

APPROVED

APR 05 2007

REPORT OF GENERAL MANAGER

NO. 07-87

DATE April 5, 2007

**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ELECTRIC GOLF CART RENTAL CONCESSION AT THE CITY'S 18-HOLE GOLF COURSES - REJECTION OF ALL PROPOSALS RECEIVED AND DIRECTION TO PREPARE A NEW REQUEST FOR PROPOSAL AND RETURN PROPOSAL DEPOSITS

R. Adams _____	J. Kolb _____
J. Combs _____	* F. Mok _____
H. Fujita _____	K. Regan _____
S. Huntley _____	M. Shull _____



 General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Reject all four proposals received on November 7, 2006, for the operation of the Electric Golf Cart Rental Concession at the City's 18-hole golf courses on the basis they are non-responsive to the Level I Request for Proposal (RFP) requirements and direct staff to return all proposal deposits to each proposer; and,
2. Direct staff to develop and release a new RFP for this concession.

SUMMARY:

The Electric Golf Cart Rental Concession provides golf cart rental service at each of the City's 18-hole golf course facilities (Griffith Park, Sepulveda, Hansen Dam, Woodley Lakes, and Rancho Park), and maintains a fleet of approximately 480 golf carts throughout the five facilities. The current concession operator owns all carts and is responsible for maintaining and replacing the carts as needed; collecting golf cart rental fees from patrons, and providing staff and related overhead necessary to operate the service. Gross revenues during the past five calendar years averaged \$3,260,000 per year.

The current concessionaire has been operating on a month-to-month basis since its 1991 concession agreement expired in 2003.

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The Board approved the release of a RFP on August 9, 2006, (Board Report 06-216) and the RFP was released on August 24, 2006. The proposer's conference was held on September 14, 2006. Proposals were received on November 7, 2006, from Angeles Management Services, LLC; GolfLinks Ventures, Inc.; Margaret Shimizu, Inc.; and Ready Golf Centers. Each of the four bid proposals also contained a \$10,000 deposit which is refundable upon execution of a new agreement or rejection of all proposals.

As stipulated in the RFP, evaluation of the bid proposals would occur in three levels. Level I checked and reviewed for required compliance and submittal documents; Level II would be a preliminary review by Department staff of documents related to the proposers' ability to finance the operation as proposed to determine whether they meet the basic RFP requirement; and, Level III would be a comprehensive evaluation of the proposals by a panel. Proposers must successfully pass Level I in order to proceed to the other levels.

Level I review consists of:

1. Compliance Documents:
 - a) Proposer's Signature Declaration and Affidavit
 - b) Disposition of Proposals
 - c) Affirmative Action Plan
 - d) Good Faith Effort Outreach
 - e) Living Wage / Service Contractor Worker Retention Exemption Form (only if applying for an exemption)
 - f) Contractor Responsibility Ordinance Questionnaire
 - g) Equal Benefits Ordinance Statement

2. Submittal Documents:
 - a) Cover Letter
 - b) Proposal Deposit
 - c) Ability to Finance
 - d) Qualifications and Background
 - e) Items Specific to the Concession (for the Electric Golf Cart RFP this included: Description of Proposed Golf Carts, Cart Maintenance, and Cart Replacement Plan)
 - f) Business Plan
 - g) Capital Improvements

During staff review of Level I the Good Faith Effort (GFE) Outreach of each proposal was reviewed. The GFE Outreach is a City requirement (Mayor Executive Directive No. 2001-26), that the proposers make a good faith effort to provide a portion of the concession's operation to Minority Business Enterprises / Women Business Enterprises / Other Business Enterprises (MBE/WBE/OBE) subcontractors. Pursuant to the program, proposers are to determine what

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portions of their concession operation may be subcontracted and then obtain offers from interested subcontractors to participate in concession operations. Proposers are required to score 75 points out of 100 in this subcontractor outreach effort as described in the RFP. This City requirement has also been adopted by the Board as the Board's policy (Board Report No. 177-89) and is consistent with Citywide practice. If the proposer achieves a score of 75 or more points, the proposer has made a good faith effort and is responsive to the RFP requirement. A score of less than 75 points indicates failure to comply and non-responsiveness to the RFP requirement.

The following are the GFE scores for each proposal (Attachment 1):

<u>Proposer</u>	<u>Score</u>	<u>Pass/Fail</u>
Angeles Management Services, LLC	90	Pass
GolfLinks Ventures, Inc.	10	Fail
Margaret Shimizu, Inc.	10	Fail
Ready Golf Centers	0	Fail

Ready Golf Centers attempted to fulfill the GFE by stating that they would subcontract for capital improvements as required by the RFP. However, no plans and specifications for proposed improvements were supplied to potential bidders and all advertisements stated that bidders would be contracted later if a contract was awarded to Ready Golf Centers. As a result, no bids were received from potential subcontractors. Under the criteria listed in the 10 GFE sub-areas, such action does not constitute sufficient outreach. However, even if considered as an appropriate attempt to make outreach, the proposals still failed. The following are the scores with the most favorable treatment given to Ready Golf Centers' efforts at outreach based on the opportunity to bid on future capital improvement (Attachment 2):

<u>Proposer</u>	<u>Score</u>	<u>Pass/Fail</u>
Angeles Management Services, LLC	90	Pass
GolfLinks Ventures, Inc.	10	Fail
Margaret Shimizu, Inc.	10	Fail
Ready Golf Centers	40	Fail

Although Angeles Management Services, LLC, was the only proposer to pass the GFE portion of the Level I review, they failed to pass Level I in other respects.

The following are the complete Level I findings for each proposer:

- Angeles Management Services, LLC was found Non-Responsive in two compliance documents (Attachment 3A).

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- GolfLinks Ventures, Inc., was found Non-Responsive in five compliance documents and four submittal documents (Attachment 3B).
- Margaret Shimizu, Inc., was found Non-Responsive in five compliance documents (Attachment 3C).
- Ready Golf Centers was found Non-Responsive in two compliance documents (Attachment 3D).

Although one proposer could be considered to have passed Level I if informalities in their proposal are waived, staff recommends that all four proposals be rejected and proposal deposits be returned. Considering that only one of the four proposers achieved a passing score on their GFE subcontractor outreach requirements, and that all three proposers who submitted proposals in response to an RFP of a similar nature also failed to achieve a passing score, it is apparent that there may have been a lack of clear instructions to the proposers regarding subcontractor outreach requirements. Staff believes that allowing more proposals to be considered would be advantageous to the Department in the long run, and therefore recommends that the Board reject all proposals and re-release the RFP so that more than one responsive proposer may be considered for this concession prior to an award being made. Charter Section 371(c) provides that the City shall reserve the right to reject any and all bids or proposals and to waive any informality in the bid or proposal, when to do so would be to the advantage of the City.

At the direction of the Board, staff will re-release the RFP for the Electric Golf Cart Rental concession.

FISCAL IMPACT STATEMENT:

Failure to award a contract for the Electric Golf Cart Rental Concession has no immediate impact on the Department's General Fund. Future impact factors include additional revenues that would be received with the introduction of a new fleet of reliable electric golf carts and a new long-term agreement stipulating favorable terms to the City.

Report prepared by Robert N. Morales, Finance Division

GOOD FAITH EFFORT OUTREACH SCORING**Angeles Management Services, LLC**

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE/OBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	
3. Sufficient Work Identified for Subconsultant	10	10	
4. Advertisement	9	9	
5. Written Notices to Subconsultant	15	15	
6. Follow-up on Initial Solicitation	10	0	Follow-up was only with interested parties; intent is to follow-up with potential MBE/WBE/OBE to ensure they understand there is opportunity available.
7. Plans, Specifications and requirements.	5	5	
8. Contacted Recruitment / Placement Organization	10	10	
9. Negotiated in Good Faith	26	26	
10. Bond, Lines of Credit, and Insurance	5	5	
TOTAL SCORE	100	90	Less than 75 points is failing.

GolfLink Ventures, Inc.

Indicator	Possible Points	Awarded Points	Comment	
1. Level of Anticipated MBE/WBE/OBE Participation	0	0		
2. Attended Pre-Bid Meeting	10	10		
3. Sufficient Work Identified for Subconsultant	10	0	Proposer did not submit documentation on the Good Faith Effort Outreach. Proposer submitted a different form referencing "Pre-Qualified On-Call List of Consultants for the Bureau of Sanitation Planning and Support Services".	
4. Advertisement	9	0		
5. Written Notices to Subconsultant	15	0		
6. Follow-up on Initial Solicitation	10	0		
7. Plans, Specifications and requirements.	5	0		
8. Contacted Recruitment / Placement Organization	10	0		
9. Negotiated in Good Faith	26	0		
10. Bond, Lines of Credit, and Insurance	5	0		
TOTAL SCORE	100	10		Less than 75 points is failing.

GOOD FAITH EFFORT OUTREACH SCORING**Margaret Shimizu, Inc.**

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE/OBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	
3. Sufficient Work Identified for Subconsultant	10	0	Proposer did not submit documentation on the Good Faith Effort Outreach.
4. Advertisement	9	0	
5. Written Notices to Subconsultant	15	0	
6. Follow-up on Initial Solicitation	10	0	
7. Plans, Specifications and requirements.	5	0	
8. Contacted Recruitment / Placement Organization	10	0	
9. Negotiated in Good Faith	26	0	
10. Bond, Lines of Credit, and Insurance	5	0	
TOTAL SCORE	100	10	Less than 75 points is failing.

Ready Golf Centers

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE/OBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	0	Did not attend Pre-Bid Meeting.
3. Sufficient Work Identified for Subconsultant	10	0	Insufficient documentation. Opportunity in the outreach did not include the entire concession operation.
4. Advertisement	9	0	
5. Written Notices to Subconsultant	15	0	Outreach for capital improvement opportunity provided in general terms. The <u>required</u> capital improvements are not listed on the advertisement. Specifics or details on scope of work not provided in advertisement. The availability of bid documents is stated as "not applicable at this time".
6. Follow-up on Initial Solicitation	10	0	
7. Plans, Specifications and requirements.	5	0	
8. Contacted Recruitment / Placement Organization	10	0	The scope of work and lack of availability of plans and specifications limited the opportunity to receive meaningful proposals from subcontractors. Staff determined that potential subcontractors were not provided an opportunity prior to the proposal deadline to submit bids or proposals for any work to be awarded.
9. Negotiated in Good Faith	26	0	
10. Bond, Lines of Credit, and Insurance	5	0	
TOTAL SCORE	100	0	Less than 75 points is failing.

GOOD FAITH EFFORT OUTREACH SCORING (Capital Improvement Portion)**Angeles Management Services, LLC**

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE/OBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	
3. Sufficient Work Identified for Subconsultant	10	10	
4. Advertisement	9	9	
5. Written Notices to Subconsultant	15	15	
6. Follow-up on Initial Solicitation	10	0	Follow-up was only with interested parties; intent is to follow-up with potential MBE/WBE/OBE to ensure they understand there is opportunity available.
7. Plans, Specifications and requirements.	5	5	
8. Contacted Recruitment / Placement Organization	10	10	
9. Negotiated in Good Faith	26	26	
10. Bond, Lines of Credit, and Insurance	5	5	
TOTAL SCORE	100	90	Less than 75 points is failing.

GolfLink Ventures, Inc.

Indicator	Possible Points	Awarded Points	Comment	
1. Level of Anticipated MBE/WBE/OBE Participation	0	0		
2. Attended Pre-Bid Meeting	10	10		
3. Sufficient Work Identified for Subconsultant	10	0	Proposer did not submit documentation on the Good Faith Effort Outreach. Proposer submitted a different form referencing "Pre-Qualified On-Call List of Consultants for the Bureau of Sanitation Planning and Support Services".	
4. Advertisement	9	0		
5. Written Notices to Subconsultant	15	0		
6. Follow-up on Initial Solicitation	10	0		
7. Plans, Specifications and requirements.	5	0		
8. Contacted Recruitment / Placement Organization	10	0		
9. Negotiated in Good Faith	26	0		
10. Bond, Lines of Credit, and Insurance	5	0		
TOTAL SCORE	100	10		Less than 75 points is failing.

GOOD FAITH EFFORT OUTREACH SCORING (Capital Improvement Portion)**Margaret Shimizu, Inc.**

Indicator	Possible Points	Awarded Points	Comment	
1. Level of Anticipated MBE/WBE/OBE Participation	0	0		
2. Attended Pre-Bid Meeting	10	10		
3. Sufficient Work Identified for Subconsultant	10	0	Proposer did not submit documentation on the Good Faith Effort Outreach.	
4. Advertisement	9	0		
5. Written Notices to Subconsultant	15	0		
6. Follow-up on Initial Solicitation	10	0		
7. Plans, Specifications and requirements.	5	0		
8. Contacted Recruitment / Placement Organization	10	0		
9. Negotiated in Good Faith	26	0		
10. Bond, Lines of Credit, and Insurance	5	0		
TOTAL SCORE	100	10		Less than 75 points is failing.

Ready Golf Centers

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE/OBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	0	Did not attend Pre-Bid Meeting
3. Sufficient Work Identified for Subconsultant	10	0	The proposer did not identify specific items of the project to be performed in order to provide an opportunity for subcontracting.
4. Advertisement	9	0	The advertisement did not contain capital improvement items required in the RFP.
5. Written Notices to Subconsultant	15	15	Possible Points: Notices were sent out.
6. Follow-up on Initial Solicitation	10	10	Possible Points: Reminder/follow ups were faxed.
7. Plans, Specifications and requirements.	5	0	No scope of work, specifications, or plans provided. The availability of bid documents is stated on the advertisement as "not available at this time".
8. Contacted Recruitment / Placement Organization	10	10	The organizations were contacted.
9. Negotiated in Good Faith	26	0	There was a lack of project scope to elicit responses in order to negotiate.
10. Bond, Lines of Credit, and Insurance	5	5	Possible Points: the advertisement states that assistance would be provided.
TOTAL SCORE	100	40	Less than 75 points is failing.

**ANGELES MANAGEMENT SERVICES, Limited Liability Company (LLC)
ELECTRIC GOLF CART RENTAL RFP
LEVEL I EVALUATION**

		Submitted	Comply	Comments
I. Compliance Documents		Yes	No	Non-Responsive
a	Proposer's Signature Declaration and Affidavit	Yes	Yes	
b	Disposition of Proposals	Yes	Yes	
c	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	No	Not Completed - The Total Composition of Work Force form states "No Employees" but the Org Chart lists two employees. This item may be waivable by the Board if the proposer is able to provide clarification.
d	Good Faith Effort Outreach (GFE)	Yes	Yes	See Attachment 1 for details.
e	Living Wage / Service Contractor Worker Retention Exemption Form	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
f	Contractor Responsibility Ordinance Questionnaire	Yes	Yes	
g	Equal Benefits Ordinance Statement	Yes	No	Not Completed - The form lists benefits provided to current employees but the proposal lists "50 proposed employees". Item may be waivable by the Board if the proposer is able to provide clarification.

		Submitted	Comply	Comments
II. Submittal Documents		Yes	Yes	Responsive
a	Cover Letter	Yes	Yes	
b	Proposal Deposit	Yes	Yes	
c	Ability to Finance	Yes	Yes	
d	Qualifications and Background	Yes	Yes	
e	Description of Proposed Golf Carts, Cart Maintenance, and Cart Replacement Plan	Yes	Yes	
f	Business Plan	Yes	Yes	
g	Capital Improvements	Yes	Yes	

**GOLFLINKS VENTURES, INCORPORATED
ELECTRIC GOLF CART RENTAL RFP
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	Comply	Comments
		No	No	Non-Responsive
a	Proposer's Signature Declaration and Affidavit	Yes	No	The document is signed but not notarized as required. The proposal is submitted as a corporation, second signature not included. Item may be waivable by the Board.
b	Disposition of Proposals	Yes	Yes	
c	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	No	The Total Composition of Workforce form was not submitted. Pages A1, A2, A3, A4, A5, and A7 are missing.
d	Good Faith Effort Outreach (GFE)	No	No	See Attachment 1 for details.
e	Living Wage / Service Contractor Worker Retention Exemption Form	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
f	Contractor Responsibility Ordinance Questionnaire	Yes	No	The bid proposal is missing the first two pages of the document.
g	Equal Benefits Ordinance Statement	No	No	No documents submitted.

II. Submittal Documents		Submitted	Comply	Comments
		No	No	Non-Responsive
a	Cover Letter	Yes	Yes	
b	Proposal Deposit	Yes	No	Company check submitted/made out to Parking Recreation.
c	Ability to Finance	No	No	No documents submitted.
d	Qualifications and Background	Yes	Yes	
e	Description of Proposed Golf Carts, Cart Maintenance, and Cart Replacement Plan	Yes	No	A description of the carts was provided. No maintenance or replacement plan was submitted in the proposal.
f	Business Plan	Yes	Yes	
g	Capital Improvements	No	No	The required items were not submitted in the bid proposal. Optional items were submitted without price or vendor identified.

**MARGARET SHIMIZU, INCORPORATED
ELECTRIC GOLF CART RENTAL RFP
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	Comply	Comments
		No	No	Non-Responsive
a	Proposer's Signature Declaration and Affidavit	Yes	No	The document is signed but not notarized as required. Item is waivable by the Board as an informality.
b	Disposition of Proposals	Yes	Yes	
c	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	No	The Total Composition of Workforce form was not submitted. Proposal is missing pages A2 through A6.
d	Good Faith Effort Outreach (GFE)	No	No	See Attachment 1 for details.
e	Living Wage / Service Contractor Worker Retention Exemption Form	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
f	Contractor Responsibility Ordinance Questionnaire	Yes	No	Page 1 of the document is incomplete. Page 2 of the document was not submitted. Item may be waivable by the Board if the proposer can provide clarification.
g	Equal Benefits Ordinance Statement	Yes	No	Document is not signed. Item may be waivable by the Board if the proposer can demonstrate it was an unintended omission and the form is otherwise properly executed.

II. Submittal Documents		Submitted	Comply	Comments
		Yes	Yes	Responsive
a	Cover Letter	Yes	Yes	
b	Proposal Deposit	Yes	Yes	
c	Ability to Finance	Yes	Yes	
d	Qualifications and Background	Yes	Yes	
e	Description of Proposed Golf Carts, Cart Maintenance, and Cart Replacement Plan	Yes	Yes	
f	Business Plan	Yes	Yes	
g	Capital Improvements	Yes	Yes	

**READY GOLF CENTERS
ELECTRIC GOLF CART RENTAL RFP
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	Comply	Comments
		Yes	No	Non-Responsive
a	Proposer's Signature Declaration and Affidavit	Yes	Yes	
b	Disposition of Proposals	Yes	Yes	
c	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	Yes	
d	Good Faith Effort Outreach (GFE)	Yes	No	See Attachment 1 for details.
e	Living Wage / Service Contractor Worker Retention Exemption Form	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
f	Contractor Responsibility Ordinance Questionnaire	Yes	Yes	
g	Equal Benefits Ordinance Statement	Yes	No	The form requests information on benefits offered to current employees - including if benefits are not offered in the listed categories. No information was provided on the form. Item may be waivable as an informality if the form was otherwise properly executed.

II. Submittal Documents		Submitted	Comply	Comments
		Yes	Yes	Responsive
a	Cover Letter	Yes	Yes	
b	Proposal Deposit	Yes	Yes	
c	Ability to Finance	Yes	Yes	
d	Qualifications and Background	Yes	Yes	
e	Description of Proposed Golf Carts, Cart Maintenance, and Cart Replacement Plan	Yes	Yes	
f	Business Plan	Yes	Yes	
g	Capital Improvements	Yes	Yes	