

REPORT OF GENERAL MANAGER

NO.07- 27

DATE January 17, 2007

CD 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 BONDS

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

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

K. Regan (for JKM)
General Manager
APR 05 2007

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Withdrawn _____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 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 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 each year (\$3,271,912 in 2005).

The current concessionaire has been operating on a month-to-month basis since its 1991 concession agreement expired in 2003. The Board approved the release of an RFP on August 9, 2006 (Board Report 06-216) and the RFP was released on August 24, 2006.

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The Proposer's Conference was held on September 14, 2006. Four 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 proposals also contained a \$10,000 bond which is refundable upon execution of a new agreement or rejection of all proposals.

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 only one 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. Angeles Management Services, LLC - 90 points (Pass)
2. GolfLinks Venture, Inc. - 10 points (Fail)
3. Margaret Shimizu, Inc. - 10 points (Fail)
4. 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. Angeles Management Services, LLC -90 points (Pass)
2. GolfLinks Venture - 10 points (Fail)
3. Margaret Shimizu, Inc. - 10 points (Fail)
4. Ready Golf Centers - 69 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.

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To ensure potential proposers are able to successfully pass Level I for all future RFP's, the 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;
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 Electric Golf Cart Rental Concession has no immediate or discernable impact on the General Fund. Future impact factors include additional revenues that may be received with the introduction of a new fleet of more reliable electric golf carts 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

Angeles Management Services, LLC

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	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 on 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 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 Outreach Effort. 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 OUTREACH EFFORT SCORING

Margaret Shimizu, 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	Proposer did not submit documentation on the Good Faith Outreach Effort.
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 Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	Insufficient documentation. Outreach did not include concession operation opportunity.
3. Sufficient Work Identified for Subconsultant	10	0	
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 (Capital Improvement Portion)**Angeles Management Services, LLC**

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	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 on 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 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 Outreach Effort. 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 OUTREACH EFFORT SCORING (Capital Improvement Portion)

Margaret Shimizu, 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	Proposer did not submit documentation on the Good Faith Outreach Effort.
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 Participation	0	0	
2. Attended Pre-Bid Meeting	10	10	
3. Sufficient Work Identified for Subconsultant	10	10	Possible points. Proposer selected areas but was not specific in items of the project.
4. Advertisement	9	9	
5. Written Notices to Subconsultant	15	15	
6. Follow-up on Initial Solicitation	10	10	
7. Plans, Specifications and requirements.	5	0	No scope of work or references on how to obtain scope of work.
8. Contacted Recruitment / Placement Organization	10	10	
9. Negotiated in Good Faith	26	0	Lack of project scope to elicit responses to negotiate.
10. Bond, Lines of Credit, and Insurance	5	5	
TOTAL SCORE	100	69	Less than 75 points is failing.