

REPORT OF GENERAL MANAGER

NO. 04-42

DATE February 18, 2004

CD _____

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: POSTPONEMENT OF DATE TO RECEIVE PROPOSALS FOR THE GOLF
CART CONCESSION UNTIL FURTHER NOTICE

H. Fujita _____
J. Kolb _____
B. Lukehart _____
M. Mariscal _____

F. Mok _____
K. Regan _____
G. Stigile AS
J. Combs _____


General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board postpone until further notice the date to receive proposals on a ten-year agreement for the rental of golf carts at Department 18-hole courses.

SUMMARY:

The twelve-year concession agreement for rental of golf carts at the five Department facilities with 18-hole course contracts expired February 1, 2003. A Request for Proposal (RFP) for a new ten-year agreement, with a five-year option to extend at the City's discretion, was approved by the Board on October 1, 2003 (Report 03-274) and released to the public on December 21, 2003. A proposers conference held on January 16, 2004, was well-attended by prospective proposers. The original deadline to submit proposals was February 17, 2004, but was administratively extended to March 2, 2004.

At the time the Board was initially considering the draft Request for Proposals, the General Manager of one of the unions representing City workers invoked the provision on Contracting of Unit Work in the current Memorandum of Understanding (Service Employees Representation Unit, MOU #15, Section 2.10, attached), requesting to meet and discuss the impact on City employees of contracting for cart rental operations. The RFP was later approved by the Board with the understanding that City Attorney review and the advertising for proposals would take place concurrently with the meet and discuss process. An initial meeting was held in September of 2003, but no follow up meetings were conducted.

Under Section 2.10, if a dispute arises about the impact on unit employees that cannot be resolved through the meet and discuss process, the Union can request expedited advisory arbitration within five days of the last meet and discuss session. The MOU provides a method for selecting an

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arbitrator, the division of fees for services, and a timeline for formulation of a recommendation by the arbitrator, which for a contract valued at over \$1 million would be within 90 days. In that time the arbitrator would reach an advisory decision and provide the Board with a recommendation on the matter which could be considered prior to or with any report recommending an award of a concession contract. Since the meet and discuss process did not proceed beyond the initial meeting, however, at this time we cannot determine the duration of the process.

The Assistant General Manager has scheduled a meeting with the Union, the Golf Manager, and the City Attorney, for February 17, 2004, in order to re-start and move ahead on the meet and discuss process. To give that process sufficient time, which could be several months in the event arbitration is requested, staff recommends that we postpone the deadline for the receipt of proposals under the RFP until further notice. As the meet and discuss proceeds, concessions staff will be updated on progress by the Golf Division and report back to the Board when appropriate to set a new date or take other action relative to the RFP, giving sufficient time for prospective proposers to resume their proposal preparation.

Report prepared by Linda Barth

**Excerpt from
MEMORANDUM OF UNDERSTANDING
FOR JOINT SUBMISSION TO THE CITY COUNCIL
REGARDING THE SERVICE EMPLOYEES REPRESENTATION UNIT
(MOU #15)
executed November 1, 2001**

ARTICLE 2.10 CONTRACTING OF UNIT WORK

The parties agree that during the term of this MOU the following terms and conditions shall apply to the contracting of unit work:

1. No bargaining unit employee shall be laid off, demoted or suffer loss of pay or benefits as a result of the contracting of unit work.
2. If any employee subject to the provisions herein is displaced as a result of contracting, he/she shall be retained in a position within a classification represented by the Los Angeles City Employees Union, Local 347, SEIU.
3. Notwithstanding any provision of this MOU to the contrary and excluding the provisions of paragraph 6 below, the provisions of this article shall be subject to advisory arbitration only.
4. In lieu of the meet-and-confer process prescribed by the Employee Relations Ordinance (ERO), the parties agree to meet and discuss, in accordance with the provisions outlined below, all contracts to perform unit work except for contracts required by bona fide emergencies.
5. The parties agree that the following expedited procedure shall replace the impasse resolution provisions of the ERO for disputes arising out of the meet-and-discuss process specified above:
 - a. The City shall provide timely notice, through the existing "clearinghouse" procedure, of proposed contracts to perform unit work. In addition, the City shall provide the union a list of individuals responsible for coordinating contracting information in each department.
 - b. Local 347 may request to meet and discuss such proposed contracts within five (5) working days following notice as indicated in "a." above. Failure by the union to request such meeting(s) within the prescribed five days shall constitute a waiver of the union's right to continue this process.
 - c. Meeting(s), if requested, shall begin within five (5) working days following notice to the City by the union of its desire to discuss the proposed contract(s).

d. If the parties cannot reach agreement through the meet-and-discuss process, the union may request expedited advisory arbitration within five (5) working days following the last meet-and-discuss session. Failure by the union to request arbitration within the specified five days shall constitute a waiver of the union's right to continue in this process. The parties will attempt to establish a mutually agreeable, expedited process for selecting arbitrators. Absent any such agreement, arbitrators will be selected in accordance with Rules 11.03 and 11.04 of the Employee Relations Board.

e. The parties agree that for contracts with a value of less than \$1 million the hearing and issuance of the advisory decision by the arbitrator shall be concluded within thirty (30) calendar days following request for arbitration; and within (90) calendar days for contracts of \$1 million or more.

f. The arbitrators advisory decision and recommendation shall be transmitted to the appropriate determining body simultaneously with the proposed contract.

g. The time limits in this process may be extended only by the mutual, written agreement of the parties.

h. The expedited arbitration process herein shall be informal. Court reporters shall not be used; rules of evidence shall be informal; the production of witnesses and documentary evidence shall be at the discretion of each party; the arbitrator's notes, exhibits (if any), and the written advisory decision and recommendation shall constitute the record of the proceedings; post hearing briefs shall not be required or submitted.

i. Arbitration fees shall be shared equally by the union and the City.

6. Disputes over the practical consequences of the contracting of unit work, other than those occurring under paragraphs 4 and 5 above, shall be resolved in accordance with the provisions of the Grievance Procedure, Article 3.1 of the MOU, and shall not delay the implementation of the contract if all other provisions of this article have been met. The parties agree that the review of "practical consequence" grievances shall begin with the first formal level of review of the grievance procedure and that said grievances shall be subject to advisory arbitration, except as provided in the Arbitration step (Step 6) of the Grievance Procedure.