



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Parks
Department No.: 052
For Agenda Of: July 10, 2007
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Daniel C. Hernandez (568-2461)
Director
Contact Info: Mike Gibson, Business Manager (568-2477)

SUBJECT: Authorization to Release Requests for Proposals (RFPs) for the Jalama Store and Brown Pelican Restaurant Concession Leases

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: Real Property

As to form: Yes

Recommended Actions:

That the Board of Supervisors authorize release of two separate Requests for Proposals (RFPs) to: (1) Lease and operate a general store and snack bar/grill at Jalama Beach County Park; and (2) Lease and operate a restaurant and snack bar at Arroyo Burro Beach County Park.

Summary Text:

California Government Code (Sections 25520-25539.10) permits counties to enter into concession lease agreements for real property belonging to counties. In addition, the Santa Barbara County Parks Department's Marketing Program, which was approved by the Board of Supervisors in July 1995 (Resolution No. 95-355; Chapter 26, Article VI-A, of the Santa Barbara County Code) includes concession leases as one of the major revenue generating opportunities for the Department to help sustain its operations.

In June 2006, the Board of Supervisors approved a Concession Solicitation and Selection Policy for the Parks Department. This policy establishes guidelines and procedures for openly soliciting and selecting private operators to provide concession services at County parks through a Request for Proposals (RFP) process.

The two concession leases that are up for renewal are: (1) the general store and snack bar/grill at Jalama Beach; and (2) the restaurant and snack bar at Arroyo Burro Beach. It is recommended that the Board authorize release of two separate RFPs for these two concession leases at this time. The RFPs will be

advertised in several different newspaper publications in the tri-county and Los Angeles regions. Following the receipt, evaluation, and rating of the proposals received, staff will return to the Board with a resolution to lease these two concessions, recommendations for award of contracts for each of the concession leases, as well as execution of concession agreements with the selected proposers.

Background:

In June 2006, the Board of Supervisors approved a Concession Solicitation and Selection Policy for the Parks Department. This policy establishes formal guidelines and procedures for openly soliciting and selecting private operators for concession services in County parks through a Request for Proposals (RFP) process. The attached flow chart (Attachment 1) illustrates how the RFP process is designed to work in the policy approved by the Board. The guidelines contained in the policy provide a useful, clear, and understandable process for the Parks Department, prospective concessionaires, and the Board to follow in the solicitation and selection of concessions for County parks. This policy also provides a level playing field for those interested in bidding for concession services. The RFP process provides some distinct advantages to both the County and its potential business partners by: (1) providing a fair and objective method for soliciting and awarding contracts for concession services in County parks; (2) providing greater financial benefits to the County and its taxpayers by utilizing a more competitive approach in awarding concession contracts; and (3) providing additional or improved amenities and services for park users as part of new concession agreements.

The following two concession leases are up for renewal at this time: (1) The general store and snack bar/grill at Jalama Beach; and (2) The restaurant and snack bar at Arroyo Burro Beach (Brown Pelican Restaurant). The Jalama Store concession lease technically expired on October 31, 2006 and is currently operating on a month-to-month holdover basis while the RFP process is underway. One of the recommendations of the FY 2005-06 Santa Barbara County Civil Grand Jury, which was included in a July 2006 report to the Board, was that the Jalama Beach store concession lease be subjected to an open and competitive bidding process when it came up for renewal, whereby concession rent could be based on market rates, exclusive rights for certain business activities could be reevaluated, and additional services might be considered. The Brown Pelican Restaurant concession lease expires on December 31, 2007.

Attachment 2 lists all of the Parks Department's existing concession leases as well as the expiration dates for each of these concession agreements. The concession leases for the Cachuma Recreation Area are not included on this list, since they are subleases under the management lease agreement between the County and the federal Bureau of Reclamation, which is currently being renegotiated. As such, they may be subject to different bidding requirements than that contained in the Department's concession bid policy.

It is recommended that the Board authorize release of two separate RFPs at this time – one for the Jalama Beach store (Attachment 3) and one for the Brown Pelican restaurant at Arroyo Burro Beach (Attachment 4). The RFPs will be advertised in several different major newspaper publications in the tri-county area (Santa Barbara, Ventura, and San Luis Obispo counties), as well as the Los Angeles region. Advertisements will be placed in the Santa Barbara News-Press, the Santa Maria Times, the Lompoc Record, the Ventura County Star, the New Times San Luis Obispo County, and the Los Angeles Times. Proposals will be received by the end of August. Proposals will then be reviewed, evaluated, and rated by a proposal review team. Criteria for evaluation and rating, as included in the concession bid policy and the RFP documents, will include business experience, financial history,

proposed business plan, proposed rent/lease payments to the County, proposed capital improvements, etc. Staff will then return to the Board with a resolution to lease these two concessions, recommendations for award of contract for each concession lease, as well as execution of concession agreements with the selected proposers.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ -

Narrative: In FY 2005-06, \$46,000 in concession fee revenue was received from the Jalama Store concession lease and \$180,300 was received from the Brown Pelican Restaurant concession lease, for a total of \$226,300 from both of these leases. It is anticipated that, as a result of this RFP process, concession fee revenue will be increased in future years for each of these concessions. However, it is indeterminable at this time as to how much this revenue will increase, since the revenue will be determined by the final concession agreements that are negotiated for these two leases after the RFP process has been completed.

Staffing Impacts:

Legal Positions:
N/A

FTEs:
N/A

Special Instructions:

Clerk of the Board to provide a copy of the minute order to the Parks Department/Administration, Attn: Mike Gibson

Attachments:

- Attachment 1 – Parks Department Concession Bid Process Flow Chart
- Attachment 2 – Existing Parks Department Concession Leases
- Attachment 3 – RFP – Jalama Beach General Store and Snack Bar/Grill
- Attachment 4 – RFP – Arroyo Burro Beach Restaurant and Snack Bar

Authored by:

Mike Gibson, Business Manager (568-2477)