



## Agenda Report

19-456

Agenda Date: 6/25/2019

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### REPORT TO COUNCIL

#### SUBJECT

Approval of Agreements with 18 Recreational Instruction Providers for Programs and Services through City's Parks & Recreation Department for Five-Year Terms

#### BACKGROUND

The Parks & Recreation Department manages and maintains the City's park system, recreation facilities, pools and cemeteries as well as provides recreation programs, services and activities that contribute to the vitality, health and wellness of the community. The Department's Recreation programs serve over 30,000 customers per year and generate approximately \$2.6 million in revenue. Program offerings are promoted through the City's Activity Guide, which is developed and published three times annually. Program registration is conducted online, as well as in person and by mail.

The City currently has agreements with over fifteen contractual program vendors (Contractor) who provide a variety of fee-based recreation programs and services that are priced at market rate for the region. The program revenue is split between the contractor and City. Contractors typically retain between 60% and 80% of gross revenue per participant, while the City retains the remaining balance that recovers City costs for marketing, facility use, and program administration.

The City is interested in greater transparency, competitive procurement practices, and more efficient delivery of services. Formerly, recreation contractor agreements were executed seasonally. The proposed practice is one agreement per contractor for a five-year term, with a contingency for seasonal program adjustments.

#### DISCUSSION

##### Request for Proposals and Selection

On November 6, 2018, the City issued a Request for Proposal (RFP) to select qualified vendors to provide recreational services. The various recreation programs and service categories were consolidated into one RFP with the goal of creating a pool of contractors whom are eligible to provide recreational services as needed. The City published the RFP using BidSync, the City's e-procurement tool. In addition, the City contacted firms that are known to provide such services, with instructions on how to register on BidSync and how to submit a proposal. Proposers were allowed to propose only for service offerings consistent with their area(s) of expertise. A total of fifty-five (55) vendors viewed the RFP, and eighteen (18) proposals were received.

##### Evaluation

The proposals were evaluated by a three-member team from the Parks & Recreation Department. Each team member independently evaluated the proposals. The panel determined that each of the eighteen (18) submitted proposals was responsive and met the City's requirements. The Contractors

selected provide a variety of recreational programs and services across multiple categories including, but not limited to: art, enrichment, dance, martial arts, aquatics, and various sports and special interest classes.

#### Notice of Intended Award

A Notice of Intended Award (NOIA) announcing the City's recommended contractors was published on February 8, 2019. The RFP process included a ten-day protest period, which commenced with the issuance of the NOIA and ended on February 18, 2019. No protests were received.

Pending Council's approval, the Agreements (see Table 1 below) will begin with the Fall 2019 recreation season for a five-year term, provide flexible but stable programming for City residents and deliver the most effective and efficient services within the City's recreation facility capacity and constraints. The program is revenue generating. Depending upon actual registration, the total gross revenue generated will be over \$1 million annually and \$5.6 million over the five-year contractual period, of which the City retains about 30% on average. It is estimated that the total annual compensation for the Contractors listed will be approximately in the amount of \$907,200 and the total five-year amount will be \$4,536,000, or about 70% of gross revenue. While the estimated, not to exceed compensation amount for each agreement is based on the anticipated full enrollment for all activities, actual Contractor compensation is based on the actual number of participants registered. If minimum registration numbers are not met, the class will be cancelled, the Contractor will not receive compensation for the cancelled class, and registrants will be refunded.

**Table 1 Recreation Contractors 2019**

	<b>Contractor Name</b>	<b>Recreation Category</b>	<b>Estimated Annual Compensation</b>	<b>Maximum Contract Compensation</b>
1	Chaparral County Corporation	Horseback Riding	\$25,000	\$125,000
2	Code For Fun	Computing; Enrichment and Academic Courses	\$15,000	\$75,000
3	Justin Fujihara db Gametime Basket	Basketball	\$29,000	\$145,000
4	Guru's Educational Services, Inc.	Enrichment and Academic Courses	\$15,000	\$75,000
5	Josh Rubietta	Dance; Physical Movement	\$60,000	\$300,000
6	Joyful Melodies C	Music	\$19,000	\$95,000
7	North American Y Activities, LLC db Love Soccer	Sports	\$115,000	\$575,000
8	Kimberly Davey	Dance	\$180,000	\$900,000
9	Anthony Janovich Kodenkan Jujitsu	Martial Arts	\$27,000	\$135,000
10	Lil Sluggers Santa LLC	Sports	\$17,000	\$85,000

11	Linnea Sheehy	Dance	\$166,000	\$830,000
12	Nanogan Science Services, LLC dba Science of the Bay	Enrichment and Academic Courses	\$44,000	\$220,000
13	Renee Ramsey	Art	\$15,000	\$75,000
14	Sports, Fitness & Inc.	Martial Arts; Health and Wellness; Physical Movement	\$17,000	\$85,000
15	Play-Well Teknolo	Enrichment and Academic Courses	\$28,000	\$140,000
16	Skyhawks Sports LLC	Sports	\$30,000	\$150,000
17	Starrz Dance Academy Performing Arts	Dance	\$25,200	\$126,000
18	Sean Mendelson Teacher Sean's Music Factory	Music	\$80,000	\$400,000
	Totals:		\$907,200	\$4,536,000

### **ENVIRONMENTAL REVIEW**

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b)(4) in that it is a fiscal activity that does not involve commitment to a specific project which may result in potential significant impact on the environment.

### **FISCAL IMPACT**

All funding for the agreements is generated from program revenue collected at the time of registration. The City retains 25-37% of gross program revenue per proposed agreement and the Contractors retain 63-75%. Depending upon actual registration, the total gross revenue generated during the initial term will be over \$1 million annually and \$5.6 million over the five-year contractual period, of which the City will retain about 30% on average. It is estimated that the total annual compensation to the recreation Contractors listed will be approximately \$907,200 and the total five-year amount will be \$4,536,000, or about 70% of gross revenue.

### **COORDINATION**

This report has been coordinated with the Finance Department and the City Attorney's Office.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

1. Authorize the City Manager to execute Agreements with the 18 contractors listed in Table 1, and in the respective amounts listed to provide Recreation Programs and Services for five-year terms ending June 30, 2024, for a maximum aggregate compensation not to exceed \$4,536,000, subject to budget appropriations;

2. Authorize the City Manager to execute individual amendments with the contractors listed to increase or decrease the maximum compensation for each agreement depending on resident demand and actual registration. Increases to agreement compensation shall be limited to fifteen percent (15%) above the agreement maximum compensation, and subject to budget appropriations; and

3. Authorize the City Manager to execute up to five (5), one-year options to extend the term of the Agreements after the initial five-year term through June 30, 2029, subject to budget appropriations.

Reviewed by: James Teixeira, Director of Parks & Recreation

Approved by: Deanna J. Santana, City Manager

**ATTACHMENTS**

1. Agreement with Chaparral County Corporation
2. Agreement with Code For Fun
3. Agreement with Justin Fujihara dba Gametime Basketball
4. Agreement with Guru's Educational Services, Inc.
5. Agreement with Josh Rubietta
6. Agreement with Joyful Melodies Corp.
7. Agreement with North American Youth Activities, LLC dba Kidz Love Soccer
8. Agreement with Kimberly Davey
9. Agreement with Anthony Janovich dba Kodankan Jujitsu School
10. Agreement with Lil Sluggers Santa Clara, LLC
11. Agreement with Linnea Sheehy
12. Agreement with Nanogan Science & Services, LLC dba Mad Science of the Bay Area
13. Agreement with Renee Ramsey
14. Agreement with Sports, Fitness & Karate, Inc.
15. Agreement with Play-Well Teknologies
16. Agreement with Skyhawks Sports Academy, LLC
17. Agreement with Starrz Dance Academy of Performing Arts
18. Agreement with Sean Mendelson dba Teacher Sean's Music Factory