

APPROVED
FEB 20 2013

REPORT OF GENERAL MANAGER

NO. 13-053

DATE February 20, 2013

**BOARD OF RECREATION
& PARK COMMISSIONERS**

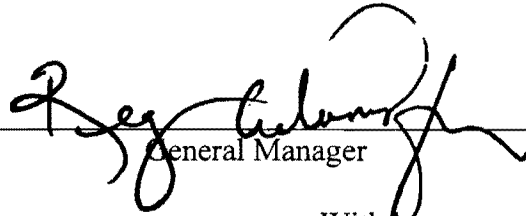
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: REQUEST FOR QUALIFICATIONS FOR AS-NEEDED CONSULTANT(S)
FOR GOLF BUSINESS ANALYSIS SECTION AND ANCILLARY
SERVICES DEVELOPMENT

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

K. Regan _____
M. Shull _____
*N. Williams ND



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Request for Qualifications (RFQ), substantially in the form on file in the Board Office, for as-needed consultant(s) for the Golf Business Analysis Section (GBAS) and Ancillary Services Development , for a three-year (3) contract(s), subject to the review and approval of the City Attorney as to form;
2. Direct the Board Secretary to transmit the RFQ to the City Attorney for review and approval as to form; and,
3. Authorize staff to advertise the RFQ and conduct the RFQ process for the selection of as-needed consultants, subject to the City Attorney review and approval as to form.

SUMMARY:

The Department of Recreation and Parks (RAP) has successfully operated public golf courses for nearly 100 years and currently maintains and operates 13 golf courses and a golf academy. With few exceptions, the courses operate 365 days per year from dawn till dusk. Ancillary services, such as restaurants, cafes, pro shops and driving ranges may remain open until 10:00 p.m.

RAP provides between 850,000 to one million rounds of golf annually on 228 greens and 1,298 acres of turf. The program is supported by 142 full-time and approximately 250 part-time employees, who perform maintenance, starter duties, reservations and tournament scheduling, golf cart services, marshaling and driving range operations.

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As of July 1, 2010, the Golf Division was reorganized into a self-sustaining operation, which has proven a feasible alternative to the previously City-subsidized program. The reorganized Golf Division has experienced two successful years of operation and is one of the very few municipal systems in the country that is completely self-sufficient. The program is financially viable and readily meets direct and indirect costs for operational and maintenance needs as well as having substantial reinvestment into ongoing Golf Capital Improvement Projects (CIP), and providing funding to other Recreation and Parks non-golf operations.

Studies (as presented in Board Report No. 12-125) have revealed that the Golf Division is providing excellent customer service in maintenance and operations of the golf system, and current staff meets or exceeds the expectations of our clientele. Based upon that information, it is clear that RAP Golf course employees have the expertise to perform well in the day-to-day functions of operating RAP's Golf System and core functions, and are able to perform these functions profitably. As such, RAP golf employees will be retained and expanded in these roles.

Board Report No. 12-125 also noted that the studies indicated there are areas within the Golf Division where improvement is needed that could enhance profitability of the Golf System, provide for higher levels of customer satisfaction due to better integration of services and more effectively use the resources contained in the System. These areas include retail services, i.e. food services and merchandising; strategic planning for the Golf System; customer relations; revenue management/pricing; marketing, i.e. advertising, market share management, product development, etc.; and, capital planning.

In order to address these areas, on May 2, 2012, the Board approved staff recommendations to develop a new section within the Golf Division tentatively titled the Golf Business Analysis Section (GBAS) to work collaboratively with RAP golf line operations to address areas of change, expansion and/or overall improvement (Board Report No. 12-125). The Board also conceptually approved the use of a Request for Qualification (RFQ) to hire consultants to assist RAP management in developing GBAS.

RAP staff did research to further clarify and define the areas for inclusion in the RFQ. These areas are listed below:

- Organization and Management Structure and Functions of Golf Business Analysis Section (GBAS)
- Strategic Planning for Golf Courses
- Strategic Capital Improvement Planning
- Marketing, Advertising and Travel/Golf Tourism
- Customer Service Programs
- Food Service Operations
- Retail/Merchandise Service Operations
- Lesson/Training Programs
- Revenue Enhancement Opportunities and Analysis of Customer Base

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- Evaluation of Structure and Role of Advisory Groups Related to the Municipal Golf System
- Major Golf Events
- Information Systems Technology and Golf Systems

These areas have been reviewed and approved for inclusion in the RFQ by RAP management and input has been received from the Golf Advisory Committee (GAC).

RAP staff has completed development of the RFQ. The RFQ will qualify individuals or organizations with the required experience by study area (Attachment A), as consultants to obtain contracts to assist RAP management in developing strategies for improvement to the Golf System. As the need arises, task or project work orders (scope of work/deliverables) will be provided to each qualified consultant by study area. Qualified consultants will then be asked to develop proposals with timelines, deliverables and detailed cost information. The proposal which most closely meets the scope of work and provides the best value as determined by an internal process conducted by RAP staff and/or outside consultants will be selected to complete the task/project. The use of multiple contractors will allow RAP to receive the best possible assistance in the various areas of needed improvement.

The RFQ will result in contracts with qualified consultants which will not exceed a term of three (3) years. There is no minimum guarantee of work or payment to any consultant.

RAP staff supports the recommendations contained in this report.

FISCAL IMPACT STATEMENT:

The adoption of these recommendations has no impact on the Department of Recreation and Parks' General Fund. Consultant fees will be paid from Golf Special Funds.

This report was prepared by Noel Williams, Chief Management Analyst, Finance Division.

**STUDY AREAS, EXAMPLE PROJECTS/TASKS
AND DESCRIPTION OF DESIRED QUALIFICATIONS**

No.	AREA OF STUDY	EXAMPLE PROJECT/TASK DESCRIPTION*	MINIMUM EXPERIENCE
1	Organizational and Management Structure and Functions of Golf Business Analysis Section (GBAS)	<ul style="list-style-type: none"> Review the functions and operations of all golf ancillary activities and determine which activities should be assigned to the GBAS and the most efficient and effective management structure for this organizational unit. 	Three or more years' experience in managing golf systems for multiple golf courses with all amenities (including club house, pro shop, lessons, golf cart operations and food and beverage services) or three or more years providing consulting services for golf systems.
2	Strategic Planning for Golf Courses	<ul style="list-style-type: none"> Position each individual golf course to capture the most market share given its location, demographics, competition, affordability, etc. Develop best practices related to amenities offered, including driving ranges, golf lessons, food and beverage and merchandise services. Develop best practices related to facilities that are not profitable. 	Three or more years' experience in managing and planning for golf systems of multiple golf courses with all amenities (including club house, pro shop, lessons, golf cart operations and food and beverage services) or three or more years providing golf consulting services in strategic planning for golf systems.
3	Strategic Capital Improvement Planning	<ul style="list-style-type: none"> Develop 20-year capital improvement strategy, which includes proper order and timeline of improvements by facility and collectively as a golf system. Determine infrastructure investments to allow better cost management, such as utilities, while creating safe, efficient and convenient facilities and structures that will attract new clients. 	Three or more years' experience in managing and planning for golf systems of multiple golf courses with all amenities (including club house, pro shop, lessons, golf cart operations and food and beverage services) or three or more years providing golf consulting services in the area of capital strategic planning for golf systems.
4	Marketing, Advertising and Travel/Golf Tourism	<ul style="list-style-type: none"> Conduct price analysis for each individual golf course. Explore branding, including City of Los Angeles-branded items. Develop strategy to capture travelers, including conferences, international travelers, networking with tourism industry professionals. Develop promotional events to attract new business. Develop advertising campaign for different media. Identify target audiences and appropriate media outlets, including social media and networking. 	Three or more years' experience in promoting golf systems of multiple golf courses with all amenities (including club house, pro shop, lessons, golf cart operations and food and beverage services) or three or more years providing consulting in marketing, advertising, travel and tourism. Experience with golf systems is highly desired.

*Not limited to the scope of the example project/task descriptions.

**STUDY AREAS, EXAMPLE PROJECTS/TASKS
AND DESCRIPTION OF DESIRED QUALIFICATIONS**

No.	AREA OF STUDY	EXAMPLE PROJECT/TASK DESCRIPTION*	MINIMUM EXPERIENCE
5	Customer Service Programs	<ul style="list-style-type: none"> • Develop customer loyalty and incentive programs. • Conduct customer satisfaction surveys. • Develop customer feedback process. • Develop standardized customer service training programs for employees. 	Three or more years' experience in customer service of multiple golf courses with all amenities (including club house, pro shop, lessons, golf cart operations and food and beverage services) or three or more years providing consulting services as related to client-based services. Experience with golf systems is highly desired.
6	Food Service Operations	<ul style="list-style-type: none"> • Determine best practices related to operations of food services on the golf course, including scope of facility services offered, pricing, hours of operation. • Evaluate existing and develop new concessions. • Evaluate revenue sharing versus rent/lease structure. 	Three or more years' experience in food service of golf systems for golf courses with all amenities (including club house, pro shop, lessons, golf cart operations and food and beverage services) or three or more years providing consulting services as related to food services. Experience with golf systems is highly desired.
7	Retail/Merchandise Service Operations	<ul style="list-style-type: none"> • Determine best practices related to operation of retail/merchandise services on the golf course, including evaluation of proper inventory by facility and pricing. • Study feasibility of potential self-operation of pro shops. • Evaluate existing and develop new concessions. • Evaluate revenue sharing versus rent/lease structure. • Develop new products to brand the golf system. 	Three or more years' experience in retail/merchandising of golf systems for multiple golf courses with all amenities (including club house, pro shop, lessons, golf cart operations and food and beverage services) or three or more years providing retail/merchandise consulting. Experience in golf systems is highly desired.
8	Lesson/Training Programs	<ul style="list-style-type: none"> • Determine best practices related to operation of lesson services on each golf facility, including development of price structure. • Establish teaching credentials. • Develop new teaching programs and training centers. 	Three or more years' experience in training for golf systems at multiple golf courses at a PGA Master- or Apprentice-level, or three or more years consulting of golf system training services.
9	Revenue Enhancement Opportunities and Analysis of Customer Base	<ul style="list-style-type: none"> • Develop of customer loyalty and incentive programs. • Develop strategy to attract large tournament groups, including conventions and corporate events. • Perform analysis of current price structure. • Evaluate methods to maximize use of excess capacity. • Package services, including services offered by concessionaires. • Develop new strategies to increase revenue. 	Three or more years' experience in golf systems for multiple golf course use or expansion of multi-purpose golf course facilities to include all amenities (including club house, pro shop, lessons, golf cart operations and food and beverage services) or three or more years providing consulting services pertaining to revenue enhancement of golf systems.

*Not limited to the scope of the example project/task descriptions.

**STUDY AREAS, EXAMPLE PROJECTS/TASKS
AND DESCRIPTION OF DESIRED QUALIFICATIONS**

No.	AREA OF STUDY	EXAMPLE PROJECT/TASK DESCRIPTION*	MINIMUM EXPERIENCE
10	Evaluation of Structure and Role of Advisory Groups Related to the Municipal Golf System	<ul style="list-style-type: none"> • Review Advisory Groups and recommend defined roles in municipal golf course systems. 	Three or more years' experience in working with communities/community advisory groups or three or more years consulting with same.
11	Major Golf Event(s), e.g., Ladies Professional Golf Association (LPGA)	<ul style="list-style-type: none"> • Attract major tournaments to City of Los Angeles golf courses. • Develop strategic planning and coordinate capital improvements to provide features to attract major sponsors and events. 	Three or more years in promoting major sporting events for championships and/or tournaments or major golfing association events or three or more years consulting for the development of championships or major association tournaments and working with major sponsors and talent.
12	Information Systems Technology and Golf Systems	<ul style="list-style-type: none"> • Develop an information system that satisfies all Golf Division's needs, including reservations, finances, point-of-sale, e-range, driving ranges, golf carts, food operations, retail operations, inventory related to retail and fixed asset inventory 	Three or more years' experience in information systems for golf at multiple golf courses or three or more years consulting on systems and technology as pertains to golf and ancillary services.

*Not limited to the scope of the example project/task descriptions.