

APPROVED

REPORT OF GENERAL MANAGER

FEB 06 2008

NO. 08-38

DATE February 6, 2008

BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. 7

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: HANSEN DAM GOLF RESTAURANT - CONCESSION AGREEMENT
FOR FOOD AND BEVERAGE SERVICE

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



 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the Concession Agreement, between the City of Los Angeles and J. L. Dining Service, to provide food and beverage service operation at the Hansen Dam Golf Restaurant, for a period of twenty-four (24) months, substantially in form on file in the Board Office, subject to approval of the Mayor, the City Attorney as to form, and the Army Corps of Engineers;
2. Find, in accordance with Charter Section 1022, the Department does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks and that it is more feasible to secure these services by contract;
3. Find, in accordance with Charter Section 372 and Los Angeles Administrative Code Section 10.15(a)(2), that due to the current operator abandoning the concession and to provide continued service to the public and avoid a revenue shortfall, that a competitive bidding process is not practicable or advantageous;
4. Direct the Board Office Secretary to transmit the proposed Concession Agreement, concurrently, to the Mayor, in accordance with Executive Directive No. 3, City Attorney, for approval as to form, and Army Corps of Engineers, as required by the Hansen Flood Control Basin Lease No. DACW09-1-69-45; and,
5. Authorize the Board President and Secretary to execute the subject amendment subsequent to the necessary approvals.

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SUMMARY:

The Hansen Dam Golf restaurant is located at 10400 Glenoaks Blvd., Pacoima. The Hansen Dam food and beverage concession has a seating capacity of 280, including all dining areas and patio. It provides a unique setting for parties, golf patrons, informal gatherings and meetings. The concession facilities include a lounge, a "quick-service" window, a mobile snack and beverage cart for the golf course, upper and lower level dining areas, an indoor "view" dining area, an outdoor patio, a kitchen, food preparation area, office, employee restrooms, and storage areas. The current square footage of the facility is approximately 6,700 square feet. There is ample parking for golf and restaurant patrons, with available overflow parking off the existing parking lot for special events. The restaurant is within the Hansen Flood Control Basin owned by the United States Army Corps of Engineers and leased to the City of Los Angeles under lease number DACW09-1-69-45.

The restaurant has been operated on a month-to-month basis by MBD Food, Incorporated, since August 25, 2000. The original rent payment was 7% of gross revenue. In July 2006, the rent payment was changed to a flat fee of \$750.00 per month. It should be noted that MBD Food, Inc. has not paid rent since February 2007. A letter from the General Manager was sent on August 21, 2007, requesting that rental payment be made immediately. Staff attempted to meet with the operator on several occasions, but the operator canceled each meeting. Staff discussed the eviction process with the Office of the City Attorney and was preparing to proceed. However, the operator gave notice that they would be abandoning the concession on December 31, 2007. The operator is currently in process of vacating the facility.

On December 17, 2007, staff sent a letter inviting bids to all current food and beverage service concession operators in good standing to submit a letter of interest. Monterey Concessions Group and J. L. Dining Service expressed interest in operating the restaurant on a twenty-four (24) month limited term. J. L. Dining Service offered the highest rent in percentage of gross revenue, as stated in the letter inviting bids.

Charter Section 1022

Los Angeles City Charter Section 1022 prohibits contracting out work that could be done by City employees unless the Board determines it is more economical and/or feasible to contract out the service.

On December 26, 2007, the Personnel Department completed a Charter Section 1022 review (Attachment A) and determined that the ability to independently operate and maintain a restaurant with bar service and a banquet facility on a day-to-day basis requires expertise that City classifications are unable to provide; therefore, it would be more feasible to contract out the service in order to meet the needs of the public.

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Formal Competitive Bid

In order to ensure that the level of food and beverage service is continued to the public and to avoid revenue shortfall, a formal competitive bid process, in accordance with Los Angeles Administrative Code Section 10.15(a)(2), was found to be impracticable and disadvantageous due to the need to expeditiously obtain a temporary operator while an RFP process is conducted to obtain a new operator.

This agreement will be subject to early termination as a Request for Proposal for the long-term operation of the Hansen Dam Golf Restaurant will be developed and released by June 2008 and a contract with a replacement concessionaire could then be executed by June 2009.

Staff reviewed the bid submittal and current financial documents on file for J. L. Dining Service. J. L. Dining Service is currently the operator for the Los Feliz Golf Course Restaurant and Roosevelt Golf Course Restaurant and is deemed to have the necessary experience and expertise to operate the Hansen Dam Golf Course Restaurant. Therefore, it is recommended that the Concession Agreement be awarded to J. L. Dining Service.

FISCAL IMPACT STATEMENT:

It is estimated that during the term of this concession agreement, the Department will receive approximately \$42,878.88 in rent. Of that amount, \$38,590.99 will be deposited into the Department's General Fund and \$4,287.89 will be deposited into the Golf Concession Improvements Account.

Report prepared by Stanley Woo, Management Analyst II, Concessions Unit, Administrative Resources Section, Finance Division.

PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Recreation and Parks

ATTACHMENT A

2. Contacts

Department: Robert Morales Phone (818) 243-6421 Fax No. (818) 243-6451
CAO: Veronica Salumbides Phone (213) 473-7561 Fax No. (213) 473-7514

3. Work to be performed:

The Department of Recreation and Parks is seeking a concessionaire to operate the Hansen Dam Restaurant on a short-term basis until a Request for Proposal is released in June 2008. The concessionaire will be responsible for providing food and beverages to the patrons of the golf course as well as maintaining the restaurant, quick service window, kitchen, food preparation area, dishwashing area, storage area, office area, employee restrooms, customer seating area, and all related equipment.

4. Is this a contract renewal? Yes No

5. Proposed length of contract: 24 months Proposed Start Date: Unknown

6. Proposed cost of contract (if known): \$40,000

7. Name of proposed contractor: Unknown

8. Unique or special qualifications required to perform the work:

The concessionaires must have sound business knowledge of restaurant concessions, expertise in the operation of food preparation equipment, maintenance of health standards, marketing to ensure the generation of maximum revenue, and strong customer service skills. In addition, the concessionaire must have the ability to accept VISA, MasterCard, American Express, and debit card payments as well as install and operate an ATM to accommodate all visitors.

9. Are there City employees that can perform the work being proposed for contracting?

Yes No

If yes,

a. Which class(es) and Department(s): _____

b. Is there sufficient Department staff available to perform the work? Yes No

c. Is there a current eligible list for the class(es)? Yes No Expiration Date See above

d. Estimated time to fill position(s) through CSC process? Unknown

e. Can the requesting department continue to employ staff hired for the project after project completion? Yes No

f. Are there City employees currently performing the work? Yes No

10. Findings

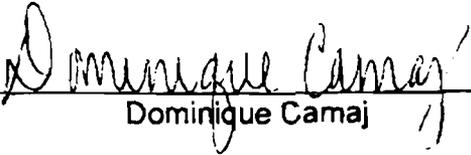
City employees DO NOT have the expertise to perform the work

City employees DO have the expertise to perform the work

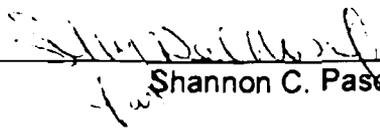
Check if applicable (explanation attached) and send to CAO for further analysis

- Project of limited duration would have to layoff staff at end of project
- Time constraints require immediate staffing of project
- Work assignment exceeds staffing availability

SUMMARY: There is currently no City classification that can perform the services the department is seeking or meets the requirements outlined above.

Submitted by: 
Dominique Camaj

Reviewed by: 
Shelly Del Rosario

Approved by: 
Shannon C. Pascual

Date: 12-26-2017