



City Council Report

Date: May 6, 2019
To: City Council
Through: Michael Kennington, Chief Financial Officer
From: Edward Quedens, Business Services Director
Matt Bauer, Procurement Administrator
Subject: Ten-Year Term Contract with Two Five-Year Renewal Options for Management Services at the Dobson Ranch Golf Course for the Parks, Recreation and Community Facilities Department (**District 3**)

Recommendation

Council is requested to approve the award as recommended.

A committee representing Parks, Recreation and Community Facilities and Purchasing evaluated responses. The evaluation committee recommends awarding the contract to the highest scored proposal from Paradigm Golf Management dba Paradigm Golf Group.

Background / Discussion

This contract will provide a professional golf management company to manage operations and maintenance of all elements of the Dobson Ranch Golf Course including the golf shop, full-service restaurant and banquet facilities, concessions, driving range and course maintenance. Dobson Ranch Golf Course is one of the top municipal golf facilities in the valley and has previously operated under a concession's agreement for Golf Shop and Restaurant Operation while the City of Mesa has been responsible for facility maintenance and golf course maintenance operations.

Under the current arrangement, revenues collected from course operations are split by various percentages between the concessionaire and the City. With increasing expenses, deferred maintenance and lack of funding to reinvest in the course, the overall golf experience and ability to maintain the standard players have been accustomed to could be impacted which will ultimately result in a loss of revenue. Current forecasts project a loss to the City of \$684,000 in FY19 and a combined \$3.8 million loss in FY20-23.

Under the terms of the new contract, all expenses associated with operations and maintenance will be the responsibility of the contractor. The new operator will contribute to a capital investment fund, \$250,000 annually in 2020-24 and \$300,000 annually in 2025-29, to fund improvements. In addition, 3% of gross revenues will be reserved to fund ongoing and deferred maintenance items. Over the initial 10-year term of the contract, the total contributions to capital projects and maintenance is estimated to be \$3.875 million.

Multiple rounds of evaluation were conducted including interviews with the evaluation team and City management. The three golf associations at the facility were invited to interview the finalists and give feedback in the selection process.

Purchase Information

Action: Award

Procurement Type: Request for Proposals

Contract Number: 2019059

Local Consideration: Policy did not apply to this procurement method

Protests Received: None.

Initial Contract Term: Ten years

Possible Renewals: Two Five-Year renewal options

Funding Source: Golf Course Enterprise Fund

Proposal Scoring Results

Respondent	Total Points Possible / 100
Paradigm Golf Management dba Paradigm Golf Group	<u>90.00</u>
Billy Casper Golf, LLC	88.75
GolfLinks Consulting, Inc.	59.75
Landscapes Management Company	78.25
OB Sports Golf Management, LLC dba OB Sports	83.50
Southwest Golf Management, LLC dba SWGM	69.75
Touchstone Golf LLC	67.50