

REPORT OF GENERAL MANAGER

APPROVED

NO. 11-307

DATE November 21, 2011

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C.D. 6

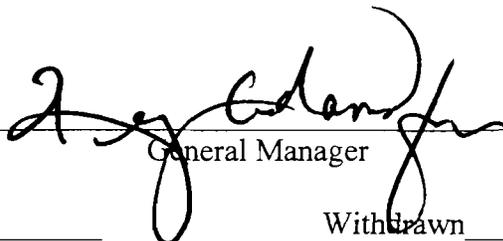
**BOARD OF RECREATION
and PARK COMMISSIONERS**

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH RIVERSIDE AND VERMONT CANYON TENNIS
PROFESSIONAL – AWARD OF CONCESSION AGREEMENT TO LA
TENNIS INCORPORATED

R. Adams _____
H. Fujita _____
V. Israel _____

K. Regan _____
M. Shull _____
*N. Williams NW



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

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 Department of Recreation and Parks and LA Tennis Incorporated, for the operation and maintenance of the Griffith Riverside and Vermont Canyon 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, 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 or 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 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 Griffith Riverside and Vermont Canyon Tennis Professional Concession (Concession) has been operated by LA Tennis Incorporated through Concession Agreement No. 259 (Agreement) since February 6, 2009. The Agreement will expire on February 5, 2012. The Concession offers tennis programs, including private lessons, adult clinics, and junior programs, and operates tennis pro shops. In Fiscal Year 2010-11, the Concession generated \$419,425.66 in gross receipts and paid \$57,462.63 in rent to the Department.

The Griffith Riverside Tennis Complex is located at 3401 Riverside Drive, Los Angeles, CA 90027, at the Griffith Park Recreation Center, and consists of twelve lighted tennis courts. The Concession is assigned four tennis courts (courts 2, 4, 9 and 10) and a tennis professional shop which provides tennis related merchandise and services, and prepackaged snack foods and beverages.

The Vermont Canyon Tennis Complex is located 2715 North Vermont Avenue, Los Angeles, CA 90027, in the foothills of Griffith Park and consists of twelve unlighted tennis courts. The Concession is assigned two tennis courts (courts 3 and 4) and a tennis professional shop which provides tennis related merchandise and services, and prepackaged snack foods and beverages.

On February 2, 2011, the Board approved the release of the Request for Proposals (RFP) in order to enter into a multi-year concession agreement (Board Report No. 11-033).

The RFP was released on February 23, 2011 and advertised in the L.A. Daily Journal, 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 a hundred (100) organizations and individuals from a mailing list maintained by the Concessions Unit.

On April 13, 2011, a Pre-Proposal Conference was held at the Department's Central Service Yard and attended by twelve companies. A walk-through of the Concession premises was conducted on April 15, 2011.

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One addendum to the RFP was released in order to include the First Source Hiring Ordinance (FSHO) as a required item in the RFP. On July 5, 2011, one proposal was submitted in response to the RFP: LA Tennis, Inc., the incumbent operator.

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. The proposer 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 of Non-Collusion
- 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) Proposed Revenue Sharing Payment
- 7) On-Going Refurbishment, Improvements, and Maintenance
- 8) Concession Improvements

LA Tennis, Inc., was found to be responsive in all eight compliance documents and all eight submittal documents (Attachments A and B).

Level II Evaluation

An evaluation panel was not assembled for the Level II Evaluation as there was only one proposal submitted in response to the RFP. Staff reviewed the submitted proposal and negotiated terms and conditions based on the RFP and the proposal submitted by LA Tennis, Inc. (Attachment C). The negotiated items included:

- LA Tennis, Inc., proposed to pay 12% of gross revenue for lesson services for the first year of operation and increase incrementally to 14% during the first five (5) year term of

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the Concession Agreement. LA Tennis, Inc., currently pays 14% of gross revenue for lesson services. The Department requested that the percentage not be decreased from the current amount of 14% of gross revenue from lesson services.

In Fiscal Year 2010-11, gross revenue for lesson services was \$405,459.41 and rent paid to the Department was \$56,764.32.

- LA Tennis, Inc., proposed to pay 14% of gross revenue for pro shop sales (goods and services) for the term of the Concession Agreement. LA Tennis, Inc., currently pays 5% of gross revenue for pro shop sales. As part of the negotiations to increase the proposed percentage for the lesson services from 12% to 14%, the Department agreed to reduce the proposed percentage for the pro shop sales from 14% to 8%.

In Fiscal Year 2010-11, gross revenue for pro shop sales was \$13,966.25 and rent paid to the Department was \$698.31.

- The required improvements stated in the RFP and the optional improvements proposed by LA Tennis, Inc., were accepted and a timeline established. Two optional improvements were not accepted; 1) Interior Lighting of the Pro Shop as the submitted proposal was not clear on the proposed item, and 2) A café as the RFP was for tennis instruction and operation of the tennis pro shop.

Concession Agreement

The term of the proposed Concession Agreement will be five (5) years, with two (2) five-year renewal options exercisable at the sole discretion of the General Manager. LA Tennis, Inc. will pay the Department 14% of the gross receipts from lessons; 8% of the gross receipts of sales from the Tennis Pro Shop (goods and services); and, one-hundred dollars (\$100) per month for utilities.

LA Tennis, Inc. will: 1) paint the interior and exterior and re-floor the interior of the pro shop; 2) replace any damaged and/or worn doors at the Griffith Riverside location; 3) provide tables, chairs and plants on the outdoor patio area of the exterior of the Griffith Riverside Tennis Pro Shop and, 4) paint two assigned courts at the Griffith Riverside location for Quickstart court modifications.

LA Tennis, Inc., will also provide a Performance Deposit in the amount of Four-Thousand Dollars (\$4,000) to be maintained for the duration of the Concession Agreement.

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 or feasible to contract out the service.

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On December 16, 2010, the Personnel Department completed a Charter Section 1022 review and determined that the Department had City classifications which met some of the minimum qualifications to provide tennis concession management (Attachment D). However, the ability to provide tennis lessons and manage a tennis program on a day-to-day basis requires expertise that City classifications 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 cost analysis performed for this Concession (Exhibit E), staff determined that it would cost the Department \$491,467.67 in labor (direct and in-direct) and expense to self-operate during the first year. With projected gross revenue of \$419,425.66, the Department would operate at a loss of \$72,042.01.

LA Tennis, Inc. would pay the Department \$57,881.62 in rent during the first year of operation. With consideration given to the cost of monitoring the contract in the amount of \$12,922.91 (direct and in-direct costs), the Department would realize a net gain of \$44,958.71 by contracting out the service. It is therefore more economical to contract out the service.

The concession agreement would enhance the recreational experience at the Griffith-Riverside tennis courts and Vermont Canyon tennis courts 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 Department. The agreement is revenue generating and the Department will not incur costs for the operation of a tennis professional concession at the location.

The incumbent operator, LA Tennis, Inc., has successfully demonstrated their ability to operate a professional tennis concession and is recommended for the award of the concession agreement.

FISCAL IMPACT STATEMENT:

During the five-year term of the concession agreement, it is estimated that a minimum of \$289,408.10 will be paid in rent to the Department. Of that amount, \$260,467.29 will be deposited in the Department's General Fund and \$28,940.81 will be deposited into the Concession Improvement Account (Fund 302, Department 89, Account 070K).

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

**DEPARTMENT OF RECREATION AND PARKS
LA TENNIS, INC.
GRIFFITH RIVERSIDE AND VERMONT CANYON TENNIS PROFESSIONAL RFP (ARS T11-03)
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	In Compliance	Comments
1.	Signature Declaration and 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	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
7.	Good Faith Effort Subcontractor Outreach	Yes	Yes	
8.	CEC Form 50	Yes	Yes	

II. Submittal Documents		Submitted	In Compliance	Comments
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 Revenue Sharing Percentage	Yes	Yes	
7.	On-Going Refurbishment, Improvements, and Maintenance	Yes	Yes	
8.	Concession Improvements	Yes	Yes	

**DEPARTMENT OF RECREATION AND PARKS
LA TENNIS, INC.
GRIFFITH RIVERSIDE AND VERMONT CANYON TENNIS PROFESSIONAL RFP (ARS T11-03)**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH
SCORING SUMMARY**

Indicator		Possible Points	Awarded Points	Comment
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	
TOTAL SCORE:		100	100	<i>Less than 75 points is failing</i>

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PARK COMMISSIONERS

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MAYOR

DEPARTMENT OF
RECREATION AND PARKS

221 N. FIGUEROA STREET
15TH FLOOR, SUITE 1520
LOS ANGELES, CA 90012

(213) 202-3220

FAX (213) 202-4311

JON KIRK MURKIN
GENERAL MANAGER

September 15, 2011

Mr. Brent Pettersson
Mr. Ty Metcalfe
LA Tennis, Inc.
3403 Riverside Drive
Los Angeles, CA 90027

**GRIFFITH-RIVERSIDE AND VERMONT CANYON TENNIS PROFESSIONAL
CONCESSION AGREEMENT PROPOSAL**

Dear Mr. Pettersson and Mr. Metcalfe:

Based on the meeting between the Department of Recreation and Parks (Department) and LA Tennis, Inc., held on September 12, 2011 regarding the Department proposal dated August 5, 2011 (Proposal) for the Griffith-Riverside and Vermont Canyon Tennis Professional Concession Request for Proposals, the following revisions are proposed:

- 1) Proposal of August 5, 2011
Section 4 ("Term of Agreement") – the proposed Concession Agreement shall be for a term of five (5) years, effective on the date of execution, with one (1) five (5) year option to renew, at the sole discretion of the General Manager.

Revision to Proposal

Section 4 ("Term of Agreement") – the proposed Concession Agreement shall be for a term of five (5) years, effective on the date of execution, with two (2) five (5) year options to renew, at the sole discretion of the General Manager.

- 2) Proposal of August 5, 2011
Section 6.A ("Revenue Sharing Fee and Payment") – LA Tennis, Inc., shall pay fourteen percent (14%) of the gross receipts produced by all tennis lessons each month and twelve percent (12%) of the gross receipt produced by all professional shop sales (goods and services), and rentals for each month.

Revision to Proposal

Section 6.A ("Revenue Sharing Fee and Payment") – LA Tennis, Inc., shall pay fourteen percent (14%) of the gross receipts produced by all tennis lessons each month and eight percent (8%) of the gross receipt produced by all professional shop sales (goods and services), and rentals for each month;



3) Proposal of August 5, 2011

Section 11.A ("Concession Improvements") – LA Tennis, Inc., shall be required to complete the following concession improvements, to the satisfaction of the General Manager, within six (6) months of execution of the proposed Concession Agreement or pay the cost of the improvement:

- A.1 Paint the Interior and Exterior of the Tennis Professional Shop at the Griffith-Riverside location (Cost of Improvement - \$2,500).
- A.2 Re-floor (carpeting or tile) the Interior of the Tennis Professional Shop at the Griffith-Riverside location (Cost of Improvement - \$1,000).
- A.3 Replace any damaged and/or worn doors at the Griffith-Riverside location (Cost of Improvement - \$500).
- A.4 Provide tables, chairs and plants on the outdoor patio area to the exterior of the Griffith-Riverside Tennis Pro Shop (Cost of Improvements - \$2,500).
- A.5 Paint the four (4) assigned courts at the Griffith-Riverside location (Cost of Improvements - \$2,000).

Revision to Proposal

Section 11.A ("Concession Improvements") – LA Tennis, Inc., shall be required to complete the following concession improvements, to the satisfaction of the General Manager or pay the cost of the improvement:

- A.1 Paint the Interior and Exterior of the Tennis Professional Shop at the Griffith-Riverside location within twenty-four (24) months of execution of the proposed Concession Agreement (Cost of Improvement - \$2,500).
- A.2 Re-floor (carpeting or tile) the Interior of the Tennis Professional Shop at the Griffith-Riverside location within twenty-four (24) months of execution of the proposed Concession Agreement (Cost of Improvement - \$1,000).
- A.3 (No Revision) Replace any damaged and/or worn doors at the Griffith-Riverside location (Cost of Improvement - \$500).
- A.4 (No Revision) Provide tables, chairs and plants on the outdoor patio area to the exterior of the Griffith-Riverside Tennis Pro Shop (Cost of Improvements - \$2,500).

LA Tennis Inc.
September 15, 2011
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- A.5 Paint two (2) assigned courts at the Griffith-Riverside location for Quickstart court modifications, as stated in the proposal submitted by LA Tennis, Inc., within six (6) months of execution of the proposed Concession Agreement (Cost of Improvements - \$2,000).

There is no revision to the August 5, 2011 proposal regarding the Tennis Pro Shop Interior Lighting replacement, as stated in Section 6.4.1 of the submitted proposal, and the Café, as stated in 6.4.2 of the submitted proposal, and both are not accepted and will not be incorporated into the proposed Concession Agreement. A copy of the proposed Concession Agreement with the revisions from the August 5, 2011 letter from the Department is attached for your review.

Please provide your written unconditional acceptance of this proposal on company letterhead, to be signed by both the President and Vice-President of LA Tennis, Inc., by 5:00 pm on September 16, 2011 and should be sent directly to:

The Department of Recreation and Parks
Attn: Robert Morales (MS 625-6)
221 North Figueroa Street, Suite 200
Los Angeles CA 90012

If you have any questions or require additional information, please contact Robert Morales at (213) 202-4384.

Sincerely,



JON KIRK MUKRI
General Manager

JKM:RNM

Attachment

cc: Regina Adams, Executive Officer
Kevin Regan, Assistant General Manager
Arletta Brimsey, Deputy City Attorney
Noel Williams, Chief Management Analyst
Robert N. Morales, Senior Management Analyst
Carol Jacobsen, Senior Management Analyst I
Mark Stipanovich, Management Analyst II



LA TENNIS INC.
3403 RIVERSIDE DRIVE
LOS ANGELES CA 90027
323-663-6060

BRENT PETERSSON
brent@latennis.com

TY METCALFE
ty@latennis.com

Brent Pettersson
President
Ty Metcalfe
Vice President

LA Tennis Inc.
3403 Riverside Drive
Los Angeles Ca 90027

Date 9/15/11

To: Los Angeles Recreation and Parks Concessions division;

La Tennis Inc. is providing the department of Recreation and Parks (department) with a letter of unconditional acceptance of this proposal put forth by the city of Los Angeles Recreation and Parks for the tennis concession for Griffith Park and Vermont Canyon complex locations on September 15, 2011.

Sincerely yours,

Brent Pettersson

A handwritten signature in black ink, appearing to read "Brent Pettersson", written over a horizontal line.

Ty Metcalfe

A handwritten signature in black ink, appearing to read "Ty Metcalfe", written over a horizontal line.

PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Department of Recreation and Parks
2. Contacts:

Department:	Robert Morales & Mark Stipanovich	Phone No.	(818) 243-6488	Fax No.	818-243-6451
CAO:	Veronica Salumbides	Phone No.	213-473-7561	Fax No.	213-473-7514

3. Work to be performed:

The Department of Recreation and Parks is seeking a Concessionaire to operate the Professional Tennis Concession at the Griffith Riverside and Vermont Canyon Tennis Complexes. The Concessionaire will offer tennis instruction to patrons at reasonable rates and operate the pro tennis shop including the maintenance and upkeep of the facility, providing staff to manage the facility, stocking it with merchandise, and managing the flow of cash and inventory.

4. Is this a contract renewal? Yes No

5. Proposed length of contract: 5 years

Proposed Start Date: March 2012

6. Proposed cost of contract: No cost; \$150,000 in revenues expected. (5 year revenue sharing payments projection is based on \$1.2 million in gross revenue).

7. Name of proposed contractor: Unknown

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

The operator must have knowledge and proficiency in tennis instruction, concession management, and marketing. Tennis instructors must be certified by the United States Professional Tennis Association.

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

Classification	Department(s)	List Expires
Concessions Manager (9247)	Airports	Exempt class
Park Services Attendant	Rec & Parks and Zoo	Reserve 6/30/2015
Public Relations Specialist	Airports, Animal Services, Cultural Affairs, Convention Center, DWP, Disability, Harbor, Library, Police, PW Sanitation, Zoo	3/23/2011
Senior Clerk Typist	Various	Reserve List
Custodian	Airports, GSD, Harbor, PD, Sanitation, Rec & Parks, Zoo	1/22/2011
Maintenance Laborer	Public Works, Airports, other	2/25/2011
Maintenance and Construction Helper	Public Works, Airports, other	7/20/12

If yes,

- a. Which class(es) and Department(s): Please 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 Please see above.
- d. Estimated time to fill position(s) through CSC process? Unknown due to hiring freeze.
- e. Can the requesting department continue to employ staff hired for the project after project completion? Yes No N/A (concession is continuous)
- f. Are there City employees currently performing some of the work? Yes No

10. Findings

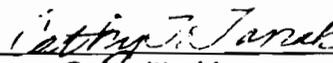
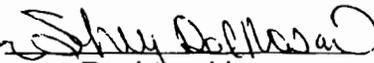
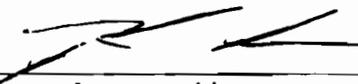
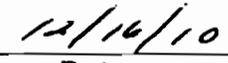
- City employees DO NOT have the expertise to perform the work
- City employees DO have the expertise to perform some of the work

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 a contractor for tennis instruction and running a pro tennis store to service both the Griffith Riverside and Vermont Canyon Tennis Complexes, which are within Griffith Park. The instructor must be certified by United States Professional Tennis Association. There are several City classifications that may perform some of the duties outlined in the contract. However, there is not a City Classification that includes tennis instruction or managing a pro-tennis shop as a core function.

			
Submitted by	Reviewed by	Approved by	Date
Cathy T. Tanaka	Shelly DeRosario	Raul Lemus	
Sr. Personnel Analyst I	Sr. Personnel Analyst II	Chief Personnel Analyst	

**DEPARTMENT OF RECREATION AND PARKS
GRIFFITH RIVERSIDE AND VERMONT CANYON TENNIS PROFESSIONAL CONCESSION
CONTRACT COST ANALYSIS**

Cost to the Department to Self Operate						
Labor Costs (Full Time and Part Time)		Indirect Costs - CAP 32				
Position Title	Hourly Rate	Annual Salary	Fringe Benefits (52.35%)	Central Services (28.32%)	Dept. Admin & Support (12.21%)	TOTAL ANNUAL COST
Park Service Attendant (Pro Shop)	\$ 17.06	\$ 35,621.26	\$ 18,647.74	\$ 10,087.95	\$ 4,348.36	\$ 66,706.32
Senior Park Service Attendant	\$ 21.59	\$ 45,079.92	\$ 23,599.34	\$ 12,766.63	\$ 5,504.26	\$ 86,950.15
					Total Full Time Cost:	\$ 155,656.47
Position Title	Hourly Rate	Hours Per Month	Monthly Cost	Annual Cost	Dept. Admin & Support (53.80%)	TOTAL ANNUAL COST
Recreation Instructor (Lessons)	\$ 14.50	800	\$ 11,600.00	\$ 139,200.00	\$ 74,611.20	\$ 213,811.20
					Total Part Time Cost:	\$ 213,811.20
						TOTAL LABOR COSTS: \$ 369,467.67
Advertising / Marketing / Promotion Operating Supplies (Maintenance) Cost of Goods to be Sold (Pro Shop Merchandise) Start-Up Expenses (tennis balls, baskets, machine)						\$ 6,000.00 \$ 6,000.00 \$ 60,000.00 \$ 50,000.00
						\$ 122,000.00
						Total Cost to Self Operate Concession (1 Year): \$ 491,467.67
						Projected Gross Revenue (1 Year / Based on FY 2010-11 Actual) - Note 1: \$ 419,425.66
						Cost to Self Operate: \$ (72,042.01)

Cost to Contract Out Operations						
Position Title	Pro-Rated Hourly Rate (\$40.11 / 12.5)	Annual Salary	Fringe Benefits (52.35%)	Central Services (28.32%)	Dept. Admin & Support (12.21%)	TOTAL ANNUAL COST
Management Analyst II	\$ 3.21	\$ 6,699.97	\$ 3,507.44	\$ 1,897.43	\$ 818.07	\$ 12,922.91
					Total Cost to Contract Out Operations:	\$ 12,922.91

Basis of Gross Revenue and Rent			
Revenue based on FY 2010-11 Actual:	Gross Revenue (Note 1)	Rent (Note 2)	
Tennis Lessons / Rent at 14%:	\$ 405,459.41	\$ 56,764.32	
Tennis Pro Shop / Rent at 8%:	\$ 13,966.25	\$ 1,117.30	
TOTAL	\$ 419,425.66	\$ 57,881.62	

Projected Rent to Department based on Project Gross Revenue (1 Year) - Note 2:	
Cost to Monitor Contract (1 Year):	\$ (12,922.91)
Cost to Contract Out Operations:	\$ 44,958.71