

REPORT OF GENERAL MANAGER

**APPROVED**  
**DEC 10 2012**

NO. 12-329

DATE December 10, 2012

**BOARD OF RECREATION  
& PARK COMMISSIONERS**

C.D. 13

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ECHO PARK PEDAL BOATS AND CAFÉ CONCESSION – REQUEST FOR PROPOSALS

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

K. Regan \_\_\_\_\_  
M. Schull \_\_\_\_\_  
\*N. Williams for (fn)

[Signature]  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve the Echo Park Pedal Boats and Café Concession Request for Proposals (RFP) for a five (5) year Concession Agreement, with two (2) five (5) year renewal options exercisable at the sole discretion of 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:

This is a newly established concession. The 1,500 square foot Echo Park Boathouse, originally constructed in 1932 at 751 N. Echo Park Ave. in Los Angeles, was designed in the Spanish Colonial Revival Style and is positioned over the Echo Park Lake.

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Other amenities and features at Echo Park Lake include a baseball diamond, lighted, indoor, and outdoor basketball courts, a play area for children, a lighted football field, two swimming pools, a soccer field, and lighted tennis courts. Besides offering a variety of recreational activities to be enjoyed by patrons, the historic park has also long been a popular location for Hollywood filming.

The Boathouse has undergone several aesthetic and building system retrofits throughout the years. Phase I of the most recent rehabilitation effort, the Echo Park Boathouse Rehabilitation project, was completed in 2007. It entailed preserving the existing piles, rehabilitating the dock, and providing disabled access to the dock.

Phase II of the Echo Park Boathouse Rehabilitation included the completion of the aesthetic, and structural retrofit of the existing building and mechanical systems. The Boathouse Rehabilitation is a small part of the larger Echo Park Lake Rehabilitation project.

This newly established Concession will operate in the recently restored Boathouse at Echo Park Lake. The state-of-the-art facility has not yet been used. This Concession includes the exclusive right and obligations to staff, equip, and operate a pedal boat rental service and café. The Concessionaire will provide certified life guards for the pedal boat service, and put in place safety policies and procedures satisfactory to the General Manager. The café operation will offer food and non-alcoholic beverages to park patrons and the neighboring community.

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 \$5,000 proposal deposit will be required with the submission of each proposal.
2. Term: Five (5) years, with two (2) five (5) year renewal options at the sole discretion of the General Manager.
3. Rental Terms: The minimum rental sharing payment percentage is of 8% of food and beverage gross revenue, and 33% of gross revenue from the pedal boats operation. The minimum annual rental sharing payment is \$60,000.
4. Concession Improvements: Required improvements include installing new dining furniture, a minimum of five (5) pedal boats, and a Jon boat to aid the patrons on the

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water and retrieve pedal boats. The flooring is to be replaced every five years if the Agreement is renewed. Optional improvements by the proposer will initially be evaluated and scored by the panel, and later reviewed by staff for conduciveness to the enhancement, safety and increased revenue of the Concession..

5. Utilities: Concessionaire shall be responsible for utility charges associated with the Concession. Charges may include, but are not limited to, deposits, installation costs, meter deposits, and all service charges for water, gas, electricity, heat, air-conditioning, trash pick-up, and other utility services to the premises, and shall be paid by Concessionaire regardless of whether such utility services are furnished by City or by other utility service providers. Concessionaire will pay directly for telephone services, which will be in the name of the Concessionaire.

In the event that individual utility meters are not available, Concessionaire shall remit, on a monthly basis in conjunction with rental payments to Department, the amount of Two Hundred and Fifty Dollars (\$250.00) as payment for utilities.

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 Thirty-Five Thousand Dollars (\$35,000). 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 Concessions Unit staff for required compliance and submittal documents; Level II will be a comprehensive evaluation of the proposals by a panel comprised of qualified persons not part of the Concessions Unit that may include individuals outside the Department. Proposers must successfully pass Level I to proceed to Level II.

### RFP Evaluation Criteria Areas

For the purposes of evaluation, the responsive proposals to pass Level I will be evaluated on the criteria below (Level II):

- 1) Ability to Finance (15 points)
- 2) Background and Experience (20 points)
- 3) Proposed Business Plan for this Concession (20 points)

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- 4) Proposed Rental Payment to City (20 points)
- 5) On-Going Refurbishment, Improvements, and Maintenance (15 points)
- 6) Concession Improvements (10 points)

The RFP documents will be advertised in periodicals; made available on the Department's website; and posted on the Los Angeles Business Assistance Virtual Network (BAVN). A letter inviting bids will be mailed to 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 and compliance documents.

It is noted that this project incorporates and implements the City's new Business Inclusion Program (BIP), in compliance with the Mayor's Directive No. 14. For this project, the Department will use the Business Inclusion Program (BIP) per Mayor Executive Directive No. 14 issued on January 12, 2011 which is intended to ensure that all businesses, including job-creating small businesses, have an equal opportunity to do business with the City of Los Angeles.

### FISCAL IMPACT STATEMENT:

Releasing and conducting the Request for Proposals process has no impact to the Department's General Fund.

Report prepared by Shaun Larsuel, Management Analyst I, Concessions Unit, Finance Division