

REPORT OF GENERAL MANAGER

**APPROVED**

NO. 11-057

DATE February 16, 2011

**FEB 18 2011**

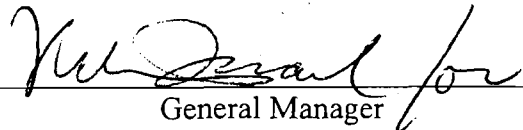
C.D. 4

**BOARD OF RECREATION  
and PARK COMMISSIONERS**

BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH PARK – GREEK THEATRE CONCESSION – REQUEST FOR PROPOSALS FOR CONSULTANT TO CONDUCT A BEST BUSINESS PRACTICE STUDY

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

  
 \_\_\_\_\_  
 General Manager

Approved                                           Disapproved                                           Withdrawn                     

RECOMMENDATIONS:

That the Board:

1. Approve the "Consultant to Conduct a Best Business Practice Study for the Greek Theatre Concession" Request for Proposals (RFP) for a one-year Agreement, substantially in the form on file in the Board Office, subject to review and approval of the City Attorney as to form;
2. Direct the Board Secretary to transmit the RFP to the City Attorney for review and approval as to form; and,
3. Direct staff, subsequent to City Attorney review and approval as to form, to advertise the RFP and conduct the RFP process for the Consultant.

SUMMARY:

The Greek Theatre is located at 2700 North Vermont Avenue in Griffith Park and has provided entertainment and cultural events to the public since it was officially dedicated in 1929.

The Greek Theatre Concession (Concession) has been operated by Nederlander-Greek, Inc. (Concessionaire) under Concession Agreement Number 245 (Agreement) since May 21, 2002. The Agreement is due to expire on October 31, 2011.

## REPORT OF GENERAL MANAGER

PG. 2

NO. 11-057

In 2009, the Greek Theatre generated \$16,498,713.00 in gross receipts, paid \$1,214,442.48 in rent to the Department, and has consistently been the Department's highest revenue-producing non-golf concession.

Because of the current economic environment, the downturn in the music concert industry (including a decline in audiences), and increased competition in the surrounding areas of Los Angeles and Orange Counties, gross revenues at the Concession have declined.

To ensure that the Department receives the best and most competitive proposals for a new Concession Agreement for the operation and maintenance of the Concession, the Department seeks to hire an experienced and qualified consultant with expertise in the music concert industry to assist in developing a new RFP for the Concession, including, but not limited to, the following tasks:

1. Assess the current condition of the music concert industry, specifically as it relates to the Concession;
2. Submit a report detailing the best business practices for the Department regarding the Concession based on research and analysis into the current music concert industry;
3. Survey stakeholders, including the surrounding community of the Greek Theatre, the Greek Theatre Advisory Committee, and Department staff, for input into a new RFP and Concession Agreement for the operation and maintenance of the Concession;
4. Recommend terms and conditions for a new Concession Agreement;
5. Identify potential proposers the Department should include in its solicitation for proposals;
6. Draft a sample RFP upon which the Department can model its own RFP for the Concession;
7. Assist the Department by providing a marketing plan and administering the RFP;
8. Provide an RFP evaluation panel consisting of five to seven members with expertise in the music concert industry; and
9. Assist the Department in recommending award of a new Agreement to the Board.

## REPORT OF GENERAL MANAGER

PG. 3

NO. 11-057

The Department believes that input from an experienced and qualified consultant with expertise in the music concert industry would greatly enhance the Department's ability to attract the best and most competitive proposals for the operation and maintenance of the Concession.

The proposed contract with the selected consultant will be for a term of one year in order to provide the Department sufficient time to develop and release an RFP for the Greek Theatre Concession, receive and evaluate proposals, recommend award, and execute a new Concession Agreement with the selected proposer.

In order to avoid a potential conflict of interest, the RFP informs all potential proposers that the selected consultant will be barred from submitting a proposal for the operation and maintenance of the Greek Theatre Concession.

### Evaluation Process

Proposals will be evaluated in two Levels. Level I will be a check and review by staff for required compliance and submittal documents; Level II will be a comprehensive evaluation of the proposals by a panel that may include City and non-City employees. Proposers must successfully pass Level I to proceed to Level II.

### RFP Evaluation Criteria Areas

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

- 1) Background and Experience (30 points)
- 2) Proposed Business Plan to Accomplish Scope of Work Requested (40 points)
- 3) Proposed Cost of Services (30 points)

The RFP documents will be advertised in several periodicals; available on the Department's website; and posted on the Los Angeles Business Assistance Virtual Network (BAVN). A conference will be held approximately one month after the release of the RFP in order to provide potential proposers with a review of the submittal documents and compliance documents.

### FISCAL IMPACT STATEMENT:

There is no impact to the General Fund as funding for this contract is provided in the Concession Improvement Account (Fund 302, Department 89, Account 070K).

Report prepared by Désirée Guzzetta, Management Analyst II, Concessions Unit, Finance Division.

## PERSONNEL DEPARTMENT CONTRACT REVIEW REPORT

1. Requesting Department: Department of Recreation and Parks

2. Contacts:

Department: Robert Morales Phone No. (213) 202-4384 Fax No. (213) 202-3213

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

3. Work to be performed:

The Department of Recreation and Parks seeks to contract services of a consultant who specializes in market studies of concert venues. The Consultant will provide the current market trends in the concert concession industry. The consultant will also develop and administer a Request for Proposals for a new concession agreement at the Greek Theatre.

4. Is this a contract renewal? Yes  No

5. Proposed length of contract: One year.

Start Date: August 2011

6. Proposed cost of contract (if known): Not known.

7. Name of proposed contractor: Not known.

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

The contractor must have expertise in analyzing trends in the concession business that caters to the concert or entertainment industry.

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

Yes  (*some of the work*) No

If yes,

<i>Classification</i>	<i>Departments</i>	<i>List Expires</i>
Management Analyst	Various	Reserve list
Senior Management Analyst	Various	Reserve list

If yes,

- Which class (es) and Department(s): See above.
- Is there sufficient Department staff available to perform the work? Yes  No
- Is there a current eligible list for the class(es)? Yes  No  Expiration Date: see above.
- Estimated time to fill position(s) through CSC process? Unknown due to hiring freeze.
- Can the requesting department continue to employ staff hired for the project after project completion? Yes  No
- Are there City employees currently performing some of the work? Yes  No

10. Findings

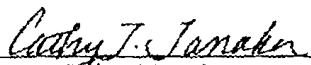
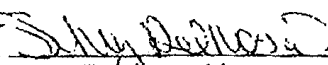
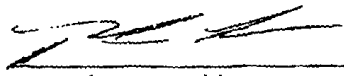
- City employees DO NOT have the expertise to perform the work
- City employees DO have the expertise to perform some of the work

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:

The Department of Recreation and Parks seeks services of a consultant to provide market and business analyses of operating an outdoor amphitheatre. The consultant will also develop a Request for Proposals for concessions at the Greek Theatre in Griffith Park. Although there are classes such as Senior Management Analyst and Management Analyst in the City that could perform some of the duties, the project is for a limited duration. There is not a civil service classification whose core duties are to study the entertainment, leisure, and recreational trends for profit making opportunities.

			<u>1/26/11</u>
Submitted by	Reviewed by	Approved by	Date
Cathy T. Tanaka	Shelly Del Rosario	Raul Lemus	
Sr. Personnel Analyst I	Sr. Personnel Analyst II	Chief Personnel Analyst	