

REPORT OF GENERAL MANAGER

NO. 04-86

DATE March 17, 2004

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: APPROVAL OF A REQUEST FOR PROPOSAL FOR THE ENCINO-BALBOA GOLF COURSE (SEPULVEDA GOLF COMPLEX) FOOD CONCESSION

H. Fujita \_\_\_\_\_  
J. Kolb \_\_\_\_\_  
K. Chan \_\_\_\_\_  
M. Mariscal \_\_\_\_\_

F. Mok \_\_\_\_\_  
K. Regan \_\_\_\_\_  
\*G. Stigile GS  
J. Combs \_\_\_\_\_

  
General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Approve the Encino-Balboa (Sepulveda Golf Complex) Food Service Concession Request for Proposal (RFP) substantially in the form attached, subject to review of the City Attorney as to form;
2. Direct the Board Secretary to transmit the RFP to the City Attorney; and,
3. Direct staff, subsequent to City Attorney review as to form, to advertise the RFP and conduct the RFP evaluation process for the Sepulveda Golf Complex Food Service Concession.

SUMMARY:

The Sepulveda Golf Complex in Encino combines two 18-hole regulation length courses, with large facilities housing a restaurant, a pro shop, electric golf carts and a lighted driving range, and averages about 189,161 rounds of golf a year. Gross receipts for the restaurant concession have totaled \$6,328,120 for the past five years.

Staff has prepared a RFP for the Sepulveda Golf Complex Food Service Concession. The current concessionaire's fifteen (15) year agreement expired on July 27, 2003, and is currently operating on a month-to-month basis. The agreement would cover the operation of the restaurant, lounge, banquet facilities, halfway house(s) and the driving range snack stand.

## REPORT OF GENERAL MANAGER

PG. 2

NO. 04-86

The RFP is structured to be open to business suggestions of our prospective proposers, as opposed to defining specific requirements in terms of menus and other service details. The RFP does require a high quality restaurant operation, featuring a full food menu, offering full bar service, and hours of operation that covers most of the open hours of the golf courses and provides sufficient service for coverage of the hours of the driving range. In addition, certain contractual requirements, and minimum terms are stipulated:

1. **Standard Conditions:** All provisions of the Department's February 2003 Standard Conditions and Regulations for the Operation of Concessions apply to this agreement.
2. **Term:** Five (5) years with a five-year option, at the sole discretion of the City.
3. **Capital Improvements:** Capital improvement is a required proposal item, which shall include remodeling of the interior (example: repainting, new carpet, new interior signage, etc.). The proposed capital improvements should be a minimum amount of \$10,000.
4. **Rent:** The rental percentage is a proposal item.
5. **Hours of Operation:** The food facilities have traditionally been open every day of the year including Christmas, no later than thirty (30) minutes before the first tee-off time (sunrise) and close no sooner than dusk. Additional hours may be necessary in combination with vending machines or other methods to meet the needs of driving range patrons.
6. **Utilities:** Utility and service fees will be paid by the selected concessionaire, monthly and directly to the utility/service companies, after installation of meters by the City.
7. **Proposal Bond:** All proposals must include a Four Thousand Dollar (\$4,000.00) Proposal Deposit in the form of a Cashier's Check, payable to the City of Los Angeles.
8. **Performance Bond:** A Performance Bond will be required to be maintained for the duration of the contract in the amount of Twenty-Three Thousand Dollars (\$23,000.00).

The Department will conduct a preliminary evaluation of all proposals submitted and rank proposals within the general criteria listed below. The Department may use an evaluation panel with points assigned to ranking in each criterion. The Department reserves the right to request additional information to clarify proposals.

## REPORT OF GENERAL MANAGER

PG. 3

NO. 04-86

### RFP Evaluation Criteria:

- Qualifications and experience of proposer applicable to the food service business.
- Proven performance and quality of current comparable operations.
- Vision for concession, including business plan and marketing.
- Menu, prices, and other customer service elements.
- Documented financial ability to perform as proposed in the form of verified financial statements.
- Capital Improvements, if proposed, in terms of appropriateness, reflection of entrepreneurship, monetary value.
- Rental terms offered

The anticipated time of completion for the RFP process and award of the agreement is approximately four to six months. The Golf Advisory Committee has provided input and comment on this RFP and supports the terms recommended here.

Report prepared by: Christina Iskandar and Michael Honan, Administrative Resource Division