

REPORT OF GENERAL MANAGER

NO. 13-300

DATE November 20, 2013

C.D. 11

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: WESTCHESTER TENNIS PROFESSIONAL CONCESSION REQUEST FOR PROPOSALS (RFP) – RESCISSION OF RFP AND RETURN OF PROPOSAL DEPOSITS

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

K. Regan _____
M. Schull _____
*N. Williams *(Signature)*

(Signature)
General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

Held
Approved
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Held
Held
Held

1. Rescind the Request for Proposals (RFP) for the Westchester Tennis Pro Professional Concession (Concession) approved by the Board on February 2, 2011 (Board Report No. 11-035), and released on February 23, 2011;
- Direct staff to return proposal deposits to all proposers;
- Direct staff to review the current RFP language concerning, but not limited to, clarifying language regarding anticipated time frames for completion of the RFP process, express terms for proposer withdrawal, and terms regarding the return of proposal deposits;
- Direct staff to report to the Commission Task Force on Concessions (Concessions Task Force), regarding recommended revisions; and
- Direct staff to redraft the RFP using approved revisions from the Commission Task Force, and return to Board for approval for release of RFP.

SUMMARY:

The City of Los Angeles (City) Department of Recreation and Parks (RAP) maintains and operates, by Concession Agreement (Agreement), tennis professional concessions at eight (8) tennis facilities.

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On February 2, 2011, the Board approved Report No. 11-035 to release an RFP for the operation of the Westchester Tennis Professional Concession (Lessons Service and Tennis Professional Shop) (Concession) at Westchester Recreation Center located at 7000 West Manchester Avenue, Los Angeles, California 90045, for a five-year Concession Agreement, with two (2) five-year renewal options exercisable at the sole discretion of the General Manager. On February 23, 2011, RAP released the RFP (No. ARS-T11-02). A Pre-Proposal Conference was held April 13, 2011. The due date for proposal submission was on or before 3:00 p.m., Tuesday, June 28, 2011.

Two proposals were received by the due date. One from Mr. Zack Fleishman, President of Z Management, and one from the incumbent concessionaire, Mr. Hai Nguyen, Director of Tennis at The Tennis Key. Along with their proposals, each proposer submitted a \$2,000 Proposal Deposit, as required by the RFP, as a guarantee that the selected proposer will enter into an Agreement for the Concession.

On July 12, 2012, staff completed Level I review (Compliance with RFP Submission Requirements), for both proposers. Under Level I review, Z Management was found to have submitted incomplete compliance documents. On September 13, 2012, staff met with the City Attorney regarding the non-responsiveness. On October 4, 2012, RAP sent letter to Z Management stating they may elect to address Level I non-responsiveness by submitting complete pages 1-3 of the Equal Benefits Ordinance Statement, and if Z Management would be recommended for contract award, the Board of Recreation and Park Commissioners would be asked to make a determination at the award phase of the RFP process regarding a waiver of informality and the acceptance of Z Management's late submittal. On December 7, 2012, Z Management's submittal of complete compliance documents was verified via the Los Angeles Business Assistance Virtual Network (LABAVN).

Under Level II review (Evaluation and Scoring Criteria), both proposers were interviewed via an interview panel consisting of City staff outside of the Concessions Unit on April 23, 2013. On May 2, 2013, staff completed both levels of the RFP's evaluation process.

In early summer of 2013, staff was in the process of finalizing a Board Report to recommend award of this Concession. On August 18, 2013, Z Management sent an e-mail requesting withdrawal of their proposal from the RFP process and refund of their \$2,000 proposal deposit, citing a change in their business direction.

The cycle and processing of this RFP was unusually long – 33 months since release of the RFP. RFP Section IV.B.2 – Proposal Deposits, states, "Please note that award and execution of the concession agreement could take up to twelve months to complete." Therefore, the RFP process in its entirety was not timely.

Delay in the RFP cycle was due to the unforeseen reduction in Concessions Unit staff.

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RECOMMENDATION:

Staff recommends that the Board rescind the RFP and refund Proposal Deposits to all Proposers.

It is also recommended that staff review the current RFP language concerning, but not limited to, clarifying language regarding anticipated time frames for completion of the RFP process, express terms for proposer withdrawal, and terms regarding the return of proposal deposits. A report of these findings and recommended RFP revisions to the Commission Task Force on Concessions (Concessions Task Force) is to be made within 90 days. Approved recommendations from the Concessions Task Force are to be implemented in a re-draft of this RFP and all future RFPs.

FISCAL IMPACT STATEMENT:

There is no impact to the Department's General Fund in the rescission of the RFP, return of the Proposal Deposits, and redraft of the RFP.

Report prepared by Stanley Woo, Management Analyst II.