

APPROVED

REPORT OF GENERAL MANAGER

NO. 14-205

DATE August 13, 2014

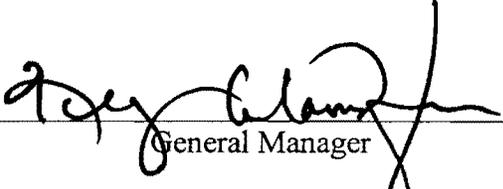
AUG 13 2014
BOARD OF RECREATION
& PARK COMMISSIONERS

C.D. All

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: AUTOMATED GOLF AND TENNIS RESERVATION SYSTEM – AMENDMENT NO. 2 TO AGREEMENT NO. 246 WITH US eDIRECT, INC., DBA US eGOLF

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



 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the proposed Second Amendment to Agreement No. 246, substantially in the form on file in the Board Office, to (1) extend the term of the contract for one (1) year, from November 4, 2014 to November 3, 2015, with two (2) one-year renewal options, thereafter exercisable, if necessary, at the sole discretion of the General Manager; (2) expand the scope of work; and, (3) increase the contract amount by One Hundred Thirty-one Thousand, Nine Hundred Ninety Dollars and Forty-eight cents (\$131,990.48) for the amendment renewal period, which includes Eight Thousand Two Hundred Dollars (\$8,200.00) in miscellaneous repair parts, hardware and optional module expenses, and by an additional One Hundred Thirty-one Thousand, Nine Hundred Ninety Dollars and Forty-eight cents (\$131,990.48) for each renewal option period if exercised, subject to the approval of the Mayor, in accordance with Executive Directive No. 3, and the City Council, and the City Attorney as to form;
2. Approve the addition of one (1) pay tennis facility, located at the Poinsettia Recreation Center, to the Agreement and allow the one-time only transfer of City Pay Tennis Reservation Cards to the existing pre-paid cardholders of Poinsettia Pay Tennis Reservation Cards at no charge;
3. Find, in accordance with Charter Section 1022, that the Department does not have sufficient personnel available in its employ to undertake these specialized professional tasks and that it is more feasible to secure these services by contract (Pursuant to Charter Section 1022, see attached Personnel Department Contract Review Report, dated April 25, 2014);

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4. Find, in accordance with Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that in order to provide continued uninterrupted service to the public and avoid a revenue shortfall, a competitive bidding process is not practicable or advantageous at this time, as, 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 provision of an automated golf and tennis reservation system.
5. Find, in accordance with Charter Section 372, that obtaining competitive proposals or bids for work to be performed pursuant to this Second Amendment to Agreement No. 246 is not reasonably practicable or compatible with Department's interests of offering automated golf and tennis reservation services to the public while the Department conducts a formal RFP process;
6. Direct the Board Secretary to transmit the proposed Amendment, to the Mayor in accordance with Executive Directive No. 3, and the City Attorney for approval as to form;
7. Authorize the Board President and Secretary to execute the Amendment upon receipt of necessary approvals. and,
8. Authorize the Department to make technical corrections as necessary to implement the Board's intentions.

SUMMARY:

The City of Los Angeles Department of Recreation and Parks (Department) owns and operates the largest municipal golf system in the United States, consisting of a total of thirteen (13) golf courses, comprising seven (7) 18-hole championship courses, one (1) 9-hole regulation course, two (2) executive 9-hole courses, two (2) 9-hole pitch and putt courses, and one (1) 18-hole pony course. The Department also operates one (1) junior golf learning center. The Department's courses are open for play, conditions permitting, three hundred sixty-five (365) days a year, from dawn to dusk.

The Automated Golf and Tennis Reservation System (AGTRS) is used at the Department's seven (7) 18-hole golf course facilities: Sepulveda Golf Complex (Encino/Balboa Golf Courses), Griffith Park Golf Complex (Wilson/Harding Golf Courses), Hansen Dam Golf Course, Rancho Park Golf Course, and Woodley Lakes Golf Course. AGTRS is also used at three (3) of the Department's 9-hole golf courses: Harbor Park, Penmar and Roosevelt. The AGTRS has been expanded to include two (2) additional sites: the Los Feliz Pitch and Putt Course and the Rancho Park 9-hole course. The AGTRS is also in use at eight (8) pay tennis facilities citywide, from Balboa Park in the Valley to the Palisades Recreation Center near the ocean to courts in and near Griffith Park.

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On April 7, 2004, US eDirect, Inc., dba US eGolf (Contractor) was awarded Agreement No. 246 (Board Report No. 04-110). The contract (Agreement No. 246) was executed on November 4, 2004 for five (5) years expiring November 3, 2009 with a five (5) year renewal option. The amount of the contract was Three Hundred Eighty-Eight Thousand Eight Hundred Dollars (\$388,800.00). The purpose of this Agreement was to provide a state-of-the-art automated golf and tennis reservation service system. The services for the AGTRS included: delivery and installation of all software; specifications for all necessary hardware; training and system support; and, system maintenance at the golf and pay tennis locations.

On June 18, 2008, the first amendment to Agreement No. 246 (Board Report No. 08-175) was approved to exercise the five (5) year renewal option, extending the contract from November 4, 2009 through November 3, 2014, expand the scope of work, and increase the total contract amount from Three Hundred Eighty-Eight Thousand Eight Hundred Dollars (\$388,800.00) to Nine Hundred Eighty-Seven Thousand Five Hundred Eighty Dollars and Ninety-six cents (\$987,580.96).. The Department advanced the capabilities of the system by adding components which provided greater services to the community and increased functionality to the Department. The expansion provided on-line tee time reservations and credit card guaranteed reservations for non-cardholder golf patrons via the Internet seventy-two (72) hours in advance.

On October 3, 2008, the City and the Contractor agreed to an Amendment to the Agreement for the purposes of extending the term of the Agreement, expanding the capabilities of the former system through conversion to a distributed system with sound verification tools, to provide on-line tee time reservations, and to provide credit card guaranteed reservations for non-card holders and to amend Exhibit B, Fee Schedule, of the Agreement.

Agreement No. 246 is due to expire on November 3, 2014. Due to the continued need of the services provided by the Contractor and the time required for a Request for Proposals (RFP) process for a new contract for AGTRS, staff recommends approval of the proposed amendment: (1) extending the term of the Agreement; (2) adding E-range ball dispenser software and its integration with the existing Point-of-Sale (POS) system for the golf facilities, ensuring the recording of range ball sales transactions and adding golf marketing software; (3) increasing the scope of services by providing credit card payment capabilities at all pay tennis facilities which provides an additional payment option for tennis patrons; (4) adding one (1) pay tennis facility (Poinsettia Recreation Center) to the system; (5) transfer City Pay Tennis Reservations Cards to the pre-paid Poinsettia Pay Tennis Reservation cardholders; and, (6) increasing the total contract amount. The details of these changes are as follows:

1. Extend the expiration date from November 3, 2014 to November 3, 2015, with two (2) one-year renewal options, if necessary, exercisable at the sole discretion of the General Manager, subject to earlier termination by the Department as provided in the Standard Provisions for City Contracts (Rev. 3/09), Attachment 1 of Exhibit A of the Agreement. The

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two (2) one-year renewal options provide the Department additional time, if needed, to complete the RFP process for the AGTRS, which is a complex and technical system. This flexibility will ensure that there will be no lapse in services to golf and tennis patrons.

2. Add one (1) pay tennis facility at the Poinsettia Recreation Center in accordance with the Second Supplement to amended Exhibit B, attached to the Amendment.
3. Increase the total compensation of the Agreement by One Hundred Thirty-One Thousand, Nine Hundred Ninety Dollars and Forty-Eight cents (\$131,990.48), as provided in the Second Supplemental to the Amended Exhibit B, to an amount not to exceed One Million, One Hundred Nineteen Thousand, Five Hundred Seventy- One Dollars and Forty-Four cents (\$1,119,571.44) for the amendment extension period, and increase the total compensation of the Agreement by One Hundred Thirty-One Thousand, Nine Hundred Ninety Dollars and Forty-Eight cents (\$131,990.48) to an amount not to exceed One Million, Two Hundred Fifty-One Thousand, Five Hundred Sixty-One Dollars and Ninety-Two cents (\$1,251,561.92) if the first renewal option is exercised and by One Hundred Thirty-One Thousand, Nine Hundred Ninety Dollars and Forty- Eight cents (\$131,990.48) to an amount not to exceed One Million, Three Hundred Eighty-Three Thousand, Five Hundred Fifty-Two Dollars and Forty cents (\$1,383,552.40) if the second renewal option is exercised.

There is also Eight Thousand Two Hundred Dollars (\$8,200.00) included in the amendment budget for miscellaneous repair parts, hardware and optional items, such as, a Player Incentive Module, which allows for a golfers loyalty program by tracking frequent players and assigning incentives. As the AGTRS equipment ages, equipment failures are likely to increase and the funding is necessary to ensure continuity of service.

4. Transfer, for one (1) time only, City Pay Tennis Reservation Cards to the approximately three hundred (300) pre-paid Poinsettia Pay Tennis Reservation cardholders at no charge. The newly transferred Poinsettia Pay Tennis Reservation cardholders will pay the Department to play on pay tennis courts instead of the former Poinsettia Recreation Center tennis professional concessionaire. Steven and Maurica Katz operated the Pay Tennis Reservation System at the Poinsettia Recreation Center as a concession until January 2, 2014. During the past two (2) years, approximately three hundred (300) reservation cards were sold and issued to pay tennis patrons. The reservation cards have varying expiration dates. By transferring the existing reservation cards from the Poinsettia Pay Tennis Reservation System to the City Pay Tennis Reservation System, tennis patrons would not pay twice for the same benefits. It is estimated that the Department would forgo approximately Four Thousand, Five Hundred Dollars (\$4,500) to Five Thousand Dollars (\$5,000) in revenue by approving these one-time only transfers. However, the Department will receive the court reservation fees no longer collected by the concessionaire and all of the revenue from reservation card renewals, which will increase income in future years.

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Charter Section 1022 Determination

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 and/or feasible to contract out the service.

On April 25, 2014, the Personnel Department completed a Charter Section 1022 review and determined that the City classifications of Systems Aide and Systems Analyst can perform some of the work requested. The existing contract provided for the installation and subsequent support of AGTRS since the Department did not have the necessary staff or expertise available to accomplish the work in 2004 or at the time of the first amendment to the Agreement in 2008 when the system was upgraded. The Department still has no positions budgeted to provide the technical support necessary to ensure that AGTRS is properly maintained. The second amendment expands the scope of services benefitting golf and tennis patrons and extends the time of performance. The Department continues to lack the appropriate expertise and experience to perform the work in its entirety. The Contractor currently employs staff with the necessary expertise and experience with the existing system in order to perform the required services. Therefore, it is more feasible to contract out the services to ensure the needs of the public are met in a timely and efficient manner.

Funding is provided in the Automated Golf and Tennis Reservation Account (Fund 302, Department 89, Account No. SP850KTN) and Golf Operations (Fund 302, Department 52H, Account 89G401). It is anticipated that revenues to these accounts will increase with the added program features of the amendment. The Golf Division has reviewed the amendment and recommends approval by the Board.

FISCAL IMPACT STATEMENT:

Approval of this Second Amendment to Agreement No. 246 positively impacts the Department's General Fund. As revenue increases, deposits to the Department's General Fund will also increase.

This report was prepared by Mark Stipanovich, Management Analyst II, Concessions Unit, Finance Division.