



REQUEST FOR HOTEL/MOTEL ROOM BLOCK PRICE QUOTES RPM-04-FY-20

TO: Interested Hotel/Motel Operators

FROM: Rachel Johnson
Real Property Program Manager
Alameda County General Services Agency

DATE: March 25, 2020

Executive Summary

The County of Alameda (the “County”) is taking aggressive steps to slow the spread of the COVID-19 virus. At the same time, the County’s Health Care Services Agency (“HCSA”) is making preparations for the expected increase in the number of affected people in the County and has identified a need to for at least 4,750 hotel/motel rooms for a minimum of four months to further the health and safety of (a) approximately 4,000 people who have been exposed to COVID-19 or are under medical quarantine, such as those who are experiencing homelessness or who are high risk due to age or medical conditions, and (b) approximately 750 COVID-19 essential services workers who are exposed or confirmed positive for COVID-19 and cannot self-isolate, all as further described below.

This need arises against the backdrop of sharply dropping hotel/motel occupancy and, in some cases, closure of hotel/motels and furloughed hotel/motel workforces. The County recognizes the importance of the hospitality industry to Alameda County’s economy and eventual recovery and would like to structure this public-private partnership as a win-win-win: responsibly addressing the COVID-19 outbreak, providing participating civic-minded hotel/motels with a revenue stream in excess of what the private market can offer during this time, and ensuring work and wages to the County’s hotel/motel labor force to the maximum extent possible.

Response Requested

Interested hotel/motels are invited to provide their response by completing Attachment A – Price Quote Response Form and returning it to Rachel Johnson, Real Property Program Manager, General Services Agency Real Property Management (Rachel.Johnson@acgov.org) by **5:00 p.m. on Friday, March 27, 2020**. Each respondent should structure its response based on the County’s terms and conditions described below. Respondents will not be bound by their offers until the execution of a final agreement with the County. The County reserves the right, in its sole discretions, to reject any and all Responses for any or no reason.

Populations to be Housed

County is seeking hotel/motel rooms for the benefit of multiple populations.

To minimize the spread of the COVID-19 virus, the County plans to identify hotel/motel rooms to be used to quarantine individuals (i) whose current housing situation does not allow them to self-quarantine at home (the “Isolation Rooms”), (ii) who are experiencing homelessness, (iii) who are at high risk due to age or medical conditions, or (iv) who reside in congregate settings with shared bathrooms and kitchens such that isolation is not possible. More than 15,000 individuals in Alameda County live in these types of conditions. Therefore, the desired hotel/motel rooms would be used to address two groups in particular: County residents who have come in close contact with a COVID-19 positive individual, but have not been tested (14-day quarantine) and those residents who have been tested or tested and confirmed for COVID-19, who need to be isolated but do not have a medical need to be hospitalized.

In addition to the quarantine population, County seeks to identify hotel/motel rooms (the “Essential Service Worker Rooms”) for workers who have been exposed or are confirmed to have COVID-19 and cannot self-isolate.

These differing populations will require different health protocols, which will be set forth and agreed to in detail prior to any occupancy. Accordingly, respondents will be invited to offer differing price quotes targeted for each population. See “Proposed Terms and Conditions” below.

Important Note: The County will not offer an agreement limited to one population or another; each agreement must offer County the flexibility to house all populations in the hotel/motel, subject to appropriate safety protocols.

Proposed Transaction Structure

As time is of the essence, individualized contract negotiations with each operator are not possible. In the interest of simplicity and efficiency, County is seeking price quotes for obtaining room blocks on the following terms:

1. Minimum Guarantee. Because an agreement with the County to provide rooms to these populations would necessitate keeping other guests out of the hotel/motel (lost opportunity costs), the County is willing to pay a minimum guaranteed payment per day from the beginning of the agreement as agreed to by the parties. The County would expect this payment to align with recent revenue generation trends over the course of March 2020, where occupancy was quite low, to leave hotel/motels no worse off than if they remained open to the current limited market.
2. Variable Payment Per Room Block Used. From the date the County exercises its option to use a block of rooms (“Room Block(s)”) until the date such rooms are released to the hotel/motel per the terms of the agreement, the County will pay the per-room fee as agreed to by the parties in place of the Minimum Guarantee.

The Minimum Guarantee will be for the whole hotel/motel. Hotel/motels will also bill a per-room block charge and the County would pay the higher of the Minimum Guarantee or the Room Block(s) or partial blocks actually used by the County.

For simplicity, and to maximize the benefits to the hotel/motel workforce in the County, County requires, and respondents' price quotes should assume, that hotel/motel Room Blocks would be accompanied by the full suite of hotel/motel products and services, subject to negotiated exceptions regarding linen and food service as further described in "Proposed Terms and Conditions" below, as well as any other negotiated limitations specific to a particular respondent hotel/motel. Specific additions or deletions from the scope of services may be negotiated based on responses, and as part of that negotiation room prices would be adjusted accordingly if changes to the scope affect the underlying cost to deliver the required service.

Proposed Terms and Conditions

Respondents' price quotes should be developed and submitted according to the following conditions:

| Transaction term | Description |
|---------------------------|--|
| Term of agreement | Minimum four months from commencement of agreement with a County option to extend the term on a month-to-month basis. |
| Minimum Guarantee | Payable on a monthly basis in arrears according to the final price negotiated and agreed to by the parties |
| Variable Payment | Variable costs are incurred per day and payable in arrears on a monthly basis for each Room Block according to the final negotiated price and type of room occupant (Isolation Room or Worker Room) |
| Size of Room Block | For ease of administration, County seeks the ability to obtain Room Blocks in a minimum quantity of 100 rooms (or whatever number of rooms remaining in a hotel/motel, if the remainder is less than 100 rooms). County would also be able to obtain significantly more than 100 rooms at a time in County's discretion if conditions require more rooms. In all cases, the "Room Block Rental Process" noted below would apply. |
| Room Block Rental Process | The specific process will be detailed in each final agreement, but the County seeks a streamlined process for each purchase of Room Blocks: <ol style="list-style-type: none">1. Notice of Quantity Required2. Pre-Rental Inspection |

| Transaction term | Description |
|---|--|
| | 3. Agreement on safety protocols and services for population to be housed |
| Food service and Toiletries | Price quotes for all Rooms or Room Blocks should reflect the inclusion of three meals of room service a day for each person residing in the room along with an average daily supply of toiletries. |
| Linen Service | Hotel/motel staff will be responsible for provision and installation of clean linens upon final departure of the room occupant. NOTE: Hotel/motel staff may provide linen cleaning subject to staff agreement and receipt of appropriate training. |
| Room Cleaning Protocols during Agreement | <p>Hotel/motel staff will be responsible for room cleaning upon final departure of the room occupant. NOTE: Hotel/motel staff may provide room cleaning subject to staff agreement and receipt of appropriate training.</p> <p>There will be no daily room cleaning of quarantine guest rooms.</p> |
| Room Block Termination Protocols | At the end of the term of the agreement, County's Public Health Department will be responsible for cleaning the premises and rooms. |
| Services provided by the Hotel/motel and the County | If the County determines it to be necessary, County may supplement hotel/motel provided security officers to monitor quarantine compliance. |
| General Terms | The County would propose to enter this agreement using the terms set forth in Attachment B. |

Selection Process

This Request for Price Quotes is intended to create a speedy and efficient process for leasing/renting blocks of rooms as the impact of the COVID-19 virus accelerates over the coming days. County will review responses and contact respondents on a rolling basis as it deems appropriate. Respondents will be selected for negotiations based on a number of factors, including but not limited to price, the degree to which the respondent is willing to adhere to all of the County's proposed agreement terms, the speed with which the rooms can be made available, the location or other characteristics of the hotel/motel in relation to the population to be served. No one factor will be dispositive.

Conclusion

County greatly appreciate the willingness of the County's hotel/motel operators and labor force to collaborate on this critical strategy to combat the spread of COVID-19 and care for those in the County who contract or are exposed to the disease either as part of the essential services workforce or in the general public. It is our hope that this partnership will prove to be a major victory for both the County's health care effort and its economy during this challenging time.