

APPROVED
NOV 19 2007

REPORT OF GENERAL MANAGER

NO. 07-280

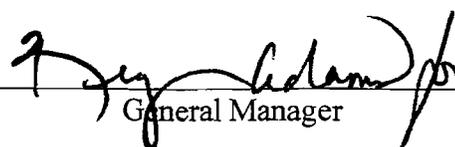
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**BOARD OF RECREATION
and PARK COMMISSIONERS**

C.D. 9

SUBJECT: PERSHING SQUARE 2007-2008 "DOWNTOWN ON ICE" – AGREEMENT WITH WILLY BIETAK PRODUCTIONS, INC.

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


General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board:

1. Approve the proposed Agreement, substantially in the form on file in the Board Office with Willy Bietak Productions, Inc., to provide equipment and staff to build, operate, maintain, and dismantle an outdoor skating rink for the "Downtown on Ice" event in Pershing Square, commencing on November 15, 2007 and ending on January 21, 2008, subject to approval of the Mayor and 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 the expertise to undertake these specialized professional tasks and that it is more feasible to secure these services by contract;
3. Direct the Board Secretary to transmit the proposed Agreement to the Mayor in accordance with Executive Directive No. 3 and concurrently to the City Attorney for approval as to form; and,
4. Authorize the General Manager to execute the proposed Agreement subsequent to the necessary approval.

SUMMARY:

For the tenth consecutive year, Pershing Square will be the site of one of the City's premier holiday attractions, the largest outdoor ice skating rink in the City of Los Angeles. "Downtown on Ice" will provide recreation, fun, and entertainment for people of all ages with free afternoon and evening concerts and special events, in addition to the program's main attraction – ice skating. The 2007-2008 season will run from November 15, 2007, through January 21, 2008.

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The Department co-produces "Downtown on Ice" at Pershing Square in collaboration with Willy Bietak Productions, Inc. It is expected that more than 350,000 visitors will visit Pershing Square to participate in the activities offered this holiday season, including more than 40 youth groups who will receive complimentary skate passes. Planned events include a Winter Concert Series, a Winter Holiday Festival, youth entertainment, and a "Disney on Ice" presentation.

The Department will pay Willy Bietak Productions, Inc., an amount not to exceed \$279,020. This includes \$80,037 for the building of the rink, \$6,733 for the installation of the party platform, and a weekly guarantee totaling \$192,250 for the term of the agreement. In addition to these services, Willy Bietak Productions, Inc., will also be responsible for securing talent only for the opening ceremony/press conference on November 15, 2007.

One-hundred percent (100%) of the skate session admission fees will be credited to the Department toward its weekly guarantee to Willy Bietak Productions, Inc. The weekly guarantee to Willy Bietak Productions, Inc., provides operating costs for the rink, including staff, refrigeration, trailer rental, and an ice engineer. If the rink income falls short of the guarantee, Willy Bietak Productions, Inc., will issue an invoice for the difference. If the rink income exceeds the guarantee, Willy Bietak Productions, Inc., will carry forward a credit to the Department to be applied to subsequent weeks when calculating the guarantee.

One dollar (\$1) of each skate rental is to be credited to the Department's weekly guarantee; the remaining balance of each skate rental (\$1) is to be retained by Willy Bietak Productions, Inc., and will not be credited toward the City's weekly guarantee to the Contractor. Of the Day Camp, Group, Reserved and Exclusive Use Rates, \$1 per skate rental is paid to Willy Bietak Productions, Inc., and the balance is credited toward the Department's guarantee.

The following are specified use fees, which are payable to the Department and deposited to the Pershing Square Municipal Recreation Program Fund 301, Department 88, Account 012M:

A. Single Person Rates:

Admission Fee:	\$6.00 per person
Ice Skate Rental:	\$2.00 per person

B. Group Rates:

Includes skate rental unless otherwise noted

25 to 50	\$7.50 per person
51 to 100	\$7.00 per person
Day Camps	\$7.00 per person
Family Four-Pack	\$30.00 per family or group of four
Eight-Pack Skate Pass	\$38.00 for one person, excludes skate rental

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C. Specified Use Fees:

Reserved Party Area:

Includes use of one 10' x 10' canopy, with tables and chairs in a roped-off area for private use during public skating times; excludes skate session and rental fees.

- 2 hours \$300

Ice Skating Rink-Exclusive Use:

Maximum capacity: 190 (Includes skate rental)

- 1 ½ hours \$1,500
- 2 ½ hours \$2,500
- 3 ½ hours \$3,200

Facility Rental - Exclusive Use:

Private use of entire venue includes canopies, tables, chairs, and skate rental. Maintenance and security fees excluded; private skate instruction offered upon availability.

- 2 hours \$3,500
- 3 hours \$5,000

Film Crew – Exclusive Use:

Filming requires exclusive use and is subject to availability and public skate schedule and other authorized activities.

- Up to 3 hours \$5,000
- 3-6 hours \$10,000

As this event has become a popular and successful winter activity, the Department anticipates providing the event for years to come. Therefore, the Department plans to release a Request for Proposal (RFP) for the 2009 "Downtown on Ice" event in order to secure a long term agreement. However, for the purpose of this agreement, in accordance with Los Angeles Administrative Code Section 10.15(a)(2), competitive bidding is not practicable or advantageous to this Agreement because it is for the performance of professional, technical, or other special services of a temporary and occasional character.

A request for a Charter Section 1022 determination was submitted to the Personnel Department on July 30, 2007. It was determined that City classifications are unable to perform the majority of the services stated in the proposed agreement and that the Department does not have the necessary equipment or expertise to install and maintain an ice skating rink. However, the determination stated that Park Services Attendants are capable of providing cashier and rental services. On August 30, 2007, a request was sent to the Zoo and El Pueblo Historical Monument Departments to determine if cashier and rental services could be provided by Park Services Attendants on staff. Both departments were unable to comply with the request.

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Additional expenses would be incurred if the Department was to provide the cashier and rental services: cash registers, ice skates, and a temporary covered facility to house the employees who provide the services. Staff hired for the event would require training to assist patrons with sizing of ice skates, appropriate manner for lacing ice skates, and the cleaning and sharpening of returned skates. Additional staff would also be required to report daily income and to ensure acceptable methods of handling cash were implemented and practiced. Also, due to the temporary nature of the event, it would be necessary upon its conclusion to layoff staff hired specifically for the event.

Willy Bietak Productions, Inc., currently employs staff with the experience and expertise to provide the equipment and staff to perform the necessary services; therefore, it is more feasible to contract out the services in order to ensure the needs of the public are met in a sufficient manner.

FISCAL IMPACT STATEMENT:

There is no negative impact to the Department's General Fund as the operating expenses will be funded by various corporate sponsorships and revenue generated by the ice skating rink.

Report prepared by Vicki Israel, Acting Assistant General Manager, Operations East.