

APPROVED
OCT 16 2013

REPORT OF GENERAL MANAGER

NO. 13-173

DATE June 27, 2013

BOARD OF RECREATION
& PARK COMMISSIONERS

C.D. 1

BOARD OF RECREATION AND PARK COMMISSIONERS

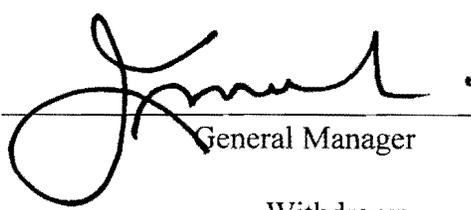
SUBJECT: THE LUMMIS HOME – REQUEST FOR PROPOSALS

R. Adams	_____	K. Regan	_____
H. Fujita	_____	M. Shull	_____
*V. Israel	_____	N. Williams	_____

Approved _____

Disapproved _____

Withdrawn _____


General Manager

RECOMMENDATIONS:

That the Board:

1. Approve the Lummis Home Request for Proposals (RFP) for a five (5) year Agreement, with one (1) five (5) year renewal option exercisable at the sole discretion of the Board, substantially in the form on file in the Board Office, subject to review and approval of the City Attorney as to form;
2. Direct the Board Secretary to transmit the RFP to the City Attorney for review and approval as to form;
3. Direct staff, subsequent to City Attorney review and approval as to form, to advertise the RFP and conduct the RFP process; and,
4. Authorize the General Manager to issue a one (1) year Right-of-Entry (ROE) permit to the Southern California Historical Society to operate and maintain the Lummis Home as the Department conducts the RFP process.

SUMMARY:

The Lummis Home is located at 200 East Avenue 43, Los Angeles, CA 90031 and was home to Charles Fletcher Lummis, the first City Editor of the Los Angeles Times and a founder of the Southwest Museum. The property was donated to the Southwest Museum in 1910, sold to the State of California in 1943, and acquired by the City in 1971. The property is designated as Los Angeles

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Historic-Cultural Monument No. 68 and is on the list of the National Register of Historic Places. The Historical Society of Southern California (Society) has operated the Lummis Home since 1971. The most current operating agreement was executed on August 14, 1989 and expired on August 13, 1999, and authorized the Society to use the Lummis Home as its headquarters in exchange for restoration and exhibition services.

The Society currently operates on a month-to-month basis, providing docent tours and conservation exhibits for public enjoyment. The Society also holds members-only events and allows the use of the premises to other organizations.

Staff met with representatives of the Society on June 19, 2012 to initiate discussions regarding the Society's current operation and possible continued operation of the Lummis Home:

- On July 2, 2012, the Department sent written correspondence to the Society and requested information regarding proof of insurance, events, donations, and repairs (Attachment A) with a due date to the Department of August 3, 2012.
- On July 26, 2012, the Society requested additional time to gather the requested documents.
- On August 6, 2012, the Department granted the Society the requested additional time until September 7, 2012.
- On August 6, 2012, the Society made a CPRA request (No. 310) for the Department to provide the Society with copies of lease documents and ownership documents regarding the Lummis Home.
- On August 30, 2012, the Society requested clarification of proposed charges for utilities, trash removal, administration fees, and requested a copy of the proposed agreement.
- On November 7, 2012, the Department provided the Society with the Board Reports pertaining to cost recovery and a copy of the Standard Provisions for City Contracts (Rev. 3/09). The Department also requested that the documents requested on July 2, 2012, be provided by November 30, 2012.
- At the request of Councilmember Reyes (First Council District), staff met with the Society and a representative of the First Council District on December 13, 2012, to further discuss the Society operations and the possibility of continued operation of the Lummis Home. Staff also requested that the Society provide the documents originally requested by the Department on July 2, 2012.

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- On December 19, 2012, the Department received a copy of the insurance policy for the Lummis Home from the Society.
- On January 24, 2013, staff met with the Society and the representative of the First Council District to again discuss the Society operations and the possibility of continued operation of the Lummis Home. Again, staff requested that the Society provide the documents originally requested by the Department on July 2, 2012.

At this meeting, staff also informed the Society that it would be in the Society's best interest to submit sufficient information in a timely manner in order for the Department to review and consider for the possibility of a proposed contract.

Society Operations at the Lummis Home

The original intent of contracting out the Lummis Home with a private organization and allowing the use of the premises at no cost to the Society was for the Society to: 1) restore and preserve the Lummis Home to its original historic and architectural authenticity; and, 2) operate the premises as a public park and water conservation garden for the enjoyment, education and appreciation of the residents of the City.

The Society has been provided sufficient opportunity to submit information for the Department to review in order to determine the appropriateness of an updated agreement for the continued operation of the Lummis Home. As stated above, from June 2012 through January 2013, Department staff met with representatives of the Society and sent written correspondence to the Society requesting information in order to progress staff's analysis for a proposed contract.

On February 17, 2013, the Department received documents from the Society regarding events and donations for the period of 2010 through 2012; and repairs for the period 2009 through 2012. Department staff has reviewed documents provided by the Society to the Department and information from the Society's IRS Form 990s found on-line. Staff finds:

- Between the period of calendar years 2009 and 2011, the Society received \$1,289,506 in revenue (i.e., memberships, contributions, grants, gifts, and sales) and expended \$31,495 in repairs on the Lummis Home (Attachment B).
- For calendar year 2012, according to documents provided by the Society to the Department, the Society raised \$6,392 in donations for the Lummis Home; expended \$10,600 on five (5) repair projects; and, held seven (7) on-site events at a loss of \$20,012 to the Society.

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A review of the operations by Department staff and documents submitted by the Society finds that the Society currently uses the Lummis Home primarily to the benefit of the Society to further its own mission and to hold exclusive members only events for the primary enjoyment of Society members.

It should be mentioned that the Department currently incurs the cost of utilities and trash disposal. Also, the Department has funded and performed significant improvements to the Lummis Home, such as:

- 1) On June 15, 2005, the Board approved expenditures in the amount of \$50,000 to repair the garage roof (Board Report No. 05-179); and,
- 2) On January 30, 2006, the Board approved expenditures in the amount of \$55,000 for mold removal, a new gas line, a new water heater, and electrical upgrades (Board Report No. 06-31).

At this time, staff believes it is in the best interest of the Department and the public to release a Request for Proposals (RFP) in order to identify a responsible and capable non-profit entity that would place the operation and maintenance of the Lummis Home as a priority; including, using the premises solely for the purpose of: 1) the enjoyment, education, and appreciation of the residents of the City; and, 2) generating revenue for the operation, maintenance, restoration, and preservation of the Lummis Home.

Request for Proposals (RFP)

Staff recommends that the Board approve the release of an RFP in order to identify a responsible and capable non-profit entity that would: 1) provide a tour and exhibition program to the public; 2) provide repairs and improvements to the Lummis Home; 3) generate revenue for the Lummis Home operation through grants, fund-raising events, and rental of the Lummis Home; and, 4) bear all costs for the operation and maintenance of the Lummis Home (grounds and buildings), including cost recovery payments to the Department for utilities, trash removal, and administrative cost.

Evaluation Process

Proposals will be evaluated in two (2) Levels. Level I will be a check and review by Department staff for required compliance and submittal documents; Level II will be an evaluation of the proposals by a panel comprised of qualified persons, which may include individuals outside the Department. Proposers must successfully pass Level I to proceed to Level II.

RFP Evaluation Criteria Areas

For the purposes of evaluation, the proposals responsive to Level I will be evaluated on the following criteria (Level II):

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- 1) Financial Plan (10 points)
- 2) Background and Experience (30 points)
- 3) Operation Plan (20 points)
- 4) Maintenance Plan (20 points)
- 5) Preservation and Restoration Plan (20 points)

The RFP documents will be advertised in periodicals; made available on the Department's website; and posted on the Los Angeles Business Assistance Virtual Network (BAVN). A conference will be held approximately one (1) month after the release of the RFP in order to provide potential proposers with a review of the submittal documents and compliance documents. The anticipated time of completion for the RFP process is approximately twelve (12) months.

Proposed Agreement

- Term: Five (5) Years (with one five-year option to renew at the discretion of the Board).
- Hours of Operation: Open to the public four (4) days per week; five (5) hours each day (12:00 pm to 5:00 pm).
- Utility Fee: \$101.00 per month; will have ninety (90) days to place the utilities into the organization's name in order to pay utilities directly to the service provider.
- Trash Fee: \$72.00 per month; will have ninety (90) days to place the utilities into the organization's name in order to pay trash fees directly to the service provider.
- Administrative Fee: \$195.00 per month.
- Insurance: Required to obtain and maintain City approved insurance.
- Fund Raising: Authorized to hold up to six (6) fund raising events per year to benefit the Lummis Home without payment of permit fees at the written approval of the General Manager.
- Revenue: Required to obtain permits for events, rentals, and filming; a percentage of gross revenue for revenue generating events; and, provide annual accounting to detail all funds raised and funds expended.
- Maintenance: Perform all maintenance and repairs of the Lummis Home, including buildings and grounds.

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Improvements: Perform improvements in accordance with the five (5) year plan submitted in the proposal. Will be required to submit a second five (5) year plan as a condition of the renewal option for Board consideration. May propose and perform additional improvements with the written approval of the General Manager.

Right of Entry Permit

Staff also recommends that the Board authorize the General Manager to issue a one (1) year Right of Entry (ROE) permit to the Society in order to allow the continued operation of the Lummis Home for the benefit of the public and to maintain as a "living museum" while RAP conducts the RFP process.

The ROE will require that the Society: 1) pay \$4,416.00 for annual cost recovery of utilities, trash disposal, and staff costs; 2) be responsible for all maintenance and operations of the Lummis Home, including grounds and buildings; and, 3) require that the Society obtain and pay for permits to hold fundraising events not specific to the funding of the operation and maintenance of the Lummis Home.

Upon approval of this report, the General Manager will formally cancel the current month-to-month agreement with the Society, provide the Society with the option of a one (1) year ROE, and instruct staff to begin the RFP process. Should the Society refuse to accept the ROE terms and conditions within thirty (30) days of written General Manager's instructions to the Society; staff will begin the process to remove the Society from the premises.

Should the Society leave before the RFP process is concluded; the Department Park Services is capable of maintaining the Lummis Home, renting the facility to generate revenue to offset Department costs, and provide part-time staff to open the facility a minimum of one (1) day a week for public viewing.

FISCAL IMPACT STATEMENT:

Releasing and conducting the Request for Proposals process has no impact to the Department's General Fund.

The issuance of a one (1) year ROE permit will generate a minimum of \$4,416.00 to the Department's General Fund for cost recovery; possible revenue generated from permit fees are unknown at this time.

This report was prepared by Vicki Israel, Assistant General Manager, Partnership and Revenue Branch, and Joel Alvarez, Senior Management Analyst, Partnership Division

ATTACHMENT A

BOARD OF RECREATION AND PARK COMMISSIONERS

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CITY OF LOS ANGELES CALIFORNIA



ANTONIO R. VILLARAIGOSA
MAYOR

DEPARTMENT OF RECREATION AND PARKS

221 N. FIGUEROA STREET
SUITE 1550
LOS ANGELES, CA 90012

(213) 202-2633
FAX: (213) 202-2614

JON KIRK MUKRI
GENERAL MANAGER

July 2, 2012

John O. Pohlmann, Ph.D., President
Historical Society of Southern California
P. O. Box 93487
Pasadena, CA 91109

LUMMIS HOME OPERATING AGREEMENT - REQUEST FOR INFORMATION

Dear Mr. Pohlmann,

The Board of Recreation and Park Commissioners (Board) and the General Manager of the Department of Recreation and Parks (RAP) have instructed staff to ensure all permits for the operation of RAP facilities are current and in compliance with all City of Los Angeles and RAP requirements and policies.

The most recent agreement between the Historical Society of Southern California (Society) and RAP for the operation of the Lummis Home, located at 200 East Avenue 43, Los Angeles, CA 90031, expired on August 13, 1999. In accordance with Section 2 (Term) of the expired agreement, the Society has been allowed to continue operations on a month-to-month basis.

On June 19, 2012, RAP staff met with a representative of the Society to discuss the Society's operation of the Lummis Home. At this meeting, staff informed the Society representatives that a proposed agreement would contain the following:

1. Cost recovery payments to RAP for utilities, solid waste disposal, and administration; and,
2. Sole responsibility of the Society for all costs associated with the operation and restoration of the Lummis Home, including, but not limited to, maintenance, repairs, replacement and improvements.

Additional information is requested in order to progress staff's analysis for a proposed agreement with the Society for the continued operation and maintenance of the Lummis Home, the following information is requested from the Society:

1. Report on all restoration, repairs, and improvements performed by the Society at the Premises (Include costs and year completed) from calendar year 2007 through present;
2. Report on all donations (cash and/or items) to the Society for the Premises from calendar year 2007 through present;
3. Report on all events held on the premises by the Society at the Premises from calendar year 2007 through present (Include name of event, date, and revenue generated);

John O. Pohlmann, Ph.D., President
July 2, 2012
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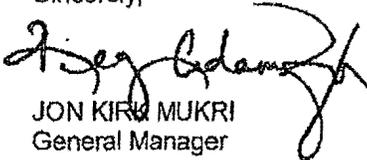
4. Provide copies of all California Department of Alcoholic Beverage Control (ABC) permits for events held on the premises which served alcohol beverages (including beer and/or wine) from calendar year 2007 through 2012;
5. List of all rentals of the Premises (Include date, organization and fees);
6. Five year plan (Include priority level, completion schedule/project duration, and estimated cost);
7. Proof of current Insurance; and,
8. Any other information or concerns that the Society believes RAP should consider for the development of a proposed agreement or which the Society believes the Board should be made aware.

The aforementioned information should be sent no later than August 3, 2012 to:

Department of Recreation and Parks
Partnership Division
3900 Chevy Chase Drive
Los Angeles CA 90039
Attn: Joel Alvarez

Should you have any questions or require additional information, please contact Joel Alvarez, of the Partnership Division, at (818) 243-6488.

Sincerely,



JON KIRK MUKRI
General Manager

JKM/VI/JA:ml

cc: Councilmember Ed Reyes, First Council District
Regina Adams, Executive Officer
Vicki Israel, Assistant General Manager
Kevin Regan, Assistant General Manager
Cid Macaraeg, Senior Management Analyst II
Joel Alvarez, Senior Management Analyst I

DEPARTMENT OF RECREATION AND PARKS (RAP)
LUMMIS HOME
HISTORICAL SOCIETY OF SOUTHERN CALIFORNIA (SOCIETY)

Reported by Society to RAP
Donations to the Lummis Home
Events Held (Profit / Loss)
Repairs to Lummis Home

2008
no reporting
no reporting
no reporting

2009	2010	2011	TOTAL 2009-2011
no reporting	\$ 2,470	\$ 11,340	\$ 13,810
no reporting	\$ (16,922)	\$ (14,785)	\$ (31,707)
\$ 8,320	\$ 7,675	\$ 15,500	\$ 31,495

2012
\$ 6,392
\$ (20,012)
\$ 10,600

Reported by Society on IRS Form 990
Revenue
Society Membership Dues
Contributions, Gifts and Grants to Society
Book Sales
TOTAL REVENUE:

2008
\$ 58,230
\$ 216,621
\$ -
\$ 274,851

2009	2010	2011	TOTAL 2009-2011
\$ 52,970	\$ 46,640	\$ 33,244	\$ 132,854
\$ 1,032,927	\$ 14,536	\$ 101,942	\$ 1,149,405
\$ -	\$ 3,977	\$ 3,270	\$ 7,247
\$ 1,085,897	\$ 65,153	\$ 138,456	\$ 1,289,506

2012
no reporting
no reporting
no reporting
no reporting