



Department Policy & Procedure

Subject: Concession Contracts and Use Permits		Number 060-P 3.9.1
		Effective February 1, 2006
		Supersedes December 15, 1977
Approved:	Department: Parks and Recreation	Page 1 of 10

1.0 PURPOSE

- 1.1 To establish procedures by which the Seattle Department of Parks and Recreation will identify the need for, award, and monitor concession contracts and use permits.

2.0 ORGANIZATIONS AFFECTED

- 2.1 Department of Parks and Recreation
- 2.2 Department of Finance
- 2.3 Law Department
- 2.4 Mayor's Office
- 2.6 City Council

3.0 REFERENCES

- 3.1 Ordinance 96453
- 3.2 Ordinance 106615
- 3.3 City Charter
- 3.4 Ordinance 102151
- 3.5 Ordinance 101432

4.0 POLICY

- 4.1 This policy shall apply to all concession contracts and use permits awarded by the Department of Parks and Recreation.

5.0 DEFINITIONS

- 5.1 Concession Contract: A concession contract is a long term contract approved by the Seattle City Council by which an authorized park related revenue-producing service, facility or product is provided to the public in, or on, Parks and Recreation Department property by a private individual or company who remits to the Department a remuneration for the privilege of using public property for private gain.
- 5.2 Concession Use Permit: A concession use permit is a short term (less than 360 days) administrative permit, issued by the authority of the Superintendent of Parks and Recreation, by which an authorized park-related revenue-producing service, facility or product is provided to the public in or on Parks and Recreation Department property by a private individual or company who remits to the Department a remuneration for the privilege of using public property for private gain.
- 5.3 Prospectus: A prospectus is a printed statement or similar documents that outlines the services to be provided, the capital improvements to be made, the financial and management organization of a service, facility or product for which the Department of Parks and Recreation is requesting prospective concessionaires to submit proposals. The prospectus specifies the type of information requested from proposers and the procedures and criteria to be used by the Department in evaluating proposals. Request for Proposal, Invitation for Bids, and Call for Expression of Interest are typical Prospectus documents.
- 5.4 Proposal: A proposal is an offer subject to Department negotiation with a prospective concessionaire to provide the services, capital improvements and financial and management organization of a service, facility or product for which the Department of Parks and Recreation has prepared a prospectus.
- 5.5 Bid Document: A bid document is a printed statement and contract that specifically defines, delineates and limits the service, facility or product for which the Department is requesting private individuals or companies to submit bids. A bid document specifies the information to be submitted, the form the bid should take and the financial criteria to be used by the Department in ranking bids.
- 5.6 Bid: A bid is a firm offer by a private individual or company to provide a service, facility or product as defined, delineated and limited in the Department's bid document at a specified remuneration to the Department.

6.0 RESPONSIBILITIES

- 6.1 Recreation Programs Division: It shall be the responsibility of the Director of the Programs Division (or his designee) to identify opportunities for concession operations within the Division programs, to serve on Proposal Review Committees upon request, and to inform the Concessions Coordinator if problems with concession operations are identified.

- 6.2 Facilities Maintenance Division: It shall be the responsibility of the Director of the Facilities Maintenance Division (or his designee) to identify opportunities for concession operations at Department parks, to serve on Proposal Review Committees upon request, and to inform the Concessions Coordinator if maintenance problems with concession operators are identified.
- 6.5 Planning and Development Division: It shall be the responsibility of the Director of the Planning and Development Division (or her designee) to insure that all Capital Improvement Projects are reviewed by the Project Manager and the Business Resources Manager for concession opportunities; upon request of the Business Resources Manager to review plans, specifications and construction activities of concessions involving capital improvements and to serve on Proposal Review Committees upon request.
- 6.6 Enterprise Division:
- 6.6.1 Business Resources Manager: It shall be the responsibility of the Business Resources Manager, under the Supervision of the Enterprise Division Director, to evaluate and prepare recommendations on the feasibility of proposed new concession operations; to administer the preparation of prospectuses and bid documents and the awarding of all use permits and concessions contracts; to establish and insure uniform monitoring and auditing of concession contracts; and to serve on Proposal Review Committees as necessary. The Business Resource manager is responsible for compliance with the Public Participation Policy.
- 6.6.2 Concessions Coordinator(s): It shall be the responsibility of Department Concessions Coordinator(s), under the supervision of the Business Resources Manager, to monitor compliance by concessionaires with the terms of the concession contracts and/or use permits, to prepare bid documents, advertisements, and news releases (with the Department Public Information Office) on bids and prospectuses.
- 6.6.3 Accounting Manager: It shall be the responsibility of the Accounting Manager to account for all revenues received from Concessionaires, to perform audits of concessionaires upon request, and to review all audits performed by the Comptroller.
- 6.6.4 Enterprise Division Director: It shall be the responsibility of the Enterprise Division Director to coordinate and direct all Department activities relating to concessions, provide policy and management direction on concessions and to serve on Proposal Review Committee's as necessary.

7.0 PROCEDURES

7.1 Concession Contract, Need Identification and Initiation

- 7.1.1 New Concessions For or At Current Facilities, Services or Products: Any recommendations for new concessions for or at current facilities, services or products will be forwarded by the Business Resources Manager for review and recommendation to the Enterprise Director and Superintendent. The recommendation should include the advantages and disadvantages of providing the facility, service or product, the advantages and disadvantages of providing it by concession; a

recommended approach (bid or prospectus) for the concession contract, a recommended schedule, and recommended contractual terms and conditions.

7.2 Awarding a Concession Contract - Bid Process

- 7.2.1 Use of Bid Process: The Business Resources Manager during the identification and initiation process will generally recommend use of the bid process in those instances where at least one of the following conditions is met:
- 1) there is a facility, product or service that has been previously provided by a concession contract and there are no substantial recommended changes in the contractual terms and conditions;
 - 2) there is a new concession service, facility or product that is similar in nature to other department concession operations;
 - 3) there is less than a \$2,000 leasehold capital investment expected from the concessionaire, that revenues from the proposed activity/service is expected to be less than \$10,000, and/or the recommended contractual period is 90 days to five years.
- 7.2.2 Bid Document Preparation: The Business Resources Manager shall prepare the bid document, which shall specifically delineate, limit and define the service, product or facility to be bid on by prospective concessionaires. The bid document shall include an invitation to bid signed by the Superintendent identifying the required documents to be submitted by the bidder and the financial basis for the Department's evaluation of bids; a copy of the contract offered which shall include concessionaire payment and service provisions and allow annual review of insurance requirements and such information as may be necessary to define, delineate and limit the service, facility or product to be provided.
- 7.2.3 Advertising: Bid documents shall be advertised by newspaper release and/or ad in at least the official City newspaper and notification shall be mailed to interested persons whose names are maintained in a Department file listing persons who have previously expressed interest in a particular concession. Advertising will be done in a manner that emphasizes equal opportunity for women and minority owned businesses. The period of advertising shall be at least 30 days.
- 7.2.4 Requests for Information from Holders of Bid Documents: The bid document shall state that requests for information regarding the contents of the bid document must be made in writing to the Business Resources Manager and shall be answered in writing with a copy to all holders of the bid document.
- 7.2.5 Opening of Bids: Bids shall be opened at the time and place specified in the invitation to bid by the Concessions Coordinator, who shall name the persons or companies from whom bids have been received, announce the bids, and material enclosed.

7.2.6 Award of Concession Bid

7.2.6.1 Business Resources Section: All bids will be initially reviewed by the Business Resources Manager to determine whether all documents required have been submitted, whether all the bids are for the specified service, facility or product and whether the bids are otherwise in compliance with the bid document. If any bid is not in compliance with the bid document, it shall be recommended for rejection. The Business Resources Manager shall check the business and financial references listed by the bidder to determine if the bidder is capable financially and by business experience of providing the service, products, and/or facility specified in the bid document. If bidders are certified to be capable of providing the specified service and/or products at the facility, the bids will be evaluated to determine the highest financial return to the City based on the financial evaluation criteria outlined in the bid document. If a bidder is determined to be financially or by business experience incapable of operating the specified product, service or facility the bid will be recommended for rejection. The Business Resource Manager will make a recommendation to the Enterprise Director.

7.2.6.2 Superintendent: The Superintendent shall review the recommendation of the Enterprise Director and shall either reject all bids or recommend award of the contract to the most qualified bidder.

7.2.6.3 The Business Resources Manager shall notify all bidders by letter of the award of the contract and have the contract signed by the concessionaire.

7.2.7 Monitoring of Concession Contract: The Concessions Coordinator shall monitor all concession contracts by periodic visits and other means as necessary to assure compliance with all service terms of the contract.

7.3 Awarding a Concession Contract - Proposal Process

7.4.5 Use of Proposal Process: The Business Resources Manager during the identification and initiation process will generally recommend use of the proposal process where at least one of the following conditions is met:

- 1) there is a facility, product or service that has not been previously provided by a concession contract;
- 2) there is a facility, product or service which is not similar in nature to other department concession operations; there is a major change in the scope of the service, facility or product to be provided by the concession contract;
- 3) a capital investment of more than \$2,000 is anticipated to be part of the concession contract;
- 4) revenues generated is expected to exceed \$10,000, and a contract length of more than five years is expected.

7.3.2 Proposal Review Committee: If the Superintendent, as part of the initiation and identification process, concurs in the recommendation to use the proposal process, the

Business Resources Manager may recommend formation of a Proposal Review Committee. The Committee shall consist of 3-7 people designated by the Enterprise Director.

7.3.2 Prospectus Preparation: The Request for Proposal Prospectus shall be prepared by, or under the guidance of, the Business Resources Manager. Prospectus may include a Request for Qualification, an expression of interest packet, and/or a Request for Proposals.

7.3.3 Prospectuses shall always include at minimum, the following information:

- a. Invitation for proposals signed by the Superintendent (or his designee).
- b. General proposal information setting forth the service minimally expected from proposals and the procedures to be followed by the Department in reviewing proposals.
- c. Proposal, qualifications form, financial statement and business reference forms.

7.3.4 Prospectus Approval: The prospectus shall be prepared by the Business Resources Manager. Prospectus for new or untried services and activities at park sites will be prepared by the Business Resources Manager and submitted to the Enterprise Director for his review and approval. If the Director approves the prospectus it shall then be submitted to the Superintendent for final approval.

7.3.5 Prospectus Advertising: The prospectus will be advertised by newspaper release and/or advertisement in a local newspaper and by advertisement, if appropriate, in regional or national publications. Announcements shall be mailed to interested persons whose names are maintained in a Department file listing persons who have previously expressed interest in a particular concession. Advertising will be done in a manner that emphasizes equal opportunity for women and minority owned businesses. The period of advertising shall be at least 30 days.

7.3.6 Requests for Information from Holders of Prospectuses: Any and all requests for information regarding the contents of the prospectus must be made in writing to the Business Resources Manager and shall be answered in writing with a copy to all holders of the prospectus.

7.3.7 Opening of Proposals: Proposals shall be opened at the time and place specified in the prospectus by the Business Resources Manager, who shall name the persons or companies from whom proposals have been received.

7.3.8 Award of Concession Contract

7.3.8.1 Business Resources Manager: All proposals will be reviewed for completeness against the checklist for proposers by the Business Resources Manager. If proposals are not complete, the Department may request the missing information in writing to be returned by the proposer within a specified period of time or they may be rejected.

All proposals will be summarized by the Business Resources Manager. In addition, worksheets and instructions for evaluation shall be prepared.

- 7.3.8.2 Proposal Review Committee: The summary, worksheets and evaluation instructions shall be submitted to the Proposal Review Committee, along with a copy of all proposals. The Committee, as detailed in the Prospectus procedures, may meet with those companies or persons who submitted proposals to clarify the terms of the submitted proposal. The business references listed may be contacted by the Concessions Coordinator. Financial references may be contacted by the Accounting Manager. Reports on both contacts shall be given to the Proposal Review Committee. Any meetings with proposers will be recorded and minutes kept by a Department representative. The Proposal Review Committee shall rank all proposals based on the evaluation criteria outlined in the prospectus. After the final series of meetings and evaluation ranking, as outlined in the Prospectus, the Proposal Review Committee shall recommend the most qualified proposer to the Enterprise Director who shall review the work of the Committee and forward its recommendation to the Superintendent.
- 7.3.8.2 Superintendent: The Superintendent shall review the recommendation of the Proposal Review Committee and may reject all proposals or recommend award of the contract.
- 7.3.8.3 If the contract is awarded, the Business Resources Manager shall notify all proposers in writing of the award of the contract and negotiate with the successful proposer.
- 7.3.8.4 Monitoring of Concession Contract: The Concessions Coordinator shall monitor the operational aspects of the contract by periodic visits and other means as necessary to ensure compliance with the contract. If major capital improvements are included in the contract, the Planning and Development Division shall be requested to appoint a Project Manager to review the status of the improvement and its compliance with the terms of the contract under the direction of the Business Resources Manager.

7.4 Awarding a Use Permit

- 7.4.1 Use of Use Permit - The Business Resources Manager will normally recommend to the Superintendent a use permit when one of the following conditions is met:
- 1) There is a need to extend a current concession contract that has expired prior to completion of the bid and/or prospectus process.
 - 2) Unexpected contract termination.
 - 3) There is a request from an organization or group for service required because of a special event or situation expected to last less than 90 days, or there is a request from an organization or individual to provide a service for less than 90 days.

- 4) A use permit shall be used to extend a current concession contract when all bids or proposals have been rejected by the Superintendent..
- 5) The duration of the service is for 90 days or less.
- 6) At the discretion of the Superintendent, use permits may be used in other situations, such as implementing pilot sites for new concession activities, or to provide contractual coverage when a longer term concession agreement is pending Seattle City Council approval.

- 7.4.2 Informational Review - Once it has been determined that a use permit is the appropriate means of providing the concession, the Concessions Coordinator will be responsible for circulating the conditions of the prospective use permit for review and comment by each impacted division and consider these comments as they relate to the conditions under which a permit may be issued.
- 7.4.3 Method of Soliciting/Advertising - Use Permits may or may not be awarded through a competitive bid process. There may or may not be advertising by newspaper and/or other advertising means.
- 7.4.4 Award of a Use Permit - If a person or company contacts the Department's Concession Coordinator and completes the necessary application requesting a use permit to provide a service, and if the permit is approved, Or, if the Department contacts a person or company it knows to be a viable and responsible party to operate and provide a service, then it shall be awarded to the person or firm contacting the Department.
- 7.4.5 Extensions or Renewals - The Superintendent may extend or renew a Use Permit for any period of time not to exceed 270 days, or 360 in total, if the conditions and public needs so warrant; however, the Department shall make every effort to put the concession to competitive bid or receive proposals as rapidly as practicable to avoid extending concession operations which have not had the benefit of competitive bidding or receipt of proposals beyond 90 days.

7.5 Other

- 7.5.1 Late Fees: Seattle Parks and Recreation may include in contracts for concessions, use permits, and lease agreements for use of park owned property a provision requiring the payment of monetary penalty for late payments of rent or other use fees, provided that the concession or lease agreement clearly states the due date of the payment and the number days after the payment due date that the payment is determined to be late.