

APPROVED

NOV 19 2007

REPORT OF GENERAL MANAGER

NO. 07-279

DATE November 19, 2007

BOARD OF RECREATION
and PARK COMMISSIONERS

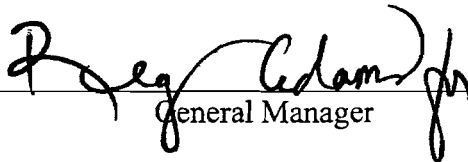
C.D. 11

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: WESTCHESTER PARK TENNIS PROFESSIONAL – CONCESSION AGREEMENT FOR PROFESSIONAL TENNIS

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

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


General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Award the Westchester Park Tennis Professional Concession to The Tennis Key;
2. Find, in accordance with Charter Section 1022, 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 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:

The Westchester Tennis Professional Courts (WTPC) are located at the Westchester Recreation Center. The facility has eight lighted courts and a small pro shop.

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Two courts adjacent to the pro shop, courts 5 and 6, are reserved for use by the tennis pro for concession activity, and the remaining courts are for pay-tennis reservations and/or free play by the public during specified hours. At selected parks such as this one, the concessionaire operates the pay-tennis reservation system.

The current concessionaire, Hai Nguyen AKA The Tennis Key, has been operating the concession at WTPC on a 30-day revocable permit since April 27, 2002. In calendar year 2006 the facility generated over \$255,836 in gross receipts and \$21,497 in rent to the Department.

On January 8, 2006, a Request for Proposals (RFP) was advertised to the public to solicit proposals for the operation of professional lessons; the on-site professional shop with tennis related items, services, snacks and drinks; and the pay-tennis reservation system. On February 28, 2006, the following proposals were received:

- Atonal Tennis, Inc.
- Teacher/Waltke Academy
- Innovative Tennis, LLC
- The Tennis Key

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

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

- Atonal Tennis, Inc., was found Responsive in all six compliance documents and all seven submittal documents (Attachment A).
- Teacher/Waltke Academy was found Responsive in all six compliance documents and all seven submittal documents (Attachment B).
- Innovative Tennis, LLC, was found Non-Responsive in one compliance document and Responsive in all seven submittal documents (Attachment C). As the compliance document is required, Innovative Tennis, LLC is Non-Responsive to the RFP.
- The Tennis Key was found Responsive in all six compliance documents and all seven submittal documents (Attachment D).

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 E).

On May 17, 2007, the Personnel Department completed a Charter Section 1022 review (Attachment F) 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 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 \$140,484 to perform the service in-house (Attachment G). With gross concession revenue of \$255,836 for calendar year 2006 the Department would have realized a surplus of \$115,352 per year if operating in-house. The concessionaire's rent is proposed to be \$26,333 per year; therefore it is not more economical to contract out the service. However, as previously indicated, due to the need to provide quality lessons from certified instructors and compensate such individuals at an appropriate level, it is more feasible to contract out the service.

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

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- Linda Fisher, Senior Recreation Director I, Department of Recreation and Parks
- Markus Bruder, Senior Recreation Director I, Department of Recreation and Parks
- Olujimi Hawes, Management Analyst II, Department of Recreation and Parks

The panel ranked the proposals according to each of the evaluation criteria listed in the RFP, assigned points according to rank, and recommended a proposer that best met the objectives of the RFP. The Tennis Key (TTK) received overall strong support from the panel based on the dramatic growth in community participation and enthusiasm that has occurred at the facility since TTK took over the site. TTK's hands-on experience running the concession and its strong relationship with the local community was held in very high regard by the evaluators. Working with the community and local officials, TTK has been able to improve the program and successfully deal with unfavorable elements in a professional and effective manner. In their proposal interview, TTK demonstrated a strong understanding of the diverse local demographics on all sides of the park. It was mentioned that many of the programs are designed specifically and marketed to all of the members of the community.

The junior tennis program at WTPC had eight participants when TTK first became the concessionaire. Today, that program has grown to over 250 participants. TTK's dedicated community involvement was instrumental for the improvement of not only the tennis concession, but the entire park. TTK maintains a very strong relationship with City staff at the site and has shown the willingness to design programs that complement activities at the nearby recreation facility. The evaluation panel's final general average score and ranking are as follows:

<u>Proposer</u>	<u>Score</u>	<u>Rank</u>
The Tennis Key	45.0	1
*Innovative Tennis, LLC	41.5	2
Atonal Tennis, Inc.	40.0	3
Teacher/Waltke Academy	26.0	4

* Proposal was evaluated, scored, and ranked prior to being found non-responsive due to non-submittal of the Equal Benefits Statement as required in the Request for Proposal.

The Tennis Key has proposed to pay the City rent based on the following terms: 20% of gross for pre-booked court rental permits; 17% of gross for pay tennis revenue; 10% of gross for individual instruction and membership sales (long-term individual instruction packages); and 5% of gross for group instruction, Pro Shop sales, ball machine and equipment rental. TTK will make capital improvements at WTPC within one year of execution of the contract including: painting the fences, benches, and posts; installing a new sunscreen; performing general landscape improvements; re-flooring the pro shop; adding a patio canopy; adding a new sign and banner; and adding court caddies and scorecards.

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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 The Tennis Key for the award of this concession.

FISCAL IMPACT STATEMENT:

During the three-year term of the concession agreement, it is estimated that approximately \$79,000 will be paid in rent to the Department. Of that amount, \$71,100 will be deposited into the Department's General Fund and \$7,900 will be deposited into the Concession Improvement Account (Fund 302, Department 89, Account 070K). Capital improvements will be made at the contractor's expense.

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

ATONAL TENNIS, Incorporated
WESTCHESTER 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
WESTCHESTER 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	

**INNOVATIVE TENNIS, LLC
WESTCHESTER 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	No	No	Item not submitted in proposal
	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	

**THE TENNIS KEY
WESTCHESTER 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 E

DATE: 5/1/2007

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: Westchester Tennis Professional - Concession Agreement
- 2. This project will be advertised as an: RFB RFP RFQ Other:
- 3. Type of Contract: Procurement Personal Services Construction
- 4. Projected total amount of the contract: \$767,507 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: _____

Justify why encouragement:

- Technical Requirement Lack of available subcontractors
- 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: New Contract Renewal Other

9. Name of previous contractor: The Tennis Key Length of previous contract 3 years Value of previous \$767,507

TO: _____
ATTN: Robert Morales
FROM: LA MBOC, MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT
SUBJECT: RESPONSE TO ABOVE REQUEST

Recommendation approved Available Subs AR Initials
 Recommendation disapproved Available Opportunities Initials

Other/Comment: _____

By: _____ Date: 5/1/2007 Tel. No. 213/978-1494

PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Recreation and Parks

Attachment F

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 Westchester Park. The services to be provided consist of: top-quality instruction, including private and group lessons; junior programs; operation of the park's pay-tennis reservation system; racquet stringing and other tennis-related services; and operation of a pro shop, which includes a snack and drink service. 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): \$196,000 (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): _____

<i>Class</i>	<i>Departments</i>	<i>Eligible list expires</i>
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

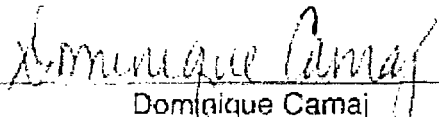
10. Findings

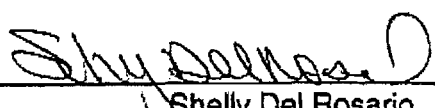
- City employees DO NOT have the expertise to perform the work
- City employees DO have the expertise to perform the work


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

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

Attachment G

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>Westchester 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 <u>PERFORM</u> 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]
				117.31%		
Park Services Attendant (full time)	1	\$1,227	\$1,227	\$1,440	12	\$32,004
Recreation Instructors (part time)**	5	\$1,350	\$6,750	\$1,640	12	\$100,680
Total Salary & Overhead Costs						\$ 132,684
*calculated at \$22.50 per hour for 15 hours per week 4 weeks a month						
**Part time Overhead Rate is calculated at 24.29%						
b. Total Other Pertinent Costs (if applicable; attach separate sheet with \$ amount for each item)						\$ 7,800
Tennis equipment (balls, buckets, racquets, etc.): \$650 per month						\$7,800
TOTAL ESTIMATED IN-HOUSE COSTS (a + b)						\$ 140,484
Total Estimated Revenue Generated by City Forces (if applicable)						\$ -
NET IN-HOUSE COST (COSTS MINUS REVENUE)						\$ 140,484

2006 Gross Revenue: \$ 255,836

Cost-Benefit to Perform Service In-House: \$ 115,352

2006 Rent to the City: \$ 21,497

Proposed Annual Contract Rent: \$ 26,333