

APPROVED

REPORT OF GENERAL MANAGER

OCT 14 2008

NO. 08-283

DATE October 14, 2008

**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE - 2008-2009 "DOWNTOWN ON ICE" - PROFESSIONAL SERVICES AGREEMENT WITH WILLY BIETAK PRODUCTIONS, INC.

R. Adams _____
H. Fujita _____
S. Huntley _____
*V. Israel ✓ _____

J. Kolb _____
F. Mok _____
K. Regan _____
M. Shull _____

[Handwritten Signature]

General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the proposed Professional Services Agreement with Willy Bietak Productions, Inc., substantially in the form on file in the Board Office, to provide equipment and staff to build, operate, maintain, and dismantle an outdoor skating rink for the "Downtown on Ice" event in Pershing Square, commencing on November 20, 2008 and ending on January 19, 2009, in an amount not to exceed \$279,020, subject to approval of the Mayor and the City Attorney; and,
2. Find, in accordance with Charter Section 371(e)(2) and Los Angeles Administrative Code Section 10.15(a)(2), that this Agreement is for the performance of special services of a temporary and occasional character, and that the contractor possesses unique expertise and specific knowledge in providing outdoor ice skating rink operations and maintenance services, including professional relationships and exclusive arrangement with ice skating talent, and that the Department is preparing to release a Request for Proposal (RFP) process to secure a long-term agreement, and as that process takes approximately twelve months to complete, that a competitive bidding process is neither practicable nor advantageous; and
3. Find, in accordance with Charter Section 1022, that the Department does not have personnel available in its employ with the expertise to undertake these specialized professional tasks and that it is more feasible to secure these services by contract; and,
4. Direct the Board Secretary to transmit forthwith the proposed Agreement to the Mayor in accordance with Executive Directive No. 3 and concurrently to the City Attorney for

REPORT OF GENERAL MANAGER

PG. 2

NO. 08-283

- approval as to form; and,
5. Authorize the General Manager to execute the subject Agreement, upon receipt of the necessary approvals.

SUMMARY:

For the eleventh consecutive year, Pershing Square will be the site of one of the City's premier holiday attractions, the largest outdoor ice skating rink in the City of Los Angeles. "Downtown on Ice" will provide recreation, fun, and entertainment for people of all ages with free afternoon and evening concerts and special events, in addition to the program's main attraction - ice skating. The 2008-2009 season will run from November 20, 2008 through January 19, 2009.

The Department co-produces "Downtown on Ice" at Pershing Square in collaboration with Willy Bietak Productions, Inc. It is expected that more than 350,000 visitors will visit Pershing Square to participate in the activities offered this holiday season, including more than 40 youth groups who will receive complimentary skate passes. Planned events include a Winter Concert Series, a Winter Holiday Festival, youth entertainment, and a "Disney on Ice" presentation.

The Department will pay Willy Bietak Productions, Inc. an amount not to exceed \$279,020. This includes \$80,037 for the building of the rink, \$6,733 for the installation of the party platform, and a weekly guarantee totaling of \$192,250 for the term of the Agreement. In addition to these services, Willy Bietak Productions, Inc. will also be responsible for securing talent only for the opening ceremony/press conference on November 20, 2008.

One hundred percent (100%) of the skate session admission fees will be credited to the Department toward its weekly guarantee to Willy Bietak Productions, Inc. The weekly guarantee to Willy Bietak Productions, Inc. provides operating costs for the rink, including staff, refrigeration, trailer rental, and an ice engineer. If the rink income falls short of the guarantee, Willy Bietak Productions, Inc. will issue an invoice for the difference. If the rink income exceeds the guarantee, Willy Bietak Productions, Inc. will carry forward a credit to the Department to be applied to subsequent weeks when calculating the guarantee.

One dollar (\$1) of each skate rental is to be credited to the Department's weekly guarantee; the remaining balance of each skate rental (\$1) is to be retained by Willy Bietak Productions, Inc., and will not be credited towards the City's weekly guarantee to the Contractor. Of the Day Camp, Group, Reserved and Exclusive Use Rates, \$1 per skate rental is paid to Willy Bietak Productions, Inc., and the balance is credited toward the Department's guarantee.

The following are specified use fees, which are payable to the Department and deposited to the Pershing Square Municipal Recreation Program Fund 301, Department 88, Account 012M:

REPORT OF GENERAL MANAGER

PG. 3

NO. 08-283

A. Single Person Rates:

Admission Fee: \$6.00 per person
Ice Skate Rental: \$2.00 per person

B. Group Rates

Includes skate rental unless otherwise noted

25 to 50 \$7.50 per person
51 to 100 \$7.00 per person
Day Camps \$7.00 per person
Family Four-Pack \$30.00 per family or group of four
Eight-Pack Skate Pass \$38.00 for one person, excludes skate rental

C. Specified Use Fees:

Reserved Party Area:

Includes use of one 10'x 10' canopy, with tables and chairs in a roped-off area for private use during public skating times; excludes skate session and rental fees.

- 2 hours \$300

Ice Skating Rink-Exclusive Use:

Maximum capacity: 190 (Includes skate rental)

- 1 ½ hours \$1,500
- 2 ½ hours \$2,500
- 3 ½ hours \$3,200

Facility Rental- Exclusive Use:

Private use of entire venue includes canopies, tables, chairs, and skate rental. Maintenance and security fees excluded; private skate instruction offered upon availability.

- 2 hours \$3,500
- 3 hours \$5,000

Film Crew- Exclusive Use

Filming requires exclusive use and its subject to availability and public skate schedule and other authorized activities.

- Up to 3 hours \$ 5,000
- 3-6 Hours \$10,000

REPORT OF GENERAL MANAGER

PG. 4

NO. 08-283

As this event has become a popular and successful winter activity, the Department anticipates providing the event for years to come. Therefore, the Department plans to release a Request for Proposal (RFP) for the "Downtown on Ice" event in order to secure a long-term agreement beginning with Fiscal Year 2009-2010. As the RFP process takes approximately twelve months to complete, staff recommends that the Board find in accordance with Charter Section 371(e)(2) and Los Angeles Administrative Code Section 10.15(a)(2) that competitive bidding is neither practicable nor advantageous to this Agreement as it is for the performance of professional, technical, or other special services of a temporary and occasional character.

A request for a Charter Section 1022 determination was submitted to the Personnel Department on March 21, 2008. It was determined that City classifications are unable to perform the majority of the services stated in the proposed Agreement and that the Department does not have the necessary equipment or expertise to install and maintain an ice skating rink. However, the determination stated that Park Services Attendants are capable of providing cashier and rental services. On September 10, 2008, a request was sent to the Zoo and El Pueblo Historical Monument Departments to determine if cashier and rental services could be provided by Park Services Attendants on staff. Both departments indicated that they were unable to comply with the requests.

Additional expenses would be incurred if the Department was to provide the cashier and rental services: cash register, ice skates, and a temporary covered facility to house the employees who provide the services. Staff hired for the event would require training to assist patrons with sizing of ice skates, appropriate manner for lacing ice skates, and the cleaning and sharpening of returned skates. Additional staff would also be required to report daily income and to ensure acceptable methods of handling cash were implemented and practiced. Also, due to the temporary nature of the event, it would be necessary upon its conclusion to layoff staff hired specifically for this event.

Willy Bietak Productions, Inc. currently employs staff with the experience and expertise to provide the equipment and staff to perform the necessary services; therefore, it is more economical and feasible to contract out the services in order to ensure the needs of the public are met in a sufficient manner.

FISCAL IMPACT STATEMENT:

There is no negative impact to the Department's General Fund as the operating expenses will be funded by various corporate sponsorships and revenue generated by the ice skating rink.

Report prepared by Vicki Israel, Assistant General Manager, Operations East