

APPROVED
MAY 20 2009

REPORT OF GENERAL MANAGER

NO. 09-130

DATE May 20, 2009

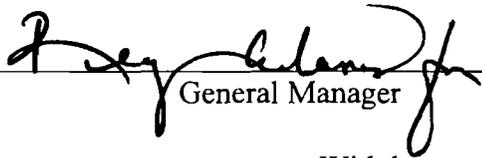
BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. All

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: BAR AND BEVERAGE SERVICES CONCESSION – REQUEST FOR PROPOSALS

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



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the Bar and Beverage Services Concession Request for Proposals (RFP) for up to five (5) five-year Concession Agreements, with two (2) five-year renewal options exercisable at the sole discretion of the General Manager, substantially in the form on file in the Board Office, subject to the review and approval of the City Attorney as to form;
2. Direct the Board Secretary to transmit the RFP to the City Attorney for approval as to form; and,
3. Authorize staff to advertise the RFP and conduct the RFP process for the Concession, subsequent to City Attorney review and approval as to form.

SUMMARY:

The Department offers facilities that patrons may rent for special events such as weddings, receptions, birthdays, corporate gatherings, business meetings, and other private parties and events. The Department utilizes the services of a Bar and Beverage Services Concession to provide alcoholic and non-alcoholic beverage to parties renting the following facilities: Friendship Auditorium, Grace E. Simons Lodge, Ramona Hall, Orcutt Ranch, Cabrillo Beach Bathhouse, and Griffith Park Visitor Center Auditorium. The Department will soon add the ability to offer Wattles Mansion and will make other locations available for service as they are identified by Park Services.

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The Bar and Beverage Services Concession has been operated by Monterey Concession Group on a month to month basis since January 1, 2005. In calendar year 2008, the Concessionaire serviced a total of 438 events, generated \$140,515 in gross receipts and paid \$28,103 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 up to five qualified, experienced, and financially sound operators 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 \$2,000 proposal deposit will be required with the submission of each proposal.
2. Term: Five years, with two (2) five-year renewal options, exercisable at the sole discretion of the General Manager.
3. Revenue Sharing: The monthly revenue to be paid the Department will be a percentage of proposer's gross revenue from bar and beverage (alcoholic and non-alcoholic) sales and is a proposal item.
4. Utilities: The concessionaire shall pay a monthly utility charge equal to 1.5% of gross receipts as payment for utilities.
5. Contract 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 profits in the form of a percentage of gross revenue.
6. 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).

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 City and 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. Experience and Qualifications (20 points)
3. Proposed Business Plan (20 points)
4. Proposed Revenue Sharing Payment (20 points)
5. Proposed Services and Products with Price List (25 points)

Recommendation Process

The top five (5) ranked proposals meeting the requirements of the RFP in accordance with the Level I and Level II evaluation process will be recommended to the Board for a concession agreement.

As patrons reserve the facilities for events, they will be provided with the names and contact information of the Concessionaires in order for them to select the Concessionaire which best fits their needs and available budget. The patrons will contact the Concessionaire and make the necessary arrangements for services.

The RFP documents will be advertised in several periodicals, available on the Department's website; and posted on the Los Angeles Business Assistance Virtual Network (BAVN). In addition, a letter inviting bids will be mailed to interested parties 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 has reviewed the RFP and provided input.

A pre-proposal 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 (Board Report No. 177-89).

FISCAL IMPACT STATEMENT:

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

Report prepared by Orville Patino, Management Analyst II, Concessions Unit, Administrative Resources Section, Finance Division