

**APPROVED**  
AUG 11 2010

REPORT OF GENERAL MANAGER

NO. 10-224

DATE August 11, 2010

**BOARD OF RECREATION  
and PARK COMMISSIONERS**

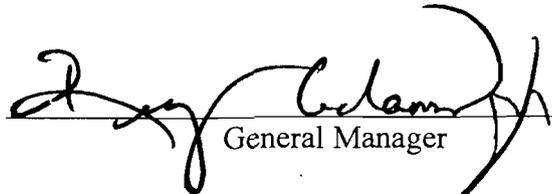
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE PARK FOOD AND BEVERAGE SERVICE  
CONCESSION – REQUEST FOR PROPOSALS

R. Adams \_\_\_\_\_  
H. Fujita \_\_\_\_\_  
S. Huntley \_\_\_\_\_  
V. Israel \_\_\_\_\_

\*F. Mok RAF  
K. Regan \_\_\_\_\_  
M. Shull \_\_\_\_\_

  
\_\_\_\_\_  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Approve the Pershing Square Park Food and Beverage Service Concession Request for Proposals (RFP) for a ten-year Concession Agreement, with two (5) five-year renewal options exercisable at the General Manager's sole discretion, substantially in the form on file in the Board Office, subject to 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:

Pershing Square Park is located at 532 South Olive Street, Los Angeles, CA 90012. The park provides a variety of free cultural programming for the community, including an extensive summer concert series, an annual St. Patrick's Day concert, an outdoor ice rink (Downtown on Ice), and a number of other special events. The park is used daily by the public for recreational purposes, filming, and general public gatherings.

The Department has attempted to install a seasonal food service operator at the location for a number of years in order to serve the public during the summer and winter events held at the

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park. However, the temporary business ventures failed to maximize participation levels by only marketing to the public attending the events. As the park is located in the center of the downtown business district and surrounded by private businesses, a year-round operation will be able to maximize participation by marketing to the surrounding businesses, to the downtown residents, and for the special events held at the location.

Staff has developed and is 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, provide improvements, 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. The deposit shall be in the form of a cashier's check only.
2. Term: Ten years, with two five-year renewal options at the sole discretion of the General Manager.
3. Rental Terms: Percentage of gross revenue from food and beverage sales as proposed. Minimum will be \$12,000 per year.
4. Ability to Finance: Proposers must provide proof of funds for the improvements and start-up costs with the submitted proposal.
5. Background and Experience: Proposers must have a minimum of ten (10) years of experience in operating a food service operation (which may include a combination of fast casual and full-service) that includes the serving of alcoholic beverages.
6. Business Plan: The operator must launch an initial comprehensive marketing campaign with the collaboration of an established public relations firm.
7. Concession Improvements: Improvements include a minimum investment of \$250,000 for the expansion and renovation of the current facility, including the construction of a patio area to accommodate up to at least seventy (70) patrons within the defined premises.
8. Utilities: The operator will be required to pay an amount of \$500.00 with the rental payment for water and electricity as separate meters have not yet been installed at this location. The operator will pay directly to the service provider upon the installation of

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separate meters. A separate gas line and meter will be required to be provided by the selected proposer at no expense to the City.

9. Contractual and Financial Terms: The City will enter into an Agreement whereby the City will have no financial responsibility or liability for the operation while it will share in profits in the form of a percentage of gross revenue.
10. 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 consisting of City employees and/or non-City employees with sufficient experience and expertise in the food service industry and/or concession and contracting process. Proposers must successfully pass Level I to proceed to Level II.

### RFP Evaluation Criteria Areas

For the purposes of evaluation, the proposals responsive in respect 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 and Maintenance (15 points)
- 6) Concession Improvements (10 points)

The RFP will be advertised in several periodicals. The RFP documents will be available on the Department's website and on the Los Angeles Business Assistance Virtual Network (BAVN). In addition, 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 six months to approve an award of an agreement. Metro Region, which oversees the Pershing Square Park facilities, has previously 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,

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and requirements for the Good Faith Effort Subcontractor Outreach as required by Executive Directive No. 2001-26, Riordan Series and the Board's Policy (Board Report No. 177-89).

FISCAL IMPACT STATEMENT:

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

Report prepared by Robert N. Morales, Senior Management Analyst II, Administrative Resources Section, Finance Division