



City of Los Angeles

Department of Recreation and Parks

REQUEST FOR PROPOSALS (ARS-T11-02)

For the Operation of the
**WESTCHESTER TENNIS PROFESSIONAL
CONCESSION**

(Lessons Service and Tennis Professional Shop)

At

WESTCHESTER RECREATION CENTER

7000 West Manchester Avenue
Los Angeles, California 90045



Release Date:

February 23, 2011

Pre-Proposal Conference:

April 13, 2011 (see page 8)

Due Date:

June 28, 2011 (see page 7)

CITY OF LOS ANGELES DEPARTMENT OF RECREATION AND PARKS
221 N. Figueroa Street, 15th Floor, Suite 1520, Mail Stop 625-26
Los Angeles, California 90012

Contract Coordinator: Mark Stipanovich
Telephone: (213) 202-4304
Fax: (213) 202-4311
URL: www.laparks.org/proposal.htm
Email: mark.stipanovich@lacity.org

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REQUEST FOR PROPOSALS

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**REQUEST FOR PROPOSALS
FOR THE OPERATION AND MAINTENANCE OF THE
WESTCHESTER TENNIS PROFESSIONAL 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 provide professional tennis services at the Westchester Recreation Center in Los Angeles, California.

The proposing individual or company shall demonstrate the ability to perform in this type of business, clearly articulate achievable plans for operation, and document compliance with appropriate laws and regulations.

The selected concessionaire shall demonstrate the ability to implement a concession program that will meet or exceed the objectives of the City of Los Angeles, Department of Recreation and Parks, as well as incorporate innovative ideas that are appropriate for this concession.

The Department’s goals are to (1) provide the public with the best and most satisfactory service from the concessions, and (2) ensure that the City receives adequate and appropriate compensation from private businesses allowed to operate on park property.

II. OBJECTIVE OF THE REQUEST FOR PROPOSALS

The objective of this Request for Proposals (“RFP”) is to award a five (5) year Concession Agreement (hereinafter “Agreement”), with two (2) five (5) year renewal options exercisable at the sole discretion of the General Manager of the Department of Recreation and Parks, to an operator who will accomplish the following:

- Provide professional tennis lessons to meet or exceed the needs and expectations of the tennis patrons and neighboring community;
- Provide professional tennis services and items at reasonable prices to patrons of the Concession;
- Optimize visitor participation in the concession by providing tennis professional services at reasonable prices, thus resulting in the highest possible revenues to the concessionaire and the City of Los Angeles;
- Assess, provide, and install all necessary furnishings and equipment in order to create an attractive and inviting concession;
- Display awareness of the demographics and special needs of the community this concession serves;
- Reach out in the community to increase the current usage of the concession through the use of marketing and advertising tools; and
- Work in unison with the Department of Recreation and Parks during the normal course of business and as unforeseeable problems arise.

III. DESCRIPTION OF CONCESSION

The Westchester Tennis Professional Concession is located at the Westchester Recreation Center, 7000 West Manchester Avenue, Los Angeles, CA 90045.

The Westchester Recreation Center is home to eight lighted tennis courts. In addition to the tennis pro concession, the recreation center provides a variety of sports, including baseball, basketball, swimming, soccer, volleyball and recreation programs, such as, an after school camp, arts and crafts, and other programs for the public.

The Tennis Professional conducts lessons on two of the eight tennis courts. The remaining six courts are for the pay tennis reservations system which is operated by the Department, and/or free play for the public during specified hours. There is a tennis professional office which is a pre-fabricated structure of approximately 286 square feet adjacent to the courts, as well as, a 100 square foot storage shed, for use by the concessionaire.

The current concessionaire has operated at the location since 2002 and has offered numerous programs, including private lessons, adult clinics, and junior programs and sells snacks, drinks, and related tennis merchandise and services. Concession activities are conducted weekly Monday through Saturday.

Revenues at this concession have averaged \$181,946.40 each year during the last five years:

Westchester Tennis Professional Five Year Gross Revenue

| Year | Lessons | Clinics | Pro Shop Sales/Rentals | Total |
|------|-------------|--------------|------------------------|--------------|
| 2009 | \$57,371.50 | \$83,803.40 | \$15,642.07 | \$156,816.97 |
| 2008 | \$56,922.75 | \$86,442.67 | \$14,609.43 | \$157,974.85 |
| 2007 | \$76,539.01 | \$94,706.30 | \$16,792.15 | \$188,037.46 |
| 2006 | \$63,569.95 | \$127,285.31 | \$18,922.42 | \$209,777.68 |
| 2005 | \$44,610.38 | \$132,034.66 | \$20,479.80 | \$197,124.84 |

IV. INSTRUCTIONS TO PROPOSERS

A. Submitting a Written Proposal

To be considered for award of this concession agreement, proposing entities must submit a sealed, written proposal in response to the Proposal Items indicated herein. Proposals provide information about background, current business practices, applicable experience, and plans for this concession. Proposals are evaluated based on several evaluation criteria as indicated in this RFP.

Proposers may wish to consider the following guidelines in preparing their proposals:

- Make sure your proposal is well-organized and easy to read.

- Verify that your proposal is complete and that you've completely responded to all proposal items and compliance documents in the RFP.
- Formulate your responses precisely and with detail; avoid vague, meaningless, or open-ended responses.
- Make sure your proposal demonstrates that your financial projections and cost estimates are realistic and sustainable.
- Clearly describe what your management team will bring to the concession.
- If there are significant risks in your business strategy, include plans to mitigate those risks, addressing any contingencies that may arise.

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.

Your written submittal in this RFP process will be the primary basis on which the City will consider its award for the Agreement; therefore, proposers should be as thorough and as detailed as possible when responding to each proposal item and assembling a proposal. In the written proposal, proposers must include responses to ALL proposal items requested herein below. Proposers will not be able to add to or modify their proposals after the proposal due date.

The City may deem a proposer non-responsive if the proposer fails to provide all required documentation and copies.

Proposals accepted by the City in writing constitute a legally binding contract offer. It is requested that proposals be prepared simply and economically, avoiding the use of unnecessary promotional material.

B. Submitted Proposals: Proposals must contain ALL of the following:

1. Cover Letter

Proposers are to include a signed cover letter indicating the contact information for

the entity proposing. Include at a minimum:

- a. Legal name of the entity or entities proposing and organizational structure (e.g., individual, corporation, partnership, etc.);
- b. Key names, including title and position;
- c. Complete mailing addresses;
- d. Telephone and fax numbers (including office and cell numbers as appropriate);
- e. E-mail addresses, and any other information needed by City staff to contact proposers;
- f. A statement that the proposing entity confirms its acknowledgement and acceptance of the terms and conditions set forth herein, without exceptions; and
- g. The cover letter must be signed by an individual authorized to bind the proposer.

2. Proposal Deposit

All proposals must include a Two Thousand Dollar (\$2,000.00) Proposal Deposit in the form of a cashier's check only, payable to the **City of Los Angeles**. This amount shall be payable as a guarantee that the selected proposer will enter into an Agreement for the concession.

The Proposal Deposit of the successful proposer will be released upon receipt of the required Performance Deposit, evidence of insurance, and execution of the Agreement. In the event that an award is made and the successful proposer fails to execute the Agreement and to provide the required Performance Deposit and insurance policies, the Proposal Deposit of that proposer will be forfeited and retained by the Department.

The Proposal Deposits of unsuccessful proposers will be returned upon execution of an Agreement with the proposer awarded the concession. Proposal Deposits are maintained for all proposers in the event the successful proposer fails to execute the Agreement and another proposer is considered for award. Please note that award and execution of the concession agreement could take up to twelve months to complete.

3. Proposal Items

Proposers are to submit complete, detailed responses to all of the Proposal Items in Section V, beginning on Page 10 of this RFP:

- Ability to Finance
- Background and Experience
- Proposed Business Plan
- Proposed Revenue Sharing Payment
- On-Going Refurbishment, Improvements, and Maintenance
- Concession Improvements

4. Compliance Documents

This is a new RFP for a new Concession Agreement. Previous compliance document submittals and/or waivers do not apply. New forms must be completed and

processed.

As part of the RFP process, all proposers are to review, complete, and submit the following compliance documents. Information, related forms, and instructions are located in Exhibit B of the RFP (“Compliance Documents”).

Additional information regarding some compliance documents may be available at the Pre-Proposal Conference, on a City website, and/or by phone with the administering Department of a given ordinance or compliance document. Exemptions from certain ordinances may also apply. The Department reserves the right to request additional information and/or clarification regarding submitted compliance documents during the evaluation process.

The following compliance documents MUST be included with your proposal:

- a. Proposer’s Signature Declaration and Affidavit (Section I.A of Exhibit B)
The original notarized form must be submitted with the original proposal; copies of the notarized form must be submitted with the other proposal copies (see Section IV.C – “Number of Copies”).
- b. Disposition of Proposals (Section I.B of Exhibit B)
The document must be signed by an individual authorized to bind the proposer.
- c. Affirmative Action Plan (Section I.C of Exhibit B)
Complete A1, A2 and A7
Submit A1 through A7 with the proposal

OR: The Proposer may submit their own Affirmative Action Plan that meets all the requirements of the City’s Affirmative Action program.
- d. Contractor Responsibility Ordinance Statement (Section I.D of Exhibit B)
Pages 1 through 6 of the document must be completed and submitted with the proposal. Pages 1 and 6 must be signed.
- e. Equal Benefits Ordinance Statement (Section I.E of Exhibit B)
Please read the instructions in Exhibit B.
- f. Living Wage Ordinance (LWO)/Service Contractor Worker Retention Ordinance (SCWRO) – *only if applying for an exemption* (Section I.F of Exhibit B)

Submittal of LWO/SCWRO documents is *only required if the proposer is applying for an exemption to the ordinance requirements.*
- g. Minority Business Enterprise (MBE) / Women Business Enterprise (WBE) / Other Business Enterprise (OBE) Subcontractor Outreach Program (Section I.G of Exhibit B)

Anticipated Participation Level: 17% (combined MBE/WBE/OBE)

The outreach must attempt to provide a portion of the concession operation to MBE/WBE/OBE subcontractors. While areas of the concession improvements may be used to obtain the expected participation level, the outreach must not be limited to only the concession improvements, as these are expected to be of limited duration.

Failure to meet anticipated MBE/WBE/OBE participation levels will not by itself be the basis for disqualification or determination of noncompliance with this policy. However, failure to include supporting documentation of a good faith effort or failure to achieve a minimum of 75 out of 100 Good Faith Effort evaluation points will render the bid **non-responsive** and will result in its rejection.

The following are areas that have been identified as possible subcontracting opportunities (**Note: Proposers may include other outreach areas not listed in the following**):

Concession Operation

Lesson Services - Instructors
Payroll / Accounting / Bookkeeping
Messenger Services
Uniforms (Purchase or Rental)
Suppliers (Pro Shop)
Maintenance Service
Cleaning Service
Advertisement
Printing & Binding

Concession and Capital Improvements

Improvements identified by the proposer must contain designed and specified work to be bid on by subcontractors prior to proposal submission so that if the proposer is selected as the concessionaire and the improvements are approved by the City, the improvements will be performed by the subcontractors identified in the concessionaire's proposal.

- h. Bidder Certification – CEC Form 50 (Section I.H of Exhibit B)
Please read the instructions in Exhibit B.

Only the Concessionaire selected for award of the contract shall submit the following additional required items prior to execution of the agreement (within 30 working days of notification by Department):

- | | |
|----|--|
| i. | Americans with Disabilities Act Certification |
| j. | Business Tax Registration Certificate |
| k. | Certification of Compliance with Child Support Obligations |
| l. | Contractor Responsibility Ordinance – Pledge of Compliance |
| m. | City-approved Proof of Insurance |
| n. | City-approved Performance Deposit |
| o. | Los Angeles Residence Information (location of selected concessionaire's headquarters and percentage of workforce residing in Los Angeles) |
| p. | LWO/SCWRO –Additional related forms from item 4-f above |
| q. | Slavery Disclosure Affidavit |

Failure of the successful proposer to submit all the required documents (specified as items “i” through “q” above) within 30 days of notification of award by the Department, shall cause the proposal to be deemed non-responsive and will result in cancellation of the award and forfeiture of the proposal deposit.

C. Proposal Submittal Information:

Deadline for Submission

To be considered, proposals must be received in the Office of the Board of Commissioners at or before 3:00 p.m. Tuesday, June 28, 2011.

Where to Submit your Proposal

The complete proposal package shall be placed in a sealed envelope or box labeled “Proposal for the Westchester Tennis Professional Concession – ARS T11-02.” Said envelope(s) or box(es) shall have the name and address of the Proposer on the outside and be delivered to:

Los Angeles Department of Recreation and Parks
Office of the Board of Commissioners
Attention: Board Secretary
221 North Figueroa Street, 15th Floor, Suite 1510
Los Angeles, CA 90012

Number of Copies

Provide one (1) original proposal, six (6) copies of the proposal and one (1) non-bound reproducible copy. Plainly identify the respective documents. An original proposal is a proposal that has a wet signature on all documents requesting a signature from the proposer (e.g., cover letter, compliance documents, etc.). A reproducible copy is one which can readily be reproduced through a photocopier.

Important Notices

Candidates who mail their proposals should allow adequate mail delivery time to ensure timely receipt of the proposals. Late proposals will not be considered for review. The City reserves the right to determine the timeliness of all proposals submitted. At the day and time appointed, all timely submitted proposals will be opened and the name of each proposer announced. No other information about the proposals will be made public until such time as a recommendation concerning the proposals is made to the Board of Recreation and Park

Commissioners.

The City reserves the right to extend the deadline for submission should such action be in the best interest of the City. In the event the deadline is extended, proposers will have the right to revise their proposal. Proposals may be withdrawn personally, by written request, signed by an authorized representative of the company and submitted to the Board Office prior to the scheduled closing time for receipt of proposals. Faxed withdrawals will be accepted by the Board at (213) 202-2610, Attn: Board Secretary. After withdrawing a previously submitted proposal, the proposer may submit another proposal at any time up to the specified due date and time.

A proposal will be returned only if the above described withdrawal request explicitly requests that it be returned. It will be returned either to a representative of the proposer who personally presents the withdrawal request with original signature to the Board Office or by USPS mail after the original signed request is received. The proposal will be sent by means of some other service only if the proposer pays for that service.

Submission of a proposal pursuant to this RFP shall constitute acknowledgement and acceptance of the terms and conditions set forth herein. All or portions of this RFP and the contents of the proposal submitted by the successful proposer may become contractual obligations if an Agreement is awarded. Failure of the successful proposer to accept these obligations may result in cancellation of the award and forfeiture of the Proposal Deposit. The City reserves the right to withdraw this RFP at any time without prior notice and return proposals and deposits.

All proposals submitted in response to this RFP become the property of the City of Los Angeles, Department of Recreation and Parks.

Non-Mandatory Pre-Proposal Conference

Date: April 13, 2011
Time: 9:30 a.m.
Location: Administration Building
Conference Room 1
3900 W. Chevy Chase Drive
Los Angeles, CA 90039

The purpose of the conference is to clarify the contents of this RFP and to discuss the Westchester Tennis Professional Concession's needs. Although attendance is not mandatory, 10 points towards the Good Faith Effort Subcontractor Outreach program as described in Section IV.B.4.g on Page 5 of the RFP will be awarded to all proposals with a representative in attendance. A site walk of the facility will be scheduled at a later date. **It is highly recommended that prospective proposers read the complete RFP prior to the conference and begin preparation of their proposal in order to maximize the benefits of the conference.**

To maximize the effectiveness of the conference, the Contract Coordinator requests that, to the extent possible, proposers provide questions in writing prior to the conference. This will

enable the Contract Coordinator to prepare responses in advance. Specific questions concerning the RFP should be submitted in writing to the Contract Coordinator:

Department of Recreation and Parks
Concessions Unit (Mail Stop 625-26)
Attn: Mark Stipanovich
221 N. Figueroa Street, 15th Floor, Suite 1520
Los Angeles, CA 90012

Additional questions may be accepted, in writing, at the conference. However, responses may be deferred and provided as addenda to the RFP at a later date. **Questions will be deemed late and may not be answered after 5:00 p.m. on April 15, 2011.**

All questions, without identifying the submitting company, will be compiled with the appropriate answers and issued as an addendum to the RFP.

When submitting questions, please specify the RFP section number, paragraph number, and page number, and quote the passage that prompted the question. This will ensure that the passage can be quickly found in the RFP. The City reserves the right to group similar questions when providing answers.

If the City requirements or the specifications prevent proposers from submitting a proposal that would be beneficial to the City, please address the concern to the Contract Coordinator listed below.

Questions may address concerns that the application of minimum requirements, evaluation criteria and/or business requirements would unfairly disadvantage proposers or, due to unclear instructions, may result in the City not receiving the best possible responses from proposers.

Contact With City Personnel

All contact regarding this RFP or any matter relating thereto must be in writing and may be mailed, e-mailed, or faxed as follows:

Name: Mark Stipanovich, Contract Coordinator
Address: 221 N. Figueroa Street 15th Floor, Suite 1520, Mail Stop 625-26,
Los Angeles, CA 90012
E-mail: mark.stipanovich@lacity.org
Fax: (213) 202-4311

D. Document Check

Please check the contents of your RFP package carefully to ensure that you have in your possession all the necessary documents as referenced within the RFP, including any addenda. If you are missing any items, you should make a written request to the following address:

Department of Recreation and Parks
Concessions Unit (Mail Stop 625-26)
221 N. Figueroa Street, 15th Floor, Suite 1520
Los Angeles, CA 90012

Telephone: (213) 202-3280
Fax: (213) 202-4311

The complete RFP package and all forms and information in Exhibit B are also available at www.laparks.org/proposal.htm. Should you find a discrepancy in or omissions from said documents, or have questions as to their meaning, notify the Contract Coordinator at the above address in writing or fax no later than the deadline date for receiving proposals. The City of Los Angeles will not be bound by any oral statements or representations.

V. PROPOSAL ITEMS, REQUIRED OPERATING RESPONSIBILITIES AND CONTRACTUAL PROVISIONS

The following are three sections which, in part, will comprise the fundamentals of the Agreement for this concession:

- A. Proposal Items
- B. Required Operating Responsibilities
- C. Contractual Provisions

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, Required Operating Responsibilities and Contractual Provisions.

A. Proposal Items

Keeping in mind the needs and the potential of the concession, the demographics of the patrons and prospective patrons at the Westchester Recreation Center, and the goals and requirements of the City as set forth in this RFP, proposers are encouraged to offer sound, practical, and sustainable ideas to provide a first-rate, high-quality concession. Accordingly, 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.

NOTE: ONLY ONE OPTION FOR EACH PROPOSAL CRITERION WILL BE ACCEPTED PER SUBMITTAL. MULTIPLE PROPOSAL OPTIONS CONTAINED IN A SINGLE PROPOSAL 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. Ability to Finance

Each proposer must demonstrate the financial means and resources to finance, operate, and sustain the concession operation as proposed, including all proposed improvements, start-up and pre-opening costs, inventory and sufficient working capital, and access to additional capital, if needed. To this end, each proposer must provide, with the submitted proposal, the following items. All items submitted are subject to verification by the Department.

1.1 Amount of Investment Required

State the amount of investment you will require to begin operations as proposed. This amount must include Start-Up Costs (Proposers must include a response to each proposal item listed below):

- ___ Amount of Investment to begin operations as proposed (to include):
 - ___ Performance Deposit
 - ___ Inventory
 - ___ Equipment
 - ___ Operating Supplies
 - ___ Others (list)

The amount stated here must be consistent with the proposer’s Financial Projections and Planning, which is to be completed in response to Section V.A.3.6 on page 15 of this RFP.

1.2 Source(s) of Funding Concession Operation

Proposers must include a response to each proposal item listed below:

- ___ Indicate whether the proposed source of funding the above amount is cash reserves, financing from a commercial lender, other sources, or a combination thereof.
- ___ Of the total amount required, indicate the amount that is to be funded through each source.

1.3 Financial Documentation

Each proposer must provide, with the proposal, the following written verification of its ability and commitment to provide adequate funding in the amount indicated above.

(If a partnership or joint venture, the following must be provided for each of the entities comprising the partnership or joint venture.)

Proposers must include a response to each proposal item listed below:

1.3.1 If cash reserves are to be used to fund the operation, provide the following (if no cash is to be used, so state in your response to this section):

- ___ Bank statements for the proposing entity for the **twelve** (12) months preceding the release date of this RFP.
- ___ If proposing entity is a public corporation, include a letter signed by an officer of the company that represents that company’s finance committee or other entity (executive committee, board of directors, etc.) that has the authority to approve the expenditures. **NOTE: Such letter must be an original and must be notarized.**

___ Copies of current credit reports/ratings of the proposing entity. If private capital is to be used, provide copies of current credit reports/ratings of the person(s) whose funds are to be used (“Current” shall mean current as of December 2010 or later).

1.3.2 If loans are to be used to fund the operation, provide the following (if no loans are to be used, so state in your response to this section):

___ A copy of an unconditional, formal letter of commitment from the lender(s);

___ Copies of current credit reports/ratings of the proposing entity. (“Current” shall mean current as of December 2010 or later)

1.3.3 Provide detailed documentation for any additional sources of funding. If no other sources of funding are to be used other than those already indicated, so state in your response to this section.

2. Background and Experience

Describe your business entity’s background and experience in providing professional tennis lessons and operating a tennis professional shop operation similar to this concession. If this is a new company, partnership, or joint venture formed for the operation of this concession, describe the background and qualifications of each of the partners or principals.

Note: This section pertains to your business entity’s PAST experience and CURRENT operations, not your PROPOSED operation for this concession.

2.1 Ownership Description

Proposers must include a response to each proposal item listed below:

2.1.1 ___ Address

2.1.2 ___ Length in business (in years and months)

2.1.3 ___ Size of company

2.1.4 ___ Organizational chart

2.1.5 ___ Names of persons responsible for tennis professional lessons and their certification

2.1.6 ___ Any pending mergers (if none, so state in response to this section).

2.2 Description of proposing entity’s experience in and knowledge of operating a tennis professional shop and providing professional tennis services similar to this concession.

Proposers must include a response to each proposal item listed below (if none, so state in response to each item below):

2.2.1 ___ Description of similar current and past operations; indicate whether former and/or current operations included tennis lessons service and/or a tennis professional shop, etc.

- 2.2.2 ___ Revenues of past or current comparable operations under the proposer's management, broken down by category (lessons, pro shop, etc.), for the previous five years (if applicable).
- 2.2.3 ___ Proposer's years of above experience.
- 2.2.4 ___ Extent of any related experience.
- 2.2.5 ___ Additional information which demonstrates your qualifications.

2.3 Current Operations

Proposers must include a response to each proposal item listed below (if none, so state in response to each item below):

- 2.3.1 ___ Employee hiring, training, motivation, and promotion policies.
- 2.3.2 ___ Methods and controls for accounting.

2.4 Contracts history (include contact information for all contracts listed):

Proposers must include a response to each proposal item listed below (if none, so state in response to each item below):

- 2.4.1 ___ List of all opened and closed contracts during most recent 12 months.
- 2.4.2 ___ List of all lost contracts during 2007, 2008, 2009 and 2010.
- 2.4.3 ___ List of contracts started and lost within 12 months of opening/starting.

2.5 References

Proposers must include a response to each proposal item listed below:

- 2.5.1 ___ Business References: Provide a minimum of three (3) references with whom you have conducted business to verify relevant past performance. Include names, addresses, telephone numbers, and the scope of the business relationship.
- 2.5.2 ___ Financial References: Provide a minimum of three (3) references from banks or other financial institutions; include names, addresses, telephone numbers, and the type of relationship (for example, checking/savings accounts, commercial loans, landlord, lessor, etc.).

3. Proposed Business Plan

This and the following sections pertain to your PROPOSED operation for this concession, not your PAST experience. The proposer's Business Plan must include, but is not limited to, the following (Proposers must include a response to each proposal item listed below):

3.1 Staffing of Concession:

Staffing and management (note that provisions of the City's Living Wage and Service Contract Worker Retention Ordinances will apply). At a minimum, the following must be provided:

- 3.1.1 ___ Name and qualifications of key personnel, including on-site full-time concession manager; include résumés;
- 3.1.2 ___ Number of staff members required;
- 3.1.3 ___ Proposed organizational structure;
- 3.1.4 ___ Employee hiring, training, retention, motivation, and promotion methods.

3.2 Maintenance of Concession Premises

A detailed schedule of maintenance of the Premises (Exhibit A).

3.3 Marketing of Concession

Methods of increasing and maintaining your clientele. At a minimum, the following must be provided:

- 3.3.1 ___ Advertising, promotion, merchandising, and marketing plans for all segments of the concession (lessons, pro shop, etc.); Provide marketing plan for the term of the agreement including a minimum annual expenditure. (Plan will be incorporated into the Concession Agreement. See Sample Agreement, Exhibit C.)
- 3.3.2 ___ Merchandise return or money-back guarantee policies (if any), etc.;
- 3.3.3 ___ Customer service policies;
- 3.3.4 ___ Specific methods of monitoring customer satisfaction and maintaining excellent customer relations.

3.4 Accounting and Controls

Methods of accounting and controls. At a minimum, the following must be provided:

- ___ Methods of tracking sales;
- ___ Methods of tracking purchases, receivables and payables;
- ___ Inventory controls.

3.5 Pro Shop

Operator must provide merchandise for both men and women, and provide services such as racket string repairs.

- 3.5.1 ___ A sample list of tennis-related merchandise and services to be provided, including prices:
- 3.5.2 ___ Indicate a minimum of inventory to be stocked in the pro shop (specify levels such as dollar amount, types of items, etc.).

3.6 Lesson Services

- 3.6.1 ___ List and describe in detail all proposed lesson services for patrons of varying ages and skill levels; including: private lessons; group lessons; Junior Tennis program(s); low income

programs (if applicable).

3.6.2 ___ Provide a list of proposed prices for lesson services.

3.7 Proposed Equipment

3.7.1 ___ Include a list of major equipment that will be used to successfully operate the concession and the plan to maintain the quality of each throughout the life of the Agreement. Refer to the Sample Concession Agreement (incorporated herein as Exhibit C) for information regarding ownership of equipment purchased and installed by Concessionaires.

3.7.2 ___ Indicate technically advanced equipment or tools to be used, such as point-of-sale systems, inventory management systems, instruction tools, security systems, etc.; include features and benefits of each. If none are to be used, so state in the proposal.

3.8 Additional Services and/or Amenities

Proposers are encouraged to consider and propose additional tennis-related business activities, services, and/or amenities at the concession facility, provided they are appropriate for the concession, compatible with other Department activities, and approved by the Department.

3.9 Financial Projections and Planning

Proposers are to complete and submit a Pro Forma Financial Statement submittal form; a copy of the blank submittal form is provided as a reference in Exhibit D. The submittal form is a spreadsheet on a CD provided with this RFP, and is also available online by visiting the following page: <http://www.laparks.org/proposal.htm>. Click on the link to the Westchester Tennis Professional 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.

Proposers must submit a hard copy of the complete form with each copy of the submitted proposal and a new CD-R of the completed form.

The Pro Forma Financial Statement submittal form covers anticipated operations over the first five 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 the first five-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 payments, 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.

- **Assumptions:** 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.

4. **Proposed Revenue Sharing Payment**

Revenue sharing payments are paid monthly by the concessionaire to the Department. The amount of revenue to be paid is a proposal item, to be proposed as follows:

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

The Minimum Acceptable percentage for this RFP is 10% of gross receipts for lesson services and 12% of gross receipts for tennis pro shop business (merchandise and services). The minimum annual revenue sharing payment for this concession per calendar year will be set by the revenue sharing payments specified by the proposer in the Pro Forma section of the selected proposal. If the minimum annual revenue sharing payment is not met by December 31 of each calendar year, the difference between the actual revenue sharing payments received by the City of Los Angeles and the minimum annual revenue sharing payment for the preceding year will be due to the City of Los Angeles by January 15 for the preceding year, pro-rated as necessary for the first year of operation, or fractional part thereof.

- 4.1 Revenue sharing payment must be stated as a Percentage of Gross Receipts. Refer to Exhibit C, Section 6.C, for the definition of Gross Receipts.

___ Revenue may be proposed as a different percentage rate among the various revenue categories, and/or may vary with time, activity, or specific levels of gross receipts.

___ Revenue sharing terms must also be indicated in the Pro Forma Financial Statement submittal form.

___ For proposed new amenities or services to be offered as part of the concession operation in which the patron is charged any fee whatsoever, those amenities and services shall also be subject to revenue sharing payments.

- 4.2 ___ 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.

5. On-Going Refurbishment, Improvements, and Maintenance

Throughout the life of the Agreement, the concession will require on-going maintenance and refurbishment to prevent it from falling into disrepair and to ensure uninterrupted quality services. Accordingly, the proposer shall include plans for on-going refurbishment, improvement, and maintenance of, at a minimum, equipment and furnishings used in the tennis pro shop. Proposers must include a response to each proposal item listed below:

Note: Said refurbishment, improvement, and maintenance shall be in addition to the routine maintenance as required in Section V.B.4 on Page 19 of this RFP and in the "Sample Concession Agreement" (Exhibit C, Section 10).

5.1 ___ Provide a specific plan to provide and fund any necessary repairs and maintenance, preventative maintenance, improvements, replacement of useful life, or upgrades to the concession throughout the life of the Agreement, at the concessionaires' sole expense (this is in addition to the proposed Concession Improvements).

5.2 ___ Proposers shall indicate: a) the minimum dollar amount to be expended for this purpose, b) the method or source of funding this amount, and c) the time intervals during which the amounts will be spent (e.g., contract year 1, contract year 2, etc.).

6. Concession Improvements

For each proposed concession improvement (required and optional), proposers must include:

___ An estimated timeline which details the design and construction aspects of proposed improvements;

___ Estimated down time;

___ Equipment, products or vendors to be used;

___ Operating alternatives for continuing service during construction, if feasible;

___ A cost of the improvements; do not include costs for permitting, licensing, additional insurance, or any other approval costs.

Required Concession Improvements

The following required improvements are to be completed at the concessionaire's expense (including, but not limited to, all permits and licenses) within six (6) months of the execution of the Agreement by the concessionaire. All improvements shall become the property of the City:

6.1 ___ Paint the interior and exterior of the Tennis Professional Shop.

6.2 ___ Re-floor (carpet or tile) the interior of the Tennis Professional Shop.

Should the City exercise an option to renew the concession agreement, the selected operator must repaint the concession facility as stated above; and, reinstall new flooring (carpeting or tile) within the first six (6) months of the option term.

Optional Concession Improvements

The following improvements are to be completed at the concessionaire's expense (including, but not limited to, all permits and licenses) within nine (9) months of the execution of the Agreement by the concessionaire. All improvements shall become the property of the City:

- 6.3 ___ Proposer may propose additional physical improvements within the defined Premises (Exhibit A – Premises Maps) that shall potentially improve the quality of the concession. If no additional improvements are proposed, so state in the proposal.

As part of the selection process, in conjunction with other proposal items, the Department will consider all concession improvements proposed, in addition to the required concession improvements listed in this section, which are conducive to the enhancement, safety, and increased revenue of the concession. Proposed concession improvements are considered conceptual at the time of evaluation and award, and are subject to negotiation and City approval prior to execution of the Agreement. Award of the contract shall not be deemed approval of the proposed improvements, and all laws, including, but not limited to, those requiring environmental review of projects, must be complied with before the successful proposer will be permitted to make any improvements to the concession.

Proposers will be responsible for securing all permits, insurance, licenses, etc., required for the contractually obligated improvements, including all necessary approvals.

B. Required Operating Responsibilities

The following are selected areas of operating responsibilities which will be required of the winning proposal. Proposers should read the entire "Sample Concession Agreement" (Exhibit C) for a more complete understanding of required operating responsibilities. If selected as the winning proposal, the proposer must be willing and able to commit to the following Required Operating Responsibilities as stated in Exhibit C (no response is required in the submitted proposal).

1. Cleanliness

Concessionaire shall, at its own expense, keep the premises and the surrounding area, at least twenty-five (25) feet, clean and sanitary at all times. No offensive or refuse matter, nor any substance constituting an unnecessary, unreasonable, or unlawful fire hazard, or material detrimental to the public health, shall be permitted to remain thereon, and Concessionaire shall prevent any such matter or material from being or accumulating upon said premises.

Concessionaire, at its own expense, shall see that all garbage or refuse is collected as often as necessary and in no case less than once a day and disposed of in the main dumpster. Concessionaire shall furnish all equipment and materials necessary therefore, including trash receptacles of a size, type, and number approved by

General Manager. If no trash storage area is made available, Concessionaire shall provide at its own expense, and with the General Manager's prior written approval, an enclosed area concealing the trash storage from public view. The Department will incur the cost of all garbage pick-up from the main dumpster for the premises during the term of this agreement.

2. Utilities

The Concessionaire shall be responsible for utility charges. Charges may include, but are not limited to, deposits, installation costs, meter deposits, and all service charges for water, gas, electricity, heat, air conditioning, and other utility services to the premises, and shall be paid by Concessionaire regardless of whether such utility services are furnished by the City or by other utility service providers.

In the event that individual utility meters are not available, Concessionaire shall remit, on a monthly basis in conjunction with rental payments to the Department, the amount of One Hundred Dollars (\$100.00) during the term of the agreement, as payment for utilities (water, gas, and electricity).

Water shall be utilized by Concessionaire in the most efficient manner possible, and Concessionaire expressly agrees to comply with all City water conservation programs. The department will incur the cost of trash pickup from the main dumpster during the term of this Concession Agreement.

3. Special Events

Concessionaire may, at the discretion of the General Manager, be required for up to six (6) days each calendar year to cease any or all operations in order that the Department may conduct Special Events.

4. Maintenance of Equipment

Concessionaire shall, at all times and at its expense, keep and maintain all equipment, whether owned and/or installed by Concessionaire or City, such as, but not limited to, heat exchangers, fans, controls and electric panels, installed by City, together with all of the fixtures, plate and mirror glass, equipment and personal property therein, in good repair and in a clean, sanitary, and orderly condition and appearance.

No equipment provided by the City shall be removed or replaced by Concessionaire without the prior written consent of the General Manager, and if consent is secured, such removal and/or replacement shall be at the expense of Concessionaire.

5. Receipts

Concessionaire shall offer receipts to the customers for every transaction. Concessionaire shall at all times place a sign within twelve (12) inches of cash register, in clear view to the public, and in minimum one-inch lettering, which states: "If you are not provided a receipt for any transactions, the purchase is free. Please contact the Department of Recreation and Parks – Concessions Unit at (213) 202-3280 if a receipt for this transaction is not provided." Said free purchase for failure to provide a receipt will be at the sole expense of the Concessionaire.

6. Instructors

Concessionaire shall maintain adequate and proper instructors for all its concession operations. The Concessionaire is required to ensure that all associate professionals are certified by the United States Professional Tennis Association and are experienced tennis instructors.

7. Pricing for Lesson Services and Professional Shop

City agrees that Concessionaire's Merchandise and Lesson Services, including its prices for same, shall be within Concessionaire's discretion; subject, however, to disapproval by the General Manager if the selection of items offered is inadequate, of inferior quality, or if any of said prices are excessively high or low. Such determination shall not be unreasonable and shall take into account the business considerations presented by Concessionaire. All prices shall be comparable to prices charged in similar establishments. Concessionaire shall provide the General Manager with a list of prices for all merchandise and services. This list shall be updated whenever prices are changed.

All services and merchandise carried in stock, displayed, offered for sale, and/or sold by Concessionaire in said premises shall be of high quality and must be related to the ordinary business of the concession. No adulterated, misbranded, or impure articles shall be sold or kept for sale by Concessionaire. All merchandise kept for sale or rented by the Concessionaire shall be kept subject to the approval or rejection of the General Manager, and Concessionaire shall remove from the premises any article which may be rejected and shall not again offer it for sale without the consent of the General Manager. The General Manager may order the improvement of the quality of any merchandise kept or offered for sale or rental.

8. Community Outreach

Concessionaire shall coordinate and cooperate with the Department to develop strategies to outreach to all members of the community, particularly those living in low-to-moderate income areas, fixed-income households, youth, the disabled, etc., to provide its services to these members of the community who may otherwise not have the opportunity to partake in the services offered at the Westchester Tennis Professional Concession.

C. Contractual Provisions

The following are selected contractual provisions which will be required of the winning proposal. Proposers should read the entire "Sample Concession Agreement" (Exhibit C) for a more complete understanding of the contractual provisions. If selected as the winning proposal, the proposer must be willing and able to commit to the following Contractual Provisions as stated in Exhibit C (no response is required in the submitted proposal).

1. Term

The term of the Agreement will be five (5) years, and may be renewed for up to two (2) additional five (5) year terms, exercisable at the sole discretion of the General Manager.

2. Hours of Operation

Courts designated for use by the Concession and hours of operation will be:

| | |
|---|---|
| Courts 5 and 6 (Lessons and Professional Shop) | Monday through Friday 7:00 a.m. to 10:00 p.m. Saturday 7:00 a.m. to 12:00 p.m. |
|---|---|

No concession activities (except Tennis Pro Shop sales) shall be allowed on the following holidays: New Year’s Day, Martin Luther King Jr. Day, Presidents Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Columbus Day, Thanksgiving Day, the day after Thanksgiving Day, and Christmas Day.

When any of these holidays fall on a Sunday, the holiday will be observed on the following Monday. If the holiday falls on a Saturday, the holiday will be observed on the preceding Friday.

The Concessionaire shall inform Park Services when the Professional Courts will not be used for concession activities in order to allow the courts to be rented to the public.

While courts and times in addition to those listed above may not be available under a new agreement, proposers may propose a variation to the basic hours, keeping in mind service to the public as a priority, but should not anticipate use of additional courts in preparing the pro forma financial documents.

3. Performance Deposit

The selected Concessionaire shall provide a Performance Deposit for the duration of the Agreement in the amount of Four Thousand Dollars (\$4,000). Said Performance Deposit will be in the form of a cashier’s check made payable to “The City of Los Angeles” and will be provided to the Department prior to execution of the agreement.

If the scope of a proposed Concession operation differs substantially from the present Concession operation, the actual Performance Deposit amount is subject to increase or decrease at the sole discretion of the General Manager.

4. Insurance

The selected Concessionaire shall acquire and maintain the established insurance and liability limits for this Concession. The coverage and limits listed in Exhibit E, “Insurance Requirements,” reflect those which would be required for a Concession operation similar to the current Concession operation.

If the scope of a proposed Concession operation differs substantially from the present Concession operation, the actual coverage and limits required are subject to change at the sole discretion of the General Manager. Evidence of coverage shall be provided

on the City's insurance endorsement forms wherein the City of Los Angeles shall be named as additionally insured. Concessionaire's insurance must be approved by the City prior to operation of the Concession.

5. Taxes

The Concessionaire shall pay all taxes of whatever character which may be levied or charged upon the Concessionaire to use the premises, or upon the improvements, fixtures, equipment or other property, or upon the operations under the Agreement, including, but not limited to, the City of Los Angeles "Occupancy Tax" and the County of Los Angeles "Possessory Interest" tax.

6. Business Tax Registration Certificate

The selected Concessionaire will be required to demonstrate compliance with the City's business tax laws by acquiring/maintaining a Business Tax Registration Certificate or Certificate of Exemption. This certificate must be in force during the entire period of the agreement.

VI. 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.**

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 (Section IV.B.)

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
- Proposal Items

Level II – Evaluation and Scoring Criteria

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

Ability to Finance (15 points possible)

(Section V.A.1): Proposer has demonstrated the means and resources to finance, operate, and sustain the concession operation as proposed, including all start-up costs, pre-opening costs, inventory, sufficient working capital, and improvements:

- Evidence of financial capability to fund the operation;
- Demonstrates evidence to sustain the financing of the operation.

| <u>Rank</u> | <u>Score</u> | <u>Rank</u> | <u>Score</u> |
|------------------|----------------|-----------------|--------------|
| 1. Best Proposal | 15 points | 5. Fifth Best | 7 – 8 points |
| 2. Second Best | 13 – 14 points | 6. Sixth Best | 5 – 6 points |
| 3. Third Best | 11 – 12 points | 7. Seventh Best | 3 – 4 points |
| 4. Fourth Best | 9 – 10 points | 8. Eighth Best | 1 – 2 points |

Background and Experience (25 points possible)

(Section V.A.2): Proposer has provided responses to all items in the Background and Experience Section of this RFP; proposers will be ranked according to:

- Years and quality of experience in similar and relevant businesses;
- Proven performance of the proposing entity as a whole;
- Proven performance and qualifications/experience of each member of its proposed management team;
- Demonstrated ability to successfully operate all aspects of a similar business;
- Track record of creative, innovative, resourceful management;
- Evidence to sustain the financing of the operation.

| <u>Rank</u> | <u>Score</u> | <u>Rank</u> | <u>Score</u> |
|------------------|----------------|-----------------|----------------|
| 1. Best Proposal | 25 points | 5. Fifth Best | 17 - 18 points |
| 2. Second Best | 23 - 24 points | 6. Sixth Best | 15 - 16 points |
| 3. Third Best | 21 - 22 points | 7. Seventh Best | 13 - 14 points |
| 4. Fourth Best | 19 - 20 points | 8. Eighth Best | 11 - 12 points |

Proposed Business Plan (15 points possible)

(Section V.A.3): The Proposer’s plan for the concession (including the pro shop and lesson services), as presented in the proposal, demonstrates an understanding of the City’s objectives and requirements as identified in this RFP, meets or exceeds the objectives and requirements, and demonstrates the ability and clear commitment to implement the components of the plan in a comprehensive and effective manner. The plan will be ranked according to:

- Soundness of planning;
- Thorough, well-articulated, specific responses to proposal items;
- Alignment to City mission and goals;
- Quality of services, products, and merchandise to be offered;
- Price schedules and pricing policies;
- Professional and employee staffing, qualifications, and training plans;
- Customer service plans;
- Marketing, promotion, and advertising;
- Other tennis-related services and/or amenities;
- Realistic and achievable financial projections and planning; demonstrates financial capability to have positive cash flow and sustain the operation as proposed; financial planning is supported by all elements of the proposal.

| <u>Rank</u> | <u>Score</u> | <u>Rank</u> | <u>Score</u> |
|------------------|----------------|-----------------|--------------|
| 1. Best Proposal | 15 points | 5. Fifth Best | 7 - 8 points |
| 2. Second Best | 13 - 14 points | 6. Sixth Best | 5 - 6 points |
| 3. Third Best | 11 - 12 points | 7. Seventh Best | 3 - 4 points |
| 4. Fourth Best | 9 - 10 points | 8. Eighth Best | 1 - 2 points |

Proposed Revenue Sharing Payment (25 points possible)

(Section V.A.4): Proposer offers an appropriate revenue sharing payment to the Department:

- Appropriateness of revenue sharing proposal basis;
- Sustainability of proposed revenue sharing over the term of the contract;
- Practicality and soundness of proposed revenue sharing from new amenities or services;
- Competitive revenue sharing proposal.

| <u>Rank</u> | <u>Score</u> | <u>Rank</u> | <u>Score</u> |
|------------------|----------------|-----------------|----------------|
| 1. Best Proposal | 25 points | 5. Fifth Best | 17 - 18 points |
| 2. Second Best | 23 - 24 points | 6. Sixth Best | 15 - 16 points |
| 3. Third Best | 21 - 22 points | 7. Seventh Best | 13 - 14 points |
| 4. Fourth Best | 19 - 20 points | 8. Eighth Best | 11 - 12 points |

On-Going Refurbishment, Improvements, and Maintenance (10 points)

(Section V.A.5): The proposal describes the plans for on-going refurbishment, improvements, and maintenance of equipment and furnishings used in the tennis professional shop. Proposals will be ranked according to:

- Appropriateness and soundness of plan.
- Verification of proposal to include a minimum amount accompanied by a monthly schedule of expenditures.

| <u>Rank</u> | <u>Score</u> | <u>Rank</u> | <u>Score</u> |
|------------------|--------------|----------------|--------------|
| 1. Best Proposal | 10 points | 4. Fourth Best | 4 – 5 points |
| 2. Second Best | 8 – 9 points | 5. Fifth Best | 2 – 3 points |
| 3. Third Best | 6 – 7 points | 6. Sixth Best | 0 – 1 points |

Concession Improvements (10 points)

(Section V.A.6): The proposal describes in detail Proposer’s plan for all required and optional improvements proposed for this concession, contains all information requested herein, and meets or exceeds all requirements. Proposals will be ranked according to:

- Sound, practical, and sustainable improvements for the facility;
- Feasibility; potential to be completed within the proposed time and budget;
- Monetary value; amount of investment;
- Potential to increase revenue and service;
- Sound planning;
- Demonstrated awareness of applicable laws and requirements (such as Americans with

Disabilities Act requirements, building permits, etc.)

- Demonstrated awareness of environmental impact;
- Thorough, well-articulated plans.

| <u>Rank</u> | <u>Score</u> | <u>Rank</u> | <u>Score</u> |
|------------------|--------------|----------------|--------------|
| 1. Best Proposal | 10 points | 4. Fourth Best | 4 - 5 points |
| 2. Second Best | 8 – 9 points | 5. Fifth Best | 2 - 3 points |
| 3. Third Best | 6 – 7 points | 6. Sixth Best | 0 - 1 points |

B. Evaluation and Recommendation

Responsive proposals will be scored in each of the criteria above and ranked according to scores. The Department may engage outside individuals to compose an evaluation panel.

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 review panel will serve as a basis to formulate the General Manager's recommendation, setting forth the reasons for recommendation in a Board Report.

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.

The Board will consider the General Manager's recommendation during a public Commission meeting and may accept or reject the General Manager's recommendation in making their decision as to the selection.

Section 373 of the Los Angeles City Charter and 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 by Council, the selected concessionaire will complete and submit the additional documents as required by this RFP, City Ordinance, State and/or Federal laws within 30 days of written notification by the Department.

D. Contractual Arrangements

The proposer selected to perform the services outlined in this RFP will enter into an Agreement, approved as to form by the City Attorney, directly with the City of Los Angeles.

E. Verification of Information

The Department reserves the right to verify the information received in the proposal. If a proposer knowingly and willfully submits false information or data, the Department reserves the right to reject that proposal. If it is determined that an Agreement was awarded as a

result of false statements or other data submitted in response to this RFP, the Department reserves the right to terminate the Agreement.

F. Cost of Preparation

All costs of proposal preparation shall be borne by the proposer. The City shall not, in any event, be liable for any expenses incurred by the proposer in the preparation and/or submission of the proposal. All proposers who respond to solicitations do so solely at their own expense.

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

In accordance with Los Angeles City Charter Section 371(c): "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. The City may also reject the bid or proposal of any bidder or proposer who has previously failed to timely and satisfactorily perform any contract with the City."

VII. EXHIBITS

- A. Premises Maps
- B. Compliance Documents
- C. Sample Concession Agreement
- D. Pro Forma Financial Statements Submittal Form
- E. Insurance Requirements