REPORT OF GENERAL MANAGER

DATE May 20, 2015

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK – REQUESTS FOR PROPOSALS FOR OVERSIGHT OF THE GREEK THEATRE’S OPEN VENUE MODEL AND FOR OPERATION AND MAINTENANCE OF THE GREEK THEATRE FOOD AND BEVERAGE CONCESSION

RECOMMENDATIONS:

That the Board:

1. Approve the Request for Proposals for Oversight of the Greek Theatre’s Open Venue Model for one (1) year, with two (2) one (1) year extension options exercisable at the sole discretion of the Department, along with approval of the Board of Recreation and Park Commission, substantially in the form on file in the Board Office, subject to review and approval of the City Attorney as to form;

2. Approve the Request for Proposals for the Operation and Maintenance of the Greek Theatre Food and Beverage Concession for one (1) year, with two (2) one (1) year extension options exercisable at the sole discretion of the Department, along with approval of the Board of Recreation and Park Commission, substantially in the form on file in the Board Office, subject to review and approval of the City Attorney as to form;

3. Direct the Board Secretary to transmit the two (2) Requests for Proposals (RFPs) to the City Attorney for review and approval as to form; and,

4. Direct staff, subsequent to City Attorney review and approval as to form, to advertise the RFPs and conduct the RFP process for the Oversight of the Greek Theatre’s Open Venue Model and for the Operation and Maintenance of the Greek Theatre Food and Beverage Concession.
5. Authorize the General Manager or designee to make any necessary technical changes and incorporate such changes in the RFP.

SUMMARY:

The Greek Theatre is located at 2700 North Vermont Avenue in Griffith Park and was officially dedicated in 1929. Since that time, it has provided entertainment and cultural events to the general public and residents of Los Angeles. In 2014, the Greek Theatre generated $27,270,564.00 in gross receipts; however, the revenue-sharing payments to the City of Los Angeles (City) Department of Recreation and Parks (RAP) totaled only $1,977,312.00. This represents the total revenue share payment for all revenue categories of the venue including, but not limited to, food and beverage, parking, sponsorships and tickets sold.

On April 15, 2015, the Board approved General Manager’s Report No. 15-082 authorizing RAP to proceed with implementation of an Open Venue model at the Greek Theatre. To begin implementing the Open Venue model, two (2) Requests for Proposals (RFPs) are required, one for the oversight of the open venue model and the other for the food and beverage concession.

DISCUSSION:

Request for Proposals for Oversight of the Greek Theatre Open Venue Model:

The RFP on file with the Board Office is intended to solicit proposals from venue management companies that have extensive experience overseeing operations at venues similar to the Greek Theatre. The successful company will act as the Department’s agent with respect to the day to day operations of the venue and implement the policies and procedures approved by the Board.

Proposal and Contractual Provisions

1. Proposal Deposit: A Twenty Thousand Dollar ($20,000.00) proposal deposit will be required with the submission of each proposal.

2. Term: One (1) year, with two (2) one (1) year extension options exercisable at the sole discretion of the Department, along with approval of the Board of Recreation and Park Commission.

3. Management Fee: The annual management fee will be determined based upon the RFP responses.
4. Revenue-Sharing Terms: The revenue sharing fee for sponsorships and box seat sales will be determined based upon the RFP responses.

5. Utilities: The management company will be responsible for telephone and internet services costs. The Department will be responsible for electricity, water and gas services. The management company expressly agrees to comply with all City energy and water conservation programs.

6. Performance Deposit: A Performance Deposit will be required to be maintained for the duration of the Agreement in the amount of Five Hundred Thousand Dollars ($500,000.00).

Evaluation Process

Proposers must pass Level I Requirements (Exhibit C of the RFP) in order to proceed to Level II evaluation. Level I will be a check and review by staff for required City of Los Angeles contract compliance and submittal documents, as well as a review of the proposer’s background and experience, contract history, business references and financial capacity. Level II will be a comprehensive evaluation of the proposals by an independent panel of subject matter experts.

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) Operational Oversight and Management Plan and Costs (50 points possible)
2) Event and Concert Plan and Costs (30 points possible)
3) Sponsorship and Box Seats Revenue and Department Share Plan (20 points possible).

The RFP documents will be advertised in the Los Angeles Daily Journal, made available on the Department’s website and posted on the Los Angeles Business Assistance Virtual Network (LABAVN). A letter inviting proposals will also be mailed to organizations and individuals from a mailing list maintained by the Concessions Unit. The Department seeks to complete the RFP process in August 2015.

A mandatory conference will be held in June 2015 to provide potential proposers with a review of the submittal documents, City contract compliance documents, including requirements for the Business Inclusion Program as mandated by Executive Directive No. 14, Villaragoisa Series, and the Board’s policy (General Manager’s Report No. 12-050 approved February 15, 2012). Shortly after the mandatory conference, a mandatory site walk will be conducted for potential proposers to view the facility to gain a better understanding of the operation at the
Greek Theatre. Additional site walks will be made available to potential proposers.

**Request for Proposals for the Operation and Maintenance of the Greek Theatre Food and Beverage Concession:**

The RFP on file with the Board Office is intended to solicit proposals from food and beverage companies that have extensive experience providing food and beverage services at venues similar to the Greek Theatre.

**Proposal and Contractual Provisions**

1. **Proposal Deposit:** A Twenty Thousand Dollar ($20,000.00) proposal deposit will be required with the submission of each proposal.

2. **Term:** One (1) year, with two (2) one (1) year extension options exercisable at the sole discretion of the Department, along with approval of the Board of Recreation and Parks Commission.

3. **Revenue-Sharing Terms:** The revenue sharing fee will be determined based upon the RFP responses.

4. **Concession Improvements:** There are no infrastructure improvements required from the successful company.

5. **Utilities:** The successful food and beverage company will be responsible for telephone, internet services and trash pick-up costs. The Department will be responsible for electricity, water and gas services. The company expressly agrees to comply with all City energy and water conservation programs.

6. **Performance Deposit:** A Performance Deposit will be required to be maintained for the duration of the Agreement in the amount of Three Hundred Thousand Dollars ($300,000.00).

**Evaluation Process**

Proposers must pass Level I Requirements (Exhibit C of the RFP) in order to proceed to Level II evaluation. Level I will be a check and review by staff for required City of Los Angeles contract compliance and submittal documents, as well as a review of the proposer’s background and experience, contract history, business references and financial capacity. Level II will be a comprehensive evaluation of the proposals by an independent panel of subject matter experts.
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) Business Plan (25 points possible)
2) Front Plaza Operational Plan During the Concert Season (10 points possible).
3) Front Plaza Operational Plan During the Non-Concert Season (5 points possible).
4) Proposed Revenue-sharing Payment (60 points possible)

The RFP documents will be advertised in the Los Angeles Metropolitan News, made available on the Department’s website and posted on the Los Angeles Business Assistance Virtual Network (LABAVN). A letter inviting proposals will also be mailed to organizations and individuals from a mailing list maintained by the Concessions Unit. The Department seeks to complete the RFP process in September 2015.

A mandatory conference will be held in July 2015 to provide potential proposers with a review of the submittal documents, City contract compliance documents, including requirements for the Business Inclusion Program as mandated by Executive Directive No. 14, Villaragoisa Series, and the Board’s policy (General Manager’s Report No. 12-050 approved February 15, 2012). Shortly after the mandatory conference, a mandatory site walk will be conducted for potential proposers to view the facility to gain a better understanding of the food and beverage operation at the Greek Theatre. Additional site walks will be made available to potential proposers.

FISCAL IMPACT STATEMENT

Releasing the two (2) Requests for Proposals have no impact on the Department’s General Fund.

This Report was prepared by Agnes Ko, Senior Management Analyst II, Partnership and Revenue Branch, Concessions Unit.
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Commissioner Sanford recused herself from consideration of this item, which was presented to the Board by Agnes Ko. The Board and Department staff discussed the item in detail, considering each RFP separately.

Ms. Ko proposed an amendment to the Oversight of the Greek Theatre’s Open Venue Model (Open Venue Oversight) RFP’s Background and Experience Section to require proposers to submit evidence of the management of a minimum of 25 venues and 20 years’ experience. Ms. Ko also proposed an amendment to add language under the Management Duties and Responsibilities Section to require the selected proposer to develop agreements with two additional local unions under the umbrella of the International Alliance of Theatrical Stage Employees Union, Local 706 and 768, for make-up/hair and wardrobe staffing.

Commissioner Alvarez proposed an amendment to the Open Venue Oversight RFP requiring a minimum of 50 events per season and to add language stating that the management company is to be responsible for the oversight of promoters’ use of various sections of the venue, including the redwood deck and Hospitality Room.

Commissioner Zuñiga proposed an amendment to the Open Venue Oversight RFP to add language requiring that all non-concert events use the Food and Beverage Concessionaire, including the Redwood Deck, Hospitality Room and back stage areas.

General Manager Shull proposed an amendment to the Operation and Maintenance of the Greek Theatre Food and Beverage Concession (Food and Beverage) RFP’s Business Plan to replace the language requiring 10 years’ experience with more detailed language to ensure that proposers demonstrate the commensurate experience and ability to operate the Concession, including a requirement to demonstrate the successful operation of a minimum number of venues of a certain size. General Manager Shull also proposed an amendment to the Evaluation Criteria, to increase the number of possible points under the Business Plan category to 40, and reduce the number of possible points under the Revenue Sharing Payment category to 45.

Public comment was invited. One request for public comment was received and such comment was made to the Commission.

Commissioner Alvarez moved, and Commissioner Zuñiga seconded that General Manager’s Report 15-111 be approved as amended. There being no objections, the item was approved.