

REPORT OF GENERAL MANAGER

**APPROVED**  
**FEB 02 2011**

NO. 11-032

DATE January 19, 2011

**BOARD OF RECREATION  
and PARK COMMISSIONERS**

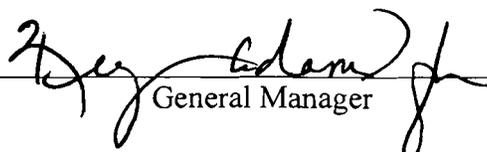
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: CHEVIOT HILLS TENNIS PROFESSIONAL – AWARD OF CONCESSION AGREEMENT TO ATONAL SPORTS AND ENTERTAINMENT, INC.

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

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

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

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Concession Agreement, between the City of Los Angeles Department of Recreation and Parks and Atonal Sports and Entertainment, Inc., for the operation and maintenance of the Cheviot Hills Tennis Professional Concession for a term of five (5) years 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 approval of the Mayor and 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 tasks and that it is more feasible and 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

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received based upon the criteria included in the Request for Proposals (RFP). Also, find 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 to the Mayor in accordance with Executive Directive No. 3 and, concurrently, to the City Attorney for review and 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 Cheviot Hills Recreation Center is located at 2551 West Motor Avenue, Los Angeles, CA 90064. The Center includes an auditorium, indoor and outdoor basketball courts, a baseball diamond, tennis courts, and football/soccer field.

The tennis professional concession (Concession) offers a variety of tennis programs to the public and operates a tennis professional shop which provides tennis related merchandise and services, and snack foods and beverages.

The Concession has been operated by The Merchant of Tennis under Concession Agreement No. 241 since September 6, 2000. In 2009, the Concession generated \$281,933 in gross receipts and paid \$32,885 in rent to the Department.

On May 21, 2008, the Board approved the release of the Request for Proposals (RFP) in order to enter into a multi-year concession agreement (Board Report No. 08-137). The RFP was held pending a review on the feasibility of requiring the selected operator to provide clay courts at the facility. It was ultimately decided that the introduction of clay courts through a concession agreement was not in the best interest of the Department as the clay required excessive maintenance, including watering, and was not well-suited for the Southern California climate.

The RFP was released on March 15, 2010 and advertised in L.A. Daily Journal, La Opinion, The Korean Journal, and Chinese Daily; made 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 (100) organizations and individuals from a mailing list maintained by the Concessions Unit.

On April 20, 2010, a Pre-Proposal Conference was held at the Cheviot Hills Recreation Center and attended by ten companies. A walk-through of the premises was conducted on that same day.

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Two addendums to the RFP were released in order to revise an item in the RFP and provide staff additional time to respond to questions asked by potential proposers. On July 20, 2010, five proposals were received from the following:

- Cheviot Hills Sports Center, Inc.
- Atonal Sports & Entertainment, Inc.
- Beverly Hills Country Club
- Z Management
- CH Tennis

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) Proposed Business Plan
- 6) Proposed Rental Payment
- 7) On-Going Refurbishment, Improvements, and Maintenance
- 8) Concession Improvements

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

- Cheviot Hills Sports Center, Inc. (CHSC) 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 A-1 and A-2).
- Atonal Sports and Entertainment, Inc., (Atonal) was found Responsive in all eight compliance documents and all eight submittal documents (Attachment B-1 and B-2).
- Beverly Hills Country Club (BHCC) was found Responsive in all eight compliance documents and all eight submittal documents (Attachment C-1 and C-2).
- Z Management (ZM) was found Responsive in all eight compliance documents and all eight submittal documents (Attachment D-1 and D-2).
- CH Tennis (CHT) was found Responsive in all eight compliance documents and all eight submittal documents (Attachment E-1 and E-2).

Staff reviewed the compliance documents submitted by CHSC and determined that the proposal did not pass the Good Faith Effort Subcontractor Outreach (GFE) portion of the RFP (Section IV.B.4.g) as required by Mayor's Executive Directive No. 2001-26 and the Board's Policy (Board Report No. 177-89).

Staff informed CHSC of the Level I findings and met with representatives of CHSC on September 13, 2010. The proposal submitted by CHSC did not contain letters to subconsultants or to placement organizations and required language was not included in the advertisement. CHSC stated that they believed the advertisement was the notification to subconsultants and placement organizations and as they, were able to obtain an inquiry from a subconsultant, whom they ultimately hired, that the advertisement should be sufficient and CHSC should pass the GFE.

Mayor's Executive Directive No. 2001-26 allows for a proposer who fails the GFE but would have been recommended for the award of a contract to have their case heard. As CHSC disputed staff's finding in a letter to the Department dated September 14, 2010, staff allowed CHSC to participate in the Level II evaluation process. However, as CHSC was not found by the evaluation panel to be the best proposal submitted in response to the RFP and is not being recommended for the award of the Concession Agreement, it is not necessary to hold a hearing on the Level I findings.

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### Level II Evaluation

A Notice Inviting Bids was issued to economic consultants under contract with the Department for purposes of evaluating proposals. Pro Forma Advisors' (PFA) bid was accepted and was issued a Notice to Proceed on September 9, 2010. PFA assembled a three-member panel with backgrounds in tennis and contract management to review the written submissions, interview the proposers, and recommend an operator. The panel members were:

- Teri Angel, Recreation Services Manager, City of Beverly Hills, California
- Steve Balgrosky, Recreation Consultant, AECOM Economic Planning
- Carl Kaemerle, Senior Recreation Supervisor, City of Torrance, California

The panel interviewed the three proposers on October 28, 2010, ranked the proposals according to the evaluation criteria listed in the RFP and recommended a proposer that best met the objectives of the RFP. On December 6, 2010, the consultant provided a report which contained the evaluation panel's final general average score and ranking (Attachment F):

<u>Proposer</u>	<u>Score</u>	<u>Rank</u>
Atonal Sports and Entertainment, Inc.	97.3	1
Beverly Hills Country Club	87.3	2
Z Management	75.0	3
CH Tennis	74.7	4
Cheviot Hills Sports Center, Inc.	58.3	5

### Evaluation of Proposals

Staff reviewed the recommendation and concurs that the proposal submitted by Atonal was the best responsive proposal meeting the needs of the Department. Atonal was found to have the best established track record and demonstrated proficiency in all aspects of operating a professional tennis concession. In addition, Atonal showed a clear understanding of the role of municipal tennis with a strategy to provide high levels of public participation.

While Atonal did not propose the highest rent, staff found that the revenue projections and expenditures were sustainable and realistic. Atonal currently has two of the eight tennis concessions (25%) and generates 65% of the total gross revenue of the entire tennis program. Atonal also demonstrated the best understanding of sustaining business operations through continuous and focused tennis programming and marketing. Atonal's optional concession improvements were regarded favorably by the panel. See Attachment G for a comparison of the proposals received.

### Concession Agreement

The term of the Concession Agreement will be five (5) years, with two (2) five-year renewal options exercisable at the sole discretion of the General Manager. Atonal has proposed to pay the City 10.5% of the gross receipts in rent from lessons and 12% of sales of goods and services from the Tennis Pro Shop. The minimum annual rent guarantee will be:

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Year 1 - \$69,100  
Year 2 - \$73,150  
Year 3 - \$77,200  
Year 4 - \$82,350  
Year 5 - \$87,450  
TOTAL - \$389,250

Atonal will pay a monthly utility fee of \$250 to the Department during the term of the agreement to cover the expense of utilities (water, gas and electricity) for this location until a separate meter is installed, at which time the operator will pay directly to the utility company.

Atonal will paint the pro shop and install new carpet within 60 days of the execution of the concession agreement. Atonal will make additional improvements which include repairing and painting the tennis backboard, updating the court lighting, lowering the existing fencing between courts, adding tunnel bulletin boards, installing a new shower in the pro shop, installing a new awning and adding a new entryway sign.

A Faithful Performance Deposit will be required to be maintained for the duration of the agreement in the amount of \$5,000. 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 revenues.

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 March 21, 2008, the Personnel Department completed a Charter Section 1022 review and determined that the Department had City classifications which met the minimum qualifications to provide tennis lessons to the public (Attachment H). However, the quality of the lessons and the ability to independently manage a tennis program on a day-to-day basis requires expertise that a Park Service Attendant and Recreation Assistant are unable to provide. Also, the tennis instructors are required to hold certifications from the United States Professional Tennis Association. Compensation at the rate of the City classifications would make it extremely difficult to find and retain qualified instructors; it is therefore more feasible to contract out the service to ensure a sufficient level of instruction to meet the needs of the public.

Contract Cost Analysis

Based on a contract cost analysis performed for this concession, staff determined that it would cost the Department \$540,961 to perform the service in-house over the five year term of the Agreement (Attachment I). With projected gross concession revenue of \$310,126, the Department would operate at a loss of \$230,835. The concessionaire's rent is proposed to be ten and one-half percent (10.5%) of the gross revenue from tennis lessons and twelve percent (12%)

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of the gross revenue from Pro Shop sales, with a five-year minimum rent of \$389,250; it is therefore more economical to contract out the service.

The concession agreement would enhance the recreational experience at Cheviot Hills Recreation Center by providing professional level tennis instruction to patrons of the park, will provide improvements to the facility, provide continued service to the public, and ensure adequate and appropriate rent is paid to the City. The agreement is revenue generating and the Department will not incur costs for the operation of a tennis professional concession at the location.

FISCAL IMPACT STATEMENT:

During the five-year term of the concession agreement, it is estimated that a minimum of \$389,250 will be paid in rent to the Department. Of that amount, \$350,325 will be deposited in the Department's General Fund and \$38,925 will be deposited into the Concession Improvement Account (Fund 302, Department 89, Account 070K).

Report prepared by Shaun Larsuel, Management Analyst II, Concessions Unit, Administrative Resources Section, Finance Division.

**CHEVIOT HILLS SPORTS CENTER, INC.  
CHEVIOT HILLS TENNIS PROFESSIONAL RFP  
LEVEL I EVALUATION**

<b>I. Compliance Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Contractor Responsibility Questionnaire	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 Outreach	Yes	No	Scored 60 points - 75 points required to pass. Proposal failed.
8.	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 Experience	Yes	Yes	
5.	Business Plan	Yes	Yes	A completed Pro Forma was submitted in the proposal, but a CD of the Pro Forma was not submitted.
6.	Proposed Rental Percentage	Yes	Yes	The 5-year Pro Forma shows rent as a fixed dollar amount of \$36,000 per year. Per the RFP, the proposer will be required to pay a minimum of 12% of merchandise sales if awarded the contract.
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	The proposal states that \$3,600 per month (\$43,000 per year) will be spent on maintenance, but the Pro Forma does not show \$43,000 in annual operating expenses for this activity.
8.	Concession Improvements	Yes	Yes	

**CHEVIOT HILLS SPORTS CENTER, INC.  
CHEVIOT HILLS TENNIS PROFESSIONAL (ARS T10-02)**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH  
SCORING SUMMARY**

	<b>Indicator</b>	<b>Possible Points</b>	<b>Awarded Points</b>	<b>Comment</b>
1.	Level of Anticipated MBE/WBE/OBE Participation	0	0	
2.	Attended Pre-Bid Meeting	10	0	Did not attend the Pre-Bid meeting.
3.	Sufficient Work Identified for Subconsultant	10	10	
4.	Advertisement	9	9	
5.	Written Notices to Subconsultant	15	0	No written letters to subconsultants were submitted with the proposal.
6.	Follow-Up on Initial Solicitation	10	10	
7.	Plans, Specifications, and Requirements	5	5	
8.	Contacted Recruitment / Placement Organizations	10	0	No letters to recruiters / placement organizations were submitted with the proposal.
9.	Negotiated in Good Faith	26	26	
10.	Bond, Lines of Credit, and Insurance	5	0	Required information not included in the advertisement.
	<b>TOTAL SCORE:</b>	<b>100</b>	<b>60</b>	<b><i>Less than 75 points is failing</i></b>

**ATONAL SPORTS & ENTERTAINMENT, INC.  
CHEVIOT HILLS TENNIS PROFESSIONAL RFP  
LEVEL I EVALUATION**

<b>I. Compliance Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Contractor Responsibility Questionnaire	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 Outreach	Yes	Yes	
8.	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 Experience	Yes	Yes	
5.	Business Plan	Yes	Yes	
6.	Proposed Rental Percentage	Yes	Yes	
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	
8.	Concession Improvements	Yes	Yes	

**ATONAL SPORTS AND ENTERTAINMENT, INC.  
CHEVIOT HILLS TENNIS PROFESSIONAL (ARS T10-02)**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH  
SCORING SUMMARY**

	<b>Indicator</b>	<b>Possible Points</b>	<b>Awarded Points</b>	<b>Comment</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	<i>Less than 75 points is failing</i>

**BEVERLY HILLS COUNTRY CLUB  
CHEVIOT HILLS TENNIS PROFESSIONAL RFP  
LEVEL I EVALUATION**

<b>I. Compliance Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Contractor Responsibility Questionnaire	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 Outreach	Yes	Yes	
8.	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	\$10,000 lien filed in 2006 for Los Angeles County property tax issues (proposer paid the subject taxes one year later). Credit report indicates entity is a "moderate to high risk" as a result of the lien.
4.	Background Experience	Yes	Yes	
5.	Business Plan	Yes	Yes	
6.	Proposed Rental Percentage	Yes	Yes	
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	
8.	Concession Improvements	Yes	Yes	

**BEVERLY HILLS COUNTRY CLUB  
CHEVIOT HILLS TENNIS PROFESSIONAL (ARS T10-02)**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH  
SCORING SUMMARY**

	<b>Indicator</b>	<b>Possible Points</b>	<b>Awarded Points</b>	<b>Comment</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</i></b>

**Z MANAGEMENT  
CHEVIOT HILLS TENNIS PROFESSIONAL RFP  
LEVEL I EVALUATION**

<b>I. Compliance Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Contractor Responsibility Questionnaire	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 Outreach	Yes	Yes	
8.	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 Experience	Yes	Yes	
5.	Business Plan	Yes	Yes	
6.	Proposed Rental Percentage	Yes	Yes	
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	
8.	Concession Improvements	Yes	Yes	

**Z MANAGEMENT  
CHEVIOT HILLS TENNIS PROFESSIONAL (ARS T10-02)**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH  
SCORING SUMMARY**

	<b>Indicator</b>	<b>Possible Points</b>	<b>Awarded Points</b>	<b>Comment</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	0	Many of the solicited contacts were not called for a follow up discussion.
7.	Plans, Specifications, and Requirements	5	5	
8.	Contacted Recruitment / Placement Organizations	10	0	No letters to recruiters / placement organizations were submitted with the proposal.
9.	Negotiated in Good Faith	26	26	
10.	Bond, Lines of Credit, and Insurance	5	5	
	<b>TOTAL SCORE:</b>	<b>100</b>	<b>80</b>	<b><i>Less than 75 points is failing</i></b>

**CH TENNIS  
CHEVIOT HILLS TENNIS PROFESSIONAL RFP  
LEVEL I EVALUATION**

<b>I. Compliance Documents</b>		<b>Submitted</b>	<b>In Compliance</b>	<b>Comments</b>
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Contractor Responsibility Questionnaire	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 Outreach	Yes	Yes	
8.	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	No documentation of funding availability from stated investors is provided in the proposal.
4.	Background Experience	Yes	Yes	
5.	Business Plan	Yes	Yes	
6.	Proposed Rental Percentage	Yes	Yes	
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	
8.	Concession Improvements	Yes	Yes	

**CH TENNIS  
CHEVIOT HILLS TENNIS PROFESSIONAL (ARS T10-02)  
GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH  
SCORING SUMMARY**

	<b>Indicator</b>	<b>Possible Points</b>	<b>Awarded Points</b>	<b>Comment</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	0	Plans, Specifications, and Requirement information not included in the advertisement.
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>	<b>100</b>	<b>95</b>	<b><i>Less than 75 points is failing</i></b>

**CHEVIOT HILLS TENNIS PROFESSIONAL CONCESSION  
LEVEL II REVIEW  
TOTAL POINTS AND RANKING OF PROPOSALS BY EVALUATION PANEL**

**ATTACHMENT F**

<b>ATONAL SPORTS &amp; ENTERTAINMENT, INC.</b>	<b>Max No. of Points</b>	<b>Angel</b>	<b>Kaemerle</b>	<b>Balgrosky</b>	<b>TOTAL</b>	<b>RANK</b>
Ability to Finance	15	14	15	15	44	1
Background and Experience	20	20	20	20	60	1
Proposed Business Plan	20	20	20	20	60	1
Rent	20	18	18	18	54	2
Ongoing Refurbishments, Improvements, Maintenance	15	15	15	15	45	1
Capital Improvements	10	9	10	10	29	1
<b>TOTAL</b>	<b>100</b>	<b>96</b>	<b>98</b>	<b>98</b>	<b>292</b>	<b>1</b>

<b>BEVERLY HILLS COUNTRY CLUB</b>	<b>Max No. of Points</b>	<b>Angel</b>	<b>Kaemerle</b>	<b>Balgrosky</b>	<b>TOTAL</b>	<b>RANK</b>
Ability to Finance	15	15	13	14	42	2
Background and Experience	20	14	18	14	46	4
Proposed Business Plan	20	14	18	14	46	4
Rent	20	20	20	20	60	1
Ongoing Refurbishments, Improvements, Maintenance	15	14	13	14	41	2
Capital Improvements	10	10	8	9	27	2
<b>TOTAL</b>	<b>100</b>	<b>87</b>	<b>90</b>	<b>85</b>	<b>262</b>	<b>2</b>

<b>Z MANAGEMENT</b>	<b>Max No. of Points</b>	<b>Angel</b>	<b>Kaemerle</b>	<b>Balgrosky</b>	<b>TOTAL</b>	<b>RANK</b>
Ability to Finance	15	10	11	10	31	3
Background and Experience	20	13	16	18	47	3
Proposed Business Plan	20	17	16	17	50	3
Rent	20	17	16	17	50	3
Ongoing Refurbishments, Improvements, Maintenance	15	10	11	10	31	4
Capital Improvements	10	5	6	5	16	4
<b>TOTAL</b>	<b>100</b>	<b>72</b>	<b>76</b>	<b>77</b>	<b>225</b>	<b>3</b>

<b>CH TENNIS</b>	<b>Max No. of Points</b>	<b>Angel</b>	<b>Kaemerle</b>	<b>Balgrosky</b>	<b>TOTAL</b>	<b>RANK</b>
Ability to Finance	15	12	9	8	29	4
Background and Experience	20	19	14	17	50	2
Proposed Business Plan	20	18	14	19	51	2
Rent	20	15	14	15	44	4
Ongoing Refurbishments, Improvements, Maintenance	15	12	9	12	33	3
Capital Improvements	10	6	4	7	17	3
<b>TOTAL</b>	<b>100</b>	<b>82</b>	<b>64</b>	<b>78</b>	<b>224</b>	<b>4</b>

<b>CHEVIOT HILLS SPORTS CENTER, INC.</b>	<b>Max No. of Points</b>	<b>Angel</b>	<b>Kaemerle</b>	<b>Balgrosky</b>	<b>TOTAL</b>	<b>RANK</b>
Ability to Finance	15	8	8	12	28	5
Background and Experience	20	16	12	13	41	5
Proposed Business Plan	20	13	12	12	37	5
Rent	20	13	12	13	38	5
Ongoing Refurbishments, Improvements, Maintenance	15	8	7	8	23	5
Capital Improvements	10	3	2	3	8	5
<b>TOTAL</b>	<b>100</b>	<b>61</b>	<b>53</b>	<b>61</b>	<b>175</b>	<b>5</b>

**CHEVIOT HILLS TENNIS PROFESSIONAL RFP  
COMPARISON OF PROPOSALS**

Proposer	Atonal Sports and Entertainment, Inc.	Beverly Hills Country Club	Z Management	CH Tennis	Cheviot Hills Sports Center, Inc.
<b>Proposed Rent</b> (proposed as a % of gross receipts)	Lessons: 10.5% Retail: 12% Sponsorships: 10%	Lessons: 12% Retail: 14%	Lessons: 10% Retail: 12%	Lessons: 10% Retail: 12% Additional amenities: 10% Additional services: 12% Special events: 12%	Lessons: 12% Retail: 10% (RFP mandates a minimum of 12%)
<b>Projected gross sales</b>	Year 1 - \$626,000 Year 2 - \$661,000 Year 3 - \$696,000 Year 4 - \$741,500 Year 5 - \$786,500	Year 1 - \$891,752 Year 2 - \$914,046 Year 3 - \$936,897 Year 4 - \$950,951 Year 5 - \$965,215	Year 1 - \$609,367 Year 2 - \$621,555 Year 3 - \$621,555 Year 4 - \$621,555 Year 5 - \$621,555	Year 1 - \$402,470 Year 2 - \$500,000 Year 3 - \$550,000 Year 4 - \$600,000 Year 5 - \$650,000	Year 1 - \$305,000 Year 2 - \$317,200 Year 3 - \$329,900 Year 4 - \$343,000 Year 5 - \$356,700
<b>Projected rent</b> (from proposers' own pro forma)	Year 1 - \$69,100 Year 2 - \$73,150 Year 3 - \$77,200 Year 4 - \$82,350 Year 5 - \$87,450	Year 1 - \$112,880 Year 2 - \$115,702 Year 3 - \$118,594 Year 4 - \$120,373 Year 5 - \$122,179	Year 1 - \$62,256 Year 2 - \$63,501 Year 3 - \$63,501 Year 4 - \$63,501 Year 5 - \$63,501	Year 1 - \$42,285 Year 2 - \$52,500 Year 3 - \$58,000 Year 4 - \$63,500 Year 5 - \$69,000	Year 1 - \$36,000 Year 2 - \$36,000 Year 3 - \$36,000 Year 4 - \$36,000 Year 5 - \$36,000
<b>Value on Improvements</b>	Year 1 - \$24,850	Year 1: \$69,272	Year 1 - \$4,362	Year 1: \$33,669	Year 1: \$3,600
<b>Value on New Equipment</b>	Year 1: \$50,000	Year 1: \$31,700	Year 1: \$7,677	Year 1: \$17,500	Year 1: \$0 (existing equipment is valued by proposer at \$75,000)
<b>Value on Inventory</b>	Year 1: \$150,000+	Year 1: \$25,006	Year 1: \$30,548	Year 1: \$20,700	Year 1: \$20,250

Proposer	Atonal Sports and Entertainment, Inc.	Beverly Hills Country Club	Z Management	CH Tennis	Cheviot Hills Sports Center, Inc.
<p><b>Concession Improvements (appropriateness / entrepreneurship)</b></p>	<ul style="list-style-type: none"> <li>- Will install carpeting</li> <li>- Will paint the interior/exterior of pro shop</li> <li>- Repair and paint backboard</li> <li>- Update court lighting</li> <li>- Cut fencing between courts</li> <li>- Add tunnel bulletin boards</li> <li>- Add a shower</li> <li>- New awning</li> <li>- Big entryway sign</li> </ul>	<ul style="list-style-type: none"> <li>- Will install new wood flooring</li> <li>- Will paint the interior/exterior of pro shop</li> <li>- Roof, door, windows, lighting, and sidewalk upgrades</li> <li>- Replace the Pro Shop awning with a new one</li> <li>- Replace concrete in front of shop</li> <li>- Will add an outdoor café shade area with music system</li> <li>- Shade cover for benches around courts</li> <li>- Add a coffee bar with wifi access and a charging station</li> <li>- Add a customer wash basin, a new counter, a new pendant and electrical plugs in the Pro Shop</li> <li>- Electrical outlets, chain link fence around electrical panel</li> <li>- New storage shed outside of shop</li> <li>- Install a security system</li> </ul>	<ul style="list-style-type: none"> <li>- Will install carpeting</li> <li>- Will paint the interior/exterior of pro shop</li> <li>- Repair and paint backboard</li> <li>- Replace one windscreen</li> <li>- Add rain resistant tarps</li> <li>- New bathroom door</li> <li>- Replace/repair rotted wood on the Pro Shop</li> </ul>	<ul style="list-style-type: none"> <li>- Will install new carpeting or tiling</li> <li>- Will paint the interior/exterior of pro shop</li> <li>- Roof, door, windows, lighting, and sidewalk upgrades &amp; repairs</li> </ul>	<ul style="list-style-type: none"> <li>- Will install new carpeting</li> <li>- Will paint the interior/exterior of pro shop</li> </ul>
<p><b>Inventory &amp; Equipment</b></p>	<ul style="list-style-type: none"> <li>- Inventory includes rackets, strings, shoes, clothes, and tennis accessories</li> <li>- Gamma stringing machines</li> <li>- Upright 2-door freezer</li> <li>- Large 3-door refrigerator</li> <li>- HDTV (40")</li> <li>- RDR racquet balance machine</li> <li>- Two Mac computers</li> <li>- Ball machine</li> <li>- Cash register and a POS system</li> <li>- Seven rolling carts</li> <li>- Thirty ball tubes</li> </ul>	<ul style="list-style-type: none"> <li>- Racquets, tennis shoes, socks, clothes, strings, hats, visors, backpacks, grips, sunglasses</li> <li>- Stringing machine</li> <li>- Ball machine</li> <li>- Cash register and a POS system</li> <li>- Tennis balls</li> <li>- 15 Rental racquets</li> <li>- Office supplies</li> <li>- Water coolers</li> <li>- 50" Plasma TV</li> <li>- Lounge seating</li> <li>- Security system</li> </ul>	<ul style="list-style-type: none"> <li>- Inventory includes rackets, strings, bags, clothes, and hats</li> <li>- Stringing machine</li> <li>- Glass 2-door beverage refrigerator</li> <li>- Refrigerator</li> <li>- Racquet tester balance machine</li> <li>- Tension calibrator machine</li> <li>- String calibrator</li> <li>- "Rebounce" Green Machine</li> <li>- Fake security camera</li> <li>- Two indoor tarps</li> <li>- Pop a shot machine</li> <li>- Ball machine; Cash register and a POS system</li> </ul>	<ul style="list-style-type: none"> <li>- Racquets, tennis shoes, clothes, strings, bags, snacks, and beverages</li> <li>- Stringing machine</li> <li>- Ball machine</li> <li>- HDTV</li> <li>- Cash register and a POS system</li> <li>- FAX/copier</li> <li>- Telephone</li> <li>- Tennis balls</li> <li>- Office supplies</li> </ul>	<ul style="list-style-type: none"> <li>- Racquets, footwear, apparel, balls, grips, sunglasses</li> <li>- Stringing machine</li> <li>- Cash register and a POS system</li> </ul>

Proposer	Atonal Sports and Entertainment, Inc.	Beverly Hills Country Club	Z Management	CH Tennis	Cheviot Hills Sports Center, Inc.
<p><b>Lesson Pricing (plus other customer service elements)</b></p>	<p>Invitational academies: \$420 - \$1,155 per week                      Adult workout rates: \$330 - \$900 per week                      Junior workout rates: \$154 - \$900 per week                      Private lessons: Averages \$60 per hour</p>	<p>Private lessons: \$65 - \$70 per hour                      Semi-private lessons: \$35 - \$40 per hour                      Group Lessons: \$10 - \$30 per hour</p>	<p>Private lessons: \$65 - \$95 per hour                      Adult rates (group lessons): \$30 - \$40 per week                      Junior rates (group lessons): \$25 - \$35 per week                      Hitting lessons: \$55 per hour                      Ball feeding: \$40 per hour</p>	<p>Adult lessons \$30 per hr, a \$5 per hr. discount w/10-session purchase                      Adult clinic \$30 per 1.5hr, a \$5 per 1.5hr. discount w/10-session purchase                      Children mini-clinic \$15 per 1/2hr, a \$5 per 1/2hr. discount w/10-session purchase                      Children lessons \$25 per hr, a \$5 per hr. discount w/10-session purchase                      Children clinic \$25 per 1.5hr, a \$5 per 1.5hr. discount w/10-session purchase                      Jr. Camp \$60 per 3hr, a \$10 per 3hr. discount w/10-session purchase                      Semi lessons (2 players) \$90 per hr, a \$5 per hr. discount w/10-session purchase                      Private lessons \$80 per hr, a \$5 per hr. discount w/10-session purchase</p>	<p>Private lessons: \$70 per hour                      Semi-private lessons: \$75 per hour for 2 patrons, \$78 for 3 patrons                      Group lessons: \$80 per four sessions, one hour per session                      Team tennis lessons: \$115 for four sessions, two hours a session</p>

Proposer	Atonal Sports and Entertainment, Inc.	Beverly Hills Country Club	Z Management	CH Tennis	Cheviot Hills Sports Center, Inc.
<p><b>Key Personnel (qualifications/experience)</b></p>	<p>-- Steve Bellamy, CEO and founder (current tennis concessionaire at Palisades and Westwood parks); extensive tennis experience, numerous industry awards, founder of the Tennis Channel network</p> <p>-- David Haskell, COO/CFO</p> <p>-- Darin Popek, General Manager</p> <p>-- Sameer Gavankar, JJ England, Jamie Wilson, Head Tennis Pros</p>	<p>-- Gene Axelrod, Chairman</p> <p>-- Monica Baek, General Manager (22 years)</p> <p>-- Doreen Nashier, Membership Director (8 years)</p> <p>-- David McBride, Food &amp; Beverage Director (3 years)</p> <p>-- Mike Gargano, Health &amp; Fitness Director (23 years)</p> <p>-- Vladimir Kononov, Youth Dept. Director</p> <p>-- Ivette Carrero, Accounting Director (4 years)</p> <p>-- Head Pros (2 -10 years)</p>	<p>-- Zach Fleishman, president of Z Management, world class tennis professional, 10-year veteran of the ATP tour, currently a tennis coach, assistant Pro Shop manager, and a "high-profile businessman/athlete" with several business sponsorship alliances (including GRIP and Super Sports)</p> <p>-- Gary Fleishman, COO Business Manager</p> <p>-- Amanda Diepeveen, Pro Shop Manager / Marketing Director</p> <p>-- Ben Sharples, David Boyd, Tony Brock, Marcin Kosakowski, Jack Massry, Head Tennis Pros</p>	<p>-- Scott Wilson, owner of Scott Wilson Tennis.</p> <p>Two financial/management advisors and future shareholders:</p> <p>- James Thomson, CEO of the RAND Corp. for over 20 years</p> <p>- Darlene Thomson, 13 years experience as an assistant finance director, 15 years as an assistant graduate school dean</p>	<p>-- Marie Abenhaim, President, Secretary, CFO</p> <p>-- Pedro De La Torre, Store Manager</p> <p>-- Jacqueline Tojin, Asst. Store Manager</p> <p>-- Gabriel Harmat, Gordon Yarbok, Justin Wiley, Head Pros</p>
<p><b>Company Experience and Proven Performance</b></p>	<p>-- Atonal is the current concessionaire at Palisades Park (15 years) and Westwood Park (3 years)</p> <p>-- Promotes celebrity exhibition events</p> <p>-- created "Live-Ball", a fast-paced aerobic workout</p> <p>-- runs "Shotgun 21", a free tournament event which attracts 1,200+ visitors</p> <p>-- Offers professional stringing service</p>	<p>- Operating since 1926, BHCC has a long history of providing quality tennis lesson services along with food and dining experience to patrons:</p> <p>- Host to many specialty events, including tournaments, charity functions, fundraising events, and celebrity tennis exhibitions:</p>	<p>-- Z Management began operation in February 2000 teach tennis to patrons in Los Angeles</p> <p>-- Supports various charities</p> <p>-- Five years of pro shop retail experience with Super Sports</p> <p>-- Created the TNT Tennis program</p> <p>-- Experience in racquet stringing, bookkeeping, Point of System sales, managing pro shop inventories</p>	<p>- Mr. Wilson is currently a private, professional instructor. Has years tennis teaching experience</p> <p>- Designed and implemented the tennis programs, classes, clinics and camps at Palisades Recreation Center for Atonal.</p>	<p>- Ten years of teaching tennis and running the pro shop as the concessionaire at Cheviot Hills</p> <p>- 35 years of experience running a tennis pro shop</p> <p>- The current, highly qualified staff will remain in place</p>

Proposer	Atonal Sports and Entertainment, Inc.	Beverly Hills Country Club	Z Management	CH Tennis	Cheviot Hills Sports Center, Inc.
<p><b>Capital (financial ability)</b></p>	<ul style="list-style-type: none"> <li>-- Atonal has no debt, and cash reserves will be the sole source of funding</li> <li>-- \$300,000 - \$500,000 in cash reserves is available at all times</li> <li>-- Open accounts with 50+ vendors for store inventory</li> </ul>	<ul style="list-style-type: none"> <li>-- Owned by a Hawaiian Limited Partnership called "L.A. Partners", the Beverly Hills Country Club will fund this concession with cash reserves from a bank account.</li> <li>-- The most current bank account statement provided by BHCC shows an available balance of \$31,287 as of 4/30/10.</li> </ul>	<ul style="list-style-type: none"> <li>-- Z Management is "financially solvent and stable"</li> <li>-- \$150,000 in available cash assets</li> </ul>	<ul style="list-style-type: none"> <li>-- Start up capital for the concession of \$250,000 in cash is proposed to be available to the business by future shareholders James and Darlene Thomson should CH Tennis be awarded the concession agreement. No agreement provided for promise of funding.</li> </ul>	<ul style="list-style-type: none"> <li>-- Cash flow will continue to fund the operation</li> <li>-- The most current bank account statement provided by CHSC shows an available balance of \$773,139 as of 4/30/10.</li> </ul>
<p><b>Advertisement (business / marketing)</b></p>	<ul style="list-style-type: none"> <li>- Word of mouth;</li> <li>- Cable TV ads during Grand Slam events (Atonal owns video equipment and an editing facility)</li> <li>- Tennis magazine ads</li> <li>- Local tennis events (Grand opening sale, tournaments, free lesson nights)</li> <li>- Merchandising</li> <li>- Maintains a website, Facebook page, twitter page</li> <li>- Atonal's top ranked Junior players attract other students</li> <li>- E-mail database</li> <li>- In-shop monitor provides current info on events</li> <li>- Many community events</li> <li>- Charitable contributions</li> </ul>	<ul style="list-style-type: none"> <li>- Referrals from the Beverly Hills Country Club</li> <li>- The café will attract customers to the tennis programs</li> <li>- Direct mail marketing</li> <li>- Promotional flyers</li> <li>- Newspaper / magazine ads</li> <li>- E-mail blasts</li> <li>- Website / Social networking / Twitter</li> <li>- Merchandising</li> </ul>	<ul style="list-style-type: none"> <li>- Direct contact with previously unreached customers in the community</li> <li>- Focused outreach to minority kids</li> <li>- Capitalize on "free marketing": Facebook page, twitter page, MySpace, LinkedIn, Craigslist, TennisLessons.com, etc.</li> <li>- Will advertise in Inside Tennis and LA Weekly</li> <li>- Will create and promote a local newsletter</li> <li>- Merchandise return program (money back guarantee)</li> <li>- Charitable contributions</li> </ul>	<ul style="list-style-type: none"> <li>- Working with local and national media</li> <li>- Establish a website</li> <li>- Facebook</li> <li>- Kiosks at the facility</li> <li>- Word of mouth</li> <li>- Grand opening event</li> <li>- End-of-session celebrations</li> <li>- Holiday themed events</li> <li>- Activity partnerships with other tennis operations</li> <li>- Promotional coupons</li> <li>- Staff activities</li> <li>- USTA block party</li> <li>- Brochures, banners, flyers and signs</li> <li>- Merchandising sales equipment and clothes</li> <li>- Hosting tournaments</li> <li>- Working with local businesses, schools and churches</li> </ul>	<ul style="list-style-type: none"> <li>- \$3,000 a month for brochures and other print media</li> <li>- Ads will be placed in Los Angeles Magazine</li> <li>- Money back guarantee policy</li> <li>- Direct mailers to be sent out</li> </ul>

## PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Recreation and Parks
2. Contacts  
 Department: Robert Morales Phone | (818) 243-6421 Fax No. (818) 243-6451  
 CAO: Veronica Salumbides Phone | (213) 473-7561 Fax No. (213) 473-7514

## 3. Work to be performed:

The Department of Recreation and Parks is seeking a vendor to provide professional tennis instruction and operate the tennis professional concession at Cheviot Hills Recreation Center. The services to be provided consist of: top-quality instruction, including private and group lessons; junior programs; racquet stringing and other tennis-related services; and operation of a pro shop, which includes a snack and drink service. In addition, the Department expects the contractor to optimize visitor participation; assess, provide and install any necessary furnishings or equipment; and display awareness of the demographics and special needs of the community.

4. Is this a contract renewal? Yes  No
5. Proposed length of contract: 5 years Proposed Start Date: January 2009
6. Proposed cost of contract (if known): \$75,000 (gross revenue generating)
7. Name of proposed contractor: Unknown

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

Knowledge of the rules and regulations for the game of tennis and experience in providing tennis instruction, racquet stringing, etc. All instructors must be Certified United States Professional Teachers.

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

If yes,

## a. Which class(es) and Department(s):

<b>Class</b>	<b>Departments</b>	<b>Eligible list expires</b>
Park Service Attendant	El Pueblo, Rec & Parks, Zoo	No list
Recreation Assistant	Rec & Parks	No list

- 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? Unknown
- 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 work? Yes  No

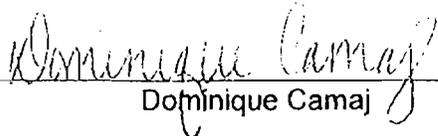
10. Findings

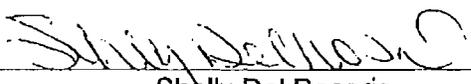
- City employees DO NOT have the expertise to perform the work
- City employees DO have the expertise to perform some of the work

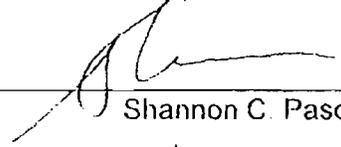
Check if applicable (explanation attached) and send to CAO for further analysis

- 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: A Park Service Attendant and Recreation Assistant can perform some of the work described above. For instance, the sale of tennis merchandise can be done by a Park Service Attendant. A Recreation Assistant can assist in the delivery of services and employ specialized skills, such as racquet stringing. However, the City does not require Recreation Instructors to be Certified United States Professional Teachers.

Submitted by:   
Dominique Camaj

Reviewed by:   
Shelly Del Rosario

Approved by:   
Shannon C. Pascual

Date: 3/21/08

**DEPARTMENT OF RECREATION AND PARKS  
CONTRACT COST ANALYSIS  
CHEVIOT HILLS TENNIS PROFESSIONAL CONCESSION**

<b>Cost to the Department to Self Operate</b>								
Position Title	No. of Positions	Monthly Salary	Total Monthly Salary Cost	Overhead Cost (PT=4.5% FT=22.4%)	Flex Costs	Duration (months)	TOTAL COST	
Recreation Instructor (part-time) (Lessons)	8	\$ 1,000.50	\$ 8,004.00	\$ 360.18	\$ -	12	\$ 100,370.16	
Park Service Attendant (full-time) (Pro Shop)	2	\$ 2,860.56	\$ 5,721.12	\$ 1,281.53	\$ 1,483.50	12	\$ 101,833.81	
Sr. Park Service Attendant (full-time)	1	\$ 4,743.24	\$ 4,743.24	\$ 1,062.49	\$ 741.75	12	\$ 78,569.71	
<b>TOTAL SALARIES: \$ 280,773.68</b>								
Advertising / Marketing / Promotion Dues and Subscriptions							\$ 14,000.00	
Operating Supplies							1,000.00	
New Equipment							1,000.00	
Cost of Goods (Pro Shop)							34,187.00	
<b>TOTAL EXPENSES \$ 260,187.00</b>								
Projected Revenue by City (1 year) (based on 2009 revenues reported by current concessionaire increased by 10%):							\$ 540,960.68	
<b>TOTAL PROFIT/LOSS TO CITY: \$ (230,834.59)</b>								
<b>Cost to Contract Out the Operation</b>								
Position Title	No. of Positions	Monthly Salary	Total Monthly Salary Cost	Overhead Cost (22.4%)	Flex Costs	Duration (months)	TOTAL COST	
Management Analyst II	0.077	\$ 6,260.52	\$ 481.58	\$ 107.87	\$ 57.06	12	\$ 7,758.12	
Accounting Clerk I	0.019	\$ 4,193.40	\$ 77.66	\$ 17.39	\$ 13.74	12	\$ 1,140.60	
<b>TOTAL SALARIES: \$ 8,898.72</b>								
Minimum First Year Rent from Atonal's Pro Forma (10.5% of Lesson Services Revenues):							\$ 42,000.00	
Minimum First Year Rent from Atonal's Pro Forma (12% of Pro Shop and Other Revenues):							\$ 27,000.00	
Management Analyst II (monitor contract) and Accounting Clerk I (monitor rent):							\$ (8,898.72)	
<b>TOTAL PROFIT/LOSS TO CITY: \$ 60,101.28</b>								