



# City of Los Angeles

Department of Recreation and Parks

## Request for Proposals

For the Operation and Maintenance of the

### **GREEK THEATRE FOOD AND BEVERAGE CONCESSION (CON-XXX-XXX)**

At

2700 N. Vermont Drive, Griffith Park  
Los Angeles, CA 90027



**Release Date:**

**June XX, 2015**

**Pre-Proposal Conference:**

**July XX, 2015 (see page)**

**Due Date:**

**August XX, 2015 (see page )**

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# **REQUEST FOR PROPOSALS GREEK THEATRE FOOD AND BEVERAGE CONCESSION**

## **I. INTRODUCTION**

The Department of Recreation and Parks (hereinafter “Department”) is pleased to offer an exciting opportunity for a well-qualified business entity to operate and maintain the Food and Beverage Concession at the Greek Theatre (hereinafter “Concession”).

The proposing individual or company shall demonstrate the experience and ability to perform in the concert venue business, clearly articulate achievable plans for innovative and profitable operation, and be able to document compliance with appropriate laws and regulations.

The selected proposer (hereinafter “Concessionaire”) shall demonstrate the ability to implement a concession program that will meet or exceed the objectives of the City of Los Angeles (hereinafter “City”), , as well as incorporate creative ideas that are appropriate to maximize the Concession.

The Department’s goals are to (1) provide the public with the best and highest quality products and service from the Concession, (2) ensure that the City receives adequate and appropriate revenue share from private businesses allowed to operate on park property and (3) protect City assets.

## **II. OBJECTIVE OF THE REQUEST FOR PROPOSALS**

The objective of this Request for Proposals (hereinafter “RFP”) is to award a one (1) year Concession Agreement (hereinafter “Agreement”), with two (2) one (1) year extension options exercisable at the sole discretion of the Department’s General Manager, to an operator who will accomplish the following:

- Provide Food and Beverage service for as many as 70 show events at the Greek Theatre between April and October.
- Provide food and beverage service on the front plaza area on a year round basis to serve members of the public visiting Griffith Park.
- Provide service to meet or exceed the needs and expectations of the City, concert attendees, park patrons and the neighboring community;
- Minimize wait times for both food and beverage.
- Maximize patron experience through high-quality and uniquely featured menu items, quality of service, and an attractive ambiance;
- Provide professional service at reasonable, market prices
- Assess, install and provide on-going maintenance and equipment, such as all necessary furnishings and equipment, to create an attractive and inviting Concession;
- Provide food and beverage which incorporates the demographics and needs of the community and patrons this Concession serves;
- Establish and increase a strong customer base at the Concession through the use of marketing and advertising tools and outreach to the community;

- Work with the Department to develop the appropriate concessions for the Greek Theatre show seasons as well as special venue events.
- Implement, maintain and enforce all safety rules and regulations related to this Concession.

### **III. DESCRIPTION OF THE GREEK THEATRE AND THE CONCESSION**

The Greek Theatre, located at 2700 N. Vermont Avenue in Griffith Park, is nestled in the picturesque tree-enclosed setting of Griffith Park. This award-winning theatre was built in 1929 and is one of Los Angeles' most historic entertainment venues; it has played host to some of the biggest names in entertainment, from pop to classical and reggae to rock.

The Greek Theatre is part of Griffith Park, which is designated as Historic-Cultural Monument (HCM) No. LA-942 in accordance with Chapter 9, Article 1 of the Los Angeles Administrative Code. HCM LA-942 includes the Greek Theatre as a historically significant contributing element. HCM LA-942 is also listed in the California Register of Historic Resources as eligible for the National Register of Historic Places. Therefore, the Greek Theatre is considered historically significant for California Environmental Quality Act (CEQA) purposes.

This 5,801-seat venue offers an intimate concert setting, with state-of-the-art acoustics combined with excellent sight lines. The Greek Theatre offers top quality entertainment under the stars in the heart of Los Angeles. The Greek Theatre consists of a theatre building and the surrounding hillside: The main theatre structure (all areas, structures and concession facilities in the North Wing, South Wing, North Concourse, South Concourse and Front Concourse; seating areas; light booth; immediate exterior walls; fencing and public access areas fronting North Vermont Avenue, the Box Office structure, and the public restrooms), the VIP Parking Lot, and parking in the adjacent valley west of the theatre.

The Greek Theatre is an important community asset for the citizens of Los Angeles. It has hosted community events such as Bach, Rock and Shakespeare, which is performed annually by John Marshall High School, as well as other music outreach programs. The Greek Theatre has also hosted private, corporate and social events and is a unique venue for hosting a wide variety of private events.

The Greek Theatre is owned by the City of Los Angeles, Department of Recreation and Parks. It has become a world-renowned, award-winning Amphitheatre hosting thousands of events since opening in 1931, making it one of the cultural icons of the City. The Greek Theatre has been named North America's Best Small Outdoor Venue multiple times, and has been ranked in the top 25 amphitheatres in the country consistently over the last 10 years, from a ticket sales standpoint, according to Pollstar magazine, the industry's leading trade publication.

Please review Exhibit I for an overview of data related to the Greek Theatre.

The Concession premises are located within the Greek Theatre venue. The Concessionaire will have rights to use the following areas:

- North and South Concession Stands
- Front Plaza Area
- Upper and Lower Zeus Bars

Office and storage spaces will be provided in the basement of the Greek Theatre.

During concerts and other licensed events, the Hospitality Room and the adjacent Redwood Decks may be excluded from the premises. Events held in the Hospitality Room and the Redwood Deck are the responsibility of the show promoters.

Backstage catering for the artists' entourage and crew are also the responsibility of the show promoters. Unless contracted by the show promoter, the backstage catering dining and kitchen areas are excluded from the premises.

The Department retains all rights to sponsorships, including pouring rights, at the Greek Theatre. The successful proposer shall collaborate with the Department to effectively implement the sponsorship deals throughout the venue.

#### **IV. PROPOSAL ITEMS**

In the written proposal, proposers should include explicit, detailed responses to each of the Proposal Items. If selected as the winning proposal, the proposer must be willing and able to commit to the Proposal Items and all provisions contained in the Sample Concession Agreement. The contents of a proposer's response will be deemed as a binding commitment and included as an attachment to the Agreement.

Proposers must respond to each of the following items in their written proposal. Each response in the proposal must be numbered to correspond with each of the numbered items herein.

##### **Proposal Items**

- A. Business Plan
- B. Proposed Operational Plan for Front Plaza Area
- C. Proposed Revenue-Sharing Payment

**NOTE: ONLY ONE OPTION FOR EACH PROPOSAL CRITERIA WILL BE ACCEPTED PER SUBMITTAL. MULTIPLE PROPOSAL OPTIONS WILL BE CAUSE TO FIND THE SUBMITTED PROPOSAL NON-RESPONSIVE TO THE RFP. HOWEVER, PROPOSERS ARE WELCOME TO SUBMIT MORE THAN ONE PROPOSAL IN RESPONSE TO THIS RFP.**

##### **1. Business Plan**

The selected proposer shall manage the Greek Theatre Food and Beverage Concession and work in conjunction with the contracted oversight management team to deliver high quality food and beverage offerings to concert attendees and park patrons. The proposed Business Plan must address the objectives stated in Section II, Objectives of the Request for Proposals. During the concert season, this Concession will be open a minimum of 1 1/2 hours before the concert and close no later than 30 minutes after the concert. This section should contain three (3) recommended candidates for the Food and Beverage Manager Position, including names, titles, contact numbers and description of experience, including licenses and/or certifications, of all key personnel who would be assigned to perform work under the Agreement. **Note: The On-Site Manager must have a minimum of ten (10) years' experience in food and beverage management.** It is intended for the management staff to be located at the GT where office space will be provided alongside the Department's staff.

Proposals must include quality food and beverage items, with proposed pricing, including but not limited to, high quality "grab and go" local cuisine, craft beers, wine and non-alcoholic beverages that reflect the cultural diversity of the events and that are designed to comply with the Los Angeles Food Policy Council's Good Food Purchasing Guidelines, Exhibit J. Décor concepts and illustrations for the North and South Concession stands and the temporary/mobile food and beverage areas around the theater must enhance the venue's ambience and create an attractive environment for concert attendees and park patrons. Include the décor concepts and illustrations for the various areas in the proposal response.

Proposers must provide all concession related equipment, including but not limited to kitchen equipment, mobile food and beverage carts, point of sale systems, credit/debit card machines, and must maintain all equipment in good working condition throughout the term of the Agreement. A list of the major equipment must be included in the proposal response.

All permits and licenses for operating the concession, including but not limited to Health Permits and Alcoholic Beverage Control License, must be maintained throughout the term of the Agreement.

Proposers must sell artists' merchandise to patrons as part of this Concession. This service does not have any point value and will not be evaluated in the overall scoring. Proposer must state its willingness to provide this service. Proposer expense to provide this service on behalf of the artists may not exceed 5% of the gross receipts. Artists retain a minimum of 95% of the gross receipts.

### **1.1 Additional Services and/or Amenities**

Proposers are encouraged to consider and propose additional food and beverage business activities and/or amenities (including additional points of sales) at the Concession facility, provided they are appropriate for the Concession, compatible with other Department activities, and approved by the Department.

### **1.2 Financial Projections and Planning**

Proposers are to complete and submit a Pro Forma Financial Statement submittal form (Submittal Form). A copy of the blank Submittal Form is provided as a reference in

Exhibit F. The Submittal Form is a spreadsheet on a CD provided with this RFP, and is also available online by visiting the web page at the following link: <http://www.laparks.org/proposal.htm>. Click on the link to the XXXX Concession RFP; look for the Submittal Form link listed with the Exhibits. Proposers should open and check the file, and report any problems immediately to the Department contact listed on the cover of this RFP.

To complete the Submittal Form, follow the instruction on the first tab of the spreadsheet. Proposers must submit with their proposal both a hardcopy and one (1) new CD-R of the completed Submittal Form.

The Pro Forma Financial Statement submittal form covers anticipated operations over a maximum of a three (3) year term of the Agreement. Projections should demonstrate sound financial planning, be realistic and achievable, and support all elements of the proposal.

The submittal form requires the proposer to enter the following information:

- **Pro Forma Profit and Loss:** Projections for a maximum of a three (3) year term, including projected revenues for each category of sales; variable costs (e.g. cost of goods sold); fixed costs (e.g. salaries, advertising and marketing, revenue-sharing, depreciation, utilities, insurance, etc.); interest and taxes, debt rate, net profit, etc.; proposers will be able to enter any additional information pertinent to your financial planning.
- **Break-Even Analysis:** The proposer's return on investment is reflected here. Proposers should provide narrative explanations of their projected financial planning. Indicate any assumptions made in your financial planning; for example, expected interest rates, inflation rates, and anticipated increases or decreases in staffing levels. Do you anticipate revenue and/or attendance increases? If so, by how much? What are your figures based on? Indicate any research you have undertaken to support your assumptions.

## 2. Proposed Operational Plan for Front Plaza Area

### 2.1 Operational Plan for Front Plaza Area during the Concert Season

A plan dictating layout of temporary and or mobile food and beverage areas in and around the front entry plaza with descriptions of quality food and beverage items including but not limited to high quality "grab and go" local cuisine, craft beers, wine and non-alcoholic beverages during the concert season between April and October.

### 2.2 Operational Plan for Front Plaza Area during the Non-Concert Season

The plan should also include non-concert operation of a year round food and beverage operation in the front plaza area only. During the non-concert season, the front plaza will be open for park patrons. If the food and beverage offerings

are different during the non-concert period, include the proposed menu items, along with proposed pricing.

### **3. Proposed Revenue-Sharing Payment:**

A revenue-sharing fee is paid monthly by the Concessionaire to the Department, to be proposed as follows:

**NOTE: ONLY ONE REVENUE-SHARING PAYMENT PROPOSAL PER SUBMITTAL. MULTIPLE REVENUE-SHARING PAYMENT PROPOSALS WILL BE CAUSE TO FIND THE SUBMITTED PROPOSAL NON-RESPONSIVE TO THE RFP.**

Revenue-Sharing Terms: The Minimum Acceptable percentage for this RFP is forty percent (40%) of gross receipts for all food and beverage sold annually. The annual minimum revenue-sharing payment for this Concession per calendar year will be determined by the percentage of gross receipts or One Million Three Hundred Thousand Dollars (\$1,300,000), whichever is greater. If the annual minimum revenue-sharing payment is not met by December 31<sup>st</sup> of each calendar year, the difference between the actual revenue-sharing payment received by the Department and the annual minimum revenue-sharing payment will be due to the Department by January 15<sup>th</sup> for the preceding year, pro-rated as necessary for the first year of operation or fractional part thereof, and pro-rated as necessary for the final year of operation or fractional part thereof. Refer to the Sample Concession Agreement (Exhibit E).

- 3.1 \_\_\_ Revenue-sharing payment must be stated as a Percentage of Gross Receipts. Refer to Exhibit E, Section 6.C, for the definition of Gross Receipts.
- 3.2 \_\_\_ Revenue-sharing terms must also be indicated in the Pro Forma Financial Statement submittal form.
- 3.3 \_\_\_ Proposer must provide justification, based on their financial projections, planning, and relevant market research, that the proposed revenue-sharing payment is competitive as well as sustainable and realistic.

## **V. EVALUATION AND AWARD**

### **A. Evaluation Process and Criteria**

The Department reserves the right to request additional information to clarify a submitted proposal. The evaluation of proposals will consist of two levels. **Each proposer must pass Level I in order to advance to Level II.**

#### **Tentative Interview Dates:**

Interviews of the proposers by the evaluation panel will be scheduled at a later date for the purpose of clarifying matters in the proposals or responding to questions by the evaluation panel.

#### **Level I – Compliance with RFP Submission Requirements:**

The Department will conduct a preliminary evaluation of all proposals submitted by the deadline to determine compliance with proposal requirements and mandatory document submissions.

- Cover Letter
- Proposal Deposit
- Compliance Documents
- Background and Experience
- Financial Capacity

**Level II – Evaluation and Scoring Criteria of Proposal Items:**

For the purposes of Level II evaluation, the responsive proposals will be evaluated, ranked and scored based on the criteria below:

Business Plan (20 points possible)

Front Plaza Operational Plan During the Concert Season (15 points possible)

Front Plaza Operational Plan During the Non-Concert Season (5 points possible)

Proposed Revenue-sharing Payment (60 points possible)

**B. Evaluation and Recommendation**

Responsive proposals will be scored in each of the criteria above and ranked according to scores. A comprehensive evaluation of the proposals by a panel of City and/or non-City employees will be conducted.

Furthermore, the City reserves the right to conduct such investigations as the City considers appropriate with respect to the qualifications of each Respondent and any information contained in its proposal.

All proposals will be evaluated solely on the basis of the criteria listed above and the ranking of any outside expert review panel will serve as a basis to formulate the General Manager's recommendation, setting forth the reasons for recommendation in a Board Report. The Board of Recreation and Park Commissioners (Board) will consider the General Manager's recommendation during a public Board meeting and may accept or reject the General Manager's recommendation in making its decision as to the selection, if any, stating publicly the reasons for their action.

**C. Award**

The General Manager of the Department of Recreation and Parks recommends contract awards to the Board of Recreation and Park Commissioners. The Department shall notify all proposers in writing of the General Manager's recommendation.

Section 10.5 of the Los Angeles Administrative Code requires approval by the City Council of contracts for periods of longer than three (3) years. Agreements are deemed to be executed upon the date of signature, or as otherwise stipulated under the Terms section of the Agreement.

Once the award is approved, the awarded concessionaire will complete and submit the additional documents as required by this RFP, City Attorney, City Ordinance, State and/or Federal laws within forty-five (45) calendar days from the date the contract is awarded by the Board.

**IMPORTANT:**

**Charter Section 371(e)(10)**

**In approving this RFP, the Board, in its capacity as the contract awarding authority for the Department, finds, pursuant to Charter Section 371(e)(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. 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 this RFP. The Board specifically finds that the narrower and more specialized competitive sealed proposal 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.**

**G. City's Right to Reject Proposals and to Waive Informalities**

Notwithstanding any other provisions of this RFP, the City reserves the right to withdraw this RFP at any time without prior notice. The City also reserves the right to reject any and all proposals submitted or to waive any minor administrative irregularities contained in any proposal, when to do so would be in the best interest of the City and pursuant to Los Angeles City Charter Section 371 (c): "The City shall reserve the right to reject any and all bids or proposal and to waive any informality in the bid or proposal when to do so would be to the advantage of the City."

**VI. EXHIBITS**

- A. Premises Map
- B. Instructions to Proposers
- C. Level I Requirements
- D. Compliance Documents
- E. Sample Concession Agreement
- F. Pro Forma Financial Statements Submittal Forms
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