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# MEMORANDUM

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Date: July 21, 2015

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator 

Re: Colossal Cave Mountain Park Operator Request for Proposals

The County is in the process of transitioning to a new operating entity for Colossal Cave Mountain Park (CCMP). The decision to issue a Request for Proposals (RFP) for CCMP operation was result of the performance audit accepted by the Board of Supervisors on November 18, 2014.

Two proposals were received on May 8, 2015; one from Cave of the Winds, dba Family Amusements Company and another from Ortega National Parks, dba Colossal Cave, LLC. Both proposals were reviewed by a proposal review committee consisting of the following members:

- Gale Bundrick, Parklands Foundation
- Dick Katz, Vail Business Community
- Gary Tenen, National Speleological Society
- Kerry Baldwin, Natural Resources, Parks and Recreation
- Julia Fonseca, Office of Sustainability and Conservation
- Mike Holmes, Economic Development and Tourism
- Linda Mayro, Office of Sustainability and Conservation
- Ian Milliken, Office of Sustainability and Conservation
- Tom Moulton, Economic Development and Tourism
- Suzanne Shields, Regional Flood Control District

The Committee conducted in-person interviews consisting of 23 questions with each of the proposing entities. The Committee overwhelmingly recommended Ortega National Park, dba Colossal Cave, LLC to be the future operator of CCMP.

I authorized our Economic Development and Tourism Department to proceed with contract development in consultation with the Directors of Natural Resources, Park and Recreation, Sustainability and Conservation, and the Regional Flood Control District. This contract will be completed in the near future and will be presented to the Board of Supervisors for review and approval on the August 11, 2015 agenda. The operating agreement with the present operator, Escabrosa, Inc., expires on August 4, 2015. In order to provide

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continuity of operation and to prevent CCMP from closing between August 4 and August 11, 2015, I have authorized a short-term Right of Entry with Ortega National Parks, dba Colossal Cave, LLC.

A comprehensive report of the CCMP operator RFP process and the evaluation of proposals is attached.

CHH/anc

Attachment

c: Hank Atha, Deputy County Administrator for Community and Economic Development  
Tom Moulton, Director, Economic Development and Tourism  
Suzanne Shields, Director, Regional Flood Control District  
Chris Cawein, Director, Natural Resources, Park and Recreation  
Linda Mayro, Director, Sustainability and Conservation



## MEMORANDUM

TO: C. H. Huckelberry  
County Administrator, Pima County AZ

DATE: July 21, 2015

FROM: Tom Moulton  
Director, Pima County Economic Development & Tourism

RE: Colossal Cave Mountain Park RFP Review, Analysis and Recommendation

### **Background**

On the 18th of November, 2014, the Pima County Board of Supervisors accepted the performance audit on Colossal Cave Mountain Park, including the recommendation to not renew the current operating agreement with Escabrosa, Inc., and directed this department to conduct a search for a new operator with an effective start date on or about the 4th of August, 2015.

### **RFP Development & Review**

From December through March of this year, this department worked with Natural Resources, Parks & Recreation, the Office of Sustainability & Cultural Resources, Flood District and legal counsel to develop a Request for Proposal (RFP) that would be both attractive to a commercial show cave operator and still protect the significant wealth of resources and beauty of the park. This RFP was published on the 23rd of March, and the announcement was released to local media, published on the Pima County website, advertised in the Arizona Territorial newspaper, and sent out to the National Cave Association and the International Association of Amusement Parks & Attractions. We also published it on social media outlets (Twitter, LinkedIn, and Facebook) and provided several interviews to the Arizona Daily Star and Arizona Public Media which were later published and broadcast.

In order to provide the best and clearest information to the public and interested parties, the RFP Selection Committee, which comprised prominent community members and various Pima County departments, held a Pre-Proposal Conference on the 1st of April. This included both live and teleconferenced participants and took the format of an open conversation with the staff and committee responding to questions and comments from the public. The list of attendees and a live recording of the proceedings were made available to the public on the Pima County Attractions website along with all of the other RFP materials.

Additionally, ED&T was listed as the County point of contact for all public and media questions and department director and program manager, Mike Holmes, made themselves available to a number of inquirers and answered questions as they came.

In accordance with the RFP, the bids were due on the 8th of May, 2015. We received two: one from Cave of the Winds, dba Family Amusements Company, and another from Ortega National Parks, dba Colossal Cave, LLC. Of immediate note on our first review of the bids was the disparity of information contained: the bid from Ortega National Parks was much larger, included a number of concept sketches which were specific to CCMP, and a comprehensive section on past performance vignettes showing a depth and breadth of experience in working with government (USPS) owned properties. The Ortega bid also exceeded the standards set forth in our RFP by including a corporate financial balance sheet which displayed significant financial resources available for investment and rehabilitation.

Of additional note during this process was the legal request, without prior notice to ED&T, from Ortega National Parks to keep their bid information confidential due to the significant amount of proprietary and financial data. This court order was precipitated following a request to receive both bids prior to final evaluation by the committee. This was accomplished with a Temporary Restraining Order filed by Ortega National Parks to and by the Pima County Superior Court, with which we were constrained to comply.

#### **Selection Process**

Mike Holmes, Program Manager for ED&T, was chosen as the project officer who was required to remain impartial and abstained from the final scoring process. In this capacity, he conducted research pertinent to each party's ability to operate an attraction like CCMP, as well as their past performance and references under guidance provided by the evaluation committee. The RFP committee was able to focus strictly on the quality of each bid and the bidder's responses to a list of twenty-three questions the committee developed and invited each proposer to answer. The bidders were given an opportunity to respond to these questions by either conference call or in person on the 26th of May at a closed meeting with the RFP Committee in Tucson. Both bidders decided to attend in person. Each of the conversations lasted for more than two hours, with a significant amount of give and take until each of the committee members felt the answers had been clarified and answered in full. Legal counsel was in attendance to ensure the process was fair and equitable for each party.

As mentioned before, the most significant difference that was immediately evident during these meetings was the disparity of information made available by each party and the level of preparation each party had conducted in advance of the meeting. Both parties received the questions five days in advance via email and had acknowledged receipt within a few hours of each other. Ortega National Parks began their interview by introducing their corporate background, philosophy and their senior team, all who were in attendance.

The group presented themselves as the leadership responsible for the transition and hiring of the new team, provide strategic planning, direction and expertise. After this introduction they provided an in-depth written response to each of the questions the committee posed to all committee members, which was followed by a verbal exchange of their answers. Cave of the Winds was represented by the CEO of the company and two local representatives. Following their brief introduction, it became clear they had not prepared the answers in advance and proceeded to answer each question verbally as it was read to them.

The RFP Committee considered the bids and the answers to the interview questions for an additional week before reconvening on the 3rd of June, 2015 to score the bids. The score sheets were developed covering four categories consisting of operational qualifications and experience, an attractions plan, an operations and finally a business plan. These categories were directly from the language that had been published in the RFP and communicated to each bidder in advance so that they had every opportunity to be aware of the standards we were seeking to be met. The scoring itself was conducted during the final meeting, and only after each committee member had an opportunity to provide their thoughts, ask any remaining questions of staff, and share their opinions with each other.

#### **RFP Analysis**

The analysis of the four categories provides a lot of insight as to why the Ortega National Parks bid was selected over the Cave of the Winds bid. Regarding operational expertise: while Cave of the Winds have been operating the cave for decades, Ortega explained the various areas of their expertise operating an attraction including food and beverage, major gift shops, lodging and educational programming throughout the National Park system. Each of the locations operated by Ortega were fully explained along with a study of how each location increased their net profits. The depth of their trained personnel was shown throughout multiple properties within their operating system, while Cave of the Winds, showed the expertise of their personnel in one location.

The attractions and marketing plans were comparable until Ortega's went into more explanation of design of its proposed attractions including conceptual diagrams of the pros and cons of locating a zip-line attraction, upgraded food and beverage areas, waiting area for the cave and re-purposing plan of the current ranch house. Ortega also indicated they have been involved in the restoration of CCC buildings and similar period structures.

Ortega's operations and business plans continue to show the depth of their ownership and staff knowledge and the company's availability of financial assistance available to be put to work on the improvements for CCMP. As an example of the difference in thinking, Cave of the Winds at the beginning of their proposal indicated they needed to have the bond funds in order for work to begin on the infrastructure improvements, while Ortega developed their plans without these funds.

After a comprehensive discussion and scoring was completed the results were unanimous and overwhelming. In each of the four categories each of the committee members scored Ortega National Parks higher than Cave of the Winds. Mike Holmes tabulated the scores, rechecked them for accuracy, and provided them to the committee. The Director of ED&T informed the County Administrator office and received approval to move forward on negotiating the operating and management agreement.

#### **New Operating Model**

Since the 1950's the Maierhauser family has been the primary operator of Colossal Cave and ultimately the entire Colossal Cave Mountain Park. The park has now grown to over 2,400 acres and includes the La Posta Quemada Ranch.

On August 3 the management contract with Martie Maierhauser (Escabrosa) will terminate and the new manager will operate under a temporary agreement until the new management agreement is approved by the Board of Supervisors. Our goal is to have this new agreement, which has been reviewed by supporting departments, for your review in late July in time for the August 11 or 17 BOS meeting.

The primary difference of the new operating model is the new manager will only be responsible for the activities within a pre-determined designated area within the Park. NRPR will operate the Mountain Park very similar to the way they operate Tucson Mountain Park. ED&T will be the primary agency overseeing this agreement on behalf of the County Administrator's office, coordinating with NRPR. A similar operating model exists with Old Tucson and the Desert Museum both located within Tucson Mountain Park.

#### **Conclusion**

In my capacity as the Departmental Director along with the Project Manager for this process, we were both very aware of the need for impartiality and fairness and the overriding public duty to ensure that we selected the best operator available for the attraction. I strongly believe we have accomplished these imperatives and recommend your approval of Ortega National Parks dba, Colossal Cave LLC., to the Board of Supervisors to manage the Colossal Cave attraction within Colossal Cave Mountain Park.

c: Hank Atha, Deputy County Administrator