

APPROVED
NOV 19 2014

REPORT OF GENERAL MANAGER

NO. 14-288

DATE November 19, 2014

BOARD OF RECREATION
& PARK COMMISSIONERS

C.D. 14

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE BRANDED COFFEE - REQUEST FOR PROPOSALS

R. Adams _____
R. Barajas _____
H. Fujita _____

V. Israel _____
K. Regan _____
*N. Williams NDW



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the Pershing Square Branded Coffee Request for Proposals (RFP), substantially in the form on file in the Board Office, for a ten (10) year Contract, with two (2) five (5) year renewal options exercisable at the General Manager's sole discretion, subject to the 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;
3. Direct staff, subsequent to City Attorney review and approval as to form, to advertise the RFP and conduct the RFP process; and,
4. Authorize the General Manager to make any necessary technical changes and incorporate these changes in the RFP.

SUMMARY:

Pershing Square Park is located at 532 South Olive Street, Los Angeles, CA 90012. The park provides a variety of free cultural programming for the community, including an extensive summer concert series, an annual St. Patrick's Day concert, Downtown on Ice (outdoor ice rink),

REPORT OF GENERAL MANAGER

PG. 2

NO. 14-288

and a number of other special events. The park is used daily by the public for recreational purposes, filming, and general public gatherings.

The Department has attempted to install seasonal and year-round food service operators at the location for a number of years in order to serve the public at and around Pershing Square. On August 11, 2010, the Board approved the release of a Request for Proposals (RFP) to solicit proposals (Board Report No. 10-224) for the Pershing Square food and beverage operation. No proposals were received.

Staff discussed the needs of the patrons at the park and the opportunities available for a private business to flourish in the center of the downtown business district. It was decided that a private business providing high quality branded coffee service that included fast and casual food (e.g., pastries, pre-packaged salads and sandwiches, etc.) and non-alcoholic beverages would be the most appropriate business with the greatest chance for success at Pershing Square. The business shall comply with all City and Department food programs, including the Good Food Policy as defined in Education Code Subsections 49430 – 49434. The contractor may, with the written consent of the General Manager or at the written instruction of the General Manager, provide a mobile food cart for food and beverage service with items stocked in the mobile food cart and delivery service of food and beverages from the main facility. The contractor shall be responsible for the storage and maintenance of the mobile food cart, including the cost for all operations and approvals, permitting, and licensing, including, but not limited to, permits and licenses administered by the County of Los Angeles Health Department. The mobile food cart shall be pre-approved for food and beverage service by the General Manager. The contractor shall not install, or allow to be installed, any vending machines, electronic games, or other coin-operated machines without prior written approval of the General Manager. The General Manager shall have the right to order the immediate removal of any unauthorized machines.

Staff has developed and is ready to release, at the direction of the Board, an RFP to solicit proposals from an experienced, qualified, financially stable operator that will meet or exceed the Department's expectations, provide improvements to the facility, and optimize service to the public.

Proposal and Contractual Provisions

1. Proposal Deposit: A \$10,000.00 proposal deposit will be required with the submission of each proposal. The deposit shall be in the form of a cashier's check only made payable to the City of Los Angeles.
2. Term: Ten (10) years, with two (2) five (5) year options to renew at the sole discretion of the General Manager.

REPORT OF GENERAL MANAGER

PG. 3

NO. 14-288

3. Hours / Dates of Operation: The selected contractor will ensure that service is provided as follows: Subject to Negotiation. Seven (7) days a week, except for major holidays. Major Holidays will be defined and negotiated upon completion of the RFP process. Hours are subject to change with the prior written approval of the General Manager. The concession will be open, at a minimum, the same hours that the ice skating rink is open to the public during the annual Downtown on Ice event.
4. Rent: The monthly flat fee will be a proposal item and the minimum is set at \$7,000.00 per month. Rent will include a negotiated annual increase beginning the third contract year. Staff researched comparable rent and lease amounts in the area and determined that the proposed rent is competitive for the business community. Contractor shall be responsible for all utility charges (electricity, water, gas, and all other utilities) associated with the operation of the concession. In the event that individual utility meters are not available, the contractor shall remit, on a monthly basis in conjunction with rental payments to the Department, the amount of Eight Hundred Dollars (\$800.00) as payment for water and electricity.
5. Background and Experience: Proposers must provide evidence of five (5) years' experience as a Regional or National Branded Coffee service provider.
6. Business Plan: The proposer will be required to submit a business plan, a marketing plan, company description, service and/or product line and financial projections.
7. Sustainability Plan: The proposer will be required to submit a plan detailing its commitment to reduce, reuse, and recycle waste, as well as water conservation and energy reduction efforts.
8. Facility Improvements: The proposer will provide improvement to the facility and must submit a description of the improvement, estimated cost, and timeframe for design, implementation and completion.
9. Permits and Licensing: The selected contractor will be responsible for obtaining all necessary permits and licenses in order to begin operations within three (3) months of contract execution.
10. The contractor shall ensure that no alcoholic beverages are consumed, dispensed, sold, or brought onto Premises. This includes ensuring that customers are made aware of this requirement and he contractor enforces this requirement on customers, employees, and subcontractors. No smoking is permitted on the premises.

REPORT OF GENERAL MANAGER

PG. 4

NO. 14-288

Evaluation Process

Proposals will be evaluated in two levels. Level I will be a check and review by Department staff for required compliance and submittal documents; Level II will be an evaluation of the proposals by a panel comprised of qualified persons, which may include individuals outside of the Department. Proposers must successfully complete Level I to proceed to Level II.

RFP Evaluation Criteria Areas

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

- 1) Business Plan (40 points)
- 2) Sustainability Plan (20 points)
- 3) Rent Payment (20 points)
- 4) Facility Improvements (20 points)

The RFP documents will be advertised in periodicals and mailed to organizations providing similar service by contract to the City. The RFP documents will be available on the Department's website and posted on the Los Angeles Business Assistance Virtual Network (BAVN). A conference will be held approximately one (1) month after the release of the RFP in order to provide potential proposers with a review of the submittal documents and compliance documents. The anticipated time of completion for the RFP process is approximately twelve (12) months.

FISCAL IMPACT STATEMENT:

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

This report was prepared by Noel Williams, Chief Management Analyst, Finance Division.