

APPROVED

NOV 19 2007

**BOARD OF RECREATION
and PARK COMMISSIONERS**

REPORT OF GENERAL MANAGER

NO. 07-276

DATE November 19, 2007

C.D. 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: BALBOA PARK TENNIS PROFESSIONAL - CONCESSION AGREEMENT FOR PROFESSIONAL TENNIS

R. Adams _____
H. Fujita _____
S. Huntley _____
V. Israel _____

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


General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Award the Balboa Park Tennis Professional Concession to Innovative Tennis, LLC;
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 and that it is more feasible and more economical to secure these services by contract;
3. Approve a proposed three-year concession agreement, substantially in the form on file in the Board Office, subject to approval of the Mayor, in accordance with Executive Directive No. 3, and approval of the City Attorney as to form;
4. Direct the Board Secretary to transmit the proposed agreement to the Mayor and City Attorney for approval as to form; and,
5. Authorize the Board President and Secretary to execute the subject agreement subsequent to the necessary approvals.

SUMMARY:

Located in the San Fernando Valley, the Balboa Park Tennis Complex Concession (BPTCC) has sixteen newly-resurfaced lighted tennis courts, making it one of the largest tennis court

REPORT OF GENERAL MANAGER

PG. 2

NO. 07-276

complexes in the City of Los Angeles. The City-operated pay-tennis system at this park is among the busiest in the Department.

BPTCC had been operated by On-Court Tennis Management Systems (OCTMS) on a 30-day revocable permit from June 2000 through December 2006 but has had no tennis professional concessionaire since then. In calendar year 2006 the facility generated over \$97,030 in gross receipts and \$9,703 in rent to the Department.

On January 8, 2006, a Request for Proposal (RFP) was advertised to the public to solicit proposals for the operation of tennis professional lessons and the on-site professional shop. On February 28, 2006, the following proposals were received:

- Innovative Tennis, LLC
- Atonal Tennis, Inc.
- Teacher/Waltke Academy
- On-Court Tennis Management Systems
- Tito Arenal Academy
- John A. Slootweg

As stipulated in the RFP, staff performed a Level I review of the following required documents:

Compliance Documents:

- 1) Affidavit of Non-collusion
- 2) Disposition of Proposals
- 3) Affirmative Action Plan
- 4) Living Wage Ordinance (LWO) and Service Contractor Worker Retention Ordinance (SCWRO) exemptions, *if applicable*
- 5) Contractor Responsibility Questionnaire
- 6) Equal Benefits Ordinance Statement

Submittal Documents:

- 1) Business Plan
- 2) Qualifications and Experience
- 3) Pro Forma
- 4) Capital Improvements (optional)
- 5) Equipment and Furnishings
- 6) Proposed Rental Percentage
- 7) Proposal Deposit

Proposals are either Responsive (pass) or Non-Responsive (fail). The following is the complete Level I findings:

REPORT OF GENERAL MANAGER

PG. 3

NO. 07-276

- Innovative Tennis, LLC, was found Responsive in all six compliance documents and all seven submittal documents (Attachment A).
- Atonal Tennis, Inc., was found Responsive in all six compliance documents and all seven submittal documents (Attachment B).
- Teacher/Waltke Academy was found Responsive in all six compliance documents and all seven submittal documents (Attachment C).
- On-Court Tennis Management Systems was found Responsive in all six compliance documents and all seven submittal documents (Attachment D).
- Tito Arenal Academy was found Responsive in all six compliance documents and all seven submittal documents (Attachment E).
- John A. Sloomweg was found Responsive in all six compliance documents and all seven submittal documents (Attachment F).

On May 1, 2007, the Minority Business Opportunity Committee (MBOC) granted a waiver for the Good Faith Effort Outreach due to the lack of available subcontractors and lack of subcontracting opportunities (Attachment G).

On May 17, 2007, the Personnel Department completed a Charter Section 1022 review (Attachment H) and determined that the Department had City classifications which met the minimum qualifications to provide tennis lessons to the public. However, the quality of the lessons and the ability to independently manage a tennis program on a day-to-day basis, however, requires expertise that a Park Service Attendant, Recreation Assistant, or a Recreation Instructor is unable to provide. The tennis instructors are required to hold certifications from the United States Professional Teachers. Compensation at the rate of the City classifications would make it extremely difficult to find and retain qualified instructors; therefore, it would be more feasible to contract out the service to ensure a sufficient level of instruction to meet the needs of the public.

Based on a cost benefit analysis, it would cost the Department \$100,848 to perform the service in-house (Attachment I). With gross concession revenue of \$97,030 for calendar year 2006, the Department would have operated at a loss of \$3,818. The concessionaire's rent is proposed to be \$108,667 per year; therefore it is also more economical to contract out the service.

A four-member panel with backgrounds in tennis, finance, and contract management was assembled to evaluate proposals, interview the proposers, and recommend an operator. The panel members were:

REPORT OF GENERAL MANAGER

PG. 4

NO. 07-276

- Gary Baer, Principal Recreation Supervisor II, Department of Recreation and Parks
- Kelly Werling, Senior Recreation Director II, Department of Recreation and Parks
- Melanie Chacon, Management Analyst II, Public Works - Bureau of Sanitation
- Morris Gardner, board member of the Rancho Tennis Club

The panel ranked the proposals according to each of the evaluation criteria listed in the RFP and recommended a proposer that best met the objectives of the RFP. The panel unanimously gave the highest score to Innovative Tennis because of their comprehensive tennis program ideas, enthusiastic vision for improving participation from the local community, the proposed rental rate to the City, as well as a strong commitment towards investing in capital improvements. The evaluation panel's final general average score and ranking are as follows:

<u>Proposer</u>	<u>Score</u>	<u>Rank</u>
Innovative Tennis, LLC	57.75	1
Atonal Tennis, Inc.	51.25	2
Teacher/Waltke Academy	33.50	3
On-Court Tennis Management Systems	30.50	4
Tito Arenal Academy	19.25	5
*John A. Sloodweg	0.00	6

*Did not appear for the evaluation panel interview and consequently was not scored

Innovative Tennis, LLC, has proposed to pay the City a rent of 10% of the gross revenues for lessons and professional shop (goods and services) sales. Innovative Tennis, LLC, will provide the following capital improvements within six months of execution of the concession agreement: install a fully stocked professional shop (a prefabricated building of at least 500 square feet); and install a tennis garden to include four picnic tables, three benches, four large bolted umbrellas, and six planters.

Subsequent to the panel's ranking, staff continued their analysis of the proposals and reviewed trade and financial references. As a result, staff supports the panel's recommendation of Innovative Tennis, LLC, for the award of this concession.

FISCAL IMPACT STATEMENT:

During the three-year term of the concession agreement, it is estimated that approximately \$326,000 will be paid in rent to the Department. Of that amount, \$293,400 will be deposited in the Department's General Fund and \$32,600 will be deposited into the Concession Improvement Account (Fund 302, Department 89, Account 070K) and contractor will provide capital improvements at the contractor's expense.

Report prepared by Shaun Larsuel, Management Analyst, Concessions Unit, Administrative Resources Section, Finance Division.

**INNOVATIVE TENNIS, LLC
BALBOA PARK TENNIS PROFESSIONAL RFP
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	In Compliance	Comments
	Affidavit of Non-Collusion	Yes	Yes	
	Disposition of Proposals	Yes	Yes	
	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	Yes	
	Living Wage / Service Contractor Worker Retention	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
	Contractor Responsibility Questionnaire	Yes	Yes	
	Equal Benefits Statement	Yes	Yes	
	Good Faith Effort Outreach (Minority, Women, Other Business Enterprises Schedule)	waived	waived	Due to the lack of subcontractor outreach availability - item was waived by LAMBOC

II. Submittal Documents		Submitted	In Compliance	Comments
	Business Plan	Yes	Yes	
	Qualifications and Experience	Yes	Yes	
	Pro Forma	Yes	Yes	
	Capital Improvements (optional)	Yes	Yes	
	Equipment and Furnishings	Yes	Yes	
	Proposed Rental Percentage	Yes	Yes	
	Proposal Deposit	Yes	Yes	

**ATONAL TENNIS, INC.
BALBOA PARK TENNIS PROFESSIONAL RFP
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	In Compliance	Comments
	Affidavit of Non-Collusion	Yes	Yes	
	Disposition of Proposals	Yes	Yes	
	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	Yes	
	Living Wage / Service Contractor Worker Retention	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
	Contractor Responsibility Questionnaire	Yes	Yes	
	Equal Benefits Statement	Yes	Yes	
	Good Faith Effort Outreach (Minority, Women, Other Business Enterprises Schedule)	waived	waived	Due to the lack of subcontractor outreach availability - item was waived by LAMBOC

II. Submittal Documents		Submitted	In Compliance	Comments
	Business Plan	Yes	Yes	
	Qualifications and Experience	Yes	Yes	
	Pro Forma	Yes	Yes	
	Capital Improvements (optional)	Yes	Yes	
	Equipment and Furnishings	Yes	Yes	
	Proposed Rental Percentage	Yes	Yes	
	Proposal Deposit	Yes	Yes	

**TEACHER / WALTKE ACADEMY
BALBOA PARK TENNIS PROFESSIONAL RFP
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	In Compliance	Comments
	Affidavit of Non-Collusion	Yes	Yes	
	Disposition of Proposals	Yes	Yes	
	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	Yes	
	Living Wage / Service Contractor Worker Retention	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
	Contractor Responsibility Questionnaire	Yes	Yes	
	Equal Benefits Statement	Yes	Yes	
	Good Faith Effort Outreach (Minority, Women, Other Business Enterprises Schedule)	waived	waived	Due to the lack of subcontractor outreach availability - item was waived by LAMBOC

II. Submittal Documents		Submitted	In Compliance	Comments
	Business Plan	Yes	Yes	
	Qualifications and Experience	Yes	Yes	
	Pro Forma	Yes	Yes	
	Capital Improvements (optional)	Yes	Yes	
	Equipment and Furnishings	Yes	Yes	
	Proposed Rental Percentage	Yes	Yes	
	Proposal Deposit	Yes	Yes	

**ON-COURT TENNIS MANAGEMENT SYSTEMS
BALBOA PARK TENNIS PROFESSIONAL RFP
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	In Compliance	Comments
	Affidavit of Non-Collusion	Yes	Yes	
	Disposition of Proposals	Yes	Yes	
	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	Yes	
	Living Wage / Service Contractor Worker Retention	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
	Contractor Responsibility Questionnaire	Yes	Yes	
	Equal Benefits Statement	Yes	Yes	
	Good Faith Effort Outreach (Minority, Women, Other Business Enterprises Schedule)	waived	waived	Due to the lack of subcontractor outreach availability - item was waived by LAMBOC

II. Submittal Documents		Submitted	In Compliance	Comments
	Business Plan	Yes	Yes	
	Qualifications and Experience	Yes	Yes	
	Pro Forma	Yes	Yes	
	Capital Improvements (optional)	Yes	Yes	
	Equipment and Furnishings	Yes	Yes	
	Proposed Rental Percentage	Yes	Yes	
	Proposal Deposit	Yes	Yes	

**TITO ARENAL ACADEMY
BALBOA PARK TENNIS PROFESSIONAL RFP
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	In Compliance	Comments
	Affidavit of Non-Collusion	Yes	Yes	
	Disposition of Proposals	Yes	Yes	
	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	Yes	
	Living Wage / Service Contractor Worker Retention	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
	Contractor Responsibility Questionnaire	Yes	Yes	
	Equal Benefits Statement	Yes	Yes	
	Good Faith Effort Outreach (Minority, Women, Other Business Enterprises Schedule)	waived	waived	Due to the lack of subcontractor outreach availability - item was waived by LAMBOC

II. Submittal Documents		Submitted	In Compliance	Comments
	Business Plan	Yes	Yes	
	Qualifications and Experience	Yes	Yes	
	Pro Forma	Yes	Yes	
	Capital Improvements (optional)	Yes	Yes	
	Equipment and Furnishings	Yes	Yes	
	Proposed Rental Percentage	Yes	Yes	
	Proposal Deposit	Yes	Yes	

**JOHN A. SLOOTWEG
BALBOA PARK TENNIS PROFESSIONAL RFP
LEVEL I EVALUATION**

I. Compliance Documents		Submitted	In Compliance	Comments
	Affidavit of Non-Collusion	Yes	Yes	
	Disposition of Proposals	Yes	Yes	
	Affirmative Action Plan (Non-Discrimination / Equal Employment / Affirmative Action)	Yes	Yes	
	Living Wage / Service Contractor Worker Retention	No	Yes	Submittal of documents is only required if an exemption is requested. Non-submittal indicates acceptance of requirements.
	Contractor Responsibility Questionnaire	Yes	Yes	
	Equal Benefits Statement	Yes	Yes	
	Good Faith Effort Outreach (Minority, Women, Other Business Enterprises Schedule)	waived	waived	Due to the lack of subcontractor outreach availability - item was waived by LAMBOC

II. Submittal Documents		Submitted	In Compliance	Comments
	Business Plan	Yes	Yes	
	Qualifications and Experience	Yes	Yes	
	Pro Forma	Yes	Yes	
	Capital Improvements (optional)	Yes	Yes	
	Equipment and Furnishings	Yes	Yes	
	Proposed Rental Percentage	Yes	Yes	
	Proposal Deposit	Yes	Yes	

INTER DEPARTMENTAL CORRESPONDENCE

Attachment G

3/14/2007

TO: LA MBOC, MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT
ATTN: DAVID MORA FAX#: 213/978-0690
FROM: Robert N. Morales Phone: (818) 243-6421 Fax: (818) 243-6451
Dept/Div: Recreation & Parks / Finance Divisions / Concessions E-mail: robert.morales@lacity.org

SUBJECT: MBE/WBE/OBE RECOMMENDATION FOR GOOD FAITH EFFORT CONTRACT NO.
In compliance with Executive Directive No. 2001-26, City of Los Angeles Minority, Women and Other Business Enterprise (MBE/WBE/OBE) Program, please fill out the following:

1. Title of Project: Balboa Tennis Professional - Concession Agreement
2. This project will be advertised as an: RFB X RFP RFQ Other
3. Type of Contract: Procurement X Personal Services Construction
4. Projected total amount of the contract: \$326,000 Estimated duration of project: 3 years
5. Significant Dates:
Estimated date of pre-bid or job walk meeting:
Estimated date that bids or proposals are due:
6. Recommendations:
MBE/WBE/OBE encouragement: [checkmark]

Justify why encouragement:

[x] Technical Requirement [x] Lack of available subcontractors
[x] Lack of available subcontract sub-supply opportunities One product single point of distribution

Other:

7. MBE/WBE/OBE Good Faith Effort required:
Level of participation is as follows: %MBE %WBE %OBE

8. Is this a: [x] New Contract [] Renewal [] Other

9. Name of previous contractor: OCMS Length of previous contract: 3 years Value of previous contract: \$326,000
(On-Court Management Systems)

TO: ATTN: Robert Morales
FROM: LA MBOC, MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT

SUBJECT: [checkmark] RESPONSE TO ABOVE REQUEST

Recommendation approved Available Subs [initials]
Recommendation disapproved Available Opportunities [initials]

Other/Comment: Not committed to increasing M/WBE participation on future contract opportunities

By: Amy Richardson Date: 3/22/07 Tel No.: 213/978-1494

PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Recreation and Parks

Attachment H

2. Contacts

Department: Robert Morales Phone (818) 243-6421 Fax No. (818) 243-6451
 CAO: Veronica Salumbides Phone (213) 473-7561 Fax No. (213) 473-7514

3. Work to be performed:

The Department of Recreation and Parks is seeking an individual or vendor to operate the tennis professional concession at Balboa Park. The services to be provided consist of: top-quality instruction, including private and group lessons; junior programs; and may provide other tennis-related services such as racquet stringing, tennis merchandise sales, etc. In addition, the Department expects the contractor to optimize visitor participation; assess, provide and install any necessary furnishings or equipment; and display awareness of the demographics and special needs of the community.

4. Is this a contract renewal? Yes No

5. Proposed length of contract: 3 years Proposed Start Date: May 2, 2007

6. Proposed cost of contract (if known): \$103,000 (gross revenue generating)

7. Name of proposed contractor: Unknown

8. Unique or special qualifications required to perform the work:

Knowledge of the rules and regulations for the game of tennis and experience in providing tennis instruction, racquet stringing, etc.

9. Are there City employees that can perform the work being proposed for contracting?

Yes No

If yes,

a. Which class(es) and Department(s):

Class	Departments	Eligible list expires
Park Service Attendant	El Pueblo, Rec & Parks, Zoo	7/28/07
Recreation Assistant	Rec & Parks	No list
Recreation Instructor	Rec & Parks	No list

b. Is there sufficient Department staff available to perform the work? Yes No

c. Is there a current eligible list for the class(es)? Yes No Expiration Date See above

d. Estimated time to fill position(s) through CSC process? Unknown

e. Can the requesting department continue to employ staff hired for the project after project completion? Yes No

f. Are there City employees currently performing the work? Yes No

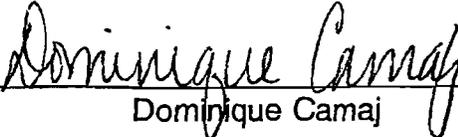
O. Findings

- City employees DO NOT have the expertise to perform the work
- City employees DO have the expertise to perform the work

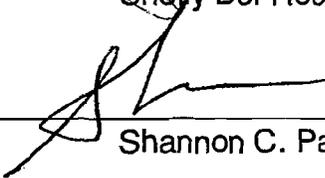
Check if applicable (explanation attached) and send to CAO for further analysis

- Project of limited duration would have to layoff staff at end of project
- Time constraints require immediate staffing of project
- Work assignment exceeds staffing availability

SUMMARY: A Park Service Attendant, Recreation Assistant, and Recreation Instructor can perform the work described above. For instance, the sale of tennis merchandise can be done by a Park Service attendant. A Recreation Instructor conducts specialized classes in sports and can specifically instruct tennis at a professional level. A Recreation Assistant can assist in the delivery of services and employ specialized skills, such as racquet stringing.

Submitted by: 
Dominique Camaj

Reviewed by: 
Shelly Del Rosario

Approved by: 
Shannon C. Pascual

Date: 5/17/07

**BALBOA PARK TENNIS PROFESSIONAL - COST BENEFIT ANALYSIS
CONTRACT COST ANALYSIS FORM (PSG Fund)**

Attachment I

DEPARTMENT/BUREAU: Recreation and Parks	CONTACT: Shaun Larsuel
DIVISION SECTION: Finance Division, Concessions Unit	PHONE: (818) 243-6488
WORK TO BE PERFORMED: Offering paid tennis instruction to <u>Balboa Park</u> patrons, selling related equipment, snacks, and beverages	CONTRACT START & END DATES (include info on renewal options): 12-1-07 through 11-30-10
TYPE OF CONTRACT: NEW (<input checked="" type="checkbox"/>) AMENDMENT (<input type="checkbox"/>) If amending contract, please provide the following: Orig. Contract Start Date: _____ End Date: _____ Amount of Orig Contract & All Prior Amendments (labor component only): _____	SOURCE OF FUNDS: Revenue from lessons offered at the facility

1. COST OF CITY FORCES REQUIRED TO PERFORM PROPOSED CONTRACTED WORK

a. Positions Required (list all)

A Position Title (Unhide formatted rows below/attach sheets as necessary)	B No. of Positions	C Monthly Salary of Each Position (Step 5)*	D Total Monthly Salary Cost [D = B x C]	E Overhead Rate [D x % from Table 2] [Insert rate from Table 2 in box below]	F Duration (in mos.)	G TOTALS [G = (D + E) x F]
				24.29%		
Recreation Instructors (part time)	6	\$1,080	\$6,480	\$1,574	12	\$96,648
			\$0	\$0		\$0
			\$0	\$0		\$0
Total Salary & Overhead Costs						\$ 96,648

*calculated at \$22.50 per hour for 12 hours per week 4 weeks a month

b. Total Other Pertinent Costs (if applicable; attach separate sheet with \$ amount for each item)

Tennis equipment (balls, buckets, racquets, etc.): \$350 per month	\$ 4,200
	\$4,200

TOTAL ESTIMATED IN-HOUSE COSTS (a + b)	\$ 100,848
Total Estimated Revenue Generated by City Forces (if applicable)	\$ -
NET IN-HOUSE COST (COSTS MINUS REVENUE)	\$ 100,848

2006 Gross Revenue: \$ 97,030

Cost-Benefit to Perform Service In-House: \$ (3,818)

2006 Rent to the City: \$ 9,703

Proposed Annual Contract Rent: \$ 108,667