

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-475

SYNOPSIS -

AGENDA:

OCTOBER 18, 1999

SUBJECT:

ISSUANCE OF CITY
GOLF CONTRACTS

To receive and file City of Des Moines Golf Course management proposals and direct staff to negotiate contracts with Southern Golf, Inc. for the management of Blank Golf Course and Vanscoy Management Team for the management of Waveland and Grandview Golf Courses. These contracts are proposed to be five (5) years in length with an option to renew for five (5) years.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT -

All bids were assessed on the basis of contract year one projections that are reflective of recent year experiences of expense and amount of play. The Vanscoy/Southern bids will yield \$130,656 operating profit in year one. This does not include a recently proposed fee increase by the Citizens Golf Committee.

SUBMITTED BY:

DONALD M. TRIPP
PARK AND
RECREATION
DIRECTOR

RECOMMENDATION -

Receive and file the Citizens Golf Committee and Park & Recreation Board recommendations and direct staff to negotiate contracts with Southern Golf, Inc. for Blank Golf Course and Vanscoy Management Team for Waveland and Grandview Golf Courses, as outlined in the Request for Proposal (RFP) for periods of five (5) years, plus a five (5) year option to renew.

BACKGROUND -

By Roll Call 99-2061 approved on June 28, 1999, the City Council directed staff to prepare a RFP for management of Blank Golf Course and Waveland and Grandview Golf Courses. The approved format asked for proposals for full

management including maintenance of Blank Golf Course and management of Waveland and Grandview clubhouse operations, continuing City employee maintenance at these locations. Council also approved the hiring of McGladrey and Pullen to help assess the RFP and subsequent proposals.

By Roll Call 99-2707 on August 23, 1999, the RFP was approved by City Council and a letter of invitation was sent to 72 management companies and individuals.

A pre-bid conference was held on September 8, 1999. A Golf Management Proposal Evaluation Team was established and included one vote from each as follows: Park & Recreation Director, Park & Recreation Business Manager, Park & Recreation Board, Citizen Golf Committee, and the City Finance Department. The proposals were opened on September 29, 1999 with four (4) proposals received.

After evaluation by the City Legal Department, Finance Department, and Evaluation Team, the proposal from Kemper Golf was not accepted as it was unresponsive to the RFP. The remaining three (3) proposals were scored based on a system outlined in the RFP. For the purpose of comparing financial information, the Southern Golf, Inc. and Vanscoy Management Team bids were combined to compare to the remaining Kinley's Sports bid (as Kinley bid all three courses). The Finance Department analysis of the bids is attached. Note that even after Debt Service, both comparisons show a net profit. The indicated debt service will be paid off in 2004. It should also be noted that the Kinley and Vanscoy bids both included financial incentives for years subsequent to year one. Finance staff analyzed the best potential impact of these proposals and found the impact would not change the financial advantage of the Vanscoy/Southern bid over the full term of the five (5) year or ten (10) year agreement.

The total scoring of these bids reflects a unanimous opinion of the Evaluation Team that in all areas the Vanscoy Management Team and Southern Golf, Inc. proposals were superior to the Kinley bid. The Evaluation Committee communicated this to the Citizen Golf Committee that made a unanimous recommendation to the Park and Recreation Board at their October 11, 1999, meeting. On October 12, 1999, the Park and Recreation Board authorized negotiations of golf management contracts with Vanscoy Management Team for Waveland and Grandview; and Southern Golf, Inc. for Blank by a unanimous

vote.

It should also be noted that the financial analysis provided was developed to provide a fair and equitable means of comparing the bids. The baseline numbers used were from projections of the 1999 season to date. The year 1999 appears to be exceeding their projections of revenues, therefore, it is expected that additional profit will be seen. This profit can be utilized to retire existing debt sooner than expected and allow improvements to the golf course to be made ahead of schedule. Staff expects to bring contracts back to the City Council in November.

Attachment