

**APPROVED**  
**FEB 02 2011**

REPORT OF GENERAL MANAGER

NO. 10-035

DATE January 19, 2011

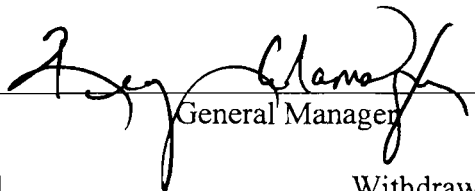
**BOARD OF RECREATION  
and PARK COMMISSIONERS**

C.D. 11

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: WESTCHESTER TENNIS PROFESSIONAL CONCESSION – REQUEST FOR PROPOSALS

|                  |                    |
|------------------|--------------------|
| R. Adams _____   | *F. Mok <u>NDW</u> |
| H. Fujita _____  | K. Regan _____     |
| S. Huntley _____ | M. Shull _____     |
| V. Israel _____  |                    |

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

Approved \_\_\_\_\_

Disapproved \_\_\_\_\_

Withdrawn \_\_\_\_\_

RECOMMENDATIONS:

That the Board:

1. Approve the Westchester Tennis Professional Concession Request for Proposals (RFP) for a five-year Concession Agreement, with two (2) five-year renewal options exercisable at the sole discretion of the General Manager, 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:

The Westchester Tennis Professional Concession is located at the Westchester Recreation Center, 7000 West Manchester Avenue, Los Angeles, CA 90045. The Recreation Center offers a variety of sports activities, including, baseball, basketball, swimming, soccer, volleyball, and recreation programs, such as, an after school camp, arts and crafts, and other programs. There are eight lighted tennis courts and a tennis professional shop that stocks tennis-related merchandise and snacks and drinks. Two tennis courts and the tennis professional shop will be administered for the Department by the selected operator.

The Westchester Tennis Professional Concession has been operated by Hai Nguyen dba The Tennis Key since 2002, most recently through Concession Agreement No. 3259, executed on

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September 17, 2008. The Agreement will expire on September 16, 2011. The concession offers a number of tennis programs, including private lessons, adult clinics, junior programs, and sells snacks, drinks, and related tennis merchandise and services. In 2009, the concession generated \$205,635 in gross receipts and paid \$19,008 in rent to the Department, which included revenue generated from the pay tennis reservations operation.

The tennis professional conducts lessons on two of the courts, courts 5 and 6, with the remaining six set aside for pay tennis reservations operations and/or free play by the public during specified hours. The current concessionaire presently operates the pay tennis reservation system, but this component will be taken over by the Department with the new contract.

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 \$2,000 proposal deposit will be required with the submission of each proposal.
2. Term: Five years, with two (2) five-year renewal options at the sole discretion of the General Manager.
3. Revenue Sharing Terms: Percentage of gross revenue generated from Lesson Services and Pro Shop business. (A minimum of 10% of gross receipts for lesson services and 12% of gross receipts for pro shop business.)
4. Concession Improvements: Required improvements will include painting the interior and exterior of the facility and providing new flooring. Optional improvements proposed in addition to those required will be evaluated and scored by the panel.
5. Utilities: The operator will be required to submit to the Department a monthly utility fee of One Hundred Dollars (\$100.00) during the term of the agreement to cover utilities (electricity, gas, and water) for this location until separate meters are installed, at which time the operator will pay directly to the utility company.
6. Contractual and Financial Terms: The City will enter into an agreement whereby the City has no financial responsibility or liability for the operation and the City will share in profits in the form of a percentage of gross revenue.

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7. Faithful Performance Deposit: A Faithful Performance Deposit will be required to be maintained for the duration of the agreement in the amount of Four Thousand Dollars (\$4,000). The Deposit will be in the form of a cashier's check made out to the City of Los Angeles.

### 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 that may include non-City employees. Proposers must successfully pass Level I to proceed to Level II.

### RFP Evaluation Criteria Areas

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

- 1) Ability to Finance (15 points)
- 2) Background and Experience (25 points)
- 3) Proposed Business Plan (15 points)
- 4) Proposed Revenue Sharing Payment (25 points)
- 5) On-Going Refurbishment, Improvements, and Maintenance (10 points)
- 6) Concession Improvements (10 points)

The RFP documents will be advertised in several periodicals; available on the Department's website; and posted on the Los Angeles Business Assistance Virtual Network (BAVN); and a letter inviting bids will be mailed to over one 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.

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 (Board Report No. 177-89).

### FISCAL IMPACT STATEMENT:

Releasing the Request for Proposals has no impact on the Department's General Fund.

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