

REPORT OF GENERAL MANAGER

NO. 04-110

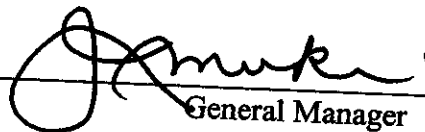
DATE April 7, 2004

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: AWARD OF THE AUTOMATED GOLF AND TENNIS RESERVATION SYSTEM PERSONAL SERVICES CONTRACT

H. Fujita _____	F. Mok _____
J. Kolb _____	K. Regan _____
*G. Stigile <u>AS</u>	K. Chan _____
M. Mariscal _____	J. Combs _____



 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

- 1) Award the Automated Golf and Tennis Reservation System Personal Services Contract to US eGolf Corporation;
- 2) Approve a 5-year Contract, with a 5-year option to renew at the City's sole discretion, substantially in the form, on file in the Board Office, subject to approval of the Mayor and the City Attorney as to form;
- 3) Direct the Board Secretary to transmit the proposed Contract to the Mayor in accordance with Executive Directive No. 16, and concurrently to the City Attorney for review as to form; and,
- 4) Authorize the Board President and Secretary to execute the Contract subsequent to approval of the Mayor, City Attorney, and City Council.

SUMMARY:

Background

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In March 1996, the Department of Recreation and Parks entered into a three-year lease agreement with Fairway Systems, Inc. (Contract No. 2711), for the provision of an automated golf and tennis reservation system. The contract expired in March 1999, but was extended several times to allow the contractor to provide a number of system enhancements and upgrades and to allow the Department time to prepare and circulate a Request for Proposals (RFP) for a new lease agreement. The most recent supplemental agreement to extend the contract expired on March 10, 2004. The Department is separately seeking approval of an additional extension to continue services pending award and execution of a new Contract as recommended herein.

An RFP for this new contract, to allow the Department to seek a state-of-the-art system to replace the existing system, was approved by the Board on February 19, 2003, and released on October 10, 2003. A pre-proposal conference was held on November 6, 2003, with eight interested companies represented.

Four responsive proposals were received on December 9, 2003, from:

- AT Course Systems – A limited liability company based in Arizona (AT Course)
- Fairways Systems, Inc. – Current operator, a Colorado-based corporation (Fairways)
- TeeMaster, Inc. – A Minnesota-based corporation (TeeMaster)
- US eGolf Corp. – A New York-based corporation (US eGolf)

Evaluation Procedure

To begin the process of distinguishing the best overall proposal for recommendation of award, and in accordance with the evaluation process described in the RFP, staff convened a comprehensive review panel to assist in the evaluation of each proposed system from a both a technical and operational perspective. Interviews and demonstration sessions were held on February 6, 2004, and March 15, 2004, to facilitate this process. Staff from the Department's Systems group, and the City's Information Technology Agency participated and evaluated each system from a technical perspective, assessing the ability to successfully operate within the City's current and future infrastructures and to evaluate pricing points on system software and hardware modules, and technical support. Staff from the Department's Golf and Administrative Divisions evaluated the systems from an operational and end user perspective, assessing the systems flexibility, ease of use, customization, reporting abilities and operational support.

At the conclusion of these evaluation sessions, all participants provided feedback from their respective areas of expertise which was then used by Staff to rank the proposers according to the RFP evaluation criteria.

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The following chart ranks each proposal in the five categories of evaluation criteria as defined in the RFP with a numerical ranking from 1-4, 1 being the best possible:

<i>Systems & Application</i>	4 th	2 nd	3 rd	1 st
<i>Technical Solutions</i>	4 th	2 nd	3 rd	1 st
<i>Management Solutions</i>	4 th	2 nd	3 rd	1 st
<i>Vendor Experience & Stability</i>	4 th	1 st	3 rd	2 nd
<i>Cost (Over five years)</i>	3 rd	2 nd	4 th	1 st

Systems and Application

Issues important to this category included user-end and management requirement needs, integrity of the Integrated Voice Response (IVR) reservation system, application design and system performance, data integrity, Photo ID capability, Point-of-Sale (POS) software and interface, internet strategy and e-commerce solutions. While all four proposers demonstrated varying levels of ability to provide a reliable, easy-to-use reservation system, only Fairways and US eGolf demonstrated an advanced knowledge of the POS technology, which combines tee sheets (and tennis reservation times) with cash register functions, resulting in quicker transactions for the customers. By demonstrating the total POS procedure, from using the customer's bar-coded reservation card, to finding their reservation and ringing up the sale, Fairways and US eGolf moved ahead in the rankings.

US eGolf outshone the competition by stressing their flexibility in the software programming and ability to customize modules and elements as per the City's needs. In addition to providing 100 hours of custom programming support a year, US eGolf prided itself on the user's ability to self-customize various modules, such as the POS user's tee sheets and reservation windows, without going through major software code rewrites. Fairways were less committed to meeting the City's needs within a desired timeframe – they had the capability, but customization of software and features would be subject to their software programming team's timetable. Based on these findings, staff concluded that US eGolf should be given the highest ranking in this category.

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Technical Solutions

This category includes requirements such as networking solutions and security, data network processes and security of transmissions, data backup, system redundancy, back-end databases and application back-up solutions.

AT Courses' proposal resulted in questions of compatibility with current hardware and the ability to upgrade accordingly with the RFP. A major problem with TeeMaster was that the data used by the reservation offices and course location would be hosted on their servers in Minnesota, which brought into question the security of transmissions between databases, as well as compromised speed of transmission and the ability to operate in case of a communications failure. Fairways, being the current operator, had the most knowledge of the City's reservation system needs and provided the outline for a system that included data backup and system redundancy; however their system included an additional server at each location which created logistical problems at sites and was more costly.

US eGolf provided simple and practical solutions to each of the issues noted above, and also addressed data encryption for transmissions involving private information of customers (such as Social Security numbers, drivers' licenses, credit card info, etc.) in compliance with California State Law, using Virtual Privacy Network hardware and software. Fairways also addressed this issue, but stated that it would be at an additional cost of \$20,000 to include in their proposal. Therefore, US eGolf was top-ranked in this category.

Management Solutions

Management solutions included the ability to generate customized reports for various specified periods of time, with various formats and variables; deliverables on implementation strategy, schedules and training; resources on warranty and support available; and application of support, customizable programming and emergency backups.

Reporting options are a major feature required of the AGTRS. With so many rounds of golf being played, statistics regarding time, conditions, number of players, and other factors are invaluable to the City and the Department. US eGolf provided the most customizable reports available, with a wide variety of templates available and variable customization options open to the user. US eGolf's reporting infrastructure was also easy to use. Fairways, while providing some useful reporting templates, did not offer such easily customizable reporting features and users often had to bypass integrated merchandise and affinity program modules that obscured the City's needs for simple reports.

Another consideration in the arena of management solutions is customer support by the software vendors. The AGTRS is consistently running, with the ability to make reservations constantly. Because the system is "always on," it is important that software and systems support is also

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constantly and immediately accessible. US eGolf offered the most direct, immediate and continuous support, 24 hours a day.

Vendor Experience and Stability

All four companies provided solid references and showed proven experience in the area of automated reservations systems. Rankings were assigned using the length of time the company had been in business, financial reports, customer references, and individual background reports provided in each proposal. Staff contacted and conducted interviews with references provided with each proposal. US eGolf's references were impressive because their experience included large course systems, including municipal golf courses with similar size and features, and all interviewed references expressed satisfaction with the performance of US eGolf's reservation systems.

However, because of Fairways' history and experience with the City, length of time in business, various references and financial reports, they were given the top ranking in this category. However, US eGolf was ranked second because of their experiences with large municipal golf courses.

Cost

Each company provided an in-depth analysis of the costs of the system, from software, support, training, hardware needed and installation costs over the length of the contract. The table below reflects the costs over the length of the contract (5 years).

<i>Over 5 years</i>	\$578,350.00	\$405,793.00	\$1,039,773.00	\$388,800.00
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These costs do not reflect the cost of hardware or equipment, which the Department has opted to buy so as to retain better control of the quality and compatibility. Instead, the above costs include software and licensing, installation, training and support, and are approximations to the nearest dollar. US eGolf had the lowest 5-year cost and therefore rated first in this category.

Conclusion

Unlike the sport of golf, which is hundreds of years old, the services that the AGTRS provide are relatively very new and rapidly evolving. The Department took a brave step in the mid-1990s toward this level of automation, when vendors were limited and had little expertise in a municipal golf course system of the City's size. That gamble paid off, as the AGTRS is a popular feature of the City's golfing services. The Department looks forward to further advances in this service system and Staff concludes that US eGolf will provide overall the best, most customized, and most user-friendly system at a reasonable cost.

Report prepared by Christina Iskandar and Michael Honan, Administrative Resources Division.