

REPORT OF GENERAL MANAGER

NO. 07-26

DATE January 17, 2007

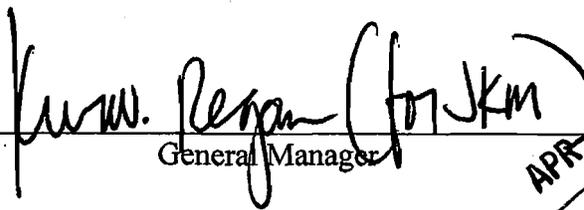
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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SEPULVEDA GOLF COMPLEX PROFESSIONAL CONCESSION – REJECTION OF ALL PROPOSALS RECEIVED AND DIRECTION TO PREPARE A NEW REQUEST FOR PROPOSAL AND RETURN PROPOSAL BONDS

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

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


General Manager

APR 05 2007

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Reject all three proposals received on November 14, 2006, for the operation of the Sepulveda Golf Complex Professional Concession and direct staff to return all proposal bonds to each proposer; and,
2. Direct staff to develop and release a new Request for Proposals (RFP) for this concession.

SUMMARY:

The Sepulveda Golf Complex Professional Concession operates and maintains the driving range, provides lessons to the public, and operates the golf proshop. Gross revenues during the past five calendar years averaged \$1,200,000 each year (\$1,048,558 in 2005).

The current concessionaire has been operating on a month-to-month basis since February 2001 after the previous concessionaire filed bankruptcy. The Board approved the release of an RFP on August 9, 2006 (Board Report 06-217) and the RFP was released on August 21, 2006.

The Proposer's Conference was held on September 7, 2006. Three proposals were received on November 14, 2006, from GolfLinks Ventures, Inc.; Pacific Highland, LP; and Ready Golf Centers. Each of the three proposals also contained a \$10,000 bond which is refundable upon execution of a new agreement or rejection of all proposals.

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As stipulated in the RFP, evaluation of the proposals was to occur in three levels. Level I would be a check and review for submittal of required documents, Level II would be an analysis of the proposers' ability to finance the operation as proposed, and Level III would be a comprehensive evaluation of the proposals by a panel. Proposers must successfully pass each level to proceed to the next level.

The Level II and Level III reviews were not performed as it was determined that none of the proposers complied with the Good Faith Outreach Effort in the Level I review.

The Good Faith Outreach Effort is a City requirement to have proposers attempt to consider providing a portion of a concession's operation to MBE/WBE/OBE subcontractors. The proposers are required to score 75 points out of 100 as described in the RFP. The following are the scores for each proposal (see attachment 1 for details):

1. GolfLinks Venture, Inc. - 10 points (Fail)
2. Pacific Highland, LP - 10 points (Fail)
3. Ready Golf Centers - 10 points (Fail)

Staff discussed the possibility of limiting the Good Faith Outreach Effort to the construction opportunities as described in the capital improvement portion of the RFP. The following are the scores for each proposal (see attachment 2 for details):

1. GolfLinks Venture, Inc. - 10 points (Fail)
2. Pacific Highland, LP - 50 points (Fail)
3. Ready Golf Centers - 50 points (Fail)

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 by the concession contractor. The scope of work and lack of availability of plans and specifications limited the opportunity to receive meaningful proposals from subcontractors.

At the direction of the Board, staff will develop and release a new RFP for this concession, and incorporate the following improvements, as well as any additional recommendations from the Board, and refund the proposal bonds.

To ensure potential proposers are able to successfully pass Level I for all future RFP's, Staff will:

1. Provide a more detailed and written instruction guide to present at the Proposer's Conferences, including examples of areas for subcontracting opportunities and good faith effort documentation;

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2. Provide training for staff to ensure consistent delivery of detailed instructions on compliance documents; and
3. Provide quarterly workshops to potential proposers to introduce the Concession Program, RFP requirements, and compliance documents. This will also increase and diversify competition, as well as demystify the RFP process for smaller businesses.

FISCAL IMPACT STATEMENT:

Failure to award a contract for the Sepulveda Golf Complex Professional Concession has no immediate or discernable impact on the General Fund. Future impact factors include additional revenues that may be received with an updated and improved driving range and a new long-term agreement stipulating more favorable terms to the City.

Report prepared by Robert N. Morales, Administrative Resources Division.

GOOD FAITH OUTREACH EFFORT SCORING**GolfLink Ventures, Inc.**

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	
3. Sufficient Work Identified for Subconsultant	10	0	No documentation provided in the bid proposal.
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	

Pacific Highland, LP

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	
3. Sufficient Work Identified for Subconsultant	10	0	Insufficient documentation. Outreach did not include concession operation opportunity.
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	

GOOD FAITH OUTREACH EFFORT SCORING

Ready Golf Centers

Indicator	Possible Points	Awarded Points	Comment	
1. Level of Anticipated MBE/WBE Participation	0	0		
2. Attended Pre-Bid Meeting	10	10		
3. Sufficient Work Identified for Subconsultant	10	0	Insufficient documentation. Outreach did not include concession operation opportunity.	
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 OUTREACH EFFORT SCORING (Capital Improvement Portion)

GolfLink Ventures, Inc.

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	
3. Sufficient Work Identified for Subconsultant	10	0	No documentation provided in the bid proposal.
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.

Pacific Highland, LP

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	
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 opportunities.
4. Advertisement	9	0	The advertisement was not specific and information on the availability of plans and specifications was not provided: Concession Analyst listed as contact.
5. Written Notices to Subconsultant	15	15	Possible points. Notice was sent as general overall construction in various categories – no specifics for items of work to be performed.
6. Follow-up on Initial Solicitation	10	10	Possible points. Proposer did send “reminder” faxes to subconsultants.
7. Plans, Specifications and requirements.	5	0	No scope of project was defined.
8. Contacted Recruitment / Placement Organization	10	10	
9. Negotiated in Good Faith	26	0	Lack of project scope to elicit responses in order to negotiate.
10. Bond, Lines of Credit, and Insurance	5	5	Possible points awarded. Advertisement states that assistance would be provided.
TOTAL SCORE	100	50	Less than 75 points is failing.

GOOD FAITH OUTREACH EFFORT SCORING (Capital Improvement Portion)

Ready Golf Centers

Indicator	Possible Points	Awarded Points	Comment
1. Level of Anticipated MBE/WBE Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	
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 opportunities.
4. Advertisement	9	0	The advertisement was not specific and information on the availability of plans and specifications was not provided: Concession Analyst listed as contact.
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7. Plans, Specifications and requirements.	5	0	No scope of project was defined.
8. Contacted Recruitment / Placement Organization	10	10	
9. Negotiated in Good Faith	26	0	Lack of project scope to elicit responses in order to negotiate.
10. Bond, Lines of Credit, and Insurance	5	5	Possible points awarded. Advertisement states that assistance would be provided.
TOTAL SCORE	100	50	Less than 75 points is failing.