



Agenda Report

19-499

Agenda Date: 6/25/2019

REPORT TO COUNCIL

SUBJECT

Action on Approval of an Agreement with Peninsula Gymnastics Training Center for Recreation Programs and Services

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 generates approximately \$2.6 million in revenue. Program offerings are promoted through a seasonal activity guide that is developed and published three times annually. Program registration is conducted online, as well as in person and mail.

The City had contracted with California Sports Center (CSC) since 2000 primarily at the City's Earl R. Carmichael Park Gymnastics Center located at 3445 Benton Street to deliver gymnastics programs and related services to the community. CSC provided clinics, skill development courses, and pre-competitive programs for participants ranging in ages from 18 months to adult.

Program offerings are promoted by the City through the City's Activity Guide, which is published three times annually. All registrations are managed through the City's online registration portal. The City retains 27% of revenue received per participant to offset marketing, facility use, and program administration costs.

Agreements with CSC were formerly executed up to three times a year based on class registration cycles. The current agreement expires on December 31, 2019 (current programs are scheduled to wind down at the end of August 2019). In order to relieve the administrative burden of executing multiple agreements, a master agreement is recommended with a five-year term.

DISCUSSION

Request for Proposals and Selection

In December 2018 the City issued a Request for Proposal (RFP) to select a qualified vendor to provide Gymnastics Programs and Services primarily at the City's Earl R. Carmichael Park Gymnastics Center located at 3445 Benton Street. The City published the RFP using BidSync, the City's e-procurement tool. In addition, firms known to provide the required services were contacted, with instructions on how to register on BidSync and how to submit a proposal. Two proposals were received by the January 17, 2019 deadline:

- California Sports Center (San Jose, CA)
- Peninsula Gymnastics Training Center (San Mateo, CA)

The selected vendor is expected to provide high quality gymnastics programs focusing on skill sets such as tumbling, balance beam, floor exercises, bars, vault and other related gymnastics skills at the beginner, intermediate and advanced levels.

Evaluation

The proposals were evaluated by a three-member team from the Parks and Recreation Department. Each team member independently evaluated and scored the proposals. Staff determined all proposals were responsive and met the initial pass/fail review of the stated minimum qualifications. The evaluation team evaluated the proposers' experience (30% of proposal score's weight) including number of years providing gymnastics services, quality of references and working with other public agencies. The team also completed a thorough review of each company's technical capabilities (45% of proposal score's weight) and management approach to gymnastics program curriculum, staffing and training. Finally, the revenue proposal (25% of proposal score's weight) was opened and scored after the technical proposal evaluation. Proposers were required to submit a competitive split of anticipated revenue generated from program registration fees.

Staff recommends award of contract to Peninsula Gymnastics. The evaluation team found the proposal to be the most advantageous and to provide the best value to the City. It included the following key attributes:

- Experience to deliver quality recreational gymnastics programming to the community including clinics, workshops, camps, parent/child programs, birthday parties, skill development courses, and pre-competitive programs;
- Demonstrated ability to work with participants with special needs;
- City share of 40% of program fees which is a significant increase from the previous agreement.
- Positive references from City of Foster City and the City of San Mateo.

Notice of Intended Award

A Notice of Intended Award (NOIA) announcing the City's recommended contractor was published on March 21, 2019. The RFP process included a ten-day protest period which commenced with the issue of the NOIA and ended on March 31, 2019. No protests were received.

Pending Council's approval, the Agreement will begin with the Fall 2019 recreation season for a five-year term, which will 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 \$2.25 million dollars over the five-year contractual period, of which the City retains about 40%. While the estimated not to exceed compensation amount is based on the anticipated full enrollment for all activities, actual compensation to the contractor 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.

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 40% of gross program revenue per agreement and the Contractors retain 60%. The program is revenue generating. Depending upon actual registration, the City anticipates Contractor compensation to be \$450,000 annually, not to exceed \$2,250,000 over the initial five-year term of the agreement; and the City revenue is estimated to be \$300,000 annually.

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 or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Authorize the City Manager to execute an Agreement with Peninsula Gymnastics Training Center to provide Gymnastics Programs and Services for a five-year term ending June 30, 2024, for a maximum compensation not to exceed \$2,250,000 for the five-year term, subject to budget appropriations; and
2. Authorize the City Manager to make minor modifications and execute amendments to increase or decrease the maximum compensation for the agreement, depending on the number of enrollments. Increases to agreement compensation shall be limited to fifteen percent (15%) of the agreement's maximum compensation, and subject to budget appropriations; and
3. Authorize the City Manager to execute five, one-year options to extend the term of the Agreement after the five-year term through June 30, 2029, subject to the budget appropriations.

Reviewed by: James Teixeira, Director of Parks & Recreation

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Request for Proposal #18-19-07 - Gymnastics Programming Services
2. Agreement with Peninsula Gymnastics