

REPORT OF GENERAL MANAGER

APPROVED

NO. 14-196

DATE July 23, 2014

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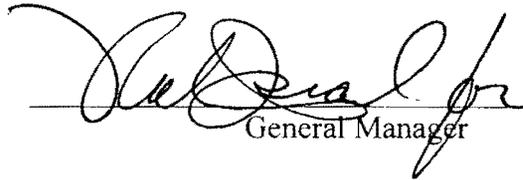
**BOARD OF RECREATION
AND PARK COMMISSIONERS**

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK – GREEK THEATRE CONCESSION – AMENDMENT TO THE REQUEST FOR PROPOSALS FOR THE OPERATION AND MAINTENANCE OF THE GREEK THEATRE

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

K. Regan _____
R. Barajas _____
*N. Williams _____


General Manager

Approved as amended see attached

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Authorize Department staff to amend the Request for Proposals for the Operation and Maintenance of the Greek Theatre Concession (RFP) and Exhibit C of the RFP (Exhibit C), through issuance of Addendum No. 2 to the RFP (Addendum No. 2), substantially in the form on file in the Board Office, subject to review and approval of the City Attorney as to form;
2. Direct Department staff to post Addendum No. 2 to the Department’s website (both the Greek Theatre pop-up window and the official page for the RFP) and to labavn.org, and to notify potential proposers who attended the mandatory Pre-Proposal Conference on June 17, 2014 of the availability of Addendum No. 2; and,
3. Authorize the General Manager to make changes as necessary to meet the stated RFP objectives as approved by the Board (General Manager’s Report No. 14-120).

SUMMARY:

The Greek Theatre is located at 2700 North Vermont Avenue in Griffith Park and has provided entertainment and cultural events to the public since it was officially dedicated in 1929.

The Greek Theatre Concession (Concession) has been operated by Nederlander-Greek, Inc. (Concessionaire) under Concession Agreement Number 245 (Agreement) since May 21, 2002. The Agreement is due to expire on October 31, 2015 and there are no remaining renewal options.

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In 2013, the Greek Theatre generated \$22,806,300.00 in gross receipts, paid \$1,654,209.00 in revenue-sharing payments to the City of Los Angeles (City) Department of Recreation and Parks (Department), and has consistently been the Department's highest revenue-producing non-golf concession.

In early 2013, Strategic Advisory Group LLC (SAG) was hired by the Department to conduct a best business practices study of the Greek Theatre, as well as to develop, through research and public outreach, an RFP for use by the Department.

SAG submitted a model of an RFP for use by the Department and collaborated with the Department on staff in finalizing an RFP for release.

On May 21, 2014, the Board approved the release of the RFP, as amended, in General Manager's Report No. 14-120. The Board approved the following changes to the RFP:

1. Section VII.A.2.3.1.1: Increase the required number of Cultural and Community Events from ten (10) to fifteen (15);
2. Section VII.A.2.3.1.3: Guarantee that fifty (50) free ticket vouchers are available to the Department for every event for right of first refusal in order for the Department to distribute free ticket vouchers to the Department's recreation centers to provide opportunities for at-risk youth or underserved communities to participate in events at the Greek Theatre;
3. Section VII.A.2.3.1.2: Strengthen the definition of "Cultural Event"; and
4. Address issues raised in a letter dated May 15, 2014 from the Concessionaire by adding clarifying language to the RFP as necessary.

Furthermore, the Board authorized Department staff to make any technical changes to the RFP necessary to ensure consistency throughout the RFP.

The approved changes were made and the RFP was released on June 4, 2014. A mandatory Pre-Proposal Conference and mandatory Site Walk were held on June 17, 2014. Responses to the RFP are due August 5, 2014. To date, nine (9) site walks have been completed, with two (2) more scheduled for July 30 and 31, 2014.

Questions regarding the RFP have been received periodically since June 17, 2014. The first Questions & Answers document was posted on June 16, 2014 and addressed ten (10) questions asked by potential proposers. Questions & Answers No. 2, which partially addressed a request for the architectural, structural, electrical, mechanical, and plumbing plans for the Greek Theatre, was posted on July 3, 2014 and revised on July 9, 2014 to complete the request for the plans. Questions & Answers No. 3 was released on July 17, 2014. Addendum No. 1 to the RFP, which

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addresses two technical changes to the RFP (adding an Alternate Contract Coordinator who must be CC'd on all correspondence to the Contract Coordinator and correcting an inadvertent omission from Exhibit M, "Scoring Matrix") was released and posted on July 15, 2014.

In response to community concerns, the Department is requesting changes which have been deemed material to the RFP by the City Attorney and require Board approval.

The following changes are recommended for Board approval:

1. Revert the length of the season, which is listed in the RFP as "between April 15 and the second Sunday of November", back to the current contract language ("April 15 and October 31"); corresponding changes to Exhibit C of the RFP, "Sample Concession Agreement" (Exhibit C) would also need to be made to reflect the new dates;
2. Add additional language to specify that "surrounding community" refers to the community within a five (5) mile radius of the Greek Theatre and ensure proposers submit an outreach plan for that community; corresponding changes to Exhibit C would also need to be made;
3. Specify one (1) of the two (2) required Community Surveys to be for the five (5) mile radius surrounding the Greek Theatre; and,
4. Add a new section to Exhibit C addressing a methodology for measuring decibel levels at the Greek Theatre in order to ensure that the next operator complies with all City noise ordinances. The proposed methodology requires delegating authority to the Department's General Manager in determining a minimum of three (3) required locations for measuring decibel levels at the Greek Theatre and provides a mechanism to enforce violations to any City noise ordinances. Liquidated damages in the amount of One Thousand Dollars (\$1,000.00) is proposed for failure to comply. Exhibit C currently does not give the Department sufficient mechanisms for monitoring noise levels at the Greek Theatre and enforcing the City's noise ordinances.

The proposed changes support the objectives of the RFP for engaging the surrounding community and ensuring that the Greek Theatre is a valued asset of Griffith Park.

The current contract language allows for extension of the season upon prior written approval of the General Manager; reverting back to the current language from the proposed season length in the RFP will still enable the Department to meet the RFP's objectives to increase revenues at the Greek Theatre. Additionally, a survey specifically tailored to the community affected by noise, traffic, and other issues which arise from the operation of a major concert venue will enable the Department to better meet the needs of that community. Adding a specific methodology for measuring decibel levels emanating from the Greek Theatre, along with liquidated damages for decibel levels which exceed the prevailing noise ordinance, gives the Department more direct control over operations at the venue.

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The Department has prepared Addendum No. 2 (attached) to the RFP to amend the above RFP sections. These proposed amendments have been reviewed by the City Attorney.

Due to the timing in releasing Addendum No. 2, the Department is requesting that the submittal due date be extended one week, from August 5, 2014 to August 12, 2014, in order to give potential proposers additional time to incorporate the changes to the RFP into their proposals as they deem necessary. The extension does not impact the Department's proposed timeline for completion of the RFP process. The extension of the submittal due date is the first item in Addendum No. 2.

FISCAL IMPACT STATEMENT:

Releasing Addendum No. 2 has no impact on the Department's General Fund.

Report prepared by Désirée Guzzetta, Management Analyst II, Concessions Unit, Finance Division.

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MICHAEL A. SHULL
GENERAL MANAGER

July XX, 2014

REQUEST FOR PROPOSALS
FOR THE OPERATION AND MAINTENANCE OF
THE GREEK THEATRE CONCESSION
(RFP #CON-M14-001)

ADDENDUM NO. 2

The Request For Proposals for the Operation and Maintenance of the Greek Theatre Concession (RFP) has been modified as follows:

1. Extend the due date for submittals from August 5, 2014 to the new due date of **Tuesday, August 12, 2014** at 3:00 p.m. Proposals must be submitted per Section VI.C of the RFP to:

City of Los Angeles Department of Recreation and Parks
Office of the Board of Recreation and Park Commissioners
Attention: Board Secretary
221 North Figueroa Street, Suite 1510
Los Angeles, CA 90012

2. Section VII.C.2, "Hours of Operation" (page 34):

Delete Section VII.C.2., "Hours of Operation," in its entirety and replace with the following:

CONCESSIONAIRE shall operate between April 15 and October 31 of each year of the term of the agreement. CONCESSIONAIRE will operate per applicable City codes, rules, regulations, ordinances, and laws regarding levels of noise and with regard to the desires of the surrounding community. Days and hours of operation may not be changed without prior written approval of GENERAL MANAGER.

Requests to extend the season must be submitted in advance in writing to the GENERAL MANAGER. The season may only be extended with the GENERAL MANAGER's prior written approval.



3. Section VII.A.2.4, "Community Partnership Plan" (page 31):

Delete the opening paragraph on page 31, which reads:

Proposers must create a community partnership plan that will outline the approach to supporting and engaging the surrounding community and proactively reaching out to the broader community to gain an understanding of current interests.

Replace with the following new opening paragraph:

Proposers must create a community partnership plan that will outline the approach to supporting and engaging the surrounding community within a five (5) mile radius of the Greek Theatre and proactively reaching out to the broader community to gain an understanding of current interests.

4. Section VII.A.2.4.1 (pages 31-32):

Delete the following opening portion of VII.A.2.4.1:

2.4.1. Proposed Communications Plan for the surrounding Griffith Park community should include the following:

- ___ Outreach plan to broader community groups
- ___ Frequency and method of communications, i.e., online, website, Public Service Announcements, meetings, forums, e-mail, etc.
- ___ Approach to on-going community engagement
- ___ Approach to support the Greek Theatre Advisory Committee
- ___ Proposed community reporting/response plan
- ___ Proposed approach to tracking community awareness and opinions, to include regular third party surveys and other feedback on concessionaire satisfaction

Replace with the following new opening portion of VII.A.2.4.1:

2.4.1. Proposed Communications Plan for the surrounding Griffith Park community should include the following:

- ___ Outreach plan to broader community groups
- ___ Outreach plan to the surrounding community within a five (5) mile radius of the Greek Theatre
- ___ Frequency and method of communications, i.e., online, website, Public Service Announcements, meetings, forums, e-mail, etc.
- ___ Approach to on-going community engagement

- _____ Approach to support the Greek Theatre Advisory Committee
- _____ Proposed community reporting/response plan
- _____ Proposed approach to tracking community awareness and opinions, to include regular third party surveys and other feedback on concessionaire satisfaction

5. RFP Exhibit C, "Sample Concession Agreement":

Delete Section 8, "Hours / Days of Operation," of Exhibit C in its entirety and replace with the following:

8. Hours / Days of Operation

CONCESSIONAIRE shall operate between April 15 and October 31 of each year of the term of the agreement. CONCESSIONAIRE will operate per applicable City codes, rules, regulations, ordinances, and laws regarding levels of noise and with regard to the desires of the surrounding community. Days and hours of operation may not be changed without prior written approval of GENERAL MANAGER.

Requests to extend the season must be submitted in advance in writing to the GENERAL MANAGER. The season may only be extended with the GENERAL MANAGER's prior written approval.

6. RFP Exhibit C, "Sample Concession Agreement":

Delete Section 9.V, "Season and Minimum Activity Level," in its entirety and replace with the following:

V. Season and Minimum Activity Level

The season for performances shall be the period from April 15 to October 31 and shall include a minimum of fifty (50) commercial concert events per season, of which fifteen (15) must be cultural and community events, as defined in SECTION 9.U above). Failure to meet the required minimum number of events shall result in a penalty of Fifty Thousand Dollars (\$50,000.00) per missed event (see SECTION 21 for details). Although failure to comply with any conditions or terms of the AGREEMENT is a material breach (SECTION 22.A.1), the CITY, by imposing the penalty, does not waive the right to terminate the AGREEMENT. CONCESSIONAIRE shall remit to the CITY the penalty amount postmarked no later than December 31st of the same calendar year. Deviations from this schedule must have the prior written approval of the GENERAL MANAGER. The DEPARTMENT reserves the right to use the PREMISES for events including, but not limited to, public school graduations and related rehearsal activities (rehearsals and other one-day events), fundraisers, etc., for up to ten (10) days each year. There will be an

attempt to coordinate days and hours of DEPARTMENTAL use with CONCESSIONAIRE. The DEPARTMENT reserves the right, during the off-season, to use the audience and stage facilities in coordination with CONCESSIONAIRE for meetings and other DEPARTMENT uses subject to CONCESSIONAIRE'S approval which shall not be unreasonably withheld, and with no facility use fee charged to the DEPARTMENT.

7. RFP Exhibit C, "Sample Concession Agreement":

Delete Section 9.DD, "Required Surveys," in its entirety and replace with the following:

DD. Required Surveys

The CONCESSIONAIRE shall be responsible to ensure customer satisfaction surveys are conducted a minimum of two (2) times per season, once at mid-season and once at the end of the season. The CONCESSIONAIRE is required to hire, at its own expense, a third party to develop and conduct the customer satisfaction surveys. One survey should reach out to the surrounding community within a five (5) mile radius of the Greek Theatre; other surveys should reach out to the broader community of Greek Theatre patrons. The survey results are one measure of CONCESSIONAIRE'S overall performance. The surveys shall also be subject to review and penalties for failure to cure consecutive low scores that fall below the DEPARTMENT'S standards, as described in SECTION 21.A.1. The survey questions shall be approved by the DEPARTMENT prior to public use. The DEPARTMENT reserves the right to add, change, or remove questions as necessary. Surveys may be carried out in the form of e-mail messaging, secret shopper, etc., as the third party sees fit.

The CONCESSIONAIRE shall also be responsible to ensure community surveys are conducted annually, as described in Exhibit B, to include the above standards and penalties (SECTION 21.A.1).

8. RFP Exhibit C, "Sample Concession Agreement":

Add new Section 9.EE, "Sound Equipment and Compliance with City Noise Ordinances" as follows:

EE. Sound Equipment and Compliance with City Noise Ordinances

The CONCESSIONAIRE shall comply with all City noise ordinances. The CONCESSIONAIRE shall purchase and install, at its own expense, sound equipment appropriate for use in an outdoor venue such as the Greek Theatre. The sound equipment must comply with industry standards. The CONCESSIONAIRE shall monitor the sound levels at a minimum of three (3) locations as designated by the GENERAL MANAGER. The CONCESSIONAIRE shall monitor sound levels for all events at all designated locations. During each season, the CONCESSIONAIRE shall submit to the GENERAL

MANAGER sound level reports by the 15th of every month for the preceding month. In addition to the enforcement powers of any other City department, the DEPARTMENT will review the sound level reports for compliance with City noise ordinances. ~~If the CONCESSIONAIRE'S sound level reports for any event indicate a failure to comply with City noise ordinances, the CITY shall impose liquidated damages in the amount of One Thousand Dollars (\$1,000.00) per event.~~

DRAFT

EXCERPT FROM THE MINUTES OF THE SPECIAL MEETING
BOARD OF RECREATION AND PARK COMMISSIONERS
July 23, 2014

14-196

GRIFFITH PARK – GREEK THEATRE CONCESSION –
AMENDMENT TO THE REQUEST FOR PROPOSALS FOR THE
OPERATION AND MAINTENANCE OF THE GREEK THEATRE

Commissioner Sanford recused herself from acting on the item, and exited the meeting room.

The above item was separately described and presented to the Board by Department staff, and the Board further discussed the item in detail. Public comment was invited on the item. One request for public comment was received and such comment was made to the Commission.

Agnes Ko, Senior Management Analyst II, amended the last sentence of Section 8 of Addendum No. 2 - RFP Exhibit C, "Sample Concession Agreement" as follows:

If the CONCESSIONAIRE's sound level reports for any event indicate a failure to comply with City noise ordinances, the CITY shall impose liquidated damages in the amount of One Thousand Dollars (\$1,000.00) per location per event for the first ten (10) events. For violations between eleven (11) and twenty-five (25) events, the GENERAL MANAGER has the right to impose penalties up to Ten Thousand Dollars (\$10,000.00) per location per event.

It was moved by Commissioner Patsouras, seconded by Commissioner Zuñiga that General Manager's Report 14-196 be approved as amended, and that the Resolutions recommended in the report be thereby approved. There being no objections, the Motion was unanimously approved.