

Report From OFFICE OF THE CITY ADMINISTRATIVE OFFICER Analysis of Proposed Contract

Contracting Department/Bureau: Recreation and Parks			Date: 3-7-06			CAO File No.: 0150-06972-0002			
Reference: Letter to the Mayor from the Board of Recreation and Park Commissioners dated February 24, 2005; referred by the Mayor									
Purpose of Contract: Operation of the Encino-Balboa Golf Course Food Service Concession									
Type of Contract: (x) New contract () Amendment				Contract Term Dates: Five years with one five-year renewal option					
Contract/Amendment Amount: Not applicable									
Proposed amount \$0 + Prior award(s) \$0= Total \$0									
Source of funds: Not applicable									
Name of Contractor: Monterey Concessions Group, Inc.									
Address: 4730 Crystal Springs Drive, Los Angeles, CA 90027									
	Yes	No	N/A*	8. Contractor has complied with:			Yes	No	N/A*
1. Council has approved the purpose		x		A. Equal Employmt. Oppty./Affirm. Action			x		
2. Appropriated funds are available			x	B. Good Faith Effort Outreach**			x		
3. Charter Section 1022 findings completed			x	C. Equal Benefits Ordinance			x		
4. Proposals have been requested	x			D. Contractor Responsibility Ordinance			x		
5. Risk Management review completed	x			E. Slavery Disclosure Ordinance			x		
6. Standard Provisions for City Contracts included	x								
7. Workforce that resides in the City: 0%	*N/A = not applicable ** Contracts over \$100,000								

COMMENTS

At its meeting of February 16, 2005, the Board of Recreation and Park Commissioners (Board) approved an agreement with Monterey Concessions Group, Inc. (Concessionaire) for the operation of the Encino-Balboa Golf Course food service concession (Food Concession). The term of the proposed agreement is five years with one five-year renewal option.

On April 7, 2004, the Board authorized the Department of Recreation and Parks (Department) to release a Request for Proposals (RFP) for the operation of the Food Concession. On May 17, 2004, the Department released the RFP. The RFP included the following criteria to evaluate and select the best proposer:

- Qualifications and experience applicable to golf food service business;
- Proven performance and quality of current comparable operations;
- Vision for concession, including business plan and marketing;
- Menu pricing and other customer service elements;
- Documented financial ability to perform as proposed;
- Capital improvements, in terms of appropriateness, reflection of entrepreneurship, monetary value; and,
- Rental terms offered.

		
VES	Analyst 08060199	Assistant CAO City Administrative Officer

On July 13, 2004, the Department received three responses to the RFP. Department staff conducted a preliminary evaluation of the three proposals. The initial review indicated that all three proposals met the minimum requirements specified in the RFP. Following the initial review, the Department staff conducted a comprehensive evaluation of the three proposals. The Department staff ranked the proposals according to each of the seven categories specified above. The evaluation process resulted in the Concessionaire ranking first in six of the seven categories.

Under the terms of the proposed agreement, the Concessionaire will pay the City eight percent of gross receipts from food and beverage sales, 10.5 percent of gross receipts from bar sales and ten percent of gross receipts from banquet and vending sales. Rental payments are to be paid by the Concessionaire to the City on a monthly basis, within fifteen days after the end of each calendar month. The Concessionaire will pay a fixed monthly fee of \$950 for utilities until such time the City installs separate utility meters for the Food Concession. Upon completion of the utility meter installation, the Concessionaire will be responsible for all utility charges relative to its operation. The Concessionaire will also be responsible for capital improvements in the amount of \$140,000. Ownership of capital improvements will revert to the City upon termination of the concession agreement. The proposed agreement is subject to all terms and conditions of the lease between the City and United States Army Corps of Engineers (COE) because the Encino-Balboa Golf Course is located in the Sepulveda Flood Control Basin.

It should be noted that the term of the proposed agreement is five years with one five-year renewal option as indicated in the Board-approved RFP. However, both the Board report awarding the Food Concession and the draft agreement did not include the renewal option. Department staff indicates the clerical omissions as an oversight. The City Attorney advises the Department to seek clarification from the Board relative to the renewal option. This clarification must be obtained prior to the execution of the proposed agreement.

The Board waived the late submission by the Concessionaire of the non-discrimination declaration and ethnic composition of workforce forms as informality pursuant to Charter Section 371(c). In accordance with Los Angeles Administrative Code Section 10.5(a), Council approval of the proposed agreement is required because the term exceeds three years. To the best of our knowledge, the Board has complied with all applicable City procedures, laws and policies in awarding this contract and the Concessionaire has complied with all standard provisions for City contracts, as well as City contracting requirements.

RECOMMENDATION

That the Council approve, and authorize the President and Secretary of the Board of Recreation and Park Commissioners to execute, the agreement with Monterey Concessions Group, Inc. for the operation of the Encino-Balboa Golf Course Food Service Concession, for a term of five years with one five-year renewal option, subject to the approval of the City Attorney.

FISCAL IMPACT STATEMENT

Monterey Concessions Group, Inc. will pay the City eight percent of gross receipts from food and beverage sales, 10.5 percent of gross receipts from bar sales and ten percent of gross receipts from banquet and vending sales. Additionally, Monterey Concessions Group, Inc. will pay the City a fixed monthly fee of \$950 for utilities and will be responsible for capital improvements in the amount of \$140,000. Revenues from this concession agreement would be deposited into the Department of Recreation and Parks operating fund. There is no additional impact on the General Fund.

WTF:VES:08060199c

**BOARD OF RECREATION AND
PARK COMMISSIONERS**

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JAMES K. HAHN
MAYOR

February 24, 2005

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RECREATION AND PARKS
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JON KIRK MUKRI
GENERAL MANAGER

Hon. James K. Hahn, Mayor
City of Los Angeles
Room 303, City Hall

Attention: Ms. June Lagmay

Dear Mayor Hahn:

In accordance with Executive Directive No. 16, there are attached herewith three copies of a proposed Operating Concession Agreement between the City of Los Angeles Department of Recreation and Parks and Monterey Concessions Group for the operation and maintenance of the Encino-Balboa Golf Course Food Service Concession.

Also attached for the assistance of your Office in reviewing this proposed Agreement is Report No. 05-33 adopted by the Board of Recreation and Park Commissioners at its meeting of February 16, 2005. After review and recommendation by you, the proposed Agreement will be submitted to the Board for execution.

If you have any questions concerning this proposed Agreement, please contact Michael Honan, Sr. Management Analyst, at (213) 485-5520.

Very Truly Yours,

BOARD OF RECREATION AND
PARK COMMISSIONERS


MARY E. ALVAREZ
Commission Executive Assistant

Enclosures

cc: Linda Barth

2005 FEB 28 PM 1:04
CITY ADMINISTRATIVE OFFICER