

REPORT OF GENERAL MANAGER

**APPROVED**

NO. 12-252

DATE September 5, 2012

**SEP 05 2012**

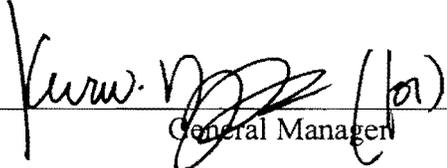
C.D. 5, 6, 7

BOARD OF RECREATION AND PARK COMMISSIONERS

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AND PARK COMMISSIONERS

SUBJECT: GOLF CONCESSIONS – CANCELLATION OF FIVE REQUESTS FOR PROPOSALS PROCESSES, REJECTION OF ALL PROPOSALS RECEIVED AND RETURN OF PROPOSAL DEPOSITS

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

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

Approved                                           Disapproved                                           Withdrawn                     

RECOMMENDATIONS:

That the Board:

1. Cancel the Request for Proposals for the Hansen Dam Golf Restaurant Concession approved by the Board on February 6, 2008 (Board Report No. 08-38), released on June 1, 2009, and placed on hold on March 3, 2010;
2. Cancel the Request for Proposals for the Hansen Dam Golf Course Professional Concession approved by the Board on December 11, 2008 (Board Report No. 08-328) released on June 1, 2009, and placed on hold on March 3, 2010;
3. Cancel the Request for Proposals for the Woodley Lakes Golf Course Professional Concession approved by the Board on December 11, 2008 (Board Report No. 08-331), released on June 8, 2009, and placed on hold on March 3, 2010;
4. Cancel the Request for Proposals for the Woodley Lakes Golf Course Restaurant Concession approved by the Board on April 15, 2009 (Board Report No. 09-086), released on June 1, 2009, and placed on hold on March 3, 2010; and,
5. Cancel the Request for Proposals for the Rancho Golf Course Restaurant Concession approved by the Board on December 11, 2008 (Board Report No. 08-330) and released on February 23, 2009; reject all four proposals received on June 30, 2009; and, direct staff to return the proposal deposits to the proposers.

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### SUMMARY:

On May 2, 2012, staff presented the "Evaluation of Operating Options for the Department of Recreation and Parks Golf Course System" to the Board (Board Report No. 12-125). One of the recommendations the Board approved was to conceptually approve the use of contracts, leases, or permits to continue operations of food services. This action was recommended pending further studies to determine the best operating model for golf retail operations.

Staff had previously released Request for Proposals (RFP) for three (3) golf food and beverage concessions and two (2) golf professional concessions. The five (5) RFPs were subsequently placed on hold by the Board on March 3, 2010.

#### Golf Food and Beverage Concessions

There are currently nine (9) golf food and beverage concessions. All nine currently operate on a month-to-month basis.

Staff recommends that the three (3) outstanding golf food and beverage concession RFPs that were placed on hold now be canceled. Two (2) of the RFPs were released and subsequently placed on hold on March 3, 2010 prior to proposals being submitted to the Department (Woodley Lakes and Hansen Dam).

One (1) RFP, Rancho Golf Course Restaurant Concession, had completed the evaluation process and a proposer was recommended by an independent panel of industry experts for the award of a proposed concession agreement. The Rancho Golf Course Restaurant Concession RFP was released on February 23, 2009 and four proposals were received on June 30, 2009:

- AM Best Food, Inc.
- OmniEnt Corporation
- Taj Management, Inc.
- JL Dining Services

On July 14, 2010, staff submitted the recommended award of the proposed concession agreement to Taj Management Inc., dba Rancho Golf Restaurant, Inc., for consideration by the Board (Board Report No. 10-176). The award report was withdrawn on August 11, 2010.

The Woodley Lakes Golf Restaurant, Hansen Dam Golf Restaurant, and Rancho Golf Restaurant will be operated on a month-to-month basis by the incumbent operators. A future board report will be presented to the Board to enter into short-term formal agreements with all of the incumbent operators of golf food and beverage operations until a staff review is completed and a determination is made on the best business model for long-term operations of golf food and beverage operations.

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Golf Professional Concessions

There are three (3) existing golf professional concessions. One is operated through Concession Agreement No. 266 that expires on May 4, 2013 (Griffith Park); one operates on a month-to-month basis (Hansen Dam) until further notice; and one was terminated on December 20, 2011 and is currently pending litigation (Sepulveda).

It should be noted that the Golf Division began self-operation of the Rancho Park golf course driving range on October 1, 2011 and the Woodley Lakes golf course driving range on October 31, 2011.

Staff recommends that the two (2) outstanding golf professional concession RFPs that were placed on hold now be canceled. Both RFPs were released and subsequently placed on hold on March 3, 2010 prior to proposals being submitted to the Department.

A future board report will be presented to the Board after a staff review is completed and a determination is made on the best business model for a long-term operation of golf instructions and golf professional shops.

FISCAL IMPACT STATEMENT:

Canceling the RFPs, rejecting all the proposals received, and returning the proposal deposits have no impact on the Department's General Fund.

Report prepared by Noel Williams, Chief Management Analyst, Finance Division