

**APPROVED**  
**APR 02 2014**

REPORT OF GENERAL MANAGER

NO. 14-080

DATE April 2, 2014

**BOARD OF RECREATION  
& PARK COMMISSIONERS**

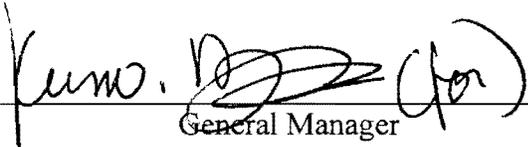
C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GREEK THEATRE CONCESSION – AMENDMENT TO CONTRACT NO. 3444 WITH STRATEGIC ADVISORY GROUP LLC (CONSULTANTS)

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

K. Regan \_\_\_\_\_  
R. Barajas \_\_\_\_\_  
\*N. Williams nan

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

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Amendment to Contract No. 3444, substantially in the form on file in the Board Office, between the City of Los Angeles Department of Recreation and Parks and Strategic Advisory Group LLC, for professional consulting services, to extend the term of the contract from one (1) year to two (2) years, subject to approval of the Mayor, and of the City Attorney as to form;
2. Find, in accordance with Charter Section 1022, that the Department does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks and that it is more economical and feasible to secure these services by contract;
3. Direct the Board Secretary to transmit forthwith the proposed Amendment to the Mayor in accordance with Executive Directive No. 3 and, concurrently to the City Attorney, for review and approval as to form; and,
4. Authorize the Board President and Secretary to execute the Amendment upon receipt of the necessary approvals.

SUMMARY:

The Greek Theatre is located at 2700 North Vermont Avenue in Griffith Park and has provided entertainment and cultural events to the public since it was officially dedicated in 1929.

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The Greek Theatre Concession (Concession) has been operated by Nederlander-Greek, Inc. (Concessionaire) under Concession Agreement Number 245 (Agreement) since May 21, 2002. The Agreement will expire on October 31, 2015. There are no renewal options to extend the contract in the Agreement.

On February 18, 2011, the Board approved the release of the Request for Proposals (RFP) for a Consultant to Conduct a Best Business Practice Study of The Greek Theatre Concession (Board Report No. 11-057). The RFP was released on April 11, 2011; seven (7) proposals were received on October 25, 2011. Proposals were then evaluated, and a recommendation was made to the Board for award of the contract to Strategic Advisory Group LLC (SAG).

On December 10, 2012, the Board awarded a one (1) year contract for professional consulting services to SAG to conduct a best business practices study of the Concession (Board Report No. 12-328). The one (1) year contract, No. 3444 (Contract), was executed on May 7, 2013, and will expire on May 6, 2014.

Although the work of SAG is currently proceeding in a timely manner, the process from the release of the upcoming Request for Proposals for the Operation and Maintenance of the Greek Theatre Concession to execution of the next agreement could take between twelve (12) to eighteen (18) months. Per Section I.A.3 (“Scope of Work” / “Contractor” / “Phase III – Administration of RFP”), the consultant is contracted to provide an evaluation panel to evaluate, rank, and score the proposals received (I.A.3.b) and to assist the Department in formulating “a recommendation for award of the new Concession Agreement for the Operation and Maintenance of the Greek Theatre.”

In order for SAG to assist the Department in the above actions, it is necessary to extend the contract term. As the RFP has yet to be released, and as the award for the next agreement will not occur until several months after the release, the Department needs to extend the Contract term to cover this time and keep the consultant available to complete the original Scope of Work in the Contract. The cost of the Contract will not be increased, as it is included in the not-to-exceed price of \$257,400 per Section III, “Compensation and Schedule of Payment.”

Staff therefore recommends an amendment to the Contract to increase the term from one (1) year to two (2) years. The new expiration date will be May 6, 2015.

### Charter Section 1022

Los Angeles City Charter Section 1022 prohibits contracting out work that could be done by City employees unless the Board determines it is more economical and/or feasible to contract out the service.

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On January 26, 2011, the Personnel Department completed a Charter Section 1022 review (attached) and determined that while the Department had City classifications that could perform some of the work, there are no “City classifications whose core duties are to study the entertainment, leisure, and recreational trends for profit making opportunities,” which are the main duties of SAG.

The Department lacks the personnel with the expertise to provide the professional consulting activities in the Contract. It would therefore be more feasible to secure the services by an independent contractor.

FISCAL IMPACT STATEMENT:

There is no fiscal impact to the General Fund, as the cost of the Contract will not increase, and the Contract is paid from the Concession Improvement Account (Fund 302, Department 89, Account 70K, Sub-Account CO).

Report prepared by Désirée Guzzetta, Management Analyst II, Concessions Unit, Administrative Resources Section, Finance Division.

## PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Department of Recreation and Parks

2. Contacts:

Department: Robert Morales Phone No. (213) 202-4384 Fax No. (213) 202-3213

CAO: Veronica Salumbides Phone No. 213 473-7561 Fax No. 213 473-7514

3. Work to be performed:

The Department of Recreation and Parks seeks to contract services of a consultant who specializes in market studies of concert venues. The Consultant will provide the current market trends in the concert concession industry. The consultant will also develop and administer a Request for Proposals for a new concession agreement at the Greek Theatre.

4. Is this a contract renewal? Yes  No

5. Proposed length of contract: One year.

Start Date: August 2011

6. Proposed cost of contract (if known): Not known.

7. Name of proposed contractor: Not known.

8. Unique or special qualifications required to perform the work:

The contractor must have expertise in analyzing trends in the concession business that caters to the concert or entertainment industry.

9. Are there City employees that can perform the work being proposed for contracting?

Yes  (***some of the work***) No

If yes,

<b>Classification</b>	<b>Departments</b>	<b>List Expires</b>
Management Analyst	Various	Reserve list
Senior Management Analyst	Various	Reserve list

If yes,

a. Which class (es) and Department(s): See above.

b. Is there sufficient Department staff available to perform the work? Yes  No

c. Is there a current eligible list for the class(es)? Yes  No  Expiration Date: see above.

d. Estimated time to fill position(s) through CSC process? Unknown due to hiring freeze.

e. Can the requesting department continue to employ staff hired for the project after project completion? Yes  No

f. Are there City employees currently performing ***some*** of the work? Yes  No

10. Findings

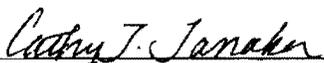
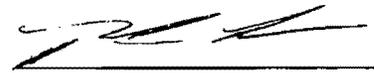
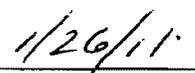
- City employees DO NOT have the expertise to perform the work
- City employees DO have the expertise to perform ***some of*** the work

Check if applicable (explanation attached) and send to CAO for further analysis

- Project of limited duration would have to layoff staff at end of project
- Time constraints require immediate staffing of project
- Work assignment exceeds staffing availability

**SUMMARY:**

The Department of Recreation and Parks seeks services of a consultant to provide market and business analyses of operating an outdoor amphitheatre. The consultant will also develop a Request for Proposals for concessions at the Greek Theatre in Griffith Park. Although there are classes such as Senior Management Analyst and Management Analyst in the City that could perform some of the duties, the project is for a limited duration. There is not a civil service classification whose core duties are to study the entertainment, leisure, and recreational trends for profit making opportunities.

			
Submitted by	Reviewed by	Approved by	Date
Cathy T. Tanaka	Shelly Del Rosario	Raul Lemus	
Sr. Personnel Analyst I	Sr. Personnel Analyst II	Chief Personnel Analyst	