

APPROVED
JUN 06 2011

REPORT OF GENERAL MANAGER

NO. 11-173

DATE June 6, 2011

BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GOLF DIVISION - PROFESSIONAL SERVICES CONTRACT WITH J2 GOLF MARKETING CORPORATION TO IDENTIFY, ASSESS AND MEASURE THE CURRENT MUNICIPAL GOLF MARKET AND DEVELOP A NEW MARKETING PLAN

R. Adams	_____	K. Regan	_____
H. Fujita	_____	M. Schull	_____
V. Israel	_____	*N. Williams	<u>NW</u>



General Manager

Approved

Disapproved

Withdrawn

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Professional Services Contract between the City of Los Angeles Department of Recreation and Parks and J2 Golf Marketing Corporation, substantially in the form on file in the Board Office, to identify, assess and measure the current municipal golf market and develop a new marketing plan to increase existing business and develop new business for the Department, for a term of twelve (12) months, in an amount not to exceed \$25,000, subject to the approval of the Mayor and of the City Attorney as to form;
2. Find in accordance with Charter Section 371 (e)(2), the services to be provided are professional, expert and technical, as they specifically provide golf marketing assessment with marketing plan development assistance. This specialized golf marketing service for Department's Golf Division is of a temporary character for which competitive bidding is neither practicable or advantageous.
3. Find in accordance with Charter Section 371(e)(10), competitive bidding would be undesirable, impractical or impossible because the total compensation to be provided is for a small amount not to exceed \$25,000 and the cost of soliciting bids would be unwarranted and wasteful in comparison to the amount of services required by Department, and would result in an expenditure of City funds in excess of any benefit that could be gained by soliciting bids;

REPORT OF GENERAL MANAGER

PAGE 2

NO. 11-173

4. Direct the Board Secretary to transmit the proposed Professional Services Contract 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 subject Professional Services Contract, upon receipt of the necessary approvals.

SUMMARY:

The Department of Recreation and Parks Golf Division maintains and operates seven 18-hole golf courses, three 9-hole golf courses, two 9-hole 3-par golf courses, one 18-hole pony course and a state-of-the-art junior training facility. The Golf Division provides well-maintained, accessible, and affordable golf courses for the enjoyment of the residents of the City of Los Angeles.

On July 1, 2010, the Golf Division was reorganized into a full cost recovery unit as part of the Fiscal Year 2010-11 budget approved by the Mayor and Council. The Golf Division is responsible for generating sufficient revenues to cover direct and indirect operational, maintenance and capital expenses.

Over the past several years, the nationwide golf industry play levels and revenues have declined significantly and there is strong competition for the decreasing number of golfers amongst the numerous municipal, public, and private golf courses in the greater Los Angeles area.

In 2010, in order to increase the number of customers, the Golf Division implemented new programs such as Customer Loyalty Program/Player Rewards Card, Early Twilight, Incentives to Golfers to Frequent Other City Courses, Customer Email Database and Social Networks, Tourism and Advertising.

The Golf Division has identified a marketing firm, J2 Golf Marketing Corporation, with sufficient expertise to identify, assess and measure the current municipal golf market and develop a new marketing plan to increase existing business and develop new business. J2 Golf Marketing Corporation will complete a demographic report, use customer surveys, develop and solidify product identification, and develop specific golf programs and advertising material, in cooperation with the Golf Division, in order to increase and develop new business.

Staff recommends that the Board approve the Professional Services Contract between the City of Los Angeles Department of Recreation and Parks and J2 Golf Marketing Corporation for a term of twelve (12) months in an amount not to exceed \$25,000.

REPORT OF GENERAL MANAGER

PAGE 3

NO. 11-173

FISCAL IMPACT:

There is no impact to the Department's General Fund as funding is available in the Golf Operation Account (Fund 52H, Department 89, Account G401).

This report was prepared by Nancy Jeffers, Management Analyst II, Service Contracts Group, Finance Division.