

**Spaulding Turnpike Service Area Development Project  
Request for Qualifications (RFQ) and Proposal (RFP) Summary**

**Overview**

The NHDOT is seeking a partnership through the execution of a ground lease and concession agreement with a private entity (hereinafter known as the Developer/Operator (D/O)) to undertake the development and long-term operation of a service area(s) located along the NH 16 (Spaulding Turnpike) corridor between Exit 6 in Dover and Exit 18 in Milton. Service areas may be located along the Spaulding Turnpike or via existing interchanges along the Spaulding Turnpike.

**Development Approach**

NHDOT is committed to assuring that the development results are in the highest level of architectural quality and customer satisfaction and believe that entering into a lease and concession agreement under which a qualified D/O designs, builds, finances, operates, and maintains the Service Areas is the optimal approach. The successful D/O will be the company or team that best defines a customer-centric approach, and a uniquely New Hampshire theme to the facilities design and operation, one that brings past successes to bear for the future benefit of the "Service Area patrons", and one that captures the blend of history, culture, and geography that makes NH unique. "Service Area patrons" will include a diverse group of travelers, which include tourists, commuters and truckers. Each group will have specific needs; a successful facility will include accommodations for all groups at an appropriate level.

**Key Details**

- 35-year lease and concession agreement (structure of lease will be dependent upon the location and assets brought to partnership)
- D/O responsible for all financial obligations of developing and then maintaining and operating the facilities.
- Construction of one or more new, ground-level Welcome Center(s) building up to 20,000 sf in size.
- Identification of needed space for the Division of Business and Economic Affairs ((DBEA) formerly the Division of Resources and Economic Development (DRED)) for a visitor information desk/kiosk and brochure racks/storage.
- Construction of a new self-service automobile Fueling Station (up to 16 positions), canopy, underground tanks and associated equipment with gasoline and automobile diesel available
- Construction of car, truck and bus parking at the potential site(s).
  - A minimum of 10 truck parking spaces must be provided, with a bonus for up to ten additional spaces (20 total).
- Construction of electric vehicle charging stations.
- Site work including sidewalks, gates, fencing, landscaping, pet walk area, picnic area with seating, lighting, security and utilities.
- A noise barrier to shield adjacent residential neighborhoods
- All site maintenance costs will be borne by the D/O.

### **Proposed Public Private Partnership (P3)**

In pursuing this partnership, the NHDOT has the following goals which will guide both the criteria used to select the D/O under the solicitation and to measure the success of the venture itself. They are:

- Obtain new, high quality facilities in partnership with a D/O
- D/O would bring capital, commitment to construct, operate and maintain facility to partnership for the opportunity to generate profit
- DOT will provide site at Dover's Exit 6 Interchange (northeast quadrant) and potential to brand site as a "State of New Hampshire Welcome Center" for consideration.
- Potential opportunity to have other facilities/locations with direct access to the Turnpike dependent upon whether D/O has private land available and location is financially feasible, appropriately sized for buildout, and can safely access the Turnpike.
- Ensure that the facility design and operation will provide a positive customer experience for the commuter, recreational traveler, and trucking community patrons.
- Provide a fair return to the Turnpike Bureau.
- For state owned property, provide for the transfer of the facilities in satisfactory condition at the end of the lease term.

It is desirable that the facilities' architecture convey themes central to those embodied in NH's culture and history and that they are maintained at the level typical of high-quality dining destinations. The Service Areas must also provide essential services such as rest room facilities; take-out and seated food services; a convenience store; wireless internet; and travelers and historic information. Most importantly, they should provide a must stop experience for travelers and be a safe haven and comfortable rest stop for millions of motorists and truckers.

### **RFQ Phase**

The RFQ process will allow the Selection Committee to broadly evaluate potential D/O's against baseline criteria and determine if they should be advanced to the RFP process. Proposed baseline criteria to be considered include:

- D/O and Team qualifications and experience
- Indication of sufficient financial strength
- Project approach and high-level site development concept (conceptual layout and Service Area building sketches and elevations). If direct access to the Turnpike is envisioned, engineered concept plan of safe access is required.
- Number of locations proposed
- Acknowledgement of proposed contract terms and desired State outcome

The Selection Committee will review each D/O qualifications package and shortlist up to three of the top firms to receive the RFP. Shortlisted firms will be selected based upon qualifications, experience, project approach and development concepts as defined in this RFQ. Financial strength and acknowledgement of proposed contract terms will be considered pass/fail.

**RFP Phase**

D/O's found to be sufficiently qualified and having financial capability to undertake this project will be issued an RFP. The RFP will provide the opportunity for those D/O's to clearly identify how these service areas would be financed, designed, constructed, operated, maintained and turned over to the state at the end of the concession lease. A Selection Committee, comprised of Turnpikes, NHDOT, New Hampshire's Division of Public Works (NHDPW) and DBEA with potential for guidance from the Governor's Office and/or the P3 Commission, would review, interview, rate and recommend a D/O to the Long Range Planning Commission and Governor and Executive Council.

The RFP identifies additional criteria that the shortlisted D/O's will need to respond to in their detailed proposals. These criteria include:

- Overall Service Area concepts, including appearance, concepts, vendors, site layout, sustainability, environmental footprint, and ability to utilize New Hampshire materials
- Construction schedule and committed undertakings
- Quality, functionality, and appeal of proposed design concept and its reflection of New Hampshire's unique history, culture, and geography
- Innovation related to architectural, engineering or other aspects of the Service Areas
- Detailed allocation of capital cost to site and buildings
- Overall life cycle approach to the construction, operations, and maintenance of the Service Areas
- Staffing plan that demonstrates ability of D/O to meet level of operations and maintenance required
- Variety of services, and proven stability and experience of the concepts and tenants providing services at similar types of location
- Proposed customer service feedback approach and marketing strategy
- D/O proposed strategy to deal with growth and demand for new products and services
- Structure and amount of payment to State through Lease and Concession Agreement for Service Area and fuel sales (revenue payment as a percent of gross sales and revenue per gallon of fuel)
- Robustness of Asset Management Plan
- Experience in long-term facility management, including environmental and safety records

RFP responses will be limited to approximately 75 pages, including engineered plans for access to the Turnpike (if applicable), detailed site layout plans, interior and exterior building plans and elevations. Selection Committee would review each D/O proposal package, score and rank based on a potential format as follows:

- 65 points for site proposal, detailed concept, schedule, cost allocation, and demonstrated ability to meet identified criteria
- 35 points for revenue to provide to State and fuel revenue per gallon

Each D/O will be interviewed to review their proposal and provide the opportunity to clarify and respond to any questions. Following interviews, the D/O's will be given the opportunity identify any additional elements that they feel will enhance the overall proposal for both the D/O and State, and to propose their Best and Final Offer (BAFO). The Selection Committee, upon receipt of the BAFO from each D/O, will

refine their proposal scoring (if necessary) and make recommendation to Long Range Capital Planning and Governor and Executive Council.

Qualifications and Proposals shall be considered conforming and responsive provided the information is submitted within the allowed time periods and contains all requested information as specified. In making its evaluation and selection, the Selection Committee will rely on the information submitted by the D/O's in the qualifications and proposal packages. At any time during the solicitation, the Selection Committee may contact one or more prospective D/O's through the Turnpikes representative for clarifications or request additional information.

The Selection Committee will reserve the right to reject all Proposals and cancel, at its sole discretion, the Request for Proposals (RFP).

### **Proposed Schedule**

Proposed RFQ, RFP, selection, and execution of lease and concession agreement schedule is as follows:

- Review draft RFQ with P3 Commission
- Hold Public Hearing with P3 Commission oversight in Dover area of the Spaulding Turnpike to solicit public input on the appropriateness of the P3 procurement method.
- Attain written concurrence from P3 Commission for the issuance of the RFQ for the project.
- Issue RFQ, review and financial feasibility assessment by Turnpikes and supporting consultant (Ranking of RFQ respondents – Confidential)
- Hold Public Hearing with P3 Commission oversight in Dover area of the Spaulding Turnpike to solicit public input on the draft RFP.
- With recommendation from P3 Commission, solicit approval from Capital Budget Overview Committee (CBOC) for use of the P3 procurement method and Governor and Executive Council for use of P3 and to release RFP to D/O's and Teams meeting financial requirements specified in RFQ.
- Issue RFP to D/O's and Teams meeting financial requirements specified in RFQ.
- Prospective D/O's and Teams submit proposal package in response to RFP.
- Selection Committee reviews and holds interviews (3-4 weeks from receipt of proposal package)
- After proposals submitted, interviews held, Selection Committee reserves right to request Best and Final Offer (BAFO) prior to making recommendation
- Selection Committee recommendation to Long Range Capital Planning and Governor and Executive Council
- Execution of long term lease (35-year with two 5-year extensions) and concession agreement

All materials submitted shall remain confidential until the conclusion of the negotiations and execution of the lease and concession agreement. Materials submitted will not be made available to other prospective D/Os, and they will be required to adhere to the terms of the Confidentiality Agreement identified in the solicitation.

While all documents submitted are considered public records, prospective D/Os may identify information in their proposals they deem to be confidential, proprietary, or trade secrets and provide justification why such materials, upon request, should not be disclosed by the NHDOT, Turnpikes, or the State.

### **Design Requirements**

The selected D/O shall provide the State with the Design Deliverables associated with access to the Turnpike (if applicable), Service Area site and building design, including but not limited to plans and specifications. These shall be submitted for review and approval at the following milestones:

- 30% Design Phase
- 80% Design Phase
- 100% Design Phase
- As-built drawings – Post-construction Phase (following completion and acceptance of construction)

All plans and concepts shall be reviewed and approved by the State (NHDOT, DBEA) at each milestone submission. Completion of 30%, 80%, and final plans and specifications shall be to NHDOT and NHDPW standards. All designs shall incorporate a New Hampshire theme. Such theme shall include elements of New Hampshire branding and/or culture such as “Granite State” and be truly “New Hampshire”.

Site, exterior, and interior designs will be determined by the D/O with no minimum or maximum requirements identified. Required service area elements are identified below:

### **Service Area Building Requirements**

- Multiple food service options
- Convenience Store
- Food court seating
- Outdoor seating
- Visitor Center area room for brochure racks and storage
- 100 square feet or area to accommodate six vending machines operated by Blind Services
- Business center
- Men’s, Women’s, and Family restroom areas open 24 hours per day to service anticipated demand
- Wireless Internet
- Sell NH Based products

### **Product and Service Requirements**

The D/O shall operate the Service Areas in a highly efficient and attractive manner and to conduct its operations so as to make its facilities on the Turnpike models of proper management, both for the service of the public and the winning of public esteem for the D/O, its service and products, and for the Turnpike as a whole. In this respect, the continuous maintenance of high quality sanitation, cleanliness, food products, food service, fuel products, fuel service, personnel training, customer services and general operations are of the essence of the Lease and Concession Agreement.

The D/O will be permitted to dispense: food, non-alcoholic beverages and such other products, including candy, snacks, canned beverages, tobacco products, maps, and travel aids as are customarily sold at service area facilities for the comfort of their patrons. Sale of beer will be permitted at the convenience store only (license from the NHLC will be required). In addition, to the extent and for so long as the State may agree in its sole discretion in writing, the D/O may do the following: sell a selection of retail items, such as souvenirs, clothing, and regional products; operate carts outside in areas mutually agreed upon and sell from those carts any item the D/O is allowed to sell inside.

All food, drinks, beverages, confections, merchandise and other items sold or kept for sale shall be wholesome and pure. All goods and services offered for sale must be in good taste and be considered appropriate, proper and consistent with the State's obligations to the patron. Items such as magazines

that display nudity and X-rated movies, as well as dangerous items such as knives, guns, fireworks, and other items that may cause damage or harm are not considered wholesome and pure and are prohibited from sale.

### **Construction Requirements**

The D/O shall be solely responsible for construction and shall assume all risk with respect to these operations. All engineering reports or other results of such investigations or analyses shall be addressed to and delivered to the State. The State may require the D/O to conduct, at the D/O's expense, further investigation or analyses that the State may determine are reasonably required to protect the State's interests. The State considers reasonable additional testing to be items such as borings, drainage analysis, subsurface investigation, etc. A geotechnical report of existing site conditions has been provided to the D/O's.

All construction shall be performed using first class materials and workmanship in strict accordance with the State-approved plans and specifications.

The D/O shall comply with all statutes, ordinances, rules and regulations of any government whether federal, state, county or municipal or any department, agency or State thereof applicable to the Service Areas or any construction therein or renovations thereof or to the D/O's activities therein and shall apply for and obtain in a timely manner, at its sole cost and expense, all necessary federal, state and municipal approvals and permits necessary for the commencement of construction, the occupation of buildings once renovated and the conduct of the D/O's activities as contemplated herein.

### **Key Construction Requirements**

- All site work, including parking, sidewalks, gates, fencing landscaping, seating lighting, security, utilities, etc.
- Construction bond and insurance requirements (\$500k Workers Compensation, \$1M/\$2M General Liability, \$10M Umbrella Liability, \$2M Professional Liability)
- Completion Bond (value based upon initial cost of construction, approx. \$12-16M anticipated for 20,000 sf facility, value may be prorated based on facility size deviating from 20,000 sf)
- Comply with all state and federal codes
- Secure all required licenses, approvals and permits

Construction schedule and sequencing will be determined by the D/O.

### **Operations and Maintenance Requirements**

The D/O is responsible for all maintenance, repair, replacement and upgrade of all equipment and/or systems throughout the facilities. The D/O shall prepare and submit to the State for approval a detailed Facilities Management Plan prior to Service Area opening for review and approval.

The State shall participate in the condition assessments of all facilities, in the prioritization of requirements/deficiencies, and the establishment of performance standards and performance measures.

### **Key Operation and Maintenance Requirements**

- Operation & maintenance of new Service Areas for 35-years under a Ground Lease Contract
- Develop Facility Management Plan
  - Detailed plan that includes custodial services, landscape management, winter maintenance, emergency maintenance, periodic capital renovation and improvements,

- building and site security, pest control, environmental compliance & pollution protection
- State responsible for offsite maintenance of ramps, intersections, interchanges and adjacent streets. D/O to be responsible for all onsite maintenance needs.
- Contribution to Facility Sustainment and Reinvestment Fund (up to \$1 Million dollars) created by payment of one (1%) percent of gross monthly sales to the State into a separate interest-bearing fund account, known as the Facility Sustainment and Reinvestment Reserve Account.
- Financial Guarantee Bond (\$3,000,000) for successive five (5) year terms beginning at start of operations
- Provide food and fuel-related services to all Service Area users with a well-trained, efficient and courteous staff.
- Provide facilities which are attractive, pleasant to use, and meet the highest standards of cleanliness.
- Serving products in a prompt and timely manner with a high level of customer service
- Provide food and fuel products at prices that do not exceed 10% of average prices for said products in adjacent County(s)
- Ensure the operating standards practiced on the Turnpike are of the highest caliber.

### **Ground Lease Contract Requirements**

The State would propose to execute a 35-year Lease and Concession Agreement with the selected D/O. The Lease and Concession Agreement is defined as a document that shall incorporate the material terms of the RFP, the selected Proposal, and typical boilerplate provisions generally found in a commercial ground lease. Key elements of the Lease and Concession Agreement include:

- 35-year ground lease
- D/O to provide revenue to State as defined in proposal, basis is as follows
  - gross sales and fuel rent
  - “base rent” in 12 monthly payments
  - “base rent” determined by yearly gross sales, balance less base rent due at end of fiscal year
  - fuel rent due based on number of gallons sold
  - rate per gallon for fuel rent will be identified in the ground lease contract
  - 12 monthly payments or single annual distribution at end of FY
- D/O shall turn over all operations to State at end of lease in good working order.
- State shall have option to receive all property and equipment if D/O files for or is placed in Bankruptcy
- If an Event of Default occurs, the State may take ownership of all facilities and equipment in the Service Areas at no cost to the State and free from all encumbrances except for subleases. Events of default are:
  - Failure to perform the any of the services identified in the Lease and Concession Agreement satisfactorily or on schedule;
  - Failure to submit any report required;
  - Failure to perform any other covenant, term or condition of the Lease and Concession Agreement;
  - Failure to maintain 2/3 space occupancy of concession areas;
  - Failure to maintain Essential Services;
  - Failure to provide adequate replacement Project Staff;
  - Failure to provide an adequate construction Project Work Plan;
  - Failure to pay taxes;
  - Failure to furnish a surety bond