

APPROVED

DEC 11 2008

REPORT OF GENERAL MANAGER

NO. 08-346

DATE December 11, 2008

BOARD OF RECREATION
and PARK COMMISSIONERS

C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE PARK FOOD AND BEVERAGE SERVICE
CONCESSION – REQUEST FOR PROPOSAL

R. Adams _____
H. Fujita _____
S. Humbley _____
V. Israel _____

J. Kolb _____
*F. Mok Now _____
K. Regan _____
M. Shull _____

Veh Israel for

General Manager

Approved

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the Pershing Square Park Food and Beverage Service Concession Request for Proposals (RFP) for a five-year Concession Agreement, with two (5) five-year renewal option exercisable at the City's sole discretion, substantially in the form on file in the Board Office, subject to review and approval of the City Attorney as to form;
2. Direct the Board Secretary to transmit the RFP to the City Attorney for review and approval as to form; and,
3. Direct staff, subsequent to City Attorney review and approval as to form, to advertise the RFP and conduct the RFP process for the Concession.

SUMMARY:

Pershing Square Park is located at 532 South Olive Street, Los Angeles, CA 90012. The park provides a variety of free cultural programming for the community, including an extensive summer concert series, an annual St. Patrick's Day concert, Downtown on Ice (outdoor ice rink), and a number of other special events. The park is used daily by the public for recreational purposes, filming, and general public gatherings.

The Department has attempted to install a seasonal food service operator at the location for a number of years in order to serve the public during the summer and winter events held at the

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park. However, the temporary business ventures failed to maximize participation levels by only marketing to the public attending the events. As the park is located in the center of the downtown business district and surrounded by private businesses, a year-round operation will be able to maximize participation by marketing to the surrounding businesses, to the downtown residents, and for the special events held at the location.

Staff has developed and is now ready to release at the direction of the Board, an RFP for this concession. With this RFP, the Department will seek a qualified, experienced, and financially sound operator who will meet or exceed the Department's expectations in all operational and financial areas, and optimize service to the public and profitability to the business.

Proposal and Contractual Provisions

1. Proposal Deposit: A \$5,000 proposal deposit will be required with the submission of each proposal. The deposit shall be in the form of a cashier's check only.
2. Term: Five years, with two five-year renewal option at the sole discretion of the City.
3. Rental Terms: Percentage of gross revenue from food and beverage sales as proposed. Minimum will be \$12,000 per year.
4. Concession Improvements: Optional improvements by the proposer will be evaluated and scored by an evaluation panel.
5. Utilities: The operator will be required to pay an amount of \$500.00 with the rental payment for water, gas and electricity as separate meters have not yet been installed at this location. If meters are installed at a future date, the operator will pay directly to the service provider.
6. Contractual and Financial Terms: The City will enter into an Agreement whereby the City will have no financial responsibility or liability for the operation while it will share in profits in the form of a percentage of gross revenue.
7. Faithful Performance Deposit: A Faithful Performance Deposit will be required to be maintained for the duration of the Agreement in the amount of Ten-Thousand Dollars (\$10,000).

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Evaluation Process

Proposals will be evaluated in two Levels. Level I will be a check and review by staff for required compliance and submittal documents; Level II will be a comprehensive evaluation of the proposals by a panel of non-City employees. Proposers must successfully pass Level I to proceed to Level II.

RFP Evaluation Criteria Areas

For the purposes of evaluation, the proposals responsive in respect to Level I will be evaluated on the criteria below (Level II):

- 1) Ability to Finance (15 points)
- 2) Background and Experience (20 points)
- 3) Business Plan (20 points)
- 4) Rental Payment (20 points)
- 5) On-Going Refurbishment, Improvements, and Maintenance (15 points)
- 6) Concession Improvements (10 points)

The RFP will be advertised in several periodicals. The RFP documents will be available on the Department's website and on the Los Angeles Business Assistance Virtual Network (BAVN). In addition, a letter inviting bids will be mailed to over two hundred organizations and individuals from a mailing list maintained by the Concessions Unit. The anticipated time of completion for the RFP process is approximately eight to twelve months. Metro Region, which oversees the Pershing Square Park facilities, has reviewed the RFP and provided input.

A conference will be held approximately one month after the release of the RFP in order to provide potential proposers with a review of the submittal documents, compliance documents, and requirements for the Good Faith Effort Subcontractor Outreach as required by Executive Directive No. 2001-26, Riordan Series and the Board's policy.

FISCAL IMPACT STATEMENT:

Releasing the Request for Proposal has no impact to the Department's General Fund.

Report prepared by Melanie Torres, Senior Management Analyst I, Concessions Unit, Administrative Resources Section, Finance Division