

**The Commercial Kitchen Business Incubator Advisory Committee (CKBIAC) of
the Kaua'i Economic Development Board (KEDB)
on behalf of the County of Kaua'i
extends the following Request for Proposal for a
Feasibility Study to Assess the Viability and Value of Establishing a Certified
Commercial Kitchen Business Incubator serving Kaua'i County.**

Proposals should be prepared in accordance with the instructions provided here and address the Terms and Conditions, the Scope of Work and Specifications outlined.

A signed (by an authorized agent of the party submitting the proposal) original and one (1) copy of the proposal should be delivered to:

KEDB, Attn: Susan Tai-Kaneko
4290 Rice Street
Lihu'e, Hawai'i 96766
Phone: (808) 245-6692
Fax: (808) 246-1089
stai@kedb.com

Neither the CKBIAC, nor KEDB, nor the County of Kaua'i assumes any liability for costs incurred by the proposers in preparing and in submitting the proposal.

Proposals should be submitted no later than 4:30 PM HST, January 31, 2012.

Any questions regarding this Request for Proposal (RFB) should be directed to:

John Latkiewicz, Hawai'i Small Business Development Center
Phone: (808) 241-3148
john.latkiewicz@hisbdc.org

General Description/Scope of Work/Deliverables

The selected proposer will deliver (in hard copy and in electronic form) a completed, feasibility study which provides Kaua'i's decision-makers with information to determine:

- if a commercial kitchen business incubator would, and to what degree, facilitate creation and expansion of Kaua'i value-added businesses and contribute to the economic development of Kaua'i
- the level of interest in participation by Kaua'i's nascent, start-up and existing value-added oriented businesses
- the conditions under which such interest would translate into participation
- desirable/feasible features and services of the CKBI

The study will address the above questions (outlined in additional detail below) and provide a summary statement as to the feasibility of a CKBI on Kaua'i and the Go/No-Go criteria that the County may use in making a decision as to next steps. The selected proposer will also make presentations (including questions and answer periods) to Kaua'i County decision makers and, especially if a CKBI appears to be feasible, to the public at large (4 presentations). The selected proposer will be expected to make themselves available either in person or via communication technologies to present their results.

The timeline for the project is as follows:

Task	Timeframe
Proposals due.	By January 31, 2012, 4:30 PM HST
Evaluate the proposal.	By February 15, 2012
Make award.	By March 1, 2012
Conduct the study.	March 1 – May 31, 2012
Status Report	April 1, 2012
Draft of study submitted.	April 30, 2012
Submit the formal study.	Study completed by June 1, 2012
Present findings.	By June 30, 2012

The selected proposer will commit to above timeline.

Background

A number of parties involved with Kaua'i's economic development and support for small businesses have received feedback indicating a need for commercial kitchen facilities to support the start-up and expansion of value-added businesses. These parties began meeting in 2011 to explore the possibility of a community focused commercial kitchen to

support Kaua'i value-added entrepreneurs. (The membership of the Ad Hoc Committee appears below.)

In researching existing community commercial kitchen operations, a number of operations were identified including operations on O'ahu, Maui, Hawai'i and Moloka'i as well as the mainland. In many instances, these operations are supported by business incubation services supporting not only the production of value-added products but the development of viable businesses. These incubation services became an additional point of focus for the committee. In the course of this research, Resources related to starting up such operations were also reviewed and catalogued.

The deliberation of the committee lead to the conclusion that a formal feasibility study to explore the viability of establishing a commercial kitchen business incubator (CKBI) on Kaua'i is the logical next step. That conclusion was forwarded on to Kaua'i County Government's Office of Economic Development and County Council for consideration and was approved for funded. The ad hoc committee volunteered to continue work relative to identifying and working with a provider of feasibility study services and has been reconstituted as a sub-committee reporting to the Kaua'i Economic Development Board's Food and Agricultural Committee. This sub-committee will conclude its work by June 30, 2012 and will be disbanded at that point.

CKBIAC

The Commercial Kitchen Business Incubator Ad Hoc Committee's membership included:

George Costa - Kaua'i County Office of Economic Development
Randall Francisco - Kaua'i Chamber of Commerce
Laurie Ho - USDA Resource Conservation and Development
John Latkiewicz - Hawai'i Small Business Development Center, Kaua'i Center
Melissa McFerrin - Farm Bureau/Kaua'i Community College Farmers Market
Roy Oyama – President, Kaua'i Farm Bureau/Owner, Roy Oyama Farms
Sandy Poehnelt - The Right Slice, Owner
Sandi Kato-Klutke - General Manager, Aston Islander on the Beach; Chair, Hawai'i Hotel & Lodging Association, Kaua'i Chapter
Mark Oyama - Culinary Arts Faculty, Kaua'i Community College and Owner of Contemporary Flavors
Susan Tai-Kaneko - Kaua'i Economic Development Board

All members agreed to serve on as the KEDB Food and Agriculture Committee sub-committee (Commercial Kitchen Business Incubator Advisory Committee – CKBIAC) with the exception of George Costa and Randall Francisco who asked that they be included on an as needed basis. This CKBIAC will serve as an advisory board to the selected proposer.

Areas to Be Addressed by Selected Proposer

As part of the response to the request for proposal, the selected proposer will address the following areas of interest:

- level of interest (by end-users) in a commercial kitchen
- types of kitchen capabilities needed
- facility configuration/equipment and furnishings
- products prospective users are interested in producing
- price points for access to services
- level of interest in business incubator wrap-around services
- level of need for those services (regardless of level of interest)?
- evaluation of locations
- potential for operating on a self-supporting basis
- funding sources for construction, implementation and operation
- appropriate management structure
- market for value added products
- potential of a commercial kitchen business incubator to support and complement the interests of other Kaua'i businesses including farmers, restaurants and retail food operations
- potential economic impacts

The selected proposer will need to demonstrate that they have engaged with prospective clients, stakeholders and decision-makers in addressing these questions.

An expanded version of the above list includes:

- What is the level of interest (by end-users) in commercial kitchen access?
- What types of kitchen capabilities are needed – type and volume, e.g., prep, baking, full service?
- What products are prospective users interested in producing, e., baked goods, jams, lunch wagon fare, processed meats? What would be the percentages for these various categories?
- What is the market for the value added products likely to be produced - on Kaua'i, in Hawai'i in general, the mainland, foreign markets?
- What do end users see as price points they'd be willing to pay for access to the commercial kitchen?

- What is the level of interest in wrap-around services including but not limited to
 - business consulting and workshops including, but not limited to business plan development, assistance with financial management, marketing plan development
 - revolving loan programs
 - technical assistance and workshops, e.g., recipe development workshops, labeling, packaging, etc.

- What is the level of need for those services (regardless of level of interest)?

- What are the pros and cons of various locations? What would be the best location?
 - What is the existing capacity relative to commercial kitchens? Number? Capacity available? Strengths and weaknesses of the facilities/operations? Willingness to and interest in renting (or otherwise make the facility available to other users)? At what cost or under what conditions?
 - What are desirable location features including “green/sustainability” features?
 - The study should include evaluation of up to 5 sites identified by the Committee including the tropical fruit disinfestation plant.
 - The study should address whether or not the facility needs to be new construction or whether existing facilities can be used as a CKBI, and the costs associated with each option.
 - Where on Kaua’i should the facility/operation be located?
 - What would be an appropriate space configuration including factors such as kitchen space per se, storage, administrative/office areas (for staff and clients), training/conference room, loading and unloading areas and parking, sewage systems and other needed infrastructure?
 - How should the facility be furnished and equipped taking into account the space configuration factors?

- Can a commercial kitchen business incubator operate on Kaua’i on a self-supporting basis?
 - what are the likely costs of implementing and operating the commercial kitchen business incubator on Kaua’i (variable and fixed)
 - what are revenue projections
 - if it can’t be self-supporting, what supports would be needed?
 - Prospects for and likelihood of acquiring those supports.
 - Possible funding sources for construction, implementation and operation.

- What would be an appropriate management structure?
 - internal - positions and expertise needed
 - legal form of business, organizational affiliations

- What are the possible and likely economic impacts over the first three years of operation? Over the first 5 years of operation? This should include business start-ups, business expansions, revenue increases (of the business participants), jobs created, capital infused?

- Who are the major stakeholders? What is the likely level of community support?
 - To what degree would a CKBI assist and support and complement the interests of other Kaua'i businesses including farmers, restaurants and retail food operations?

Submission Requirements

The bid submission shall consist of a signed original and one (1) copy. Submittals should be enclosed in a sealed envelope, addressed to KEDB, Attn: Susan Tai-Kaneko and clearly marked, "Sealed Proposal for Commercial Kitchen Business Incubator Feasibility Study".

Proposals shall become the sole property of KEDB.

Proposals shall include the following minimum information, in this sequence.

1. Cover Letter – A cover letter stating the name, postal mailing address, phone and fax numbers and E-mail address of the person/firm making the submittal, signed by an individual who has authorization to commit the proposing company to a contractual agreement.

2. Response to "Scope of Work" proposed including a description of your understanding of the project. Describe the work program including the scope of each task and the methodologies to be utilized. Identify specific and products to be submitted where applicable. If you think there is a better way to go about it than we have outlined in this RFB, tell us about it. Include any additional tasks in the Scope of Services that you believe would strengthen the outcome of this project.

3. Project Staffing – Provide an overview of project staffing for the project including who will be the lead person for each task. Provide the hours allocated by task for each staff person who will work on the project.

4. Qualifications and Experience – For the company and key staff to be involved, provide a description of their capabilities and experience related to this project. Provide

a description of projects performed by this proposer (and sub-consultants) that demonstrates related experience and capability in the area of small business incubators or other comparable projects. Information should include project titles, project location, client, summary of work performed, implementation status or results, contact information and other relevant information. Bidders should be aware that KEDB and the CKBIAC reserve the right to perform reference checks based on the information provided.

5. Project Timeline – Provide a timeline for completing the work program.

6. Project Budget – Provide a project budget outlining the total cost for completing the project. The budget should include an allocation of staff time by task and a list of hourly or daily rates for each person working on the project. The budget will be “all inclusive”, i.e., KEDB will not pay additional vendor expenses.

7. Response Deadline – Responses are due at the Kaua’i Economic Development Board by 4:30 PM HST, December 30, 2011.

The mailing address is:

Kaua’i Economic Development Board
ATTN: Susan Tai-Kaneko
4290 Rice Street
Lihu’e, Hawai’i 96766

Selection Criteria

The proposals will be evaluated by the CKBIAC with additional representation for the County of Kaua’i Office of Economic Development. Selection criteria include:

- Responsiveness and completeness of the response to this Request for Proposal (20 points)
- Quality of the work program proposed. (25 points)
- Degree to which the completed study is responsive to Kaua’i’s business environment and culture. (20 points)
- Degree to which the proposed budget is reasonable and justified. (20 points)
- Qualifications and experience of the prospective bidder’s key staff with comparable projects. (10 points)
- Reference checks with prior clients. (5 points)

KEDB reserves the right to award the contract to the prospective bidder that KEDB, at its sole discretion, determines to best serve the public interest in the furtherance of approved objectives. KEDB is not obligated to take the lowest bidder. KEDB reserves the right to negotiate with the bidder as to the proposed work program and the related costs.

General Terms and Conditions

Term of Contract: The contract resulting from this RFB will commence on February 1, 2012 and end no later than June 30, 2012.

Contract Representatives: The KEDB Director will handle most contractual matters.

Assignment: The contractor shall not assign the contract in whole or in part without the express written consent of the KEDB Director.

Termination: The contract, or any portion of the contract, may be canceled for "just cause" by KEDB by giving thirty (30) days written notice to the contractor. "Just cause" is defined as unsatisfactory performance or as any failure on the part of the contractor to comply with any of the provisions or terms and conditions of the contract.

Compensation: Total payment for the completed study will be made within thirty (30) of satisfactory completion of the work program. KEDB, based on negotiations with the selected proposer may make a portion of the project budget available to the selected proposer based on actual and documented costs incurred.

Liability Clause: The Contractor, in performance of contract, shall release and discharge KEDB and the County of Kaua'i from liability for, and assume the risk of, loss or damage to property of the Contractor.

Further, the Contractor shall save KEDB and the County of Kaua'i from and defend against all losses, all liabilities, expenses and other detriments of every nature and description, to which KEDB and the County of Kaua'i may be subjected by reason of any negligent act or omission of the Contractor, or any of the Contractor's subcontractors, employees, agents, invitees or licensees where such loss, liability, expense or other detriment arises out of or in connection with the performance of work under the contract, including, but not limited to liens, personal injury and loss of or damage to property of KEDB, the County of Kaua'i or others.

Contractor's Liability Insurance: The Contractor shall maintain Comprehensive General Liability insurance in the amount of not less than \$1,000,000 Combined Single Limit (Bodily Injury & Property Damage) that will protect them from claims for damages and personal injury, including death, which may arise from operation under this Contract,

whether such operations be by themselves or by any subcontractor or anyone directly or indirectly employed by either of them.

The Contractor shall maintain Business Automobile Liability Insurance in the amount of not less than \$1,000,000 for each occurrence for bodily injury and property damages. The coverage shall be for “any auto” (including owned, non-owned, and hired vehicles). The certificate of insurance coverage shall name KEDB and the County of Kaua’i as additional insured.

Change Orders: Changes in the work or design, after award of contract, may be made or altered, increased or decreased. In such event, the contractor shall furnish a written cost estimate of the work to be added or omitted and, thereafter, shall not proceed to make any change(s) until a written Change Order has been issued by KEDB.

Contracts / Purchases by the Contractor: The contractor shall not use the name of KEDB or the County of Kaua’i with suppliers or in any other manner. The contractor shall make all contracts in its own name and the contractor alone shall be responsible for purchases and contracts made by it. The contractor shall not set or hold itself out to be an agent for KEDB or the County of Kaua’i. Nothing herein shall be construed as creating the relationship of partners, joint ventures, or agency.

Compliance: Contractor shall be responsible for complying with all County, State and Federal Codes and Regulations, as applicable, in the performance of the Contract.