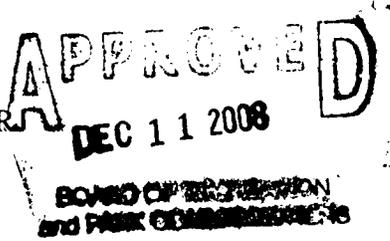


REPORT OF GENERAL MANAGER



NO. 08-329

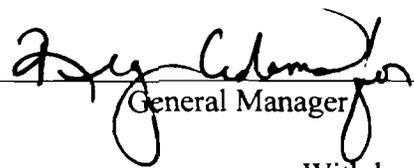
DATE December 11, 2008

C.D. 7

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: HANSEN DAM GOLF COURSE RESTAURANT 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Withdrawn _____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 Restaurant Concession Request for Proposals (RFP) for a five-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 to the City Attorney for review and approval as to form; 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 an eighteen hole golf course located at 10400 Glenoaks Boulevard, Pacoima, CA 91331. Hansen Dam Golf Course Restaurant Concession (Concession) provides food and beverages (alcoholic and non-alcoholic), and banquet services to the golf community and neighboring community.

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The Concession was operated by Lucchese Deli and Catering since October 2000 who abandoned the concession in March 2008. The concession has since been operated by JL Dining Services under a short-term Concession Agreement. In 2005, the concession generated over \$539,000 in gross receipts and paid \$37,792 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 \$5,000 proposal deposit will be required with the submission of each proposal.
2. Term: Five years, with two (2) five-year renewal options at the sole discretion of the General Manager.
3. Rental Terms: Rental percentage of gross revenue from food and beverage sales, bar service sales, banquet and catering sales. Currently rent is 4% of food and beverage (alcoholic and non-alcoholic) sales.
4. Concession Improvements: Required improvements include painting the interior and exterior of the facility, providing new flooring, and installing new restaurant furniture and décor. Optional improvements by the proposer will be evaluated and scored by the panel.
5. Utilities: The operator will pay gas and electricity directly to the service provider as a separate meter is installed at this location. Water will be paid by the Department.
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 Twenty-Five Thousand Dollars (\$25,000).

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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 the Board's policy.

FISCAL IMPACT STATEMENT:

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

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