

APPROVED

REPORT OF GENERAL MANAGER

NO. 08-138

MAY 21 2008

DATE May 21, 2008

**BOARD OF RECREATION
and PARK COMMISSIONERS**

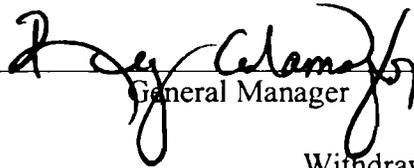
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PALISADES RECREATION CENTER TENNIS PROFESSIONAL -
REQUEST FOR PROPOSAL

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

as amended



General Manager

Approved as

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the Palisades Recreation Center Tennis Professional Concession Request for Proposals (RFP) for a five-year Concession Agreement, with ^{two (2)} ~~one (1)~~ five-year renewal option exercisable at the City's sole discretion, 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 Palisades Recreation Center is located at 851 Alma Real Drive, Pacific Palisades, CA 90272. The center includes an auditorium, indoor and outdoor basketball courts, a baseball diamond, and a football/soccer field. The Palisades Recreation Center Tennis Professional Concession (Concession) provides professional tennis lessons to patrons, and maintains and operates the tennis professional shop to provide tennis related merchandise, tennis related services, snack foods and beverages.

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The Concession has been operated by Atonal Tennis, Inc., under Concession Agreement No. 240, since September 6, 2000. In 2007, the concession generated over \$1,351,000 in gross receipts and paid \$155,687.77 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 ~~one~~^{two} five-year renewal options at the sole discretion of the City.
3. Rental Terms: Rental percentage of gross revenue from Lesson Services and Pro Shop business.
4. Concession Improvements: Optional requirements by the proposer will be evaluated and scored by the panel.
5. Utilities: The operator will be required to submit a monthly utility fee of \$250.00 to the Department to cover the expense of electricity for this location until a separate meter is installed, at which time the operator will pay directly to the utility company.
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 Ten Thousand Dollars (\$10,000). The Deposit will be in the form of a cashier's check made out to the City of Los Angeles.

Evaluation Process

Proposals will be evaluated in two Levels. Level I will be a checked and reviewed 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.

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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) Business Plan (20 points)
- 4) Rental Payment (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. Park Services, the Department section that oversees the tennis facilities, 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 Robert N. Morales, Senior Management Analyst II and Shaun Larsuel, Management Analyst II, Concessions Unit, Administrative Resources Section, Finance Division.