

DATE February 5, 2003

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ECONOMIC CONSULTANT CONTRACTS - AMENDMENTS TO INCREASE TERMS FROM THREE TO SIX YEARS - (ARTHUR MANASK & ASSOCIATES; WARREN COOLEY/EDCON; ECONOMIC RESEARCH ASSOCIATES; AND PCR KOTIN)

J. Combs _____
A. Coroalles [Signature]
J. Duggan _____

J. Kolb _____
W. Lukehart _____
H. Fujita _____

[Signature]
General Manager

Approved _____

Disapproved _____

Withdraw _____

RECOMMENDATION:

It is recommended that the Board

1. Approve the attached amendments to extend the terms of existing contracts for as-needed economic consulting services with Arthur M. Manask and Associates, Inc.; Warren Cooley/Edcon, Economic Research Associates (ERA); and PCR Services Corporation, for an additional three (3) year period,
2. Find that the Department does not have available in its employ personnel with sufficient time and the necessary expertise to undertake these specialized professional tasks in a timely manner, and that it is more feasible and economical, as well as in the Department's best interest, to secure these services by contract; and,
3. Direct the Board Secretary to transmit the proposed amendments to the Mayor in accordance with Executive Directive No. 16, concurrently to the City Attorney for review as to form, prior to execution by the Board.

SUMMARY:

In April 2000, the Board executed several contracts for as-needed economic research and analysis services. Each contract is for a term of three (3) years, with a maximum compensation to the consultant of \$150,000.00.

REPORT OF GENERAL MANAGER

PG. 2 NO. 03-41

These consultants provided services on an as-needed basis in the evaluation of proposed and existing large or complex concession activities at Department facilities where expert economic evaluation is required including marketing feasibility studies, portfolio and investment analysis, income stream and other financial analysis.

Since implementation, the services provided by these firms have assisted the staff in completing a financial analysis in connection with the Greek Theatre Agreement, a feasibility study and conceptual design for a potential food concession at the Cabrillo Beach Bathhouse, a market analysis for Sherman Oaks Castle Park, and a feasibility study for a potential food concession at Pershing Square. Most recently, the services of Arthur Manask and Associates provided an analysis and recommendations regarding the Department's concession activities.

The Golf Division has recently authorized service from ERA and Pulse Marketing to develop and conduct a survey pertaining to facility improvements and to assist staff in the development of a master plan for each golf facility.

Some of these consultant contracts expire in April 2003 before the current work is completed. In addition, these services will be critical as the Department implements the recent recommendations relating to Concessions and launches several Requests for Proposal in 2003. Staff is, therefore, recommending that the Board approve the attached amendments to extend the original contract(s) for three (3) additional years. The maximum compensation has not been reached, and sufficient funds remain in each agreement to cover the services needed.

CONSULTANT	EXPIRATION DATE	EXPENDITURE LIMIT	EXPENSED	BALANCE REMAINING
Manask Associates	April 4, 2003	\$150,000.00	\$38,341.17	\$111,658.83
Economic Research Associates	April 4, 2003	\$150,000.00	\$45,614.70	\$104,385.30
PCR Kotin	April 18, 2003	\$150,000.00	\$0.00	\$150,000.00
Warren Cooley/Edcon	April 3, 2003	\$150,000.00	\$0.00	\$150,000.00

The Board should note that compensation to the consultants will not exceed one-hundred thousand dollars (\$100,000.00) per year and that these services are paid from either the Department's Concession Improvement Account or Golf Surcharge, as applicable. Additionally, these amendments are recommended in compliance with all Department and City procedure policies and laws applicable to contract amendments. Principals of these firms are not employees or officials of the City; are free to make recommendations or perform the services specified in the contract(s); and have no authority, with respect to the City's decisions relating to the project, beyond fulfilling the provisions of the contract.

Report prepared by: Michael Honan, Administrative Resources Division.