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Staff Report

ITEM
NO. 8

To: Lemoore City Council
From: Jason Shaw, Project Coordinator
Date: April 29, 2010
Subject: Lemoore Municipal Golf Course Operations – Golf Management Company Recommendation

Discussion:

For the past 11 ½ years, Sierra Golf Management has managed and overseen operations and maintenance at the Lemoore Municipal Golf Course. In anticipation of the end to the current contract and associated extensions between the City and Sierra Golf Management, effective June 30, 2010, staff issued a Request For Proposal (RFP) (see Attachment A) for Golf Management companies on January 26, 2010. All respondents to the RFP were given a due date of March 5, 2010.

Upon recommendation from Staff, an ad hoc Review Committee was appointed by Council to review and analyze proposals from all respondents. This ad hoc Review Committee was to recommend to Council a Golf Management company for which the Committee agreed would be the best company to manage the Lemoore Municipal Golf Course beginning July 1, 2010. Council appointed to the ad hoc Review Committee: Ron Meade and Jim Marvin from the Planning Commission, Kelly Gilfry from the Lemoore Women's Golf Club, Hart Schwarzenbach from the Lemoore Men's Golf Club, and William Siegel from the City Council.

Eight well qualified companies responded to the City of Lemoore RFP for Golf Management companies: KemperSports, Western Golf, Billy Casper Golf, Sycamore Landscaping Corporation, Pure Golf, Rhoads Golf, Par 4 Golf and CourseCo. It should be noted that Sierra Golf Management is not listed among the respondents. Copies of each proposal were given to the Committee members on March 5, 2010. The ad hoc Review Committee first met on March 10, 2010, in which each Committee member scored each proposal based on the criteria listed in the RFP. After all Committee members completed scoring and the points were tallied, the top three Golf Management Companies were notified of their selection to the 'Short List'.

The three companies (Rhoads Golf, Par 4 Golf, and CourseCo – proposals attached as B, C and D) were asked to meet with the ad hoc Review Committee on March 25, 2010. Each company was given 10-15 minutes for a short presentation, and approximately 30-50 minutes for a question and answer period. Additionally, both Rhoads Golf and Par 4 Golf gave copies of their proposed Business Plans (see Attachments E and F) to each Committee member.

Once Par 4 was determined to be on the short list, our City Attorney's office was contacted to see if the "profit sharing" proposed arrangement posed any conflicts with the debt outstanding on the Golf Course. It was determined that in fact it did conflict with IRS tax-exempt municipal debt issuance. Par 4 was contacted and asked to submit a revised fee structure compliant with the IRS guidelines. On April 8, 2010, they submitted the revised fee proposal (see Attachment G).

The ad hoc Review Committee visited golf courses operated by CourseCo and Par 4 Golf which most closely matched Lemoore Municipal Golf Course (i.e. Average Rounds, Green Fees, Maintenance Budget, etc). Napa Golf Course, operated by CourseCo, was reviewed on April 15, 2010. Primm Valley Golf Course, operated by Par 4 Golf, was reviewed on April 28, 2010. Since Rhoads Golf does not manage a course presently, but is affiliated with the Lemoore Golf Course, no site visit was scheduled specifically for them.

The ad hoc Review Committee met once more on April 29, 2010 in order to make a to present to the City Council. The Committee has collectively written a report including the recommendation (Attachment H), and Ron Meade will give a brief presentation to Council regarding the Committee's recommendation.

Budget Impact:

None at this time.

Recommendation:

That Council hear the Review Committee's recommendation and direct City Manager Jeff Briltz to enter into contract negotiations with the recommended Golf Management company.