



January 20, 2017

Arts, Parks, and River Committee
c/o Eric Villanueva, Office of the City Clerk
Room 395, City Hall
Los Angeles, CA 90012

UPDATE STATUS REPORT REGARDING ZOO CONCESSIONS PROGRAM

"Creating dynamic experiences to connect people and animals"

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Zoo Director

This report is provided in response to the Council action taken on August 10, 2016 which instructed the Zoo and the Greater Los Angeles Zoo Association (GLAZA) to report to the Arts, Parks and River Committee every 90 days with a status report on the development of the proposed Request for Proposals (RFP) and the findings of the consultant (C.F. 14-0600-S223) regarding the Zoo concessions program. Since the Council's action, the concessions consultant retained by GLAZA stated that most concessions contracts are ten years in duration with an additional five year option to renew. The consultant recommends that the initial term of the new concessions agreement be 15 years which would allow GLAZA/Zoo to obtain the greatest amount of advance capital improvement funds. Based on the consultant's recommendation, GLAZA's Concessions Committee asks that the City grant GLAZA a Concessions Operating MOU term of 18 years to allow for one year on the beginning of the 15 year term and 2 years at the end to provide time to implement the RFP in the beginning and time to produce another RFP at the end of the term.

GLAZA further reports that it has made significant progress in preparation of the RFP and has worked with the Consultant to produce a draft of the RFP and prototype Concessions Contract. GLAZA believes that it is important to have a final prototype Concessions Contract listing required terms and conditions to be included in the RFP. GLAZA reports that it needs to hire a legal firm to review and prepare this final agreement to be included in the RFP. Finally, GLAZA projects that they will have the RFP finalized and complete in the next nine to 12 months. GLAZA's complete update report is attached for your information.

Respectfully submitted,

John R. Lewis, General Manager
Zoo Department

cc: Barbara Romero, Office of the Mayor
Sharon Tso, Office of the CLA
Terry Sauer, Office of the CAO
Dov Lesel, Office of the City Attorney
Connie Morgan, Greater Los Angeles Zoo Association

Attachment



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Greater Los Angeles Zoo Association

Inter-Divisional Memorandum

Date: November 28, 2016

To: John Lewis

From: Hugh Miller

Subject: **Concessions Update**

Last August the City Council approved the Second Amendment to the 1997 Operating Agreement between the Los Angeles Zoo and GLAZA relating to the operations of Concessions at the Zoo. This Amendment extended GLAZA's right to operate concessions until August 31, 2017 with an option to extend an additional 6 months to allow time for the issuance of a new Concessions RFP and the selection of a proposed vendor.

During the approval process of the Second Amendment the City asked for a report back in 90 days detailing 1) GLAZA's response to Council's conditions for issuance of the RFP, 2) GLAZA's advice on the length of term for a new Concessionaire, and 3) progress on the preparation of the RFP.

1. GLAZA reviewed the July 27, 2016 memo prepared by City CAO and CLO to the Arts, Parks, and River Committee regarding a Request for Proposals Framework and Time Frame for Concessions at the Los Angeles Zoo. GLAZA management presented the memo to the GLAZA Concessions Committee which approved the conditions requested by the City for preparation of the RFP. GLAZA will conform to City Contracting Procedures and the conditions mentioned in the memo with regard to the RFP.

2. GLAZA hired an outside Consultant with expertise in concessions RFP issuance and operations. The Consultant stated that most concessions contracts are 10 years in duration with additional 5 year options to renew. The consultant recommended that the initial term of the new concessions agreement be 15 years which would allow GLAZA/Zoo to obtain the greatest amount of advance capital improvement funds.

GLAZA management presented the Consultant's recommendation to the GLAZA Concessions Committee for review. The GLAZA Concessions Committee agreed with the 15 year term recommendation. The GLAZA Concessions Committee also asked that the City grant GLAZA a Concessions Operating MOU term of 18 years to allow for one year on the beginning of the 15 year term and 2 years at the end to provide time to implement the RFP in the beginning and time to produce another RFP at the end of the term.

3. GLAZA has made significant progress in preparation of the RFP. GLAZA worked with the Consultant and produced a 1st cut draft of the RFP and prototype Concessions Contract. GLAZA believes that it is important to have a final prototype Concessions Contract listing required terms and conditions to be included in the RFP. GLAZA therefore needs to hire a legal firm to review and prepare this final agreement.

Subsequent to the above progress, GLAZA became aware that the Zoo is involved in a new Master Plan. This Master Plan will affect all aspects of the Zoo, including Concessions. There could be an interesting question for the Zoo, the City, and GLAZA to discuss as to whether revisiting the timing for issuance of this Concessions RFP might be appropriate and in the best interest of the Zoo in maximizing investment dollars.