

REPORT OF GENERAL MANAGER

APPROVED
FEB 21 2007

NO. 07-46

DATE February 21, 2007

**BOARD OF RECREATION
and PARK COMMISSIONERS**

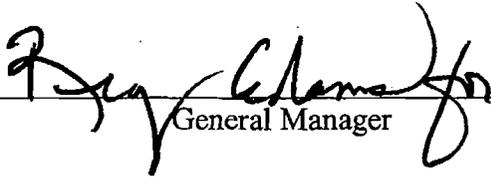
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PREQUALIFICATION OF ECONOMIC CONSULTANCY FIRMS AND AWARD OF CONTRACTS TO THREE CONSULTANTS TO PROVIDE AS-NEEDED PROFESSIONAL ANALYSIS OF CONCESSIONS

R. Adams _____
J. Combs _____
H. Fujita _____
S. Huntley _____

J. Kolb _____
* F. Mok Fm
K. Regan _____
M. Shull _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the award of the three proposed three-year personal services contracts, substantially in the form on file in the Board Office, each for an amount not to exceed \$99,000, for as-needed economic consulting services to each of the following consulting firms: Advanced Avant-Garde Corporation (AAGC); Blue Garnet Associates, LLC (BGA); and, Economic Research Associates (ERA); subject to approval of the Mayor per Executive Directive No. 3 and the City Attorney as to form;
2. Find in accordance with Charter Section 1022, that the Department does not have personnel available in its employ with sufficient time and expertise to undertake these specialized professional tasks in a timely manner, and it is more feasible to secure the services by contract;
3. Direct the Board Secretary to transmit forthwith the proposed contracts to the Mayor in accordance with Executive Directive No. 3, and concurrently to the City Attorney for review and approval as to form; and,
4. Authorize the Board President and Secretary to execute the contracts upon receipt of necessary approvals.

REPORT OF GENERAL MANAGER

PG. 2 NO. 07-46

SUMMARY:

The Department has historically retained the services of as-needed economic consultants by contracting with firms whose expertise may include market research and analysis, feasibility studies, profitability analysis, revenue/fee analysis, product evaluation, business development, facility design, and other professional and technical services related to the development of concessions, concessions Requests for Proposals (RFPs), and concessions agreements. Such contracted firms provide services to the Department only on an as-needed basis. The Department currently has seven contracts with economic consultants which have either recently expired or are near expiration.

The Department released a Request for Qualifications (RFQ ARD07-302) on August 28, 2006 to enter into new as-needed contracts with economic consultants. On November 1, 2006, the Board approved five economic consultants (Board Report No. 06-327).

The three firms named herein submitted offers in response to Amendment 1 of the RFQ. Two firms attended the September 8, 2006 Pre-Bid Conference. Staff, concerned that enough offers would not be received, issued Amendment 1 establishing a second offer due date of October 30, 2006. Each offer included the firm's background, experience, and qualifications; a list of references; a list of services provided; a schedule of fully burdened prices; recent samples of work performed; and, all compliance forms and documents as required by the RFQ.

Offers were evaluated to determine whether the firms were responsive and responsible. Staff contacted references, carefully reviewed all offers and work samples submitted with each offer, and found that all offerers were qualified to provide the Department with the as-needed services described herein and that all provided a range and variety of services that may benefit the Department.

Summaries of Offers:

AAGC – This firm is based in Brea, California, and offers program management and creative services including marketing, design, and outreach. Clients include the Cities of Pasadena, Bell Gardens, Maywood, South El Monte, and La Puente, as well as the Montebello Chamber of Commerce. The Cities of Pasadena, Bell Gardens, Maywood and South El Monte all provided letters of recommendation noting they were all “pleased” with the services and dedication of AAGC.

Services offered by this firm, which may benefit the Department, include market research and comparative analysis, RFP development and preparation, analysis of effective business plans and business structure, analysis of proposals, contract negotiation, and public relations (e.g., informing impacted residents of upcoming projects). One of its principals, Chief Executive

REPORT OF GENERAL MANAGER

PG. 3

NO. 07-46

Officer/Program Director Ana Marie LeNoue, has over fifteen years municipal management experience, including working in the City of Montebello's Department of Parks and Recreation helping the Superintendent in administering contracts for the pro shop and restaurant concession operations at their municipal golf course. She also administered contracts for a petting zoo at the City of Montebello's Grant Rae Park. She is currently working on a project with the City of Bell Gardens. Another of AAGC's principals, Vice President/Project Manager Lissette Calleros, has eight years experience administering federal and state funded projects, and also is experienced in community outreach efforts, including conducting community input meetings and doing presentations for residents impacted by projects in their areas, as well as preparing and sending out flyers and informational guides for residents.

As a sample of their work, the firm provided excerpts of a feasibility study to increase revenue and membership amongst local businesses for the Montebello Chamber of Commerce's Online Business Program. The excerpts included such work as revenue analysis/financial projections showing the costs of developing websites for members and the expected profits the program would generate, a profit summary providing a brief analysis of the profit figures given in the Financial Projections Spreadsheet, and a brief overview of the benefits of the program to both the Chamber and the members of said program.

BGA – This firm is based in Los Angeles, California. Clients include the CHIME Institute (which has a financial partnership with the Los Angeles Unified School District), the Bank of America Charitable Foundation, and the Amateur Athletic Foundation, as well as subcontracting with the Los Angeles City Council and the City of Irvine. One of BGA's principals, Way-Ting Chen, previously consulted with the IRS on a customer service operation and on a human resources project, and was previously an Assistant Economist at the Federal Reserve Bank in New York. She holds an International MBA from the University of Chicago Graduate School of Business. BGA performs business planning, marketing and growth strategies, and organizational development efforts, as well as conducts internal organizational audits, creates financial models, and assesses external market and community needs using quantitative and qualitative methods.

Relevant services provided by BGA include developing and preparing RFPs, as well as other aspects of the RFP process such as securing an RFP evaluation panel; study and analysis, including revenue generation analysis, market feasibility studies, and onsite incognito visits to concessions; and, facilitating communication with affected community members during the project planning and concessions processes.

One of BGA's work samples included excerpts from a project for a community-based educational services organization that included developing a business plan and outlining an organizational development plan. BGA's role was to articulate the organization's future vision, design and manage the project approach, facilitate stakeholder engagement, and develop the

REPORT OF GENERAL MANAGER

PG. 4

NO. 07-46

business plan using strategies in marketing, outreach, facilities, and finance. The financial strategy and plan included financial projections, financial model details, and an example of the new program's projected income and expenses. The excerpts were detailed and included extensive sources for the statistics and other information BGA used to draw conclusions, showing the firm's strength in rigorous research methodologies.

ERA – This firm is based in Los Angeles, California, and specializes in representing public agencies in recreation economic consulting, including assisting in developing and preparing RFPs, evaluating RFP submissions, and negotiating contracts with concessionaires. ERA also provides financial feasibility services such as projecting net income and cash flow. Clients include numerous government agencies such as the Cities of Los Angeles and West Covina and the Counties of Los Angeles, Santa Clara, and Washoe. ERA has extensive experience in recreation areas including golf courses, golf practice centers, and clubhouse facilities, and has previously completed numerous assignments from the City of Los Angeles Department of Recreation and Parks, including an analysis of the Greek Theatre's economic terms; analyses of the golf pro shop and practice range concessions at Rancho Park, Woodley Lakes, Hansen Dam and Sepulveda; an analysis of Castle Park Concession's economic terms; and, providing input for a golf course master plan.

Three of its principals have combined experience of seventy-eight years in their respective fields. Senior Vice President Gene P. Krekorian has been with ERA for 34 years and has experience in concept development, evaluation of market support, operations audits, and various types of analysis. Mr. Krekorian conducted the aforementioned operational audit and review of the Castle Park Concession for the City of Los Angeles. He is a State-certified General Commercial Appraiser and has a Master of Science in Business Economics from the University of California, Los Angeles. Other relevant services offered by ERA include site evaluation and selection; analysis of market feasibility, financing options, operations, and lease agreements; and, negotiation of leases, development, and rights and access.

The proposed contracts require prior written authorization for all work performed for the Department. Upon completion of all work and submission of a properly documented invoice, the firms will be compensated according to the rates quoted in their offers. The maximum amount to be expended for each contract over the three-year terms is \$99,000. The contracts are not exclusive. The Department reserves the right to engage work with any number of the firms. No guarantee of work is stated or implied.

These firms are recommended for award in compliance with all Department and City procedures, policies, and laws applicable to the conducting of RFPs/RFQs and award of the proposed contracts. Principals of the firms are not employees, commissioners, or officials of the City of Los Angeles, are free to make recommendations and perform the services specified in the contracts, and have no

REPORT OF GENERAL MANAGER

PG. 5

NO. 07-46

authority with respect to the City's decisions relating to the engagements beyond fulfilling the terms and conditions of the proposed contracts.

FISCAL IMPACT STATEMENT:

Any tasks provided by these consultants to the Department under these as-needed contracts will be paid by funds from the Concession Improvement Account (Fund 302, Department 89, Account 070K) or the Golf Concessions Improvement Account (Fund 302, Department 89, Account 400K). There will be no impact on the Department's General Fund.

Report prepared by Désirée Guzzetta, Management Assistant, Administrative Resources Division.