



City of Los Angeles

Department of Recreation and Parks

REQUEST FOR PROPOSALS (ARS-M10-175)

For the Operation of the **Bar and Beverage Services Concession**

Release Date: August 18, 2010

Pre-Proposal Conference: October 5, 2010
Central Service Yard
Conference Room No. 1
3900 West Chevy Chase Drive
Los Angeles, CA 90039

Proposal Due Date: November 9, 2010
3:00 P.M.
Department of Recreation and Parks
Office of the Board of Commissioners
221 North Figueroa Street, Suite 1510
Los Angeles, CA 90012

CITY OF LOS ANGELES, DEPARTMENT OF RECREATION AND PARKS
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REQUEST FOR PROPOSALS

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**REQUEST FOR PROPOSALS
FOR THE
BAR AND BEVERAGE SERVICES CONCESSION**

I. INTRODUCTION

The Department of Recreation and Parks (Department) is pleased to offer an exciting opportunity for well-qualified business entities to provide and operate bar and beverage services (alcoholic and non-alcoholic) at seven (7) banquet hall rental facilities (Exhibit A). The Department may add facilities to be served or remove facilities during the term of the concession agreement, depending on the needs of the public and of the Department.

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(s) shall demonstrate the ability to implement a bar and beverage 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

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

- Offer a bar and beverage service to the public which will enhance the event experience;
- Offer and provide a full range of bar and beverage services at various cost options;
- Assist and coordinate planning activities to ensure all events are executed to the satisfaction of the customer;
- Provide high quality, friendly, and professional services at reasonable prices;
- Provide 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 to the community to increase the current usage of the concession through the use of marketing and advertising;
- Conduct and manage the events accordingly so that clients are satisfied and are provided a memorable experience; and
- Work in unison with the Department of Recreation and Parks during the normal course of business and as unforeseeable problems arise.

The selected concessionaire will be placed on a pre-approved Departmental list of bar and beverage service providers. Concessionaires may be used for multiple projects or for none at all. Patrons that schedule events at the locations listed below and who desire to use a bar and beverage service will select the concessionaire from the pre-approved list which best meets the needs of the event. The Department, in entering into an Agreement with the selected proposer, guarantees no minimum amount of business or compensation. The concession agreement awarded through this RFP process shall be subject to early termination by the Department, in accordance with Section 19 of the Sample Concession Agreement (Exhibit C).

III. DESCRIPTION OF CONCESSION

The Bar and Beverage Services Concession Agreement will require the Concessionaire(s) to provide alcoholic and non-alcoholic beverage services to patrons renting the following facilities: Friendship Auditorium, Grace E. Simons Lodge, Ramona Hall, Orcutt Ranch, Cabrillo Beach Bath House, Griffith Park Visitor Center Auditorium, and Wattles Mansion (Exhibit A). The Department reserves the right to include additional facilities to be served, or to remove facilities during the term of this concession agreement depending on the needs of the public and of the Department.

Numerous events are held in these facilities, such as: weddings, receptions, birthdays, corporate gatherings, business trainings and meetings, and other private parties and events.

The current concessionaire is required to pay 20% of gross receipts produced from bar and beverage (alcoholic and non-alcoholic) sales. In 2008, the operator serviced a total of 438 events, generated \$140,515 in gross receipts and paid \$28,103 in rent to the Department. The Department guides, regulates, and determines the services offered and the desired performance level. Each concessionaire will be responsible for the management and operation of the bar and beverage concession. These responsibilities include meeting with patrons to schedule events; providing price quotes to patrons prior to events; providing clean up, disposal, and removal of items after events; and collecting and accounting for fees from patrons. The operators must also comply with the provisions of the State of California, Department of Alcoholic Beverage Control.

Five Year Bar and Beverage Concession Gross Revenue

2004	2005	2006	2007	2008
\$113,549	\$175,270	\$162,999	\$228,762	\$140,515

IV. INSTRUCTIONS TO PROPOSERS

A. Submitting a Written Proposal

To be considered for award of this concession agreement, proposers must submit a sealed, written proposal as 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. Key names, including title and position;
- b. Complete mailing addresses;
- c. Telephone and fax numbers (including office and cell numbers as appropriate);
- d. E-mail addresses, and any other information needed by City staff to contact proposers;
- e. A statement that the proposing entity confirms its acknowledgement and acceptance of the terms and conditions set forth herein, without exceptions; and
- f. 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(s) 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 proposer(s) 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 contract could take up to twelve months to complete.

3. Proposal Items

Proposers are to submit complete and detailed responses to all of the Proposal Items in Section V of this RFP.

- a. Ability to Finance
- b. Experience and Qualifications
- c. Proposed Business Plan
- d. Proposed Revenue Sharing Payment
- e. Proposed Services and Products with Price List

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 Signed Declaration and Affidavit of Non-Collusion (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 and A2

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: 6% MBE, 3% WBE, 3% OBE

The outreach must attempt to provide a portion of the concession operation to MBE/WBE/OBE subcontractors.

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 and 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**):

Entire Concession
Payroll / Accounting / Bookkeeping
Messenger Services
Uniform (Purchase or Rental)
Uniform Cleaning Service
Suppliers
Equipment Maintenance Service
Cleaning Service
Advertisement
Printing & Binding

- 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 award (as notified 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 on or before 3:00 p.m. Tuesday, November 9, 2010.

Where to Submit your Proposal

The complete proposal package shall be placed in a sealed envelope or box labeled “Proposal for the Bar and Beverage Services Concession – ARS M09-08.” Said envelope or box 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, Suite 1510
Los Angeles, California 90012

Number of Copies

Please 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 the proposer(s) announced. No other information about the proposals will be made public until such time as a recommendation concerning 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 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 and not withdrawn according to the procedure specified above in this RFP become the property of the City of Los Angeles, Department of Recreation and Parks.

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: Orville Patino, Contract Coordinator
Address: 3900 W. Chevy Chase Dr., Mail Stop 628,
Los Angeles, CA 90039
E-mail: Orville.Patino@lacity.org
Fax: (818) 243-6451

Non-Mandatory Pre-Proposal Conference

Date: October 5, 2010
Time: 9:30 a.m.
Location: Central Service Yard, Conference Room No. 1
3900 West Chevy Chase Drive
Los Angeles, California 90039

The purpose of the conference is to clarify the contents of this RFP and to discuss the Bar and Beverage Services 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 of the RFP will be awarded to all proposals with a representative in attendance. **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 628)
Attn: Orville Patino
3900 West Chevy Chase Drive
Los Angeles, CA 90039

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 October 5, 2010, 5:00 p.m.**

All questions, without identifying the individual submitting the question, 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.

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 628)
3900 West Chevy Chase Drive
Los Angeles, CA 90039
Telephone (818) 243-6488
Fax (818) 243-6451

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, CONTRACTUAL PROVISIONS AND SCOPE OF WORK

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

- A. Proposal Items
- B. Required Operating Responsibilities
- C. Contractual Provisions
- D. Scope of Work

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, Contractual Provisions, and Scope of Work.

A. Proposal Items

Keeping in mind the needs and the potential of the concession, the demographics of the prospective patrons at the various banquet hall rental facilities, 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 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.3.3 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 September 2009 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 September 2009 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. Experience and Qualifications

Proposers must have at least two (2) years continuous experience within the last four (4) years in the ownership, management, or operation of a bar and beverage service business; which shall mean having an active involvement in the day-to-day management of the business and should not be so designated solely by a percentage of ownership. Each proposal will be reviewed for other criteria such as Proposer's ability to finance, relevant background and experience, and soundness of business plan.

Describe your business entity's background and experience in providing bar and beverage services 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 proposals 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 bar and beverage services
- 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 Bar and Beverage Services Concession 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.
- 2.2.2 ___ Revenues of past or current comparable operations under the proposer's management.
- 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 2005, 2006, 2007, and 2008.

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 Operational Plan For Entire Concession:

3.1.1 ___ 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:

___ Names and proposal of key personnel, including on-site full time concession manager, include résumés;

___ Number of staff members required;

___ Proposed organizational structure;

___ Employee hiring, training, retention, motivation, and promotion policies.

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

- ___ Advertising, promotion, merchandising, and marketing plans for all segments of the concession;
- ___ Plans to identify and address the needs of the local community;
- ___ Customer service policies and philosophy;
- ___ Specific methods of monitoring customer satisfaction and maintaining excellent customer relations.

3.1.3 ___ 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.

3.2 Proposed Equipment

3.2.1 ___ Include a list of major equipment that will be provided and 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 (Exhibit C) for information regarding ownership of equipment purchased and installed by Concessionaires.

3.2.2 ___ 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.

3.3 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 Bar and Beverage Services 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 form, follow the instruction on the first tab of the spreadsheet. Proposers must submit a hardcopy of the completed form with each copy of the submitted proposal and one CD-R of the completed form.

The Pro Forma Financial Statement Submittal Form (Exhibit D) 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, rent, 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 is 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 PROPOSED REVENUE SHARING PAYMENT OPTION PER SUBMITTAL. MULTIPLE PROPOSED REVENUE SHARING PAYMENT OPTIONS 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 20% of gross receipts produced by all bar and beverage (alcoholic and non-alcoholic) sales.

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

___ Revenue sharing payment 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 (Exhibit D).

___ 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 rental payments.

4.2 ___ Proposer must provide justification, based on their financial projections, planning, and relevant market research, that the proposed rent is competitive

as well as sustainable and realistic.

5. Proposed Services and Products with Price List

Provide a description of the services and products (equipment and material) necessary to perform the services as described in the Scope of Work (Section V.D). The information to be submitted must include:

- _____ The type of liquor, wine, and beverages that will be provided;
- _____ Set-up time and strike time information; and,
- _____ Detailed description of services, including equipment and materials necessary for providing the services.

A sample format of the Listing of Proposed Services and Products and Price Table is included as Exhibit F.

B. Required Operating Responsibilities

The following are selected areas of operating responsibilities which will be required of the successful proposer(s). 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. Hours of Operation

Concessionaire shall offer bar and beverage services to the public only during the hours that the premises are reserved by the patrons from the Department for pre-arranged group events. Concessionaire must provide a minimum of three (3) hours of service (not exceeding the contracted rental hours of the hall), and must cease alcoholic service one (1) hour prior to the end of the event. Concessionaire shall be allowed to enter premises one (1) prior to event start time to set up and will be allowed to remain on premises one (1) hour after events for clean-up. Additional time to enter the premises and set up for the event must be arranged through the Department’s Park Services Office.

2. Utilities:

Concessionaire shall pay a monthly utility charge equal to 1.5% of gross receipts as payment for utilities. Concessionaire shall remit said monthly payment in conjunction with the monthly rental payments.

Water shall be utilized by concessionaire in the most efficient manner possible, and concessionaire expressly agrees to comply with all CITY water conservation programs.

3. Record Keeping and Tracking of Sales

Concessionaire will be required to maintain a system of tracking sales, which may include at a minimum, installing a non-resettable cash register dedicated to this concession on which it shall record all gross sales, including hosted bar sales. The cash register shall be sufficient to supply an accurate recording of all sales on tape. Concessionaire shall not purchase or install the cash register before obtaining the General Manager’s written approval of the specific register to be purchased. All cash registers shall have a price display which is and shall remain at all times visible to the public. Printed receipts shall be provided to the patron for all transactions.

4. Pricing

City agrees that Concessionaire’s merchandise, including its prices for same, shall be within Concessionaire’s discretion; subject, however, to disapproval by General Manager if the selection of items offered is inadequate, of inferior quality, or if any of said prices are excessively high or low. All prices charged for alcoholic and non-alcoholic beverages shall be prominently posted and shall be comparable to prices charged in similar establishments in the City of Los Angeles. Concessionaire shall, upon execution of Agreement, provide the General Manager with a list of prices for all merchandise and services. This list shall be updated whenever prices are changed.

Concessionaire shall minimize the paper items (straw covers, serving cartons and etc.) distributed with products. Styrofoam products should not be used in accordance with the city wide ban adopted by the City Council (Council File # 07-3155). Concessionaire shall be prohibited from selling merchandise in non-returnable or glass bottles and from selling or distributing alcoholic beverages from open containers or carafes on serving or dining tables.

Concessionaire shall not sell any tobacco products, food products, lottery tickets or similar type merchandise, or sell or use containers manufactured in a process using chlorofluorocarbons (e.g. Styrofoam products).

5. Equipment

All equipment, furnishings (utensils, appliances, stemware, beverage serving ware and other equipment necessary for alcohol and beverage service) and expendables required for the bar and beverage concession shall be purchased and installed by Concessionaire at its sole expense and shall remain its personal property.

6. Maintenance of Equipment

Concessionaire shall, at all times and at its expense, provide all maintenance, repair, and service required on equipment, furnishings (utensils, appliances, stemware, beverage serving ware and other equipment necessary for alcohol and beverage service, including any beverage service carts and/or portable bar used in the Premises) and keep and maintain such equipment in good repair and in a clean, sanitary, and orderly condition and appearance.

7. Signage

The address and phone number of the Concessionaire's company will be prominently displayed along with the notation that all complaints regarding change, service, or merchandise, should be referred directly to the company. However, reports in writing by patrons or anyone concerned on over-serving or failure to provide receipts for transactions shall be directed to the City of Los Angeles Department of Recreation and Parks at fax number (818) 243-1459.

8. 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 a receipt for this transaction is not provided, please contact the Department of Recreation and Parks – Concessions Unit at (818) 243-6488."

9. Monthly Rental Report

Concessionaire shall transmit with each rental payment a Monthly Gross Receipts and Rent Report, also referred to as a Monthly Remittance Advice Form, for the month for which rent is submitted.

C. Contractual Provisions

The following are selected contractual provisions which will be required of the successful proposer(s). 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. Description of Premises

The banquet hall rental facilities included in this Agreement are:

- a. Friendship Auditorium
3201 River Drive
Los Angeles, CA 90027
- b. Grace E. Simons Lodge
1025 Elysian Park Drive
Los Angeles, CA 90012
- c. Ramona Hall
4580 Figueroa Street
Los Angeles, CA 90042
- d. Orcutt Ranch
23600 Roscoe Blvd.
West Hills, CA 91304
- e. Cabrillo Beach Bath House
3800 Stephen M. White Drive
San Pedro, CA 90731
- f. Griffith Park Visitor Center Auditorium
4730 Crystal Springs Drive
Los Angeles, CA 90027
- g. Wattles Mansion
(Not available as a rental facility as of the release of this RFP)
1824 N. Curson Avenue
Los Angeles, CA 90046

The Department of Recreation and Parks reserves the right to add and remove facilities to be serviced by the concession operators depending on the needs of the Department.

2. Term

The term of the concession agreement shall be five (5) years, effective on the date of execution, with two (2) five-year options to renew, exercisable at the sole discretion of the General Manager.

3. Performance Deposit

The selected Concessionaire(s) shall provide a Performance Deposit for the duration of the Agreement in the amount of Ten Thousand Dollars (\$10,000). Said Performance Deposit will be in the form acceptable to the City as described in the Sample Concession Agreement (Exhibit C – Section 14).

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

4. Insurance

The selected Concessionaire(s) 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 discretion of the General Manager.

5. Resources Supplied by Concessionaire(s)

The selected Concessionaire(s) shall supply resource items that are not specifically listed in this Agreement in order to ensure business operations are run effectively and efficiently.

6. Taxes

The selected Concessionaire(s) shall pay all taxes of whatever character which may be levied or charged upon the Concessionaire(s) 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.

7. Business Tax Registration Certificate

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

D. Scope of Work

The following are selected areas specific to the operation of a bar and beverage services concession (Scope of Work) which will be required of the successful proposer(s). Proposers should read the entire “Sample Concession Agreement” (Exhibit C) for a more complete understanding of the scope of work. If selected as the winning proposal, the proposer must be willing and able to commit to the following scope of work as stated in Exhibit C (no response is required in the submitted proposal).

Prior to the Event (Pre Event)

1. Provide and maintain a reservation phone service during normal business hours for answering inquiries and taking reservations from prospective patrons. In cases where voicemail service is in use, patrons’ telephone call must be returned within twenty-four (24) hours from the time the messages from prospective patrons are received.
2. Collect reservation deposit fees from patrons after confirmation of scheduled bar Service.
3. Coordinate, schedule, and confirm each reserved event, and the type of bar service requested, with the patrons and with the Department no less than fourteen (14) days prior to day of event.
4. Have printed brochures detailing service plans and cost options to be made available at each of the rental halls.
5. Include information about deposit, cancellation and/or refund policy in brochures and provide the brochures to patron(s) after completing the necessary service agreements with the patrons.
6. Provide for all bar service staffing, including all hiring, training, and supervision.
7. Set-up or prepare venue within one (1) hour before the start of the event.

During the Event

8. Provide an Events Manager and/or Events Coordinator onsite during hours of the events to respond to clients’ needs.
9. Provide alcoholic and non-alcoholic beverage service to patrons renting the premises for group events.
10. Provide all necessary supplies and equipment, including portable bar.
11. Keep the service area of the premises clean and uncluttered during the event.
12. Provide for all bar service staffing, including all hiring, training, and supervision.

13. Discontinue the dispensing of alcoholic beverages to persons deemed disorderly or Intoxicated.
14. Inform patrons at the beginning of the event, at two hours before the end of the event, and at ninety minutes before the end of the event that alcohol will not be served during the last hour of the event.
15. Take reasonable steps to exercise due diligence in assisting patrons deemed intoxicated by providing the necessary assistance in order to prevent injury to themselves and to others and report all incidences promptly to the Department's Facility Manager or Supervisor.
16. Be responsible for the conduct of activities during the event, and ensure compliance with established local, state and federal policies and regulations.
17. Be present during any activity at premises where liquor is sold or dispensed, including champagne toast only events.
18. Ensure the service area of the premises is kept clean and uncluttered.

After the Event (Post Event)

19. Remove all products and operator equipment from premises within an hour after each event and ensure the event area authorized for the bar and beverage service is in as good as order and condition as prior to the event.
20. Dispose of all trash.

Other Items

21. Implement a Customer Satisfaction and Improvement Program to incorporate suggested improvements from patrons.
22. Collect full balance of fees from patrons and remit revenue payment to the Department.

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 on the proposals or responding to questions by the evaluation panel. Only proposers that passed Level I will be scheduled for an interview.

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
- Proposal Items

Level II – Evaluation and Scoring Criteria of Proposal Items (Section VI.A)

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 VI.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

Experience and Qualifications (20 points possible)

(Section VI.A.2): Proposer has provided responses to all items in the Proposals 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 proposals/experience of each member of its proposed management team;
- Demonstrated ability to successfully operate the 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	20 points	5. Fifth Best	12 – 13 points
2. Second Best	18 – 19 points	6. Sixth Best	10 – 11 points
3. Third Best	16 – 17 points	7. Seventh Best	8 – 9 points
4. Fourth Best	14 – 15 points	8. Eighth Best	6 – 7 points

Proposed Business Plan (20 points possible)

(Section VI.A.3): The Proposer’s plan for the concession 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, proposals, and training plans;
- Customer service plans;
- Marketing, promotion, and advertising;
- Other business-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	20 points	5. Fifth Best	12 – 13 points
2. Second Best	18 – 19 points	6. Sixth Best	10 – 11 points
3. Third Best	16 – 17 points	7. Seventh Best	8 – 9 points
4. Fourth Best	14 – 15 points	8. Eighth Best	6 – 7 points

Proposed Revenue Sharing Payment (25 points possible)

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

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

Proposed Services and Products with Price List (20 points possible)

(Section VI.A.5): Proposer has demonstrated the services with patrons with the best plan to provide the goods and services at a reasonable price. Proposers will be ranked according to:

- Type of liquor, wine, and beverages that will be provided;
- Set-up time and strike time information; and
- Detailed description of services, including equipment and materials necessary for providing the services.

<u>Rank</u>	<u>Score</u>	<u>Rank</u>	<u>Score</u>
1. Best Proposal	20 points	5. Fifth Best	12 – 13 points
2. Second Best	18 – 19 points	6. Sixth Best	10 – 11 points
3. Third Best	16 – 17 points	7. Seventh Best	8– 9 points
4. Fourth Best	14 – 15 points	8. Eighth Best	6 – 7 points

B. Evaluation and Recommendation

Responsive proposals will be scored in each of the criteria above and ranked according to scores. The Department may use City employees and 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 proposals of each proposer 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.

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 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 Commission, City Attorney, City Ordinance, and State and/or Federal laws within 30 days of written notification of award by the Department.

D. Contractual Arrangements

The proposers selected to perform the services outlined in this RFP will enter into a contract, 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 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. Description of Concession Locations
- B. Compliance Documents
- C. Sample Concession Agreement
- D. Pro Forma Financial Statement Submittal Forms
- E. Insurance Requirements
- F. Sample Listing of Proposed Services and Products with Price List