

Award of the Theatre operations shall be made to the responsible and responsive Proposer whose proposal is determined, through a formal evaluation process, to be the most advantageous to the Town.

The successful Proposer will enter a contract with the Town incorporating all prescribed requirements and conditions of this request for proposal. If the successful Proposer refuses or fails to execute the contract, the Town may consider the next most qualified Proposer. The Town shall be the sole judge as to the successful Proposer.

The Town reserves the right to reject any or all responses to this RFP and to waive any informality or irregularity in this RFP or in responses, to negotiate with all qualified sources, or to cancel, in part or in its entirety, this RFP, in the best interest of the Town. This RFP does not commit the Town to award a contract, or to procure or contract for services or goods.

Before award, Proposers may be required to furnish evidence of capability and financial resources to adequately perform the job as specified above.

#### **SELECTION PANEL**

A Selection Panel comprised of Town staff will be established for this project by the Town. The Panel will review and rank the proposals and negotiate with qualified firms based on the content of the proposals relative to firm experience, qualifications, and past record of performance. The Town may request an interview and/or site visit from any or all the qualified firms to further assist in the selection process.

## **SPECIAL CONSIDERATIONS**

- **Public Records:** All proposals submitted in response to the RFP become the property of the Town and are subject to release under the California Public Records Act and may be subject to public review.
- **Right to Cancel:** The Town reserves the right to cancel, in part or in its entirety, this RFP. If the Town cancels or revises this RFP, the Town will notify all proposers in writing.
- **Additional Information:** The Town reserves the right to request additional information and/or clarifications from any or all proposers to this RFP.
- **Insurance Requirements, Permits, Licenses, Agreement:** The successful firm shall always maintain in force at its own cost during the performance of the assignment insurance. If the firm cannot or will not provide insurance as identified, the Town will not contract with the firm
- **Contractual Requirements:** The successful firm will be required to enter a contract with the Town using the Town's Standard Agreement for Services. Provisions include, but are not limited to, indemnification, insurance requirements, applicable compliance to ordinances, laws, regulations, and licenses, Town business tax licenses and other terms and conditions. If a firm is not prepared to accept the terms of this Agreement, the firm should not submit a proposal. No changes will be made to the general contract requirements.
- **Waiver:** By submitting a response to this RFP, each proposer expressly waives any and all rights it may have to object to, protest, or seek legal remedies whatsoever related to any aspects of this RFP, Town's selection of consultant or rejection of any or all responses.
- **Preparation of Proposals:** The Town will not reimburse the costs to prepare a response to this RFP.

## **10. ATTACHMENTS**

The following attachments are incorporated into the Request for Qualifications and are required to be completed to be considered a complete proposal:

ATTACHMENT 1 – CONFLICT OF INTEREST STATEMENT (FOR SUBMITTAL)

ATTACHMENT 2 – NON-COLLUSION DECLARATION (FOR SUBMITTAL)

ATTACHMENT 3 – REFERENCES (FOR SUBMITTAL)

ATTACHMENT 4 – STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S COMPENSATION INSURANCE ACKNOWLEDGMENT CERTIFICATE (FOR SUBMITTAL)

**ATTACHMENT 1 - CONFLICT OF INTEREST STATEMENT**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL**

**PROFESSIONAL AUDITING SERVICES**

The undersigned declares:

I/We \_\_\_\_\_ (Insert Name) have the following financial, business, or other relationship with Town of Los Gatos that may have an impact upon the outcome of the contract. If none, please specify that no other relationships may have an impact on this contract or Project.

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I/We \_\_\_\_\_ (Insert Name) have the following current clients who may have a financial interest in the outcome of this contract. If none, please specify that no other clients may have a financial interest with an impact on this contract or Project.

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Pursuant to Government Code section 1090 and any other laws, rules and regulations that may apply, the Proposer covenants that neither it, its subcontractors nor employees presently have an interest, and shall not acquire any interest, direct or indirect, financial or otherwise that would conflict in any manner or degree with contract awarded from this RFP. Proposer certifies that to the best of its knowledge, no one

who has or will have any financial interest in the contract awarded from this RFP is an officer or employee of the Town. Through its submittal of a proposal, Proposer acknowledges that it is familiar with Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California and will immediately notify the Town if it becomes aware of any facts concerning the contract to be awarded that constitute a violation of said provisions.

Furthermore, if there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. A person, firm, or corporation who has submitted a sub-proposal to a Proposer, or who has quoted prices on materials to a Proposer, is not thereby disqualified from submitting a sub-proposal or quoting prices to other Proposers. Reasonable ground for believing that any Proposer is interested in more than one proposal for the same work will cause the rejection of all proposals for the work in which a Proposer is interested. If there is reason to believe that collusion exists among the Proposers, the Town may refuse to consider proposals from participants in such collusion. Proposers shall submit as part of their proposals documents the completed Non-Collusion Declaration provided herein.

I, on behalf of the Proposer, declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_ [date], at \_\_\_\_\_ [city], \_\_\_\_\_ [state].

\_\_\_\_\_  
Proposer Name (Person, Firm, Corp.)

\_\_\_\_\_  
Title of Authorized Representative

\_\_\_\_\_  
Address

\_\_\_\_\_  
Name of Authorized Representative

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signed

**ATTACHMENT 2 – NON-COLLUSION DECLARATION**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL  
PROFESSIONAL AUDITING SERVICES**

The undersigned declares:

I am the \_\_\_\_\_ [Insert Title] of \_\_\_\_\_, [Insert name of company, corporation, LLC, partnership or joint venture] the party making the foregoing proposal.

The proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The proposal is genuine and not collusive or sham. The Respondent has not directly or indirectly induced or solicited any other respondent to put in a false or sham proposal. The Respondent has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham proposal, or to refrain from responding. All statements contained in the proposal are true.

Any person executing this declaration on behalf of a respondent that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the respondent.

**ATTACHMENT 3 - REFERENCES**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL**

**PROFESSIONAL AUDITING SERVICES**

**List three (3) references for work of a similar nature to the Services performed within the last five (5) years. Use additional sheets as necessary.**

1. \_\_\_\_\_

Name of Agency	Agency Address
_____	_____
Contact Name	Contact Title
_____	_____
Contact Telephone	Contact Email Address
_____	_____
Contract Period	Contract Amount
_____	_____
_____	_____

**Description of services performed including costs.**

2. \_\_\_\_\_

Name of Agency	Agency Address
_____	_____
Contact Name	Contact Title
_____	_____
Contact Telephone	Contact Email Address
_____	_____
Contract Period	Contract Amount
_____	_____

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**Description of services performed including costs.**

3.

_____ Name of Agency	_____ Agency Address
_____ Contact Name	_____ Contact Title
_____ Contact Telephone	_____ Contact Email Address
_____ Contract Period	_____ Contract Amount
_____ _____	

**Description of services performed including costs.**

I hereby certify that the Proposer performed the work listed above.

_____ Signature of Proposer	_____ Name	_____ Date
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I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_[date], at \_\_\_\_\_[city], \_\_\_[state].

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTACHMENT 4 - STATEMENT REGARDING INSURANCE COVERAGE AND WORKER'S COMPENSATION  
INSURANCE ACKNOWLEDGMENT CERTIFICATE**

**THIS FORM MUST BE PRINTED OUT, COMPLETED AND SUBMITTED WITH THE PROPOSAL**

**PROFESSIONAL AUDITING SERVICES**

PROPOSER HEREBY CERTIFIES that the Proposer has reviewed and understands the insurance coverage requirements specified in the RFP. Should the Proposer be awarded a contract for Services, Proposer further certifies that the Proposer can meet the specified requirements for insurance, including insurance coverage of any subcontractors, and agrees to name the Town as additional insured for the Services specified.

By certifying this form, the Proposer also understands the Worker's Compensation insurance requirement per the California Labor Code, Sections 1860 and 1861:

I am aware of the provisions of Section 3700 of the Labor Code, which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

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Name of Proposer (Person, Firm, or Corporation)

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Signature of Proposer's Authorized Representative

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Name & Title of Authorized Representative

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