

REPORT OF GENERAL MANAGER

NO. 04-87

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) PROFESSIONAL AND DRIVING RANGE CONCESSION

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

  
 \_\_\_\_\_  
 General Manager

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATION:

That the Board:

1. Approve the Encino-Balboa (Sepulveda Golf Complex) Golf Professional and Driving Range 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 Professional and Driving Range 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 golf professional and driving range concession have totaled \$6,146,689 for the past five years.

Staff has prepared a RFP for the Sepulveda Complex Golf Pro and Driving Range Concession. The current concessionaire is on an interim permit which expired on February 17, 2004, and is currently operating on a month-to-month basis. The new agreement would cover the operation of the pro shop, lessons, and driving range.

## REPORT OF GENERAL MANAGER

PG. 2 NO. 04-87

The RFP is structured to be open to business suggestions of our prospective proposers. Hours of operation shall cover the hours of the golf courses and provide desirable driving range hours. 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:** Ten (10) years with a five-year option, at the sole discretion of the City.
3. **Capital Improvements:** Capital improvement is a required proposal item, and shall include the design and installation of a new driving range to include artificial turf in the landing area and safety fencing/netting for ball containment. Alternate ball containment systems may also be proposed.
4. **Minimum Rent:** Rental to the City is a proposal item and must be stated as a Percentage of Gross Receipts. Proposers may offer a different percentage rental rate amongst the various sales/service categories offered in the proposal (example: pro shop merchandise, golf lessons, driving range, etc.) and may also propose a graduated rental (one that increases with time or activity). The minimum driving range rental percentage is 30%, the minimum pro shop and lesson percentages are 5%.
5. **Hours of Operation:** Golf course 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. The driving range should be open no later than thirty (30) minutes before the first tee off time (sunrise) and close no sooner than 10:00 pm.
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 Ten Thousand Dollar (\$10,000.00) 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 Thirty-Five Thousand Dollars (\$35,000.00).

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

## REPORT OF GENERAL MANAGER

PG. 3 NO. 04-87

assigned to ranking in each criteria. The Department reserves the right to request additional information to clarify proposals.

### RFP Evaluation Criteria:

- Qualifications and experience of proposer applicable to the golf pro shop and driving range service business.
- Proven performance and quality of current comparable operations.
- Vision for concession, including business plan and marketing.
- Documented financial ability to perform as proposed in the form of verified financial statements.
- Capital Improvements, 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 significant input and comment during formulation of this RFP and supports its expedited processing with the key terms recommended.

Report prepared by: Christian Iskandar and Michael Honan, Administrative Resources Division