

APPROVED
FEB 02 2011

REPORT OF GENERAL MANAGER

NO. 11-034

DATE January 19, 2011

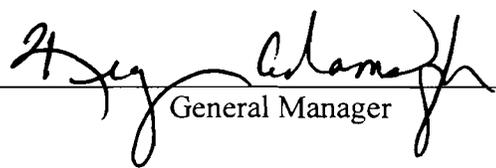
**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 5

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: POINSETTIA TENNIS PROFESSIONAL CONCESSION – REQUEST FOR PROPOSALS

R. Adams _____	* F. Mok <u>1/19/11</u>
H. Fujita _____	K. Regan _____
S. Huntley _____	M. Shull _____
V. Israel _____	



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the Poinsettia Tennis Professional Concession Request for Proposals (RFP) for a five-year Concession Agreement, 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 review and 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:

The Poinsettia Tennis Professional Concession is located at the Poinsettia Recreation Center, 7341 Willoughby Avenue, Los Angeles, CA 90046. The Recreation Center has eight resurfaced and lighted tennis courts, indoor and outdoor basketball courts, a children's play area, a multi-purpose grass field and a lighted baseball diamond. Two tennis courts (courts 1 and 2) and a tennis professional office will be administered for the Department by the selected operator.

The Poinsettia Tennis Professional Concession has been operated by Steve and Maurica Katz since 2001, most recently through Concession Agreement No. 3260, executed September 17, 2008. The Agreement will expire on September 16, 2011. The concession offers a number of

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tennis programs, including private lessons, adult clinics, and junior programs. In 2009, the concession generated \$179,640 in gross revenue and paid \$31,620 in rent to the Department (includes income from a Pay Tennis Reservations component which will not be included in the new Concession Agreement).

The tennis professional conducts lessons on two of the tennis courts with the remaining six set aside for pay tennis operations. There is a tennis professional office on the premises.

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 a qualified, experienced, and financially sound operator 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 at the sole discretion of the General Manager.
3. Revenue Sharing Terms: Percentage of gross revenue generated from Lesson Services and Pro Shop business. (Minimum of 10% of gross receipts for lesson services and 12% of gross receipts for pro shop business.)
4. Concession Improvements: Required improvements will include the painting of the interior and exterior of the facility and providing new flooring. Optional improvements proposed in addition to those required will be evaluated and scored by the panel.
5. Utilities: The operator will be required to submit to the Department a monthly utility fee of One Hundred Dollars (\$100.00) during the term of the agreement to cover utilities (electricity, gas, and water) for this location until separate meters are installed, at which time the operator will pay directly to the utility company.
6. Contractual 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 in profits in the form of a percentage of gross revenue.
7. Faithful Performance Deposit: A Faithful Performance Deposit will be required to be maintained for the duration of the agreement in the amount of Four Thousand Dollars

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(\$4,000). The Deposit will be in the form of a cashier's check made out to the City of Los Angeles.

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 that may include non-City employees. Proposers must successfully pass Level I to proceed to Level II.

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) Background and Experience (25 points)
- 3) Proposed Business Plan (15 points)
- 4) Proposed Revenue Sharing Payment (25 points)
- 5) On-Going Refurbishment, Improvements, and Maintenance (10 points)
- 6) Concession Improvements (10 points)

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); and a letter inviting bids will be mailed to over one hundred organizations and individuals from a mailing list maintained by the Concessions Unit. The anticipated time of completion for the RFP process is approximately eight to twelve months.

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, 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 on the Department's General Fund.

Report prepared by Mark Stipanovich, Management Analyst II, Concessions Unit, Administrative Resources Section, Finance Division.