

APPROVED
JUN 15 2011

REPORT OF GENERAL MANAGER

NO. 11-188

DATE June 15, 2011

BOARD OF RECREATION
and PARK COMMISSIONERS

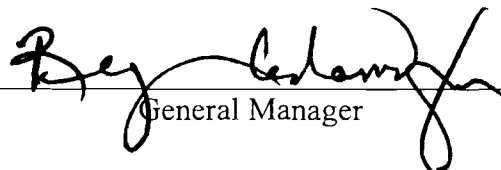
C.D. 4

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK – FERN DELL REFRESHMENT STAND CONCESSION
– REQUEST FOR PROPOSALS

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

K. Regan _____
M. Schull _____
*N. Williams NOW



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the Fern Dell Refreshment Stand 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 Fern Dell Refreshment Stand Concession (Concession) is a snack stand located at 2333 Fern Dell Place, Los Angeles, CA 90068. The Concession provides food and non-alcoholic beverages to patrons of Griffith Park and the surrounding community.

The Concession has been operated on a month-to-month basis by Rowena Partners, LLC under an interim Concession Agreement since March 12, 2004. In 2010, the concession generated \$517,147.67 in gross receipts and paid \$41,236.81 in revenue-sharing fees to the Department.

REPORT OF GENERAL MANAGER

PG. 2

NO. 11-188

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 exercisable at the sole discretion of the General Manager.
3. Revenue Sharing Terms: The monthly revenue-sharing terms will be a proposal item and based on a percentage of food and beverage sales. The minimum annual guarantee will be based on the submitted Pro Forma Financial document.
4. Concession Improvements: The operator will be required to complete any optional improvements as proposed within 12 months of contract execution.
5. Utilities: The operator will be required to submit to the Department a monthly utility fee of Three Hundred Dollars (\$300.00) during the term of the agreement to cover utilities (electricity, water and gas) for this location until separate meters are installed.
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.
7. Faithful Performance Deposit: A Faithful Performance Deposit will be required to be maintained for the duration of the Agreement in the amount of Three Thousand Dollars (\$3,000).

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 City and/or non-City employees. Proposers must successfully pass Level I to proceed to Level II.

REPORT OF GENERAL MANAGER

PG. 3

NO. 11-188

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 (10 points)
- 2) Background and Experience (25 points)
- 3) Proposed Business Plan for this Concession (20 points)
- 4) Proposed Revenue-Sharing Fee and Payment to City (25 points)
- 5) On-Going Refurbishment, Improvements, and Maintenance (10 points)
- 6) Concession Improvements (10 points)

The RFP documents will be advertised in periodicals, made available on the Department's website, and posted on the Los Angeles Business Assistance Virtual Network (BAVN). A letter inviting bids will also 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.

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 mandated 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 Proposal has no impact on the Department's General Fund.

Report prepared by Désirée Guzzetta, Management Analyst II, Concessions Unit, Finance Division