

**APPROVED**  
OCT 02 2013

REPORT OF GENERAL MANAGER

NO. 13-243

DATE September 18, 2013

**BOARD OF RECREATION  
and PARK COMMISSIONERS**

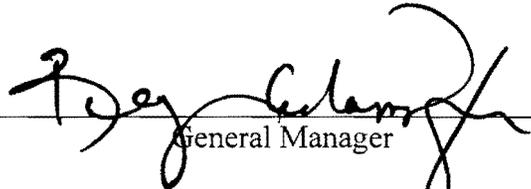
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ECHO PARK PEDAL BOATS CONCESSION – AWARD OF INTERIM CONCESSION AGREEMENT TO CHAFFIN & REEVES, INC.

R. Adams \_\_\_\_\_  
H. Fujita \_\_\_\_\_  
V. Israel \_\_\_\_\_

K. Regan \_\_\_\_\_  
M. Schull \_\_\_\_\_  
\*N. Williams raf

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

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Interim Concession Agreement between the City of Los Angeles Department of Recreation and Parks (RAP) and Chaffin & Reeves, Inc., substantially in the form on file in the Board Office, for the operation and maintenance of the Echo Park Pedal Boats Concession for a term of one (1) year with two (2) one-year renewal options exercisable at the General Manager's sole discretion, subject to the approval of the Mayor and of the City Attorney as to form;
2. Find, in accordance with Charter Section 1022, that RAP does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks and that it is more feasible and more economical to secure these services by contract;
3. Find, in accordance with Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that in order to provide continued, uninterrupted service to the public and avoid a revenue shortfall, a competitive bidding process is not practicable or advantageous at this time, and that it is therefore in the City's best interest to enter into this Interim Concession Agreement until the completion of a formal Request for Proposal (RFP) process when a multi-year agreement can be executed;

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4. Find, in accordance with Charter Section 372, that obtaining competitive proposals or bids for work to be performed pursuant to this agreement is not reasonably practicable or compatible with RAP's interests of offering pedal boat, canoe and gondola rentals monitored by certified lifeguards to the public while RAP conducts a formal RFP process;
5. Direct the Board Secretary to transmit the proposed Agreement, concurrently, to the Mayor in accordance with Executive Directive No. 3, and to the City Attorney for approval as to form; and,
6. Authorize the Board President and Secretary to execute the Agreement upon receipt of the necessary approvals.

### SUMMARY:

This is a newly established concession. The 1,500 square foot Echo Park Boathouse (Boathouse), originally constructed in 1932 at 751 N. Echo Park Ave. in Los Angeles, was designed in the Spanish Colonial Revival Style and is positioned over the Echo Park Lake.

Other amenities and features at Echo Park Lake include a baseball diamond, lighted indoor and outdoor basketball courts, a play area for children, a lighted football field, two swimming pools, a soccer field, and lighted tennis courts. Besides offering a variety of recreational activities to be enjoyed by patrons, the historic park has also long been a popular location for Hollywood filming.

The Boathouse has undergone several aesthetic and building system retrofits throughout the years. Phase I of the most recent rehabilitation effort, the Echo Park Boathouse Rehabilitation project, was completed in 2007. It entailed preserving the existing piles, rehabilitating the dock, and providing disabled access to the dock.

Phase II of the Echo Park Boathouse Rehabilitation project included the completion of the aesthetic and structural retrofit of the existing building and mechanical systems. The Boathouse Rehabilitation project is a small part of the larger Echo Park Lake Rehabilitation project.

This Concession operates in the recently restored Boathouse, and a one-year interim concession agreement, with two (2) one-year renewal options, will allow the concessionaire the exclusive right and obligation to staff, equip, and operate a pedal boat rental service until completion of a formal Request for Proposal process when a multi-year agreement can be executed. The Concessionaire will provide certified life guards for the pedal boat service, and put in place safety policies and procedures satisfactory to the General Manager.

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Under a 90-Day Interim Permit, the current operator, Chaffin & Reeves, Inc., has been providing quality service to the community. The individual monthly rental payments from the permittee have exceeded the highest month of gross revenue generated at the site in the last year that the operation was run solely by RAP. Approval of the interim concession agreement will allow RAP to continue to provide uninterrupted service to the public while an RFP is developed.

Staff will develop and, with approval from the Board, release an RFP for this concession. With the RFP, RAP will seek a qualified, experienced, and financially sound operator who will meet or exceed RAP's expectations in all operational and financial areas, and optimize service to the public and profitability to the business.

### 90-Day Interim Permit

The Echo Park Pedal Boats and Café RFP was approved by the Board for release on December 10, 2012 (BR 12-329). The RFP was released to the public on February 14, 2013, and on March 7, 2013, a Pre-Proposal Conference was held at which representatives for eight (8) companies attended.

On April 23, 2013, the RFP proposals were due. No proposals were received due in part to the inability of the perspective bidders to manage both operations (Pedal Boats and Café) as one concession. On May 23, 2013, the Pedal Boat operation and the Café operation were bifurcated from one another. 90-day interim permit proposal solicitations for each operation were sent to Pre-Proposal Conference attendees, allowing them to bid on either one or both opportunities.

On June 7, 2013, the Interim Permit proposals were due. Chaffin & Reeves, Inc., submitted the sole proposal for the Pedal Boat operation. Staff reviewed the proposal and found that the company was qualified to run the concession operation. On June 17, 2013, RAP staff met with Lloyd Reeves of Chaffin & Reeves, Inc., to discuss the terms of the 90-Day Interim Permit for the Concession.

On July 11, 2013, the Interim Permit between RAP and Chaffin & Reeves, Inc. for the operation of the Echo Park Pedal Boats Concession was executed. On July 20, 2013, the Concession opened to the public. This Interim Permit expires on October 5, 2013.

### Pedal Boat Rental and Business Experience

Mr. Lloyd Reeves is a United States Coast Guard licensed Captain, a licensed pilot, a former National Canoe & Kayak Champion, as well as a World Games bronze medalist. In 1993 he opened the Morro Bay Sailing Center. In 2000, he began renting pedal boats at Atascadero Lake, and did the same at Redondo Beach in 2003. Chaffin & Reeves, Inc. was formed in 2004.

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### Operation Plan

Offered at affordable prices, Chaffin & Reeves, Inc. will rent out pedal boats to patrons year-round during operation hours. In addition, out-rigger canoe rides and gondola rides for couples are available as well, each guided by trained staff.

Safety signs are posted on the docks. No less than one (1) certified life guard will be on-site during the hours of operation, and all employees handling the boats are trained in CPR, First Aid and water rescue techniques. Patrons riding the canoe or pedal boats are required to wear life jackets supplied by the concessionaire. A rescue paddle board and kayak are available to staff in case of an emergency to assist patrons out on the lake.

### Concession Agreement

For this concession, the operator is permitted to use three (3) rooms of the Boathouse, the docks and the lake. The hours of operation will be year-round from 11:00 AM to 7:00 PM (or dusk, whichever is earlier). It will be closed during rainy weather and on Christmas Day. Under the terms of the one-year interim concession agreement, with up to two (2) one-year renewal options, Chaffin & Reeves, Inc. will provide a minimum of ten (10) pedal boats, an outrigger canoe, a gondola, a paddle board and kayak adequate for rescue operations, life jackets, safety related gear and equipment.

The concessionaire shall pay 10% of gross receipts monthly rent, and a minimum of \$500 per month, in each year of operation. If the total rent paid after each twelve (12) month period is less than \$6,000, the concessionaire will remit the difference to RAP.

### FISCAL IMPACT STATEMENT:

During the one-year term of this concession agreement RAP will receive a minimum of \$6,000 in rent. Of that amount, \$5,400 will be deposited into Fund 302, Dept. 88 General Fund (90%), and \$600 will be deposited into Fund 302, Dept. 89, Account 89070K Concession Improvement Account (10%).

Report prepared by Shaun Larsuel, Management Analyst II, Finance Division, Concessions Unit.