

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of an amendment to the agreement with Premier Golf Centers, LLC for the management of the clubhouses and driving ranges at Bellevue and Crossroads golf courses in an amount not to exceed \$6,000,000, plus all applicable taxes.

Patrick Foran, Director, 452-5377

Brad Bennett, Parks & Community Services Manager, 452-2813

Tom Robinson, Golf Course Superintendent, 452-2850

Parks & Community Services Department

EXECUTIVE SUMMARY

This Resolution authorizes the Parks & Community Services Department to exercise the option to extend the existing four-year agreement for the management of the clubhouses and driving ranges at Bellevue and Crossroads golf courses for an additional four-year term as provided for in the original contract approved by Council on October 20, 2014.

RECOMMENDATION

Move to adopt Resolution No. 9491

If approved, effective date: 01/01/2019

BACKGROUND/ANALYSIS

Over the past 12 years, Premier Golf Centers has successfully managed the club house and driving range operations at Bellevue Golf Course. In 2015, Premier also started managing golf operations at Crossroads Golf Course. Premier has successfully met the standards of the City of Bellevue, as well as our customers, in a cost effective and profitable manner.

By extending this contract, the City will maintain the efficient operation of the Bellevue Golf Course and Crossroads Golf Course while allowing Bellevue Parks & Community Services to remain responsible for funding capital improvements at the courses, facility maintenance, and for setting key policies and procedures including pricing, customer service, and contract standards. The City's vision and goals remain the same:

- To offer the public a private club experience at a public course;
- To offer programs to get people in the game; and
- To support the men's and women's golfing clubs.

The Bellevue and Crossroads golf courses operate as part of the Parks Enterprise Fund, with an established fiscal policy of meeting the full cost recovery needs of the courses. The courses have been able to meet these goals over the past 12 years with a similar management agreement.

POLICY & FISCAL IMPACTS

Bellevue City Code

BCC 4.28 provides for the fair and equitable treatment of all persons involved in the purchasing process. Council approval is required for contracts that exceed \$90,000. The Parks Enterprise Fund policy requires the Bellevue Golf Course and Crossroads golf course to operate on a full cost recovery basis, with user fees set to recover the operating and capital needs of the courses.

The City of Bellevue issued a Request for Proposal No.14013 in 2014 for Bellevue Golf Course and Crossroads Golf Course clubhouse and driving range management. Consistent with contracting policies, the City conducted an open and fair competitive process to ensure that the golf contract provides the greatest attainable levels of quality and value. Based on the evaluation of the proposals against the evaluation criteria, the selection panel recommended Premier Golf Centers, LLC as the preferred vendor for developing a contract for Council approval.

Comprehensive Plan, Parks, Recreation and Open Space Element

PA-20. Offer programs that utilize the unique resources and variety of indoor and outdoor facilities within the park system.

PA-28. Monitor and respond to the community's evolving recreation and community service needs to ensure a diverse mix of relevant and effective facilities and programs.

Fiscal Impact

Compensation. The City will pay the operator a fixed fee of \$10,341.13 per month in 2019 adjusted annually starting in January 2020 by an inflation factor equal to the Consumer Price Index (CPI-U), as well as reimburse the operator for expenses related to the operation of the golf courses. In addition, Premier has the opportunity to earn a 5 percent annual bonus on those net revenues that exceed the current total of \$2,751,180 adjusted annually by the CPI inflation factor. This incentive aligns the City and vendor interests in growing golf and packaging products which include golf, golf car rentals, food and range specials, and encourages the vendor to increase service levels at the course.

Duration. Four-year contract.

Termination. The City has the right to terminate the proposed contract at any time during the agreement, either based on a determination of public convenience or if the contractor fails to perform any of the obligations of the contract.

Funding will be requested as part of the 2019-2020 Budget. Future funding for 2021 and 2022 will be requested as part of the 2021-2022 Budget.

OPTIONS

1. Adopt the Resolution authorizing execution of an amendment to the agreement with Premier Golf Centers, LLC for the management of the clubhouses and driving ranges at Bellevue and Crossroads golf courses in an amount not to exceed \$6,000,000, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No. 9491

AVAILABLE IN COUNCIL LIBRARY

Golf Course Management Agreement Amendment #1

Golf Course Management Agreement