

APPROVED
DEC 11 2008
BOARD OF RECREATION
and PARK COMMISSIONERS

REPORT OF GENERAL MANAGER

NO. 08-328

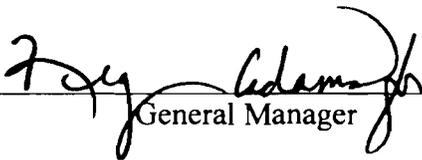
DATE December 11, 2008

C.D. 7

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: HANSEN DAM GOLF COURSE PROFESSIONAL CONCESSION -
REQUEST FOR PROPOSALS

R. Adams	_____	J. Kolb	_____
H. Fujita	_____	*F. Mok	<u>am.</u>
S. Huntley	_____	/ K. Regan	_____
V. Israel	_____	M. Shull	_____



General Manager

Approved /

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the Hansen Dam Golf Course Professional Concession Request for Proposals (RFP) for a ten-year Concession Agreement, with two (2) five-year renewal options exercisable at the sole discretion of General Manager, substantially in the form on file in the Board Office, subject to review and approval of the City Attorney as to form;
2. Direct the Board Secretary to transmit the RFP, concurrently, to the City Attorney for review and approval as to form, and the United States Army Corps of Engineers; and,
3. Direct staff, subsequent to City Attorney review and approval as to form, to advertise the RFP and conduct the RFP process for the concession.

SUMMARY:

The Hansen Dam Golf Course is located at 10400 Glenoaks Blvd., Pacoima, CA 91331 and includes one 18-hole golf course operated and maintained by the Department. The Hansen Dam Golf Course Professional Concession (Concession) provides professional golf lessons to patrons, and maintains and operates the golf professional shop and the golf driving range. The Golf Professional Shop includes a retail display area, an office, a storage room, a changing room, and an employee restroom. The driving range is lighted and has a thirty-one (31) stall tee line; twelve (12) of which are covered.

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The Concession has been operated by John Wells Golf Shops, Inc., under Concession Agreement 233, since October 1, 1997. In calendar year 2007, the Concession generated over \$671,000 in gross receipts and paid \$137,852 in rent to the Department.

Staff has developed and is now ready to release, at the direction of the Board, an RFP for this concession. With this RFP, the Department will seek a qualified, experienced, and financially sound operator who will meet or exceed the Department's expectations in all operational and financial areas, and optimize service to the public and profitability to the business.

Proposal and Contractual Provisions

1. Proposal Deposit: A \$10,000 proposal deposit will be required with the submission of each proposal.
2. Term: Ten years, with two five-year renewal option(s), at the sole discretion of the General Manager.
3. Rental Terms: Rental percentage of gross revenue from lesson services, pro shop business, and driving range business. Current rent is 7% of gross receipts derived from lesson services, pro shop sales and services, and 35% of gross receipts derived from the driving range business.
4. Concession Improvements: Required improvements include painting the interior and exterior of the facility and providing new flooring. Optional requirements by the proposer will be evaluated and scored by the panel.
5. Utilities: The operator will pay gas and electricity directly to the service providers as a separate meter is installed at this location. The Department will pay for water; as the water is reclaimed, cost is minimal.
6. Contractual and Financial Terms: The City will enter into an Agreement whereby the City has no financial responsibility or liability for the operation and the City will share in profits in the form of a percentage of gross revenue.
7. Faithful Performance Deposit: A Faithful Performance Deposit will be required to be maintained for the duration of the Agreement in the amount of Fifty Thousand Dollars (\$50,000).

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Evaluation Process

Proposals will be evaluated in two levels. Level I will be a check and review by staff for required compliance and submittal documents; Level II will be a comprehensive evaluation of the proposals by a panel of non-City employees. Proposers must successfully pass Level I to proceed to Level II.

RFP Evaluation Criteria Areas

For the purposes of evaluation, the responsive proposals to Level I will be evaluated on the criteria below (Level II):

- 1) Ability to Finance (15 points)
- 2) Background and Experience (20 points)
- 3) Proposed Business Plan for this Concession (20 points)
- 4) Proposed Rental Payment to City (20 points)
- 5) On-Going Refurbishment, Improvements, and Maintenance (15 points)
- 6) Concession Improvements (10 points)

The RFP documents will be advertised in several periodicals; available on the Department's website; posted on the Los Angeles Business Assistance Virtual Network (BAVN); and a letter inviting bids will be mailed to over two hundred organizations and individuals from a mailing list maintained by the Concessions Unit. The anticipated time of completion for the RFP process is approximately eight to twelve months. The Golf Division has reviewed the RFP and provided input.

A conference will be held approximately one month after the release of the RFP in order to provide potential proposers with a review of the submittal documents, compliance documents, and requirements for the Good Faith Effort Subcontractor Outreach as required by Executive Directive No. 2001-26, Riordan Series and Board's Policy.

FISCAL IMPACT STATEMENT:

Releasing the Request for Proposal has no impact on the Department's General Fund.

Report prepared by Melanie Torres, Senior Management Analyst I, Concessions Unit, Administrative Resources Section, Finance Division