

REPORT OF GENERAL MANAGER

NO. 10-176

DATE July 14, 2010

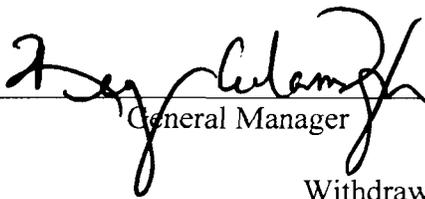
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RANCHO PARK GOLF COURSE RESTAURANT – AWARD OF CONCESSION AGREEMENT TO RANCHO GOLF RESTAURANT, INC.

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

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

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

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Approve a proposed Concession Agreement, substantially in the form on file in the Board Office, between the City of Los Angeles and Rancho Golf Restaurant, Inc., for the operation and maintenance of the Rancho Park Golf Course Restaurant Concession, for a term of ten (10) years with one (1) five-year renewal option exercisable at the General Manager's sole discretion, subject to the approval of the Mayor, City Council, and of the City Attorney as to form;
2. Find, in accordance with Charter Section 1022, that 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 and more economical to secure these services by contract;
3. Find, in accordance with Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by the Department for the improvement, operation and maintenance of the Department's concession. In order to select the best proposer for this concession, the Board finds it is necessary to utilize a standard request for proposals process and to evaluate proposals received based upon the criteria included in the Request for Proposals (RFP). Also find

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that the narrower and more specialized competitive sealed proposal process authorized but not required by Charter Section 371, subsection (b), would not meet the Department's needs and therefore opts to utilize the standard request for proposals process;

4. Direct the Board Secretary to transmit the proposed Concession Agreement, concurrently, to the Mayor in accordance with Executive Directive No. 3 and to the City Attorney for approval as to form; and,
5. Authorize the Board President and Secretary to execute the Concession Agreement upon receipt of the necessary approvals.

### SUMMARY:

The Rancho Park Golf Course is located at 10460 West Pico Boulevard, Los Angeles, CA 90064. It features an 18-hole par-71 course, two-tier driving range, putting greens, chipping areas, mature trees, and a large paved parking lot. There is a Golf Professional concession (golf lessons, pro shop, and driving range services) and an Electric Golf Carts Rental concession which are both operated under separate concession agreements. The golf starter's office, tee time reservations, course marshals, facility maintenance, and collection of electric golf cart rental fees are operated by the Department. There are also active Men's and Women's Golf Clubs present at Rancho Park Golf Course.

The restaurant concession features a large dining room with tables, booths, and counter seats, a bar lounge meeting area, a large fully equipped commercial kitchen, small office, and raised loading dock. The restaurant concession also operates the remote snack stand (halfway house) on the golf course.

The Rancho Park Golf Course Restaurant Concession has been operated by the Shimazaki Family since February 1980. In calendar year 2008 the concession generated \$706,265 in gross receipts and paid \$49,439 in rent to the Department.

On December 11, 2008, the Board approved the release of an RFP (Board Report No. 08-330) for the Rancho Golf Course Restaurant Concession. The RFP was released on February 23, 2009 and was 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 was mailed to over one hundred organizations and individuals from a mailing list maintained by the Concessions Unit.

On April 16, 2009, a Pre-Proposal Conference was held at Cheviot Hills Recreation Center. A walk-through of the concession premises was conducted the same day. Three addendums to the RFP were released in order to provide staff time to respond to questions asked by potential proposers and for those potential proposers to adequately prepare the necessary documents to

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submit with their proposals. On June 30, 2009, the following four proposals were received:

- AM Best Food, Inc.
- OmniEnt Corporation
- Taj Management, Inc. (recommended award as Rancho Golf Restaurant, Inc.)
- JL Dining Services

As stipulated in the RFP, evaluation of the bid proposals was to occur in two levels. Level I would be a check and review for required compliance and submittal documents and Level II would be a comprehensive evaluation of the proposal. Proposers must successfully pass the first level to proceed to the next level.

### Level I Evaluation

Staff performed a Level I review of the following required documents:

#### Compliance Documents:

- 1) Proposer's Signature Declaration and Affidavit
- 2) Disposition of Proposals
- 3) Affirmative Action Plan
- 4) Contractor Responsibility Ordinance Statement
- 5) Equal Benefits Ordinance Statement
- 6) Living Wage Ordinance/Service Contractor Worker Retention Ordinance
- 7) Good Faith Effort Subcontractor Outreach
- 8) Bidder Certification - CEC Form 50

#### Submittal Documents:

- 1) Cover Letter
- 2) Proposal Deposit
- 3) Ability to Finance
- 4) Background and Experience
- 5) Business Plan
- 6) Rental Payment
- 7) On-Going Refurbishment, Improvements, and Maintenance
- 8) Concession Improvements

Proposals are either Responsive (pass) or Non-Responsive (fail). The following is the complete Level I findings:

- AM Best Food, Inc. was found Responsive in all eight compliance documents and all eight submittal documents (Attachment A-1 and A-2).

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- OmniEnt Corporation was found Responsive in all eight compliance documents and all eight submittal documents (Attachment B-1 and B-2).
- Taj Management, Inc. was found Responsive in all eight compliance documents and all eight submittal documents (Attachment C-1 and C-2).
- JL Dining Services was found Responsive in seven compliance documents, non-responsive in one compliance document (Good Faith Effort Subcontractor Outreach), and responsive in all eight submittal documents (Attachment D-1 and D-2).

JL Dining Services did not perform the Good Faith Effort Subcontractor Outreach. Staff contacted the proposer to provide them with an opportunity to show staff documentation proving that the required item was performed. JL Dining Services was unable to show staff the required documents. Staff prepared for the Level II evaluation of the three responsive proposals.

Level II Evaluation

A Notice Inviting Bids was issued to economic consultants under contract with the Department for purposes of evaluating the proposals. Simat, Helliesen & Eichner, Inc. (SH&E) was selected and assembled a five-member panel with backgrounds in restaurant management, leasing and branding food facilities, food and beverage corporate real estate, restaurant business development, and commercial interior design to review the RFP and submitted proposals, interview the proposers, rank and score the proposals, and recommend an operator. The panel members were:

- Michael Davis, Sous Chef and Manager, Turf Club at Santa Anita Park, CA
- Ross Provenzano, CEO, Provenzano Resources, Inc., CA
- Matt Lux, Corporate Real Estate and Brokerage, CA
- Karen Mirante, Director of Business Development, OTG Management, Inc., IL
- Maryanne Palmer, Interior Designer, The Jerde Partnership, CA

The panel interviewed the three responsive proposers on September 16, 2009, and ranked the proposals according to each of the evaluation criteria listed in the RFP (Ability to Finance; Background and Experience; Proposed Business Plan; Proposed Rent Payment; On-Going Refurbishment, Improvements, and Maintenance; and, Concession Improvements). The evaluation panel's cumulative score and ranking are as follows:

<u>Proposer</u>	<u>Score</u>	<u>Rank</u>
Taj Management, Inc.	487	1
OmniEnt Corporation	448	2
AM Best Food, Inc.	416	3

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Taj Management, Inc., was ranked number 1 in all six evaluation criteria. Based on the rank and score provided by the evaluation panel, SH&E recommended Taj Management, Inc., as the preferred operator of the concession. A comparison of the three responsive proposals is provided in Attachment E.

Staff reviewed the submitted proposals, the panel's ranking and scoring, the panel's recommendation, and concurs with the recommendation to award the Rancho Golf Course Restaurant to Taj Management, Inc.

Background and Experience

Taj Management, Inc., has been operating Rancho Golf Course Restaurant since January 2010, when the previous concessionaire abandoned the concession. The owner, Mr. Davood, currently operates three Quiznos Sub, two Sbarro, and three California Pita eateries, previously operated twelve Robeks Juice franchises, and has over 10 years experience catering banquets and large gatherings.

Mr. Davood has created a new corporation, Rancho Golf Restaurant, Inc., for the purpose of operating the Rancho Golf Course Restaurant concession. Therefore, the award of the concession agreement will be to Rancho Golf Restaurant, Inc., based on the proposal submitted by Taj Management, Inc.

Concession Agreement

Proposed rent to the City from Rancho Golf Restaurant, Inc., is 10% of the gross receipts for food, non-alcoholic and alcoholic beverages, banquet sales, deliveries, and catering. The minimum annual guarantee will be:

Year 1:	\$	92,000
Year 2:		99,500
Year 3:		102,900
Year 4:		106,247
Year 5:		109,678
Year 6:		109,678
Year 7:		109,678
Year 8:		109,678
Year 9:		109,678
<u>Year 10:</u>		<u>109,678</u>
TOTAL	\$	1,058,715

Improvements to the concession facility proposed by Rancho Golf Restaurant, Inc., are appropriate, feasible and able to be completed quickly in order to maintain service. Within six (6) months of agreement execution, Rancho Golf Restaurant, Inc., will:

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- Paint the interior and exterior of the dining room, bar/lounge/banquet area, and halfway house;
- Install new flooring in the dining room, bar/lounge/banquet area, kitchen, and halfway house;
- Install new tables chairs and décor in the dining room, bar/lounge/banquet area, and patio area;
- Remove the drop ceiling in the dining room and bar/lounge/banquet area and replace with new ceiling and recessed lighting;
- Provide a patio dining area with furniture and umbrellas; and,
- Increase the size of the service window of the halfway house.

Additional improvements were proposed should the Department provide an initial ten-year agreement or when the first five-year renewal option is exercised. The RFP was released for a term of five years with two five-year renewal options. Staff recommends including the first five year renewal option and awarding a ten-year concession agreement with one five year renewal option in order to obtain the additional improvements which consist of:

- Remodel the dining room and bar/lounge/banquet area to include wood and granite counter tops, recessed lights, new doors and windows, and new entrance to the bar/lounge/banquet area;
- Provide an additional patio dining area with furniture and umbrellas;
- Refurbish the kitchen and provide new equipment;
- Provide a display case for sports memorabilia; and,
- Replace the existing bar with a designer wood and granite counter top.

The additional improvements will allow the patrons the ability to immediately enjoy the improvements and allow the operator to maximize profitability with a better improved facility. All physical improvements become the property of the City upon completion.

Rancho Golf Restaurant, Inc., will allocate three percent (3%) of the gross monthly sales to provide refurbishments, improvements, and maintenance. Funds shall be placed in a special account set aside by Rancho Golf Restaurant, Inc. Expenditures will be reported to the Department on an annual basis and unused funds will roll over to the following year. All funds must be used by the end of the contract term.

The concession agreement is to enhance the recreational experience at Rancho Park Golf Course by providing food, non-alcoholic and alcoholic beverages, and banquet service in a professional manner to the public; providing improvements and maintenance to the concession facility; and ensuring adequate and appropriate rent is paid to the City. The recommended concessionaire will be obligated to pay applicable taxes; obtain and maintain required insurance, licenses and permits; report gross sales and expenses; and maintain financial records. The agreement is

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revenue generating and the Department will not incur costs for the operation of a golf course restaurant concession at the location.

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 November 19, 2008, the Personnel Department completed a Charter Section 1022 review (Attachment F) and determined that the City had craft classifications which met minimum qualifications for some of the work to refurbish the restaurant, kitchen and storage areas. However there is no City classification that would include managing and providing a food and beverage service operation. Therefore, it would be more feasible to contract out the service to ensure a sufficient level of service is provided to meet the needs of the public.

FISCAL IMPACT STATEMENT:

During the initial ten-year term of the concession agreement, a minimum of \$1,058,715 will be paid in rent to the Department and will be deposited in the Golf Special Fund.

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



**AM BEST FOODS, INCORPORATED  
RANCHO PARK GOLF COURSE RESTAURANT RFP  
LEVEL I EVALUATION**

<b>I. Compliance Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Proposers Signature Declaration and Affidavit	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Contractor Responsibility Statement	Yes	Yes	
5.	Equal Benefits Ordinance Statement	Yes	Yes	
6.	Living Wage/Service Contract Worker Retention Ordinance Forms	n/a	n/a	
7.	Good Faith Effort SubContractor Outreach	Yes	Yes	100 Points
8.	Bidder Certification CEC Form 50	Yes	Yes	

<b>II. Submittal Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Cover Letter	Yes	Yes	
2.	Proposal Deposit	Yes	Yes	
3.	Ability to Finance	Yes	Yes	
4.	Background and Experience	Yes	Yes	
5.	Proposed Business Plan	Yes	Yes	
6.	Proposed Rent Payment	Yes	Yes	
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	
8.	Concession Improvements	Yes	Yes	

**DEPARTMENT OF RECREATION AND PARKS  
GOOD FAITH EFFORT OUTREACH SCORING**

**RANCHO PARK GOLF COURSE RESTAURANT  
AM BEST FOOD, INCORPORATED**

	<b>Indicator</b>	<b>Possible Points</b>	<b>Awarded Points</b>	<b>Comment (Reason for Failing)</b>
1.	Level of Anticipated MBE/WBE/OBE Participation	0	0	
2.	Attended Pre-Bid Meeting	10	10	
3.	Sufficient Work Identified for Subconsultant	10	10	
4.	Advertisement	9	9	
5.	Written Notices to Subconsultant	15	15	
6.	Follow-Up on Initial Solicitation	10	10	
7.	Plans, Specifications, and Requirements	5	5	
8.	Contacted Recruitment / Placement Organizations	10	10	
9.	Negotiated in Good Faith	26	26	
10.	Bond, Lines of Credit, and Insurance	5	5	
	<b>TOTAL SCORE:</b>	100	100	<b><i>Less than 75 points is failing - Passed</i></b>

**OMNIENT CORPORATION  
RANCHO PARK GOLF COURSE RESTAURANT RFP  
LEVEL I EVALUATION**

<b>I. Compliance Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Proposers Signature Declaration and Affidavit	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Contractor Responsibility Statement	Yes	Yes	
5.	Equal Benefits Ordinance Statement	Yes	Yes	
6.	Living Wage/Service Contract Worker Retention Ordinance Forms	n/a	n/a	
7.	Good Faith Effort SubContractor Outreach	Yes	Yes	91 Points
8.	Bidder Certification CEC Form 50	Yes	Yes	

<b>II. Submittal Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Cover Letter	Yes	Yes	
2.	Proposal Deposit	Yes	Yes	
3.	Ability to Finance	Yes	Yes	
4.	Background and Experience	Yes	Yes	
5.	Proposed Business Plan	Yes	Yes	
6.	Proposed Rent Payment	Yes	Yes	
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	
8.	Concession Improvements	Yes	Yes	

**DEPARTMENT OF RECREATION AND PARKS  
GOOD FAITH EFFORT OUTREACH SCORING**

**RANCHO PARK GOLF COURSE RESTAURANT  
OMNIENT CORPORATION**

	<b>Indicator</b>	<b>Possible Points</b>	<b>Awarded Points</b>	<b>Comment (Reason for Failing)</b>
1.	Level of Anticipated MBE/WBE/OBE Participation	0	0	
2.	Attended Pre-Bid Meeting	10	10	
3.	Sufficient Work Identified for Subconsultant	10	10	
4.	Advertisement	9	0	No advertisement submitted with proposal.
5.	Written Notices to Subconsultant	15	15	
6.	Follow-Up on Initial Solicitation	10	10	
7.	Plans, Specifications, and Requirements	5	5	
8.	Contacted Recruitment / Placement Organizations	10	10	
9.	Negotiated in Good Faith	26	26	
10.	Bond, Lines of Credit, and Insurance	5	5	
	<b>TOTAL SCORE:</b>	100	91	<b><i>Less than 75 points is failing - Passed</i></b>

**TAJ MANAGEMENT, INCORPORATED  
RANCHO PARK GOLF COURSE RESTAURANT RFP  
LEVEL I EVALUATION**

<b>I. Compliance Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Proposers Signature Declaration and Affidavit	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Contractor Responsibility Statement	Yes	Yes	
5.	Equal Benefits Ordinance Statement	Yes	Yes	
6.	Living Wage/Service Contract Worker Retention Ordinance Forms	n/a	n/a	
7.	Good Faith Effort SubContractor Outreach	Yes	Yes	100 Points
8.	Bidder Certification CEC Form 50	Yes	Yes	

<b>II. Submittal Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Cover Letter	Yes	Yes	
2.	Proposal Deposit	Yes	Yes	
3.	Ability to Finance	Yes	Yes	
4.	Background and Experience	Yes	Yes	
5.	Proposed Business Plan	Yes	Yes	
6.	Proposed Rent Payment	Yes	Yes	
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	
8.	Concession Improvements	Yes	Yes	

**DEPARTMENT OF RECREATION AND PARKS  
GOOD FAITH EFFORT OUTREACH SCORING**

**RANCHO PARK GOLF COURSE RESTAURANT  
SUNSERI'S**

	<b>Indicator</b>	<b>Possible Points</b>	<b>Awarded Points</b>	<b>Comment (Reason for Failing)</b>
1.	Level of Anticipated MBE/WBE/OBE Participation	0	0	
2.	Attended Pre-Bid Meeting	10	10	
3.	Sufficient Work Identified for Subconsultant	10	10	
4.	Advertisement	9	9	
5.	Written Notices to Subconsultant	15	15	
6.	Follow-Up on Initial Solicitation	10	10	
7.	Plans, Specifications, and Requirements	5	5	
8.	Contacted Recruitment / Placement Organizations	10	10	
9.	Negotiated in Good Faith	26	26	
10.	Bond, Lines of Credit, and Insurance	5	5	
	<b>TOTAL SCORE:</b>	100	100	<b><i>Less than 75 points is failing - Passed</i></b>

**JL DINING SERVICES  
RANCHO PARK GOLF COURSE RESTAURANT RFP  
LEVEL I EVALUATION**

<b>I. Compliance Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Proposers Signature Declaration and Affidavit	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Contractor Responsibility Statement	Yes	Yes	
5.	Equal Benefits Ordinance Statement	Yes	Yes	
6.	Living Wage/Service Contract Worker Retention Ordinance Forms	n/a	n/a	
7.	Good Faith Effort SubContractor Outreach	No	No	Proposer did not submit documentation for the item.
8.	Bidder Certification CEC Form 50	Yes	Yes	

<b>II. Submittal Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Cover Letter	Yes	Yes	
2.	Proposal Deposit	Yes	Yes	
3.	Ability to Finance	Yes	Yes	
4.	Background and Experience	Yes	Yes	
5.	Proposed Business Plan	Yes	Yes	
6.	Proposed Rent Payment	Yes	Yes	
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	
8.	Concession Improvements	Yes	Yes	

**DEPARTMENT OF RECREATION AND PARKS  
GOOD FAITH EFFORT OUTREACH SCORING**

**RANCHO PARK GOLF COURSE RESTAURANT  
JL DINING SERVICES**

	<b>Indicator</b>	<b>Possible Points</b>	<b>Awarded Points</b>	<b>Comment (Reason for Failing)</b>
1.	Level of Anticipated MBE/WBE/OBE Participation	0	0	
2.	Attended Pre-Bid Meeting	10	0	Did not attend Pre-Bid Meeting.
3.	Sufficient Work Identified for Subconsultant	10	0	Did not provide documentation.
4.	Advertisement	9	0	Did not provide documentation.
5.	Written Notices to Subconsultant	15	0	Did not provide documentation.
6.	Follow-Up on Initial Solicitation	10	0	Did not provide documentation.
7.	Plans, Specifications, and Requirements	5	0	Did not provide documentation.
8.	Contacted Recruitment / Placement Organizations	10	0	Did not provide documentation.
9.	Negotiated in Good Faith	26	0	Did not provide documentation.
10.	Bond, Lines of Credit, and Insurance	5	0	Did not provide documentation.
	<b>TOTAL SCORE:</b>	<b>100</b>	<b>0</b>	<b><i>Less than 75 points is failing - Failed</i></b>

**DEPARTMENT OF RECREATION AND PARKS  
RANCHO PARK GOLF RESTAURANT CONCESSION  
PROPOSAL COMPARISON SUMMARY**

**ATTACHMENT E**

<b>Categories</b>	<b>Taj Management, Inc. (Rancho Golf Restaurant, Inc.)</b>	<b>Omnient Corporation</b>	<b>AM Best Food, Inc.</b>
Ability to Finance	Rank 1: Inventory and supplies to be provided total \$80,000; Will fund start-up and operations through cash reserves; sufficient cash available; excellent credit score.	Rank 2: Inventory and equipment to be provided total \$21,000; Will fund start-up and operations through cash reserves, available lines of credit, and personal loans; bank statements not in company name and credit scores not available.	Rank 3: Inventory and equipment to be provided total \$19,000; Will fund start-up and operations through cash reserves; sufficient cash available; excellent credit score.
Background and Experience	Rank 1: Ten years restaurant and banquet catering experience/ \$4.8 million in sales for 8 restaurants in 2008	Rank 2: Six years restaurant, banquet and bar experience/ \$433K sales 2008.	Rank 3: Sixteen years non-USA restaurant experience/ has banquet experience/ current sales total \$110.4K at Los Feliz and \$43.3K at Roosevelt.
Proposed Business Plan	Rank 1: Strong understanding of the operational needs, marketing concepts, and facility improvements. Maintenance includes equipment, HVAC, grease trap, paint and carpet. Extensive marketing concepts including cross promotions with pro shop, bar lounge promotions during major sporting events. Freshened and remodeled decor. Will install 15 additional equipment items including brewer, espresso machine and security camera system. Delivery and off-site catering service.	Rank - Tied for 2nd: Good understanding of the operational needs, marketing, and facility improvements. Maintenance includes basic equipment. General marketing concepts. Japanese fusion cuisine and decor in lounge; sports decor in restaurant. Will install televisions, music system, and security system.	Rank - Tied for 2nd: Good understanding of the operational needs, marketing concepts, and facility improvements. Maintenance includes equipment, floors, and walls. Good marketing concepts. Golf decor. No additional equipment, however will add a cart for roving service, pre-order and delivery to halfway house.
Proposed Rental Payment	Rank 1: 10% from food/beverages/ alcohol/banquet/deliveries/catering; \$510,325 minimum rent over 5 years	Rank 2: 10% from food/beverages/alcohol; \$468,900 minimum rent over 5 years	Rank 3: 8% food/beverages, 9% alcohol, 10% banquet/advertising/rentals; \$354,154 minimum rent over 5 years
On-Going Refurbishment, Improvements, and Maintenance	Rank 1: 3% of gross receipts annually for refurbishing, maintenance, and upgrading - placed in separate account - if not used, balance carried over to the next year. Based on \$900,000 gross per year, this equals \$135,000 over five years ("\$27,000 per year"). Will repair and maintain all equipment at their cost.	Rank 2: \$20,000 over five years (\$4,000 per year)	Rank 3: \$50,000 over five years (\$10,000 each year)
Concession Improvements	Rank 1: Restaurant improvements \$315,000; Halfway House Improvements \$20,000.	Rank 2: \$200,000	Rank 3: \$24,000



# PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

ATTACHMENT F

1. Requesting Department: Department of Recreation and Parks

2. Contacts

Department: Melanie Torres Phone No. (818)243-6488 Fax No. (818) 243-1459  
 CAO: Veronica Salumbides Phone No. (213) 473-7561 Fax No. (213) 473-7514

3. Work to be performed:

The Department has a need to utilize a concessionaire (Contractor) for the operation of the Rancho Golf Restaurant. The duties include providing food and beverage to the patrons of the golf course and maintaining the restaurant, including the food preparation area, storage area, office area, customer seating area, and all equipment.

4. Is this a contract renewal? Yes  No

5. Proposed length of contract: 5 years with 2 five-year options.  
 Proposed Start Date: Upon execution of the contract.

6. Proposed cost of contract (if known): \$60,000 Annual Revenue to the City

7. Name of proposed contractor: Unknown

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

The concession operator must have sound business knowledge of a restaurant concessions; staff with the expertise to operate food preparation equipment, maintain health and operational standards of a restaurant; preparation of food and beverages; expertise in marketing to ensure the concession generates the maximum revenue; and strong customer skills and abilities.

9. Are there City employees that can perform the work being proposed for contracting?  
 Yes ; No ; City employees can perform some of the work.

<b>Classification</b>	<b>Departments</b>	<b>List Expires</b>
Cook	Rec and Parks	No list
Accounting Clerk	Various	10/6/2010
Custodian	Airports, GSD, Harbor, PD, Sanitation, Rec & Parks, Zoo	No list
Painter	Airports, LACC, GSD, Harbor, PD, Sanitation, Rec & Parks, DOT	12/23/2009
Carpet Layer	Airports, GSD	No list
Carpenter	Airports, LACC DWP, Fire GSD, Harbor, PD, Sanitation, Street Services, Rec & Parks	2/8/2010
Electrician	Airports, LACC, DWP, GSD, Harbor, PD, Sanitation, Street Services, Rec & Parks	3/14/2009
Custodian	Airports, GSD, Harbor, PD, Sanitation, Rec & Parks, Zoo	No list

If yes.

- a. Which class(es) and Department(s): See above.
- 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? 2 to 8 months depending on the class.
- 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 some of 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 some of 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: The Department of Recreation and Parks is seeking to contract for Concession services at Rancho Golf Restaurant that includes maintaining and operating a restaurant, bar/lounge, mobile snack carts, and hosting a full restaurant and banquet facilities. Staff has identified several City classifications that could perform some of the work from the crafts classes for refurbishing the restaurant, including the kitchen and storage areas. Also identified were classes that would be able to support the restaurant functions. However, there is not any City Classification that would include food and beverage service as an essential function. The Concession contract is expected to generate an average annual sum of \$60,000 in revenue to the City.

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