

A G E N D A

BOARD OF RECREATION AND PARK COMMISSIONERS
OF THE CITY OF LOS ANGELES

Wednesday, September 1, 2010 at 9:30 a.m.

EXPO Center (Formerly Known As L.A. Swim Stadium)
Community Hall Room
3980 S. Menlo Avenue, Los Angeles, CA 90037

(Parking located in "Lot 1", at the corner of Martin Luther King
Boulevard and Menlo Avenue)

EVERY PERSON WISHING TO ADDRESS THE COMMISSION MUST COMPLETE A
SPEAKER'S REQUEST FORM AT THE MEETING AND SUBMIT IT TO THE COMMISSION
EXECUTIVE ASSISTANT PRIOR TO THE BOARD'S CONSIDERATION OF THE ITEM.

PURSUANT TO COMMISSION POLICY, COMMENTS BY THE PUBLIC ON AGENDA ITEMS
WILL BE HEARD ONLY AT THE TIME THE RESPECTIVE ITEM IS CONSIDERED, FOR
A CUMULATIVE TOTAL OF UP TO FIFTEEN (15) MINUTES FOR EACH ITEM. ALL
REQUESTS TO ADDRESS THE BOARD ON PUBLIC HEARING ITEMS MUST BE
SUBMITTED PRIOR TO THE BOARD'S CONSIDERATION OF THE ITEM. COMMENTS BY
THE PUBLIC ON ALL OTHER MATTERS WITHIN THE SUBJECT MATTER JURISDICTION
OF THE BOARD WILL BE HEARD DURING THE "PUBLIC COMMENTS" PERIOD OF THE
MEETING. EACH SPEAKER WILL BE GRANTED TWO MINUTES, WITH FIFTEEN (15)
MINUTES TOTAL ALLOWED FOR PUBLIC PRESENTATION.

1. APPROVAL OF THE MINUTES:

Approval of the Minutes of the Meetings of August 11, 2010

2. GENERAL MANAGER'S REPORTS:

- 10-232 Lafayette Park - Recreation Center (W.O.#E170317F) -
Acceptance of Stop Notice on Construction Contract
- 10-233 Sepulveda Basin Sports Complex - Phase I
(W.O.#E170217F) - Escrow Agreement for Security
Deposits in Lieu of Retention
- 10-234 Reseda Park Lake - Rehabilitation Project (PRJ1200K) -
Change Order to Contract No. 3316
- 10-235 Tierra De La Culebra - Outdoor Improvements
(W.O.#E170925F) - Final Plans and Call for Bids
- 10-236 Hansen Dam - Skate Plaza (PRJ1237A) - Design
Development Plans from the Prequalified Design Build
Skate Plaza Contractors - Rejection of Bids and Re-Bid
- 10-237 Sepulveda Basin Recreation Area - Encino Park and Ride
- Rescission of Memorandum of Understanding between
the Department of Recreation and Parks and Department
of Transportation
- 10-238 Supplemental Agreement to Letter of Agreement (LOA)
No. D775 with Vasquez and Company, LLP; LOA No. D776
with Thompson, Cobb, Bazilio & Associates, P.C.; and,

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LOA No. D778 with Mayer Hoffman McCann Professional Corporation Conrad Government Services Division

- 10-239 Pershing Square Park - Award of Contract to Mobile Illumination, Inc., for Winter Theme Lighting
- 10-240 Electric Golf Carts Rental Concession - Termination of Request for Proposals Process; Termination of Concession Contract No. 227; and Self-Operation of Electric Golf Carts
- 10-241 Cabrillo Marine Aquarium - Permission to Submit the Renewal Membership Application for Accreditation from the Association of Zoos and Aquariums
- 10-242 Various Communications

3. NEW BUSINESS:

Memorandum Department Response to the City Controller "Forensic Audit of the Reported Gross Receipts and Related Payments by J.H. Kishi Company"

4. COMMISSION TASK FORCES:

- Commission Task Force on Concessions (Commissioners Stanley and Williams)
- Commission Task Force on Facility Repair and Maintenance (Commissioners Sánchez and Werner)

5. GENERAL MANAGER'S ORAL REPORT:

Report on Department Activities and Facilities

6. FUTURE AGENDA ITEMS:

Requests by Commissioners to Schedule Specific Items on Future Agendas

7. PUBLIC COMMENTS:

Any comments which require a response or report by staff will be automatically referred to staff for a report at some subsequent meeting.

8. NEXT MEETING:

The next scheduled meeting of the Board of Recreation and Park Commissioners will be held on Wednesday, September 15, 2010 at 9:30 a.m., at Cypress Recreation Center, 2630 Pepper Avenue, Los Angeles, CA 90065.

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9. ADJOURNMENT:

Under the California State Ralph M. Brown Act, those wishing to make audio recordings of the Commission Meetings are allowed to bring tape recorders or camcorders in the Meeting.

Sign language interpreters, assistive listening devices, or any auxiliary aides and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. For additional information, please contact the Commission Office at (213)202-2640.

Finalization of Commission Actions: In accordance with City Charter, actions that are subject to Section 245 are not final until the expiration of the next five meeting days of the Los Angeles City Council during which the Council has convened in regular session and if Council asserts jurisdiction during this five meeting day period the Council has 21 calendar days thereafter in which to act on the matter.

Commission Meetings can be heard live over the telephone through the Council Phone system. To listen to a meeting, please call one of the following numbers:

from Downtown Los Angeles	(213) 621-CITY (2489)
from West Los Angeles	(310) 471-CITY (2489)
from San Pedro	(310) 547-CITY (2489)
from Van Nuys	(818) 904-9450

For information, please go to the City's website:
<http://ita.lacity.org/Residents/CouncilPhone/index.htm>

Information on agenda items may be obtained by calling the Commission Office at (213) 202-2640. Copies of the agenda and reports may be downloaded from the Department's website at www.laparks.org.

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REPORT OF GENERAL MANAGER

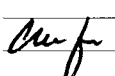
NO. 10-232

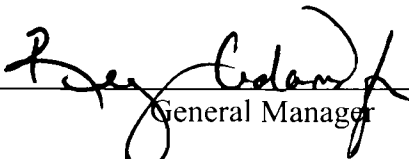
DATE September 1, 2010

C.D. 10

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: LAFAYETTE PARK – RECREATION CENTER (W.O. #E170317F) –
ACCEPTANCE OF STOP NOTICE ON CONSTRUCTION CONTRACT

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



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board direct staff to withhold the amount claimed in the following Stop Notice, plus an additional sum equal to 25% thereof, to defray any costs of litigation in the event of court action, if said amount of said funds are available, and to notify contractors, sureties, and other interested parties that the amount of said claim plus 25% will be withheld.

SUMMARY:

STOP NOTICE:

The Department is in receipt of a legal notice to withhold construction funds, pursuant to California Civil Code Sections 3103 and 3181, on the following contract:

<u>Contract 3237</u>	CD 10	General	Western Alta Construction
Lafayette Park – Recreation Center		Contractor:	
(W.O. #E170317F)		Claimant:	Neff Rental, Inc.
Project Status: 82% Complete		Amount:	\$557.58
Project Impact: none			

FISCAL IMPACT STATEMENT:

Acceptance of Stop Notices has no impact on the Department’s General Fund.

This report was prepared by LaTonya D. Dean, Commission Executive Assistant.

REPORT OF GENERAL MANAGER

NO. 10-233

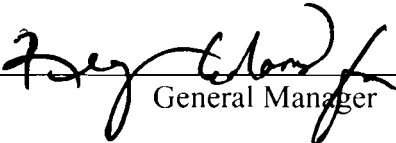
DATE September 1, 2010

C.D. 6 and 12

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SEPULVEDA BASIN SPORTS COMPLEX – PHASE I (W.O. #E170217F) - ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION

R. Adams	_____	F. Mok	_____
H. Fujita	_____	K. Regan	_____
S. Huntley	_____	*M. Shull	<i>ms</i>
V. Israel	_____		



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the request of C.S. Legacy Construction, Inc., to enter into an Escrow Agreement, substantially in the form on file in the Board Office, with the City of Los Angeles for Security Deposits in Lieu of Retention for the Sepulveda Basin Sports Complex – Phase I (W.O. #E170217F), Contract No. 3317; and,
2. Direct the Board Secretary to execute said Escrow Agreement upon approval as to form by the City Attorney.

SUMMARY:

The Department is in receipt of a request from C.S. Legacy Construction, Inc., general contractor for the Sepulveda Basin Sports Complex – Phase I (W.O. #E170217F), Contract No. 3317, to enter into an Escrow Agreement for Security Deposits in Lieu of Retention.

Pursuant to Section 22300 of the Public Contract Code of the State of California, the Contractor has the option to deposit securities with an Escrow Agent as a substitute for retention earnings required to be withheld by the City as Owner, pursuant to the Construction Contract entered for the Sepulveda Basin Sports Complex – Phase I (W.O. #E170217F) in the amount of \$7,301,548 and dated June 28, 2010.

REPORT OF GENERAL MANAGER

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When Contractor deposits the securities as a substitute for contract earnings, the Escrow Agent will notify the Owner within ten days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the contract between the Owner and Contractor. Securities shall be held in the name of the City of Los Angeles, Board of Recreation and Park Commissioners, and shall designate the Contractor as the beneficial owner.

Upon approval of the Escrow Agreement and notification from the Escrow Agent to the City of the deposit of Securities by the Contractor, the Owner shall make progress payments to the Contractor for such funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent holds securities in the amount specified.

FISCAL IMPACT STATEMENT:

There is no fiscal impact on the Department's General Fund.

This report was prepared by LaTonya D. Dean, Commission Executive Assistant.

REPORT OF GENERAL MANAGER

NO. 10-234

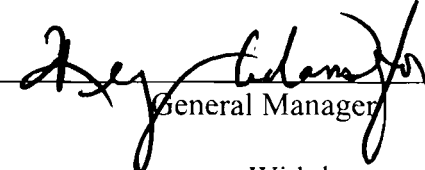
DATE September 1, 2010

C.D. 3

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: RESEDA PARK LAKE – REHABILITATION PROJECT (PRJ1200K) –
CHANGE ORDER TO CONTRACT NO. 3316

R. Adams	_____	F. Mok	_____
H. Fujita	_____	K. Regan	_____
S. Huntley	_____	*M. Shull	<u><i>M. Shull</i></u>
V. Israel	_____		



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board approve a change order in the amount of \$150,000 for addition to Contract No. 3316 with Metro Builders and Engineers Group, LTD, for work outlined in the body of this report.

SUMMARY:

On June 2, 2010, the Board awarded a construction contract in the amount of \$721,711 to Metro Builders and Engineers Group, LTD, under Board Report No. 10-136 for the Reseda Park Lake – Rehabilitation Project (PRJ1200K) located at 18411 Victory Boulevard, Reseda, CA 91335. Contract No. 3316 was executed on June 16, 2010 and construction was scheduled to begin on August 5, 2010. The project includes renovation and rehabilitation of several lake components to improve the water quality of the lake.

The “Draining of the Lake and Removal of Bottom Sediments” item in the original Schedule of Work and Prices was deleted per modification #2 of Addendum #2 issued on March 10, 2010, as the method of and details for this line item were not clearly specified in the project plans or specifications, and as it was originally intended to be completed under a separate on-call vendor contract. However, due to the delay in the bid and award process, it was determined that the project would proceed more expeditiously if the “Draining of the Lake and Removal of Bottom Sediments” item is conducted by the same contractor that is constructing the lake improvements. The change order will increase the existing contract amount of \$721,711 by \$150,000 for a new total contract amount of \$871,711 and add 30 calendar days to the existing 90-day construction schedule for a total of 120 calendar days to complete the project.

REPORT OF GENERAL MANAGER

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The funds currently available for this project are in the following accounts:

<u>Funding Source</u>	<u>Fund/Dept./Acct. No.</u>	<u>Encumbrance Amount</u>
Proposition 40 Specified	205/89/YX08	\$ 871,711 ⁽¹⁾

NOTE: ⁽¹⁾ Funds will be cash flowed from the Proposition 12/40 Cash Flow Account and cash flow loan will be reimbursed upon receipt of Proposition 40 specified funds from the State.

FISCAL IMPACT STATEMENT:

There is no anticipated fiscal impact to the Department's General Fund for the construction of this project. The assessments of the future operations and maintenance costs have yet to be determined.

This report was prepared by Alice Gong, Project Manager, Department of Public Works, Bureau of Sanitation, and reviewed by David Attaway, Environmental Section Manager, Department of Recreation and Parks and by Michael A. Shull, Superintendent, Planning and Construction Division, Department of Recreation and Parks.

City of Los Angeles – Department of Public Works

CHANGE ORDER

Project Title RESEDA PARK LAKE REHABILITATION			Project No. PRJ1200K	Change Order No. 1	File No.	Page 1 of 2
Work Order Number E1907353	Contract Number 3316	Bid Item No. N.A.	Subject Draining of the Lake & Removal of Bottom Sediments			
Contractor Metro Builders and Engineers Group, LTD			Plan Reference Attachment "A".			
<input type="checkbox"/> Changed/Unforeseen Conditions <input type="checkbox"/> Errors and Omissions <input checked="" type="checkbox"/> Change in Scope		Schedule Activity	Specification Reference Schedule of Work & Prices of the Instruction to Bidders			

- Reason for Change:** The Draining of the Lake and Removal of Bottom Sediments item in the Schedule of Work and Prices was deleted per modification #2 of Addendum #2 issued on March 10, 2010, as the method of and details for this line item were not clearly specified in the project plans or specifications, and as it was originally intended to be completed under a separate on-call vendor contract.
- Description of Change:** Due to the delay in the bid and award process, it was determined that the project would proceed more expeditiously if the Draining of the Lake and Removal of Bottom Sediments item is conducted by the same contractor that is constructing the lake improvements. The requirements for the Draining of the Lake and Removal of Bottom Sediments that are attached to this change order must be strictly adhered to.
- Change in Contract Amount:** Increase the existing contract amount of \$721,711 by \$150,000 for a new total contract amount of \$871,711.
- Change in Contract Duration:** Add 30 calendar days to the existing 90-day construction schedule for a total of 120 calendar days to complete the project.

Cost and Schedule Control Summary

Original Contract Amount	\$ 721,711.00	Original Contract Duration	90	Calendar Days
Previous C.O.'s Add/(Deduct)	\$ 0.00	Previous C.O.'s Add/(Deduct)	0	Calendar Days
This C.O. Add/(Deduct)	+\$ 150,000.00	This C.O. Add/(Deduct)	+ 30	Calendar Days
Revised Contract Amount	\$ 871,000.00	Revised Contract Duration	120	Calendar Days
<input checked="" type="checkbox"/> B&A <input type="checkbox"/> Emergency Contract		Revised Contract Completion Date	12-03-2010	

The compensation (time and cost) set forth in this Change Order comprises the total compensation due the CONTRACTOR, all Subcontractors, and all Suppliers, for the work or change defined in this Change Order, including impact on the unchanged work. By signing the Change Order, the CONTRACTOR acknowledges and agrees on behalf of himself, all Subcontractors, and all Suppliers, that the stipulated compensation includes payment for all work contained in the Change Order, plus all payment interruptions of schedules, extended field overhead costs, delay, and all impact, ripple effect or cumulative impact on all other work under this Contract. The signing of the Change Order indicates that the Change Order constitutes full mutual accord and satisfaction for the change, and that the time and cost under the Change Order constitutes the total equitable adjustment owed the CONTRACTOR, all Subcontractors, and all Suppliers, as a result of the change. The CONTRACTOR on behalf of himself, all Subcontractors, and all Suppliers, agrees to waive all rights, without exception or reservation of any whatsoever to file any further claim related to this Change Order. No further claim or request for equitable adjustment of any type shall rise out of or as a result of this Change Order or the impact of this Change Order on the remainder of the work under this Contract.

SUBMITTED BY: _____ CONSTRUCTION MANAGER DATE: _____

APPROVED BY: _____ CONTRACTOR DATE: _____

APPROVED BY: _____ SENIOR OR PRINCIPAL ENGINEER DATE: _____

City of Los Angeles – Department of Public Works

CHANGE ORDER

Project Title RESEDA PARK LAKE REHABILITATION			Project No. PRJ1200K	Change Order No. 1	Page 2 of 2
Work Order Number E1907353	Contract Number 3316	Bid Item No. N.A.	ATTACHMENT "A" – Scope of Work		

Requirements for the Draining of the Lake and Removal of Bottom Sediments

1. Assume lake volume to be 1.5 million gallons.
2. Lake depth varies from 6 to 9 feet measured from the top of perimeter wall.
3. Assume the sludge volume in the lake is 1500 cubic yards with a thickness of 2.5 feet, and assume that 750 cubic yards of the sludge is required to be hauled away to an approved landfill through vector type trucks with a 3,000 to 4,500 gallon capacity.
4. Lake to be drained to the sewer system under City provided discharge permit at a rate not to exceed 350 gpm over an 8-hour work day for a maximum volume of 150,000 gallons per day.
5. Lake to be drained in two stages. Stage 1 is to drain the lake volume by 40% (600,000 gallons) in order to allow the biologist (provided by the City) to collect the fish and turtles in the lake. Stage 2 will drain the remainder of the water in the lake and will remove all the sludge and debris.
6. Remove as much of the organic debris to the sewer as possible. No inorganic solids, such as plastic, paper, rocks and pine needles are allowed to be discharged to the sewer.
7. Provide a 100 micron screen for the pumping operations and a fish catch screen for the discharge operations before placing the liquid mix into the sewer or being hauled away in the sludge trucks.
8. The on site biologist will be contacted to collect any wildlife before the contractor can continue pumping operations.
9. Provide odor control as necessary to reduce or prevent odors from being detectable from the lake perimeter.
10. Provide traffic control for any work in the street such as a pump line to the sewer manhole in Reseda Blvd. Assume 8 hour work day. Provide for night work between the hours of 10:00 PM to 6:00 AM.
11. After all liquid and solids debris are removed, wash down the lake bottom to remove and dispose of all liquid and solid waste residue which shall be hauled away and disposed of properly.
12. The final complete condition shall be a dry lake bottom with no water or debris remaining.

REPORT OF GENERAL MANAGER

NO. 10-235

DATE September 1, 2010

C.D. 1

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: TIERRA DE LA CULEBRA – OUTDOOR IMPROVEMENTS (W.O. #E170925F)
– FINAL PLANS AND CALL FOR BIDS

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

F. Mok _____
K. Regan _____
*M. Shull ms



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve the final plans and specifications for the Tierra de la Culebra - Outdoor Refurbishment (W.O. #E170925F) project;
2. Approve the reduction in the value of the work that the specifications require to be performed by the prime contractor from 50% to 20% of the base bid price; and,
3. Approve the date to be advertised for receipt of bids as Tuesday, October 12, 2010 at 3:00 P.M. in the Board Office.

SUMMARY:

Submitted are final plans and specifications for the Tierra de la Culebra - Outdoor Refurbishment (W.O. #E170925F) project, located at 240 South Avenue 57, Los Angeles, California. The project is funded by Proposition 40 Per Capita and Proposition A funds. Staff from the Bureau of Engineering prepared the design plans and specifications for the project.

The scope of work of the outdoor improvements includes ceramic kiln and storage containers. Other improvements related to the kiln and container installation include, but are not limited to, construction of retaining walls; construction of slab on grade; installation of utilities; and the installation of a fence and canopy. This project will construct the retaining walls and fence.

REPORT OF GENERAL MANAGER

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The City Engineer's estimate for the construction cost of this project is \$76,000. Funding for construction of the proposed improvements is available from Proposition 40 Per Capita and Proposition A funds.

Funds are available from these accounts:

<u>Funding Source</u>	<u>Fund No. / Department No. / Account No.</u>
Proposition 40 PC	47T/89/TBD
Proposition A	205/89/EH01

It has been the policy of this Board to require that the prime contractor on construction projects perform a minimum of 50% of the work for the project, as measured by the base bid price. It is proposed that the Board reduce the prime contractor's participation requirement from 50% to 20% on this project. This will help attract a broader range of prime contractors, thus creating a more inviting and competitive bidding environment for this project. Also, it should create a more competitive pricing among the specialty subcontractors providing bids to the prime contractors.

In compliance with the California Environmental Quality Act (CEQA), the subject project has been previously evaluated for potential environmental impacts and determined to be exempt from CEQA pursuant to Article III, Section 1, Class 1(1, 12), Class 2(7), and Class 11(3) of the City CEQA Guidelines. A Notice of Exemption (NOE) was filed with the Los Angeles City and County Clerks on October 19, 2007. The scope of the project and the environmental setting has not substantially changed since the filing of the NOE, and no further environmental documentation is required.

Council District 1 supports the recommendations set forth in this report.

FISCAL IMPACT STATEMENT:

There is no immediate fiscal impact to the Department's General Fund. The assessments of the future operations and maintenance costs have yet to be determined and will be addressed in future budget requests.

This report was prepared by Ejike Mbaruguru, Project Manager, Recreational and Cultural Facilities Program, BOE. Reviewed by Neil Drucker, Program Manager, Recreational and Cultural Facilities Program, BOE; Deborah Weintraub, Chief Deputy City Engineer, BOE; and Michael A. Shull, Superintendent, Planning and Construction Division, Department of Recreation and Parks.

REPORT OF GENERAL MANAGER

NO. 10-236

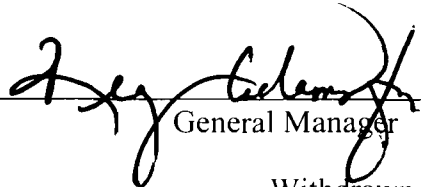
DATE September 1, 2010

C.D. 07

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: HANSEN DAM – SKATE PLAZA (PRJ1237A) – DESIGN DEVELOPMENT PLANS FROM THE PREQUALIFIED DESIGN BUILD SKATE PLAZA CONTRACTORS – REJECTION OF BIDS AND RE-BID

R. Adams	_____	F. Mok	_____
H. Fujita	_____	K. Regan	_____
S. Huntley	_____	*M. Shull	<u><i>M. Shull</i></u>
V. Israel	_____		



 General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Find that all bids received on July 7, 2010 for the Hansen Dam - Skate Plaza (PRJ1237A) Design Development plans from the Prequalified Design Build Skate Plaza contractor list were non-responsive due to failure to comply with the Board's Good Faith Effort policy regarding subcontractor outreach (MBE/WBE/OBE) and reject all bids previously received;
2. Approve the design development plans and specifications to re-bid this project; and,
3. Approve the date for receipt of bids as Tuesday, October 26, 2010, at 3:00 p.m. in the Board Office.

SUMMARY:

On June 16, 2010, the Board approved the design development plans and specifications and call for bids for the Hansen Dam - Skate Plaza (PRJ1237A) - Design Development from the Prequalified Design Build Skate Plaza contractor list, located at 11770 Foothill Boulevard, Lakeview Terrace, CA 91342.

This project is funded entirely by Proposition 40 funds. Design development plans for this project were prepared by a consultant for the Department of Public Works, Bureau of Engineering. The estimated construction cost of this project is \$800,000.

REPORT OF GENERAL MANAGER

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Hansen Dam Park is a 1,450-acre facility that includes baseball diamonds, a Universal Access Playground (UAP), soccer fields, an outdoor amphitheatre, bike paths, a bridal trail, an equestrian center, a multi-purpose sports field, a fishing lake, picnic areas and a swim lake. There is also a Los Angeles Police Department Stop-In-Center plus many park programs, such as aquatics, that are offered at Hansen Dam Park.

The project is to be funded through Proposition 40 Specified (AB-716). There is adequate funding provided through Proposition 40 Specified, which is paid to the City on a reimbursement basis. Pending reimbursement, the project will be funded on a cash flow basis using Department No. 89, Fund No. 205, Account No. YX04.

The proposed skate plaza is to be located near the new UAP and is adjacent to the maintenance building. The development of the design for the skate plaza was born out of the community process which dictated the type of skate facility that was to be designed and constructed. The Department of Public Works, Bureau of Engineering (BOE) facilitated the community process and hired a consultant to produce the design. Due to time constraints, the Department of Recreation and Parks (RAP) needs to assist BOE to complete this project to meet the funding deadline for Proposition 40 which is June 30, 2011. In order to closeout this project to meet this deadline, the skate park must be completed and open the public by March 1, 2011 at the very latest. It is our intent to finish in advance of that date to minimize any risk associated with the reimbursement process associated with the grant closeout.

The proposed scope of work includes the following:

- Clearing and grubbing of the proposed location for the skate plaza.
- Final design and construction of a poured-in-place concrete skate park per the design development plans.
- Installation of new walkways, benches, trash receptacles, drinking fountains and site amenities typical to a skate park.
- Landscaping
- Provide specifications, details and record documentation of what is indicated in the design and provide as-built set of drawings for all work constructed.

On July 7, 2010, two bids were received for this project. Staff recommends that the Board reject all bids as non-responsive due to their failure to submit a Good Faith Effort (GFE). Because the Department's prequalified list of design/build skate park contractors was being used, the bidders, as well as City staff, believed that the GFE was not necessary. After consultation with the City Attorney's Office, the Bureau of Engineering and the Mayor's Office, it was determined that the GFE could not be waived simply on the basis that the bidders have been prequalified by RAP. It is important to note that the bidders did not submit a GFE with their response to the prequalification as

REPORT OF GENERAL MANAGER

PG. 3 NO. 10-236

it was always envisioned this would be done during bidding of each individual project. However, neither bidder on this project attempted to comply with the bid specification requiring compliance with the Board's subcontractor outreach program. These are therefore non-responsive bids for the Board to consider for award at this time and the project must be rebid.

Staff has determined that the proposed project will involve the addition of a recreational element that is an accessory to the park. Before any decision can be made on whether to approve the proposed skate plaza, compliance with the California Environment Quality Act (CEQA) must be accomplished as well as with the National Environmental Policy Act (NEPA) since it is proposed to be sited in Hansen Dam, federally-owned land under the jurisdiction of the U.S. Army Corps of Engineers. An Initial Study is currently being prepared to determine the type of CEQA document required for the project. This document will be jointly prepared with the required NEPA document to make efficient use of resources and to expedite the environmental review and approval process. This CEQA/NEPA document will be presented to the Board for its consideration and approval prior to it considering approval of the project and award of the construction phase of the contract.

The bid package has been approved by the City Attorney's Office.

Council District Seven and Valley Region Staff support the recommendations set forth in this report.

FISCAL IMPACT STATEMENT:

There is no immediate fiscal impact to the Department's General Fund. All design and construction costs along with all necessary project and construction management costs are to be covered by the Proposition 40 funding. Future costs for operation and maintenance have yet to be determined.

This report was prepared by Michael A. Shull, Superintendent, Planning and Construction Division.

REPORT OF GENERAL MANAGER

NO. 10-237

DATE September 1, 2010

C.D. 5

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SEPULVEDA BASIN RECREATION AREA - ENCINO PARK AND RIDE – RESCISSION OF MEMORANDUM OF UNDERSTANDING BETWEEN THE DEPARTMENT OF RECREATION AND PARKS AND DEPARTMENT OF TRANSPORTATION

R. Adams	_____	F. Mok	_____
H. Fujita	_____	K. Regan	_____
S. Huntley	_____	*M. Shull	<u><i>M. Shull</i></u>
V. Israel	_____		

[Signature]
General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATION:

That the Board rescind its approval of the Memorandum of Understanding (MOU), approved by the Board between the Department of Recreation and Parks (RAP) and the Department of Transportation (DOT) for proposed parking lot improvements and future maintenance of the Encino Park and Ride Facility, located within the Sepulveda Basin Recreation Area

SUMMARY:

On June 6, 2007, the Board of Recreation and Park Commissioners approved Board Report No. 07-122, conceptually approving proposed parking lot improvements and a MOU between the RAP and DOT, specifying terms and conditions for proposed parking lot improvements and future maintenance by DOT of the Encino Park and Ride facility (Facility). However, the MOU was never executed between RAP and DOT. The proposed parking lot improvements were approved conceptually, pursuant to a preliminary site plan and subject to the Board’s final approval at a later date. The DOT was authorized to perform the future maintenance of the Facility at its own expense pursuant to the terms and condition of the MOU and established RAP Maintenance Guidelines, subject to the Board’s final approval of the final plans and specifications for the parking lot improvements.

REPORT OF GENERAL MANAGER

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The Facility, located at 5174 North Hayvenhurst Avenue, Van Nuys, California 91406 is a sub-park consisting of 1.55 acres within the Sepulveda Basin Recreation Area (SBRA). The SBRA is a park consisting of 1,538.60 acres, part of the San Fernando Valley Sepulveda Flood Control Basin (2,000 acres) owned by the United States Army Corps of Engineers (Corps) and leased to the City of Los Angeles under Master Lease No. DACW09-67-11 (Leased Property). The DOT has operated the Facility since 1987, but RAP has always performed maintenance. The Facility currently has 106 parking spaces and is the primary staging location for Commuter Express transit routes that originate in the north and west San Fernando Valley. The Facility is in need of substantial upgrading to improve capacity, operations, safety, but especially to address the growing demand for additional parking space. The MOU between RAP and DOT was approved in order to allow DOT to improve the Facility by redesigning the Facility, relocating the entrance away from the on-ramp to the Ventura Freeway (Highway 101), improving ingress and egress to increase safety, and adding no less than 50 additional parking spaces.

Subsequent to approval of Board Report No. 07-122, the Corps, DOT and RAP, through extensive project planning discussions, have determined that it would be more appropriate for the Corps to remove the Facility from the Leased Property as it would no longer have any recreation components, and for the Corps to work directly with DOT for the continued use and maintenance of the Facility by DOT as the Encino Park and Ride. The Facility currently has a small patch of passive green space and one picnic table.

The Department recommends that the Board rescind the approved Board Report No. 07-122 as the Department will no longer be the appropriate entity to authorize the DOT's improvement and maintenance of the Facility. The Corps will reassert its authority of the Facility site, and RAP will continue to exercise authority of the remaining, greater portion, of the Sepulveda Basin Recreation Area as provided by the Master Lease. The Corps will work with RAP to amend the SBRA Master Lease to delete the Facility from the Lease Area, and will work with DOT to prepare and execute a separate agreement between the Corps and DOT for the future operation and maintenance of the Facility as a commuter park and ride parking lot.

FISCAL IMPACT STATEMENT:

There is no fiscal impact to the Departments General Fund associated with this action.

This report was prepared by Gregory Clark, Management Analyst II, Real Estate and Asset Management Section.

REPORT OF THE GENERAL MANAGER

NO. 10-238

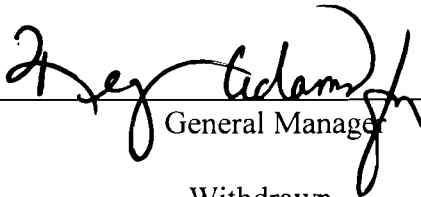
DATE September 1, 2010

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: SUPPLEMENTAL AGREEMENT TO LETTER OF AGREEMENT (LOA) NO. D775 WITH VASQUEZ AND COMPANY, LLP; LOA NO. D776 WITH THOMPSON, COBB, BAZILIO, & ASSOCIATES, P.C.; AND, LOA NO. D778 WITH MAYER HOFFMAN MCCANN PROFESSIONAL CORPORATION CONRAD GOVERNMENT SERVICES DIVISION

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



General Manager

Approved _____ Disapproved _____ Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Supplemental Agreement to Letter of Agreement (LOA) No. D775 between the City of Los Angeles Department of Recreation and Parks and Vasquez and Company, LLP, substantially in the form on file in the Board Office, to extend the term of the LOA from 36 months to 48 months and to increase the contract ceiling from \$99,000 to \$130,000, subject to the approval of the Mayor, in accordance with Executive Directive No. 3, and of the City Attorney as to form;
2. Approve a proposed Supplemental Agreement to LOA No. D776, between the City of Los Angeles Department of Recreation and Parks and Thompson, Cobb, Bazilio and Associates, P.C., a corporation, substantially in the form on file in the Board Office, to extend the term of the LOA from 36 months to 48 months and to increase the contract ceiling from \$99,000 to \$130,000, subject to the approval of the Mayor, in accordance with Executive Directive No. 3, and the City Attorney for approval as to form;
3. Approve a proposed Supplemental Agreement to LOA No. D778, between the City of Los Angeles Department of Recreation and Parks and Mayer Hoffman McCann Professional Corporation Conrad Government Services Division, substantially in the form on file in the Board Office, to extend the term of the LOA from 36 months to 48 months and to increase the contract ceiling from \$99,000 to \$130,000, subject to the approval of the Mayor, in accordance with

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Executive Directive No. 3, and the City Attorney for approval as to form;

4. Find, pursuant to Charter Section 1022, that the Department does not have sufficient personnel available in its employ with the expertise to undertake these specialized professional tasks in a timely manner on an as-needed basis, and that it is more feasible to secure these services by a qualified independent contractor;
5. Find, in accordance with Charter Section 371(e)(2), that for the continuation of professional services of a temporary and occasional character, a competitive bidding process is not practicable or advantageous;
6. Direct the Board Secretary to transmit forthwith the proposed Supplemental Agreements to the Mayor in accordance with Executive Directive No. 3, and, concurrently to the City Attorney, for review and approval as to form; and,
7. Authorize the Board President and Secretary to execute the Supplemental Agreements upon receipt of the necessary approvals.

SUMMARY:

The Department utilizes the services of non-City independent auditors when the need for independence is required, to access auditors with specialized knowledge and experience which is not available among Department auditing staff, and to provide additional resources in the event the Department is unable to meet the schedule of any urgent audits within the required timeframe due to limited personnel resources.

On September 22, 2006, the Department of Recreation and Parks (Department) released a Request for Qualifications (RFQ) to develop a pre-qualified list of contractors to provide independent financial, compliance, and performance audits on an as-needed basis.

On October 19, 2006, the Department received proposals from eight (8) accounting firms. After a review by staff, four (4) firms were found responsive to the RFQ and Letters of Agreement (LOA) for a term of 12 months, not to exceed \$20,000, were executed for the following firms:

<u>LOA No.</u>	<u>Contractor Auditor</u>	<u>Term Start Date</u>
D775	Vasquez and Company, LLP	September 13, 2007
D776	Thompson, Cobb, Bazilio and Associates, P.C.	September 25, 2007
D777	Chen & Fan Accountancy Corporation	September 13, 2007
D778	Mayer Hoffman McCann Professional Corporation	September 25, 2007

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On July 9, 2008, the Board approved an extension of the terms of the four LOAs to thirty-six months and an increase of the contract ceilings to \$99,000 in order to meet the needs of the Department (Board Report No. 08-204).

As the agreements will expire in September 2010 and the Department continues to have a need to utilize the services, primarily for the auditing of grant funds, staff has prepared supplemental agreements for three of the four existing agreements to extend the term and increase the ceiling limits.

Staff contacted the four firms and inquired about the possibility of continuing the services. Three of the four firms (Vasquez and Company, LLP; Thompson, Cobb, Bazilio and Associates; and Mayer Hoffman McCann Professional Corporation) agreed to a 12-month extension without increase to their current labor rates. Chen & Fan Accountancy Corporation declined to continue their services.

Staff recommends increasing the contract ceiling for the three agreements from \$99,000 to \$130,000 and extend the terms from thirty-six months to forty-eight months from the date of contract execution. This approval will allow the Department to continue to meet the on-going demands of as-needed independent financial, compliance, and performance audits.

In accordance with Section 10.5(b)(2) of the Los Angeles Administrative Code (LAAC), Council approval is not required as annual payments will not exceed \$100,000 plus increases to the consumer price index, currently set at a maximum of \$130,466.

Charter Section 1022 Determination

City of Los Angeles Charter Section 1022 prohibits contracting out work that could be done by City employees unless the Board determines it is more economical or more feasible to contract out the service.

On March 18, 2008, the Personnel Department completed a Charter Section 1022 review (Attached) and determined that some of the services can be performed by City classifications (Senior Auditor and Auditor). However, the Department has relied upon independent contractors in the past, as staff has been unable to meet the auditing requirements of grant-funded services and the timeframe of urgent audits. The Personnel Department also determined that the proposed projects are of limited duration and that any additionally hired staff would have to be laid off at the end of the projects.

As independent audits must be performed by auditors who are not subject to the direction or authority of the Department and due to the ability of the contractors to provide experienced staff and equipment on an as-needed basis in order to perform independent audits, it is more feasible to secure these services through an independent contractor than to perform them with City classifications.

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Charter Findings

Los Angeles City Charter Section 371 requires that all contracts valued at over \$25,000 require a competitive bid process subject to certain exceptions. In accordance with Charter Section 371(e)(2), the requirement does not apply to contracts, as determined by the contracting authority, of a temporary and occasional character for which the contracting authority finds that competitive bidding is not practicable or advantageous.

The four agreements for auditing services were previously awarded based on an approved RFQ process and are for as-needed services. The Department has occasional need for independent auditing services and has several qualified firms who can perform the service at any given time. A task order is provided to the consultant who is best suited to each task as it arises, taking into consideration price and availability. A competitive process for each task would be impractical and not in the City's best interest.

FISCAL IMPACT STATEMENT:

Funding for these agreements is provided through various accounts within the Department, depending on the facility or program requesting the service: Grants Fund 205-89; Municipal Recreation Program Fund 301-88; Special Accounts Fund 302-89; and the Department's General Fund, Contractual Services Account. There is no impact to the General Fund.

Report prepared by Nancy Jeffers, Management Analyst II, Service Contracts Group, Administrative Resources Section, Finance Division.

PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Recreation and Parks

2. Contacts

Department: Karen Freire 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 extensions to four existing agreements #D775-8, which extends the terms of the contracts from 12 months to 36 months and increases the maximum compensation to \$99,000. The renewed agreements allow the contractors to perform as-needed independent financial, compliance, and performance audits of various facilities and programs/activities.

4. Is this a contract renewal? Yes No

5. Proposed length of contract: 36 months Proposed Start Date: Unknown

6. Proposed cost of contract (if known): \$99,000

7. Name of proposed contractor:

LOA No. D775 with Vasquez and Company, LLP.
LOA No. D776 with Thompson, Cobb, Bazilio and Associates, P.C.
LOA No. D777 with Chen and Fan Accountancy Corporation
LOA No. D778 with Mayer Hoffman McCann Professional Corporation Conrad Government Services Division

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

The Contractor must possess specialized audit experience, including the audit of computer/information systems, audit of complex financial documents or use of generalized auditing software if necessary to complete the audit; conform to the review standards of the American Institute of Certified Public Accountants (AICPA) and the Comptroller General of the United States; and provide a project manager who possesses a Certified Public Accountant license and be knowledgeable in municipal accounting, non-profit organizations/foundations, and/or private entities as appropriate to the project.

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
Auditor	Aging, Airports, City Clerk, CDD, Controller, Convention Center, Ethics, Fire, GSD, Harbor, Police, PW Sanitation, Rec & Parks, DOT	2/11/10
Senior Auditor	Aging, Airports, CDD, Controller, Convention Center, Ethics, Fire, GSD, Harbor, Housing, ITA, Police, PW Sanitation, Rec & Parks, DOT	7/18/08

- 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: The classifications of Auditor and Senior Auditor can perform the work being requested, however, the Department has relied on contractors in the past because their staff cannot meet the required timeframes of urgent audits nor perform independent audits required of grant funded services.

Submitted by:

Dominique Camaj
 Dominique Camaj

Reviewed by:

Shelly Del Rosario
 Shelly Del Rosario

Approved by:

Shannon C. Pascual
 Shannon C. Pascual

Date:

3/15/05

REPORT OF GENERAL MANAGER

NO. 10-239

DATE September 1, 2010

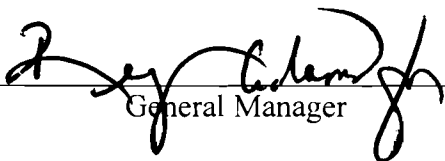
C.D. 9

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: PERSHING SQUARE PARK – AWARD OF CONTRACT TO MOBILE ILLUMINATION, INC., FOR WINTER THEME LIGHTING

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

*F. Mok now _____
K. Regan _____
M. Shull _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Approve a proposed Contract, substantially in the form on file in the Board Office, between the City of Los Angeles Department of Recreation and Parks (Department) and Mobile Illumination, Inc., for the design, rental, installation, maintenance, repair, and removal of winter-themed exterior lighting and décor for Pershing Square Park, in an amount not to exceed \$75,000 per year, for a term of one year, with two (2) one-year renewal options exercisable at the sole discretion of the General Manager, subject to the approval of the Mayor and of the 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 sufficient time and expertise to undertake these specialized services and that it is more feasible to secure these services by contract;
3. Find, in accordance with Charter Section 371(e)(10) and Los Angeles Administrative Code Section 10.15(a)(10), that the use of competitive bidding would be undesirable, impractical or otherwise excused by the common law and the Charter because, unlike the purchase of a specified product, there is no single criterion, such as price comparison, that will determine which proposer can best provide the services required by the Department for the improvement, operation and maintenance of the Department's concession. In addition, find that in order to select the best proposer for this concession, the Board finds it is necessary to utilize a standard request for proposals process and to evaluate proposals received based upon the criteria included in the Request for Proposals (RFP). Also find that the narrower and more specialized competitive sealed proposal

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process authorized but not required by Charter Section 371, subsection (b), would not meet the Department's needs and therefore opts to utilize the standard request for proposals process;

4. Direct the Board Secretary to transmit the proposed Contract to the Mayor in accordance with Executive Directive No. 3 and, concurrently, to the City Attorney for approval as to form; and,
5. Authorize the Board President and Secretary to execute the Contract upon receipt of the necessary approvals.

SUMMARY:

Pershing Square Park, located at 530 South Olive Street, is often identified as the center of the downtown Los Angeles business district and is one of the oldest parks operated and owned by the Department of Recreation and Parks having been built in 1866. The park is host to a number of programs and special events, including the annual "Downtown on Ice" outdoor ice skating rink where, from mid-November to mid-January, Pershing Square Park is decorated and illuminated with outdoor winter theme lighting.

On April 15, 2009, the Board approved the release of the Winter Theme Lighting at Pershing Square Park Request for Proposals (RFP) (Board Report No. 09-087). On October 13, 2009, three proposals were received. On April 7, 2010, the Board rejected all proposals received on the basis that they were non-responsive to the Level I RFP requirements and authorized staff to release a new RFP (Board Report No. 10-082).

On April 21, 2010, the new RFP was advertised in a local periodical, posted on the Los Angeles Business Assistance Virtual Network (BAVN) and made available on the Department's website. In addition, a letter inviting bids was mailed to eleven organizations from a mailing list maintained by the Service Contracts Unit.

On May 12, 2010, a site walk was held at Pershing Square Park and attended by six (6) companies. On May 19, 2010, a Pre-proposal Conference was held at the Central Service Yard and attended by six (6) companies.

On June 8, 2010, five proposals were received from the following firms:

- A Lighting By Design, Inc.
- Dekra-Lite Industries, Inc.
- Mobile Illumination, Inc. (proposed with incandescent bulbs)
- Mobile Illumination, Inc. (proposed with light emitting diodes {LEDs})

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- St. Nick's Christmas Lighting Service

As stipulated in the RFP, evaluation of the bid proposals would occur in two levels. Level I would be a check and review for required compliance and submittal documents and Level II would be a comprehensive evaluation of the proposal, with interviews, by an evaluation panel. Proposers must successfully pass the first level to proceed to the next level.

Level I Evaluation

Staff performed a Level I review of the following required documents:

Compliance Documents:

- 1) Proposer's Signature Declaration and Affidavit
- 2) Disposition of Proposals
- 3) Affirmative Action Plan
- 4) Good Faith Effort Subcontractor Outreach
- 5) Living Wage Ordinance/Service Contractor Worker Retention Ordinance
- 6) Contractor Responsibility Ordinance Statement
- 7) Equal Benefits Ordinance Statement
- 8) Bidder Certification - CEC Form 50

Submittal Documents:

- 1) Cover Letter
- 2) Proposal Deposit
- 3) Experience and Qualifications
- 4) Proposed Design
- 5) Proposed Compensation

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

- A Lighting By Design, Inc., was found responsive in all eight compliance documents and non-responsive in four of the five proposal item submittal requirements. (Attachments A-1 and A-2)
- Dekra-Lite Industries, Inc., was found responsive in seven compliance documents, non-responsive in one compliance document (Good Faith Effort Subcontractor Outreach), and non-responsive in one of the five proposal item submittal requirements. (Attachments B-1 and B-2)
- Mobile Illumination, Inc. (Incandescent Bulbs) was found responsive in all eight compliance documents and responsive in all five proposal item submittal requirements. (Attachments C-1 and C-2)

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- Mobile Illumination, Inc. (LEDs) was found responsive in all eight compliance documents and responsive in all five proposal item submittal requirements. (Attachments D-1 and D-2)
- St. Nick's Christmas Lighting Service was found responsive in all eight compliance documents and responsive in all five proposal item submittal requirements. (Attachments E-1 and E-2)

Three of the five proposals submitted passed the Level I evaluation and were found responsive to the RFP: Mobile Illumination, Inc. (Incandescent Bulbs); Mobile Illumination, Inc. (LEDs); and St. Nick's Christmas Lighting Service.

On July 27, 2010, an evaluation panel composed of three Department employees with extensive experience with Department sponsored public events interviewed the three proposers and evaluated the proposals for the Level II evaluation. The panelists were:

- Louise Capone, Senior Recreation Director
- Jorge Ramos, Recreation Facility Director
- Annamaria Galbraith, Recreation Supervisor

Each proposal was scored in the areas of Experience and Qualifications (25 points possible), Proposed Design (25 points possible) and Proposed Compensation (50 points possible). The averaged scores are as follows:

Proposer	Experience and Qualifications	Proposed Design	Proposed Compensation	Averaged Total
Mobile Illumination, Inc. – Incandescent Bulbs	25.0	25.0	45.3	95.3
Mobile Illumination, Inc. - LEDs	24.0	20.7	42.0	86.7
St. Nick's Christmas Lighting Service	18.0	17.3	46.0	81.3

Mobile Illumination, Inc. (Incandescent Bulbs) received the highest score. Staff reviewed the responsive proposals, verified background and experience and finds that Mobile Illumination, Inc. is a responsible and capable company whose proposal using incandescent bulbs best meets the needs of the Department. A comparison of the 3 responsive proposals is contained in Attachment F.

Mobile Illumination, Inc. has been in business since 1999 and has provided service to various municipalities such as the City of Santa Monica and City of Torrance. The company has provided winter theme lighting services at Pershing Square Park for the "Downtown on Ice"

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event for the last four years. These services include the design, rental, installation, maintenance, repair, and removal of winter-themed exterior lighting and décor.

It is recommended that a contract to provide Winter Theme Lighting at Pershing Square Park be awarded to Mobile Illumination, Inc., for their proposal using incandescent bulbs, in an amount not to exceed \$75,000 per year, for a term of one year with two (2) one year options to renew, exercisable at the sole discretion of the General Manager.

Charter Section 1022

Los Angeles City Charter Section 1022 prohibits contracting out work that could be done by City employees unless the Board determines it is more economical and/or feasible to contract out the service.

On December 29, 2008, the Personnel Department completed a Charter Section 1022 review (Attachment G) and determined that although City employees are currently performing some of the work, the contractor must have the exterior holiday lighting equipment in stock and the expertise to design, incorporating new and/or existing structures and landscape to meet an approved thematic holiday design, which the Department does not have. The Personnel Department also found that the project is of limited duration and staff would have to be laid off at the end of the project. It is, therefore, more feasible to secure these services through an independent contractor.

FISCAL IMPACT STATEMENT:

There is no impact to the Department's General Fund as funds are available in the Pershing Square Special Accounts.

This report was prepared by Nancy Jeffers, Management Analyst II, Finance Division, Administrative Resources Section, Service Contracts Group.

**A LIGHTING BY DESIGN, INC.
WINTER THEME LIGHTING AT PERSHING SQUARE PARK**

LEVEL I EVALUATION

I. Compliance Documents		Submitted	In Compliance	Comments
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Good Faith Effort Outreach	Yes	Yes	91 points - proposal passed
5.	Living Wage/Service Contract Worker Retention Ordinance	N/A	N/A	
6.	Contractor Responsibility Questionnaire	Yes	Yes	
7.	Equal Benefits Ordinance Statement	Yes	Yes	
8.	CEC Form 50	Yes	Yes	

II. Proposal Items		Submitted	In Compliance	Comments
1.	Cover Letter	Yes	No	Cover letter does not state "without exception" as required by the RFP (Section IV.B.1.e. pg 7).
2.	Proposal Deposit	Yes	Yes	
3.	Experience and Qualifications			
	i. Experience and Qualifications of Firm and Key Personnel	Yes	No	Proposal did not contain gross revenues for 2007 and 2008 as required by the RFP (Section V.A.1.a. pg. 14
	ii. Experience with Similar Contracts	Yes	Yes	
	iii. References	Yes	No	The Reference letters submitted in the proposal do not contain addresses or phone numbers and are not signed. (Section V.A.3. pg 15)
4.	Proposed Compensation	Yes	No	Compensation information was provided in the proposal, but was not submitted on the form provided in the RFP (Section V.C. form, page 16).
5.	Proposed Design	Yes	No	A proposed design plan was not submitted as required in the RFP (Section V.B.2. pg 15).

**A LIGHTING BY DESIGN, INC.
WINTER THEME LIGHTING AT PERSHING SQUARE PARK**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH
SCORING SUMMARY**

	Indicator	Possible Points	Awarded Points	Comment
1.	Level of Anticipated MBE/WBE/OBE	0	0	
2.	Attended Pre-Bid Meeting	10	10	
3.	Sufficient Work Identified for Subconsultant	10	10	
4.	Advertisement	9	0	The instructions require that the advertisement be dated no less than 10 days prior to the submittal of the proposal; Proof of Publication was dated 8 days prior to submittal of proposal.
5.	Written Notices to Subconsultant	15	15	
6.	Follow-Up on Initial Solicitation	10	10	
7.	Plans, Specifications, and Requirements	5	5	
8.	Contacted Recruitment / Placement Organizations	10	10	
9.	Negotiated in Good Faith	26	26	
10.	Bond, Lines of Credit, and Insurance	5	5	
	TOTAL SCORE:	100	91	<i>Less than 75 points is failing - proposal passed</i>

**DEKRA-LITE INDUSTRIES, INC.
WINTER THEME LIGHTING AT PERSHING SQUARE PARK**

LEVEL I EVALUATION

I. Compliance Documents		Submitted	In Compliance	Comments
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Good Faith Effort Outreach	Yes	No	No points were given as the GFE documentation submitted for this 2010 RFP was previously submitted in response to a 2009 RFP. Instructions to proposers in Section IV.B.4. pg. 7 state that previous compliance document submittals do not apply. New forms must be completed and processed."
5.	Living Wage/Service Contract Worker Retention Ordinance	N/A	N/A	
6.	Contractor Responsibility Questionnaire	Yes	Yes	
7.	Equal Benefits Ordinance Statement	Yes	Yes	
8.	CEC Form 50	Yes	Yes	

II. Proposal Items		Submitted	In Compliance	Comments
1.	Cover Letter	Yes	Yes	
2.	Proposal Deposit	Yes	Yes	
3.	Experience and Qualifications			
	i. Experience and Qualifications of Firm and Key Personnel	Yes	Yes	
	ii. Experience with Similar Contracts	Yes	No	This information was not provided on the Exhibit D table form. The information that was provided was not complete per Exhibit D and Section V.A.2.B., pg 15. The dollar amounts and dates were not provided.
	iii. References	Yes	No	Did not provide 3 letters of reference. Provided 1 reference letter, 1 Certificate of Appreciation for sponsorship, 1 Commendation for a donation. (Section V.A.3. pg 15)
4.	Proposed Compensation	Yes	Yes	
5.	Proposed Design	Yes	Yes	

**DEKRA-LITE INDUSTRIES, INC.
WINTER THEME LIGHTING AT PERSHING SQUARE PARK**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH
SCORING SUMMARY**

	Indicator	Possible Points	Awarded Points	Comment
1.	Level of Anticipated MBE/WBE/OBE	0	0	
2.	Attended Pre-Bid Meeting	10	0	Did not attend
3.	Sufficient Work Identified for Subconsultant	10	0	See comment below *
4.	Advertisement	9	0	See comment below *
5.	Written Notices to Subconsultant	15	0	See comment below *
6.	Follow-Up on Initial Solicitation	10	0	See comment below *
7.	Plans, Specifications, and Requirements	5	0	See comment below *
8.	Contacted Recruitment / Placement Organizations	10	0	See comment below *
9.	Negotiated in Good Faith	26	0	See comment below *
10.	Bond, Lines of Credit, and Insurance	5	0	See comment below *
	TOTAL SCORE:	100	0	<i>Less than 75 points is failing - proposal failed</i>

*The proposal contained a Good Faith Effort Subcontractor Outreach for a previously submitted proposal in 2009. The Instructions in Section IV.B.4 (Page 7) of the RFP states, "This is a new RFP for a new Agreement. Previous compliance document submittals and/or waivers do not apply. New forms must be completed and processed."

**MOBILE ILLUMINATION, INC. - INCANDESCENT BULBS
WINTER THEME LIGHTING AT PERSHING SQUARE PARK RFP**

LEVEL I EVALUATION

I. Compliance Documents		Submitted	In Compliance	Comments
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Good Faith Effort Outreach	Yes	Yes	100 points - proposal passed
5.	Living Wage/Service Contract Worker Retention Ordinance	N/A	N/A	
6.	Contractor Responsibility Questionnaire	Yes	Yes	
7.	Equal Benefits Ordinance Statement	Yes	Yes	
8.	CEC Form 50	Yes	Yes	

II. Proposal Items		Submitted	In Compliance	Comments
1.	Cover Letter	Yes	Yes	
2.	Proposal Deposit	Yes	Yes	
3.	Experience and Qualifications			
	i. Experience and Qualifications of Firm and Key Personnel	Yes	Yes	
	ii. Experience with Similar Contracts	Yes	Yes	
	iii. References	Yes	Yes	
4.	Proposed Compensation	Yes	Yes	
5.	Proposed Design	Yes	Yes	

**MOBILE ILLUMINATION, INC. - INCANDESCENT BULBS
WINTER THEME LIGHTING AT PERSHING SQUARE PARK**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH
SCORING SUMMARY**

	Indicator	Possible Points	Awarded Points	Comment
1.	Level of Anticipated MBE/WBE/OBE 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	10	
7.	Plans, Specifications, and Requirements	5	5	
8.	Contacted Recruitment / Placement Organizations	10	10	
9.	Negotiated in Good Faith	26	26	
10.	Bond, Lines of Credit, and Insurance	5	5	
	TOTAL SCORE:	100	100	<i>Less than 75 points is failing - proposal passed</i>

**MOBILE ILLUMINATION, INC. - LEDs
WINTER THEME LIGHTING AT PERSHING SQUARE PARK RFP**

LEVEL I EVALUATION

I. Compliance Documents		Submitted	In Compliance	Comments
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Good Faith Effort Outreach	Yes	Yes	100 points - proposal passed
5.	Living Wage/Service Contract Worker Retention Ordinance	N/A	N/A	
6.	Contractor Responsibility Questionnaire	Yes	Yes	
7.	Equal Benefits Ordinance Statement	Yes	Yes	
8.	CEC Form 50	Yes	Yes	

II. Proposal Items		Submitted	In Compliance	Comments
1.	Cover Letter	Yes	Yes	
2.	Proposal Deposit	Yes	Yes	
3.	Experience and Qualifications			
	i. Experience and Qualifications of Firm and Key Personnel	Yes	Yes	
	ii. Experience with Similar Contracts	Yes	Yes	
	iii. References	Yes	Yes	
4.	Proposed Compensation	Yes	Yes	
5.	Proposed Design	Yes	Yes	

**MOBILE ILLUMINATION, INC. - LEDs
WINTER THEME LIGHTING AT PERSHING SQUARE PARK**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH
SCORING SUMMARY**

	Indicator	Possible Points	Awarded Points	Comment
1.	Level of Anticipated MBE/WBE/OBE 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	10	
7.	Plans, Specifications, and Requirements	5	5	
8.	Contacted Recruitment / Placement Organizations	10	10	
9.	Negotiated in Good Faith	26	26	
10.	Bond, Lines of Credit, and Insurance	5	5	
	TOTAL SCORE:	100	100	<i>Less than 75 points is failing - proposal passed</i>

**ST. NICK'S CHRISTMAS LIGHTING SERVICE
WINTER THEME LIGHTING AT PERSHING SQUARE PARK RFP**

LEVEL I EVALUATION

I. Compliance Documents		Submitted	In Compliance	Comments
1.	Affidavit of Non-Collusion	Yes	Yes	
2.	Disposition of Proposals	Yes	Yes	
3.	Affirmative Action Plan	Yes	Yes	
4.	Good Faith Effort Outreach	Yes	Yes	90 Points - proposal passed
5.	Living Wage/Service Contract Worker Retention Ordinance	N/A	N/A	
6.	Contractor Responsibility Questionnaire	Yes	Yes	
7.	Equal Benefits Ordinance Statement	Yes	Yes	
8.	CEC Form 50	Yes	Yes	

II. Proposal Items		Submitted	In Compliance	Comments
1.	Cover Letter	Yes	Yes	
2.	Proposal Deposit	Yes	Yes	
3.	Experience and Qualifications			
	i. Experience and Qualifications of Firm and Key Personnel	Yes	Yes	
	ii. Experience with Similar Contracts	Yes	Yes	
	iii. References	Yes	Yes	
4.	Proposed Compensation	Yes	Yes	
5.	Proposed Design	Yes	Yes	

**ST. NICK'S CHRISTMAS LIGHTING SERVICE
WINTER THEME LIGHTING AT PERSHING SQUARE PARK**

**GOOD FAITH EFFORT SUBCONTRACTOR OUTREACH
SCORING SUMMARY**

	Indicator	Possible Points	Awarded Points	Comment
1.	Level of Anticipated MBE/WBE/OBE	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	10	
7.	Plans, Specifications, and Requirements	5	5	
8.	Contacted Recruitment / Placement Organizations	10	0	The date recruitment / placement organizations were contacted was two days short of the date required by this indicator (not less than 15 calendar days prior to the submission of proposals) Should have sent the letters on 5/23/10, they were sent on 5/25/10, 13 days prior to June 8, 2010.
9.	Negotiated in Good Faith	26	26	
10.	Bond, Lines of Credit, and Insurance	5	5	
	TOTAL SCORE:	100	90	<i>Less than 75 points is failing - proposal passed</i>

**DEPARTMENT OF RECREATION AND PARKS
WINTER THEME LIGHTING AT PERSHING SQUARE PARK RFP
PROPOSAL COMPARISON SUMMARY**

Proposal submittal items	Mobile Illumination, Inc. (Incandescent Bulbs)	Mobile Illumination, Inc. (LEDs)	St. Nick's Christmas Lighting Service
Year Company Established	1999	1999	1996
Experience and Qualifications of Firm and Key Personnel	<p>The two owners maintain an electrician and contractor license and are also registered engineers. The information provided regarding the size and scope of previous projects indicates all project requirements and responsibilities will be met. Experience and qualifications of personnel included detailed education and work experience with dates, schools, and firms.</p>	<p>The two owners maintain an electrician and contractor license and are also registered engineers. The information provided regarding the size and scope of previous projects indicates all project requirements and responsibilities will be met. Experience and qualifications of personnel included detailed education and work experience with dates, schools, and firms.</p>	<p>Experience and qualifications were stated without dates, education or license information. The information provided in Exhibit D did not indicate that this proposer has the experience completing a project with a scope similar to the Pershing Square "Downtown on Ice" event.</p>
Experience with Similar Contracts	<ol style="list-style-type: none"> 1. City of Santa Monica - \$140,000 2. City of Los Angeles - up to \$99,000 3. City of Torrance - \$20,700 4. The Oaks Shopping Center - \$20,000 	<ol style="list-style-type: none"> 1. City of Santa Monica - \$140,000 2. City of Los Angeles - up to \$99,000 3. City of Torrance - \$20,700 4. The Oaks Shopping Center - \$20,000 	<ol style="list-style-type: none"> 1. County of Los Angeles - \$19,200 2. Veterans Hospital - \$1,115 3. City of Westminster - \$3,258 4. Sea Cliff Country Club - \$5,248
Proposed Compensation	<p>Proposed total compensation is \$75,000 per year.</p>	<p>Proposed total compensation is \$75,000 per year.</p>	<p>Year 1 - \$74,459; Year 2 - \$75,000; Year 3 - \$74,998</p>

PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Department of Recreation and Parks

2. Contacts

Department: Raymond Chang Phone No. (818) 243-6488 Fax No. 818-243-6451

CAO: Veronica Salumbides Phone No. (213) 473-7561 Fax No. 213-473-7514

3. Work to be performed:

Department of Recreation and Parks is seeking a contractor for the design, installation, maintenance, and removal of contractor provided winter-themed exterior lighting décor for Pershing Square Park. The contractor will provide a design proposal to include pictures, diagrams of products, product sizes/dimensions materials. The contractor will be required to provide requested maintenance within 48 hours, and provide other service guarantees as required by design and entertainment schedules. Approximate eight workdays are allowed for installation and removal of holiday lights and other ornaments provided by the contractor.

4. Is this a contract renewal? Yes No

5. Proposed length of contract: One year (two, one-year renewal options)
Proposed Start Date: November 1, 2009

6. Proposed cost of contract (if known): \$85,000

7. Name of proposed contractor: Unknown.

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

The contractor must have exterior holiday lighting equipment in stock and the expertise to design, incorporate new and/or incorporate existing structures and landscape to meet an approved thematic holiday design.

9. Are there City employees that can perform **some of** the work being proposed for contracting?
Yes No

Classification	Departments	List Expires
Maintenance Laborer	Public Works, Airports, other	Continuous Exam
Maintenance and Construction Helper	Public Works, Airports, other	Continuous Exam
Mechanical Helper	Various	Continuous Exam
Electrical Craft Helper	Various	Continuous Exam

If yes,

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

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? 2 to 8 months depending on the class.
- 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 **some of** 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 **some of** 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:

Cathy J. Tanaka
Submitted by

Shirley M. Nelson
Approved by

12/20/20
Date

REPORT OF GENERAL MANAGER

NO. 10-240

DATE September 1, 2010

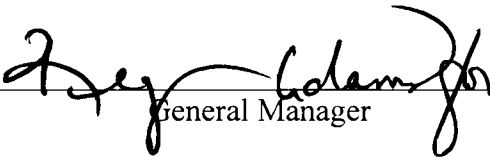
C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: ELECTRIC GOLF CARTS RENTAL CONCESSION – TERMINATION OF REQUEST FOR PROPOSALS PROCESS; TERMINATION OF CONCESSION CONTRACT NO. 227; AND SELF-OPERATION OF ELECTRIC GOLF CARTS

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

*F. Mok now _____
K. Regan _____
M. Shull _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATIONS:

That the Board:

1. Reject all proposals received on July 24, 2007, for the Electric Golf Carts Rental Concession in response to the Request for Proposals (RFP) and direct staff to return all proposal deposits to each proposer;
2. Direct staff to terminate Concession Agreement No. 227 between the City of Los Angeles Department of Recreation and Parks and J. H. Kishi Company; and,
3. Direct staff to self-operate the electric golf cart rental operation.

SUMMARY:

The Electric Golf Carts Rental Concession (Concession) provides golf carts used at the Department of Recreation and Park’s (RAP) 18-hole golf course facilities. There are five electric golf cart rental locations serving seven courses: Sepulveda Golf Complex (Encino/Balboa Golf Courses), Griffith Park Golf Complex (Wilson/Harding Golf Courses), Hansen Dam Golf Course, Rancho Park Golf Course, and Woodley Lakes Golf Course. Each location consists of a cart rental building/storage facility (cart barn). The Concession includes the furnishing of all golf carts needed for the operation of the concession, the staging and distribution of the golf carts to golf patrons, and the maintenance and repair of the golf carts and cart barns.

REPORT OF GENERAL MANAGER

PG. 2

NO. 10-240

The Electric Golf Carts Rental Concession has been operated by J. H. Kishi Company (Kishi) since 1975. The last contract began in 1991 and Kishi has operated on a month-to-month basis since Concession Agreement No. 227 expired in 2003.

Request for Proposals

On April 5, 2007, the Board directed staff to develop and release a Request for Proposals (RFP) for the operation and maintenance of the Electric Golf Carts Rental Concession (Board Report No. 07-87). The RFP was released on April 20, 2007 and five proposals were received on July 27, 2007. On June 4, 2008, the Board approved the award of the Concession to Michael Leslie Productions dba Ready Golf Centers (Ready Golf) in Board Report No. 08-136.

On September 4, 2009, in accordance with Charter Section 245 and Los Angeles Administrative Code Section 10.5(a), the Council voted to disapprove the award of the contract to Ready Golf (Council File No. 09-1671). The Council, by motion, also requested that the Board and the Department award a five (5) year concession agreement to Kishi and develop a transition plan for self-operation of the golf cart function at the end of those five years.

Electric Golf Cart Rental Operation

On March 1, 2010, the Department assumed a key function from Kishi and began collecting the revenue for the golf cart rental at the starter window without an increase in RAP Golf Division staff. Based on four months of accounting information since the Department began the collection of the golf cart rental fees, revenue from the Concession has increased by approximately 11% from the previous year while golf rounds have dropped by almost 6% for the same period.

On July 1, 2010, the RAP Golf Division was reorganized into a full cost recovery unit as part of the Fiscal Year 2010-11 budget approved by the Mayor and Council.

On August 3, 2010, the Office of the City Controller (Controller) released the "Forensic Audit of the Reported Gross Receipts and Related Payments by J. H. Kishi Company" (Audit) and found that Kishi had a poor internal control environment and underreported revenue resulting in underpayment of rent to the City. A full copy of the Audit and a summary of the complete findings were provided to the Board on August 11, 2010.

The Audit found that "Even though RAP took over the collection function in March 2010, Kishi still receives 53% of the cart rental revenues, despite not having to perform a key function of the contract." The audit Recommendation No. 4 states that the Department should "Work to expedite either executing a new contract for the golf cart rental operations or bring the function in-house."

REPORT OF GENERAL MANAGER

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NO. 10-240

Options for Board Consideration

Although the Controller recommended two options in the Audit, the Board has several options to consider:

1. As requested by the Council on September 4, 2009 (Council File No. 09-1671) award a five (5) year concession agreement to Margaret Shimizu dba J. H. Kishi Company under the existing RFP process.
2. Find that the award to Michael Leslie Productions dba Ready Golf on June 4, 2008, (Board Report No. 08-136) was awarded in a manner consistent with the City Charter, Los Angeles Administrative Code, and the instructions of the Board of Recreation and Park Commissioners and again forward that finding to the Council for reconsideration of the award;
3. Cancel the RFP as approved by the Board on April 5, 2007 (Board Report No. 07-87), reject the proposals, and return the proposal deposits; and, continue on a month-to-month basis with the incumbent operator (Kishi) with the same terms and conditions until the Board takes further action;
4. Cancel the RFP as approved by the Board on April 5, 2007, reject the proposals, and return the proposal deposits and release a new RFP to award an agreement for the operation of the Electric Golf Carts Rental Concession, and in the interim either: (a) continue on a month-to-month basis with the incumbent operator with the same terms and conditions until a new concession agreement is executed or the RFP process is otherwise terminated and the Board takes additional action to replace the incumbent operator; or, (b) instruct staff to begin self-operation of the Electric Golf Cart Rentals.
5. Instruct staff to begin self-operation, to include acquiring the necessary resources to begin self-operation; and, cancel the RFP as approved by the Board on April 5, 2007, reject the proposals, and return the proposal deposits.

Staff Analysis of Options

Staff has reviewed the options and finds that it is not advantageous to the City to continue with Kishi as the Controller Audit found that Kishi had a poor internal control environment and underreported revenue resulting in underpayment of rent to the City.

It should also be noted that during the Council discussions on September 4, 2009, regarding the award of the concession agreement to Ready Golf, staff informed Council that one of the primary reasons that Ready Golf was recommended for award of the concession agreement was that while Kishi proposed a higher percentage of gross revenue as rent (50%), it did not appear that Kishi would not be able to sustain that amount and remain a viable company.

REPORT OF GENERAL MANAGER

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The Audit substantiated staff's concern and found that Kishi's principals loaned the company \$429,000 during the three year audit period. During the Audit process, representatives of Kishi explained to staff that the loans were utilized to supplement cash flow shortages. The Audit further found that upon review of Kishi's 2007 and 2008 annual financial statements and income tax returns "...the financial statements show net losses of \$231,455 and \$112,803 for 2008 and 2007, respectively. This would cause one to question why Kishi would seek to continue this contract."

Staff also finds that it is not advantageous to the City to resubmit the award of the concession agreement for Council reconsideration as the award was based on economic conditions and information available at that time. The resubmission of the award of the concession agreement would also contrast with the request by Council to the Board and the Department, which as previously stated in this report, states in part "...develop a transition plan for self-operation of the electric golf cart function..."

Analysis of Self-Operation

The Cost Benefit Analysis prepared in early 2008 as part of the Charter 1022 requirements for the award of the concession agreement showed that Ready Golf would provide an estimated \$14,161,549 to the City and the RAP Golf Division would provide an estimated \$13,937,547; a difference of \$224,002 over the ten-year term of the concession agreement, or \$22,400 per year.

The Cost Benefit Analysis assumed an annual growth of 2.5% for projected golf revenue. Since that time, due to the current economic environment and the decline in the golf industry, RAP has experienced a significant decline in rounds of golf and the projected revenue increases used in the Cost Benefit Analysis have not been realized.

Other factors have also changed since the initial RFP was issued. These include: (1) the RAP Golf Division has assumed a key function of the golf cart rental operation without an increase in staff, thus lowering labor costs for this function; (2) RAP staff have gained further experience in running a portion of the golf cart rental operation; (3) RAP Golf Division has reorganized into a full cost recovery unit; and, (4) due to Board direction, the Department is studying the future of all golf operations and further recommendations will be made when the future strategic direction of Golf operations is determined.

Based on actual revenue collected in Fiscal Year 2009-10 from the golf cart rental operation (\$3,186,402) and annual projected expenditures provided by the RAP Golf Division (\$1,358,819), it is estimated that over a four-year period, self-operation of the electric golf cart rental operation would yield a net return to the City of approximately \$7,296,533.

The "Revenue and Expenditure Plan for the Self-Operation of the Electric Golf Cart Operation" prepared by the RAP Golf Division is included as Attachment A and compares the projected net return to the City with that of the Ready Golf proposal and the current Kishi concession agreement.

REPORT OF GENERAL MANAGER

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Recommendation

Staff recommends that the electric golf cart rental operation be brought in-house, as recommended by Council and the Controller as an option, and that the Board instruct the RAP Golf Division to begin self-operation.

This recommendation is made due to the following: (1) the Controller audit findings that Kishi had a poor internal control environment and underreported revenue resulting in underpayment of rent to the City; (2) the reorganization of the RAP Golf Division into a full cost recovery unit; (3) the collection of the golf cart fees at the golf starter window without increasing staff; (4) the additional revenue collected since the RAP Golf Division began the collection of the golf cart fees; (5) the RAP Golf Division plan to self-operate the electric golf cart rental operation which would provide a higher net return to the City than either the Ready Golf proposal or the current agreement with Kishi; and, (6) the study of RAP's golf future operations and direction.

In accordance with Los Angeles City Charter Section 371(c) and as stated in Section VI.G of the Request for Proposals for the Electric Golf Carts Rental Concession released on April 20, 2007, ("The City shall reserve the right to reject any and all bids or proposals and to waive any informality in the bid or proposal when to do so would be to the advantage of the City"), it is also recommended that the Board terminate the RFP process, reject the proposals submitted in response to the RFP, and direct staff to return all proposal deposits to each proposer.

Upon approval of this board report, the General Manager will instruct staff to transition the electric golf cart operation from the current operator (Kishi) to the RAP Golf Division and prepare a letter to Kishi in accordance with Section 4 ("Term") of Concession Agreement No. 227, which states, in part, "At the conclusion of the term of this Agreement, the parties may mutually agree to extend all terms and conditions on a month to month basis terminable by either party by giving 30 days prior notice in writing of such termination."

FISCAL IMPACT STATEMENT:

There is no impact to the RAP General Fund as all revenue from the concession is deposited in the Golf Special Fund. The RAP Golf Division is expected to generate an estimated \$1,824,133 annually in revenue, after expenses are considered. These funds will be used to supplement RAP operations.

This report was prepared by Robert N. Morales, Senior Management Analyst II, Finance Division, Administrative Resources Section.

**Department of Recreation and Parks (RAP)
Golf Division
Revenue and Expenditure Plan for the Self-Operation of the Electric Golf Cart Rental Operation**

		Four-Year Net Return To City Comparison		
RAP Golf Division Annual Expenditure Plan		RAP Golf Division	Ready Golf (39% of Gross Revenue - As Proposed)	J. H. Kishi (47% of Gross Revenue - Current Concession Agreement)
FY 2009-10 Actual Revenue From Electric Golf Cart Rentals ⁽¹⁾	\$ 3,186,402 (See Page 2)	\$ 12,745,608	\$ 12,745,608	\$ 12,745,608
Estimated Annual Expenditures (RAP Golf Division)				
Labor (Including CAP Rate)	\$ 505,659 (See Page 3)	\$ 2,022,635		
Golf Carts Four-Year Lease	424,320 (See Page 4)	1,697,280		
Golf Cart Maintenance Agreement Expense ⁽²⁾	97,500	390,000		
Insurance (additional) ⁽³⁾	120,000	480,000		
Utilities	97,740 (See Page 5)	390,960		
Operations and Maintenance Supplies	42,000 (See Page 5)	168,000		
Office and Administrative Supplies	7,800 (See Page 5)	31,200		
Refurbishments and Maintenance	50,000 (See Page 5)	200,000		
Clarifiers and Ventilation Improvements (4 year amortization) ⁽⁴⁾	17,250 (See Page 6)	69,000		
Total RAP Golf Division Annual Expenses:	<u>\$ 1,362,269</u>	<u>\$ 5,449,075</u>		
NET RETURN TO CITY:		\$ 7,296,533	\$ 4,970,787	\$ 5,990,436
Operating Income As a Percentage of Gross Revenue			<u><u>57%</u></u>	

Notes / Assumptions:
 1. Revenue based on actual FY 2009-10 gross revenue as reported by J. H. Kishi Company (July 2009 through February 2010) and collected by the RAP Golf Division (March 2010 through June 2010). Revenue projection for four-year comparison based on actual FY 2009-10 gross revenue and a flat-line (no increase or decrease) assumption for the four-year period.
 2. Additional golf cart maintenance agreement above standard maintenance provided in the lease agreement.
 3. Additional insurance above standard City self-insurance program. Estimate based on submitted proposals. Actual tentative estimates provided are less than estimate used.
 4. Improvements to the golf cart cart barns required as part of the RFP approved by the Board on April 5, 2007.

**Department of Recreation and Parks
Golf Division
Electric Golf Carts Rental Operation
Actual Revenue Collected in FY 2009-10**

July 2009	\$	318,018
August 2009		332,833
September 2009		300,524
October 2009		258,002
November 2009		248,145
December 2009		191,482
January 2010		178,306
February 2010		166,304
March 2010		280,530
April 2010		270,743
May 2010		337,623
June 2010		<u>303,892</u>
Total Revenue (FY 2009-10)	\$	<u><u>3,186,402</u></u>

**Department of Recreation and Parks
Golf Division
Electric Golf Carts Rental Operation
Labor Expenses (Including CAP Rate)**

Average Number of Hours Between Sunrise and Sunset	12.5
Additional 1/2 Hour Before Sunrise	0.5
Additional 1/2 Hour After Sunset	<u>0.5</u>
Average Golf Cart Barn Operation Hours Per Day	13.5
Number of Facilities	<u>5</u>
Average Daily Cart Barn Shift Hours for All Facilities	67.5
Number of Days	<u>365</u>
Total Number of *SPA II Hours Per Year for All Facilities	24,637.5
Part Time Employees To Operate Cart Barns	25
Part Time Hours Per Year Per Employee	<u>1,040</u>
Total Number of SPA II Hours Per Year for All Facilities	26,000
Hourly Rate	<u>\$ 13.05</u>
Estimated Labor Expense	<u>\$ 339,300</u>
CAP Rate (CAP 31)	<u>49.03%</u>
Estimated Labor Expense Including CAP Rate	<u><u>\$ 505,659</u></u>

Note: Labor costs are based on the number of hours (26,000) necessary to staff the operation. The RAP Golf Division may require a higher number of part-time position authorities in order to ensure the required number of hours are met. This is due to historical experience with part-time employees unable to work the full allotment of hours provided for various reasons (e.g., school schedules, transportation schedules, etc.).

**Department of Recreation and Parks
 Golf Division
 Electric Golf Carts Rental Operation
 Golf Cart Lease Expense**

	<u>3 Year Lease</u>	<u>4 Year Lease</u>
Monthly Lease Rate Per Cart	\$ 77.13	\$ 64.44
Sales Tax (9.75%)	<u>\$ 7.52</u>	<u>\$ 6.28</u>
Total Monthly Lease Cost Per Cart	\$ 84.65	\$ 70.72
Number of Golf Carts	500	500
Total Monthly Cost	<u>\$ 42,325.00</u>	<u>\$ 35,360.00</u>
 Total Annual Golf Cart Fleet Lease:	 <u>\$ 507,900.00</u>	 <u>\$ 424,320.00</u>

It is recommended that a four-year lease option be utilized as the costs are more advantageous.

**Department of Recreation and Parks
Golf Division
Electric Golf Carts Rental Operation
Estimated Department Expenses From Golf Cart Rental Operations**

Expense Item	Basis of Estimate	Amount
Utilities	Estimated based on current concessionaire's utility payments to City of \$8,145 per month	\$ 97,740
Maintenance Supplies	Estimated based on general maintenance experience as well as maintenance experience at the Harbor Park Golf Course. Estimated amount of \$3,500 per month for all facilities.	\$ 42,000
Office and Administrative	Estimated based on general office management experience at \$650 per month.	\$ 7,800
Refurbishments and Maintenance	\$50,000 will be set aside annually for on-going refurbishments, improvements and maintenance of concession facilities.	\$ 50,000
TOTAL:		\$ 197,540

**Department of Recreation and Parks
Golf Division
Electric Golf Carts Rental Operation
Capital Improvements**

	Estimated Cost
Clarifier - Hansen Dam	\$ 27,000
Clarifier - Griffith Park	27,000
Ventilation System - Hansen Dam	15,000
Total Cost of Capital Improvements	\$ 69,000
Depreciation Period (Years)	4
Annual Depreciation Amount (Over 4 Years)	\$ 17,250

REPORT OF GENERAL MANAGER

NO. 10-241


DATE: September 1, 2010

C.D. 15

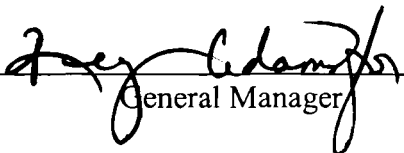
BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: CABRILLO MARINE AQUARIUM – PERMISSION TO SUBMIT THE RENEWAL MEMBERSHIP APPLICATION FOR ACCREDITATION FROM THE ASSOCIATION OF ZOOS AND AQUARIUMS

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



F. Mok
K. Regan
M. Shull



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Retroactively approve the Department's renewal application for accreditation of the Cabrillo Marine Aquarium by the Association of Zoos and Aquariums; and,
2. Retroactively authorize the Board President to sign the renewal application.

SUMMARY:

Cabrillo Marine Aquarium (CMA) has been accredited for the past ten years by the Association of Zoos and Aquariums (AZA). AZA is a professional organization dedicated to the advancement of zoos and aquariums through conservation, education, scientific studies, and recreation. There are over 2,000 zoos and aquariums that qualify to be accredited and CMA is one of only 212 in North America.

CMA's current accreditation will expire in March 2011. However, the deadline by which CMA must reapply for accreditation is September 1, 2010 the same day as the Board meeting. The application was previously submitted to avoid missing this deadline, and without retroactive approval, the application will be withdrawn. The accreditation process evaluates the Aquarium according to professional standards set by AZA. Accreditation bolsters public confidence in zoos and aquariums by certifying that the institution meets professional standards and increases our ability

REPORT OF GENERAL MANAGER

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to receive grants. As an example, CMA received a grant of \$270,050 from the California Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Act of 2000 through the "Dr. Paul Chaffee Zoos and Aquariums Grant Program." CMA has also received a National "Award of Excellence" from AZA. That award included a \$25,000 grant for upgrades to the exhibit area. Both grants were only available to accredited AZA organizations.

FISCAL IMPACT STATEMENT:

The application process costs \$3,000. This includes all expenses for filing the application and for the Inspection Committee who visit CMA. The fees are not payable until the application has been received by the AZA's office and an invoice is sent to CMA. CMA will use Municipal Recreation Program Account 301-88-035M - Fund 830 to pay these expenses.

Report prepared by Mike Schaadt, Director, Cabrillo Marine Aquarium.

REPORT OF GENERAL MANAGER

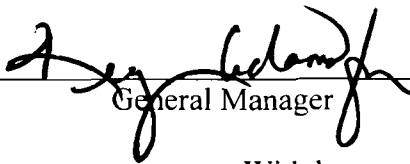
NO. 10-242

DATE September 1, 2010

C.D. Various

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: VARIOUS COMMUNICATIONS



General Manager

Approved _____

Disapproved _____

Withdrawn _____

The following communications have been received by the Board and recommended action thereon is presented.

From:

1) Mayor, relative to a proposed Supplemental Agreement with Arthur M. Manask and Associates, Inc.

2) City Controller, relative to an audit of the J.H. Kishi Company.

3) Councilmember Rosendahl, relative to naming the eucalyptus grove at Rustic Canyon Recreation Center.

4) City Clerk, relative to Prop 40 funds.

5) City Clerk, relative to a proposed Archbishop Oscar Romero Plaza in MacArthur Park.

6) City Clerk, relative to a proposed surplus food policy.

7) City Clerk, relative to Harbor Department-funded positions within the Department.

Recommendation:

Refer to General Manager.

Note and file.

Refer to General Manager.

Refer to General Manager.

Note and file.

Refer to General Manager.

Note and file.

REPORT OF GENERAL MANAGER

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- 8) City Clerk, relative to the completion of Proposition 40 projects. Refer to General Manager.
- 9) City Clerk, relative to funding shortfalls in certain projects. Refer to General Manager.
- 10) Chief Legislative Analyst, forwarding the Legislative Report for the weeks ending July 16, July 23, and July 30, 2010. Note and file.
- 11) Foothill Trails District Neighborhood Council, to the General Manager, relative to the use of the All Terrain Vehicles that they purchased for the Rangers. Note and file.
- 12) Alex Gardos, to Councilmember Rosendahl, relative to the enforcement of the pool rules. Refer to General Manager.
- 13) Six Communications, relative to an incident at Sepulveda Basin Off-Leash Dog Park. Note and file.
- 14) Sean, to Citywide Aquatics, relative to the state of the Van Nuys Sherman Oaks Pool. Note and file.
- 15) Bruce I. Newman, relative to the state of Balboa Park Bikeway. Refer to General Manager.
- 16) Three communications, relative to the apparent impact of the increase of golf fees on the number of rounds played. Refer to General Manager.
- 17) Michael Bernback, President, Ready Golf, two communications relative to the Electric Golf Cart Concession. Note and file.
- 18) Glenn Bailey, to the General Manager, relative to the proposed Sepulveda Dog Park Advisory Board. Note and file.

REPORT OF GENERAL MANAGER

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- 19) Mark Casillas, FiddleSticks International, relative to starting a program at Department's parks. Refer to General Manager.
- 20) Stephen R. McDow, to an unidentified staff member, relative to occurrences at Martin J. Bogdanovich Recreation Center summer camp. Refer to General Manager.
- 21) Keith Johnson, Falcons Youth and Family Services, relative to Summer Night Lights. Note and file.
- 22) Ivan Borodin, relative to the outdoor men's bathroom at Pan Pacific Park. Refer to General Manager.
- 23) Two Communications relative to the Oakwood Park area. Note and file.
- 24) Doris Cabrera, relative to an alleged occurrence at Petit Park, with a response from the Granada Hills South Neighborhood Council. Refer to General Manager.
- 25) Anonymous, relative to the alleged behavior of the staff in charge of the Sepulveda Garden Center. Refer to General Manager.

This report was prepared by Paul Liles, Clerk Typist, Commission Office.

FOR INFORMATION ONLY

CITY OF LOS ANGELES
DEPARTMENT OF RECREATION AND PARKS

September 1, 2010

TO: BOARD OF RECREATION AND PARK COMMISSIONERS

FROM: 
JON KIRK MUKRI
General Manager

SUBJECT: DEPARTMENT RESPONSE TO THE CITY CONTROLLER "FORENSIC
AUDIT OF THE REPORTED GROSS RECEIPTS AND RELATED
PAYMENTS BY J. H. KISHI COMPANY"

On August 3, 2010, the Office of the City Controller (Controller) released the "Forensic Audit of the Reported Gross Receipts and Related Payments by J. H. Kishi Company". A response to the Controller from the Department, with a plan to address the four recommendations contained in the audit report, is due by September 3, 2010.

The following are the four Controller audit report recommendations and the Department of Recreation and Park's (RAP) plan to address the recommendations:

Recommendation No. 1

Ensure that any future contracts that may involve handling of cash receipts by concessionaires require appropriate internal controls, such as proper separation of duties for cash handling and a clear audit trail to show that all amounts collected have been properly reported.

Department Plan

RAP addressed the cash handling issue through the Electric Golf Carts Rental Request for Proposals (RFP) released in 2007 by requiring that RAP collect the golf cart rental fees in order to ensure an accurate reporting of gross revenues collected. The award of the concession agreement resulting from the RFP process was not approved by Council and the collection of the golf cart fees by RAP was implemented on March 1, 2010.

Contract language regarding reconciliation of reported revenues and the reporting of adjustments to gross revenues have been developed and included into current concession agreements.

Also, procedures to minimize the risk of not detecting unrecorded sales have also been implemented (e.g., signs have been placed at concessions requesting patrons to call the RAP Concessions Unit should a receipt not be issued for a transaction and a secret shopper program reports on unrecorded sales).

RAP will continue to review existing contract language as it relates to business records, cash handling, and accounting records. Any necessary revisions will be included in future concession agreements.

A letter to all current concessionaires will be sent by the end of September 2010 as a reminder of their fiduciary and contractual responsibilities in properly reporting gross revenue and providing accurate rental payments.

Recommendation No. 2

Consider performing further research to determine the number of golf tournaments held at City golf courses during the 2006 and 2007 calendar years to quantify additional unreported revenues.

Department Plan

The RAP Golf Division is currently reviewing records and compiling a list of tournaments held during the 2006 and 2007 calendar years to provide to the RAP Auditors to review to determine potential additional unreported revenues. A reconciliation of the tournaments and any potential fees owed to the Department by Kishi is expected to be completed by the end of October 2010.

Recommendation No. 3

Pursue collection for the underpaid rental fees of \$16,262 plus any other amounts determined to be underpaid.

Department Plan

On August 11, 2010, RAP received payment from Kishi in the amount of \$16,262. RAP is calculating the late fees and interest owed on the amount in accordance with the concession agreement. A letter requesting the total amount owed will be sent to Kishi by the end of September 2010.

Recommendation No. 4

Work to expedite either executing a new contract for golf cart rental operations or bringing the function in-house.

Department Plan

The most recent Request for Proposals (RFP) process took approximately two-and-a-half years from the time the Board of Recreation and Park Commissioners approved release of the RFP on April 5, 2007 until Council disapproved the award on September 4, 2009. It is anticipated that another RFP process would similarly take over a year to complete and result in a final executed agreement.

On September 1, 2010, the Department intends to present a Board Report with options and a recommendation for consideration by the Board of Recreation and Park Commissioners.

Staff will update the Board within six months on the status of the progress of the plans to address the recommendations contained in the Controller audit report.

This report was prepared by Robert N. Morales, Senior Management Analyst II, Finance Division.

MATTERS PENDING

Matters Pending will be carried for a maximum of six months, after which time they will be deemed withdrawn and rescheduled whenever a new staff report is received.

GENERAL MANAGER'S REPORTS:

<u>ORIGINALLY</u> <u>PLACED ON</u> <u>BOARD AGENDA</u>	<u>PLACED</u> <u>ON MATTERS</u> <u>PENDING</u>	<u>DEEMED</u> <u>WITHDRAWN</u>
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<u>02/17/10</u>	<u>03/15/10</u>	<u>09/15/10</u>
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10-043 Amendments to the Park Advisory Board Member Handbook

PROPOSALS TO BE RECEIVED:

09/21/10 Pershing Square Park Food and Beverage Service Concession

11/09/10 Bar and Beverage Services

TBD Film Production Instruction (CLASS Parks)

ON HOLD Hansen Dam Golf Course Professional Concession

ON HOLD Hansen Dam Golf Course Restaurant Concession

ON HOLD Woodley Lakes Golf Course Restaurant Concession

ON HOLD Woodley Lakes Golf Course Professional Concession