



# Chicago Park District

## Legislation Details (With Text)

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**Title:** AUTHORIZATION TO ENTER INTO A CONTRACT WITH PARK CONCESSION MANAGEMENT, LLC FOR CONCESSION PROGRAM MANAGEMENT SERVICES SPECIFICATION NO. P-14029  
**Sponsors:** Revenue  
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**Code sections:**  
**Attachments:** 1. MWBE Schedules

Date	Ver.	Action By	Action	Result
11/18/2015	1	Board of Commissioners	approved	Pass

### **AUTHORIZATION TO ENTER INTO A CONTRACT WITH PARK CONCESSION MANAGEMENT, LLC FOR CONCESSION PROGRAM MANAGEMENT SERVICES SPECIFICATION NO. P-14029**

#### **To the Honorable Board of Commissioners of the Chicago Park District**

##### **I. Recommendation**

It is recommended that the General Superintendent and CEO or his designee enter into a contract with Park Concession Management, LLC, for the purpose of providing Concession Management services throughout the Chicago Park District. The contractor was selected pursuant to a publicly advertised Request for Proposals ("RFP"). No work may commence and no payment shall be made to vendor prior to the execution of a written agreement.

##### **II. Award Information**

**Company:** Park Concession Management, LLC  
20 North Michigan Avenue, Suite 200  
Chicago, IL 60602

**Company Type:** Limited Liability Corporation

**Majority Interest:** Levy Restaurants 50%  
CBRE/U.S. Equities Realty 50%

**Contract Term:** Three (3) years with two (2), one (1) year extension options

**Contract Amount:** See Exhibit A

**Scope of Services:** The day-to-day management of the Chicago Park District's concession program. Responsibilities include concession development, site visits and inspections of concessions, marketing, licensing, and financial management and reporting.

**Affirmative**

Action Goals: The Minority and Women Owned Business Enterprise participation for this contract include: 25% minority owned and 5% women owned.

Authorization: Authorize the General Counsel to include other relevant terms and conditions in the written Agreement.  
Authorize the General Superintendent to execute the Agreement and the Secretary to attest as to the signing of the Agreement and keep an original copy of the Agreement on file.

**III. Budget and Financial Information**

Budget Classification: Operating  
Fiscal Year: 2015  
Source of Funds: 001.9310.9310.626035.00001.01.01.00001

**IV. Procurement Information**

Specification Number: P-14029  
Date Issued: September 29, 2014  
Number of Proposals Received: One (1)  
Date Proposals Due: October 27, 2014

The Department of Purchasing (“Purchasing”) publicly advertised this Request for Proposals (“RFP”) which described the opportunity in eight (8) pages and was supplemented by exhibits that identified the locations of all existing concessions and the annual gross sales. One proposal was received on the proposal due date, and Purchasing deemed it to be responsive and compliant.

The Evaluation Committee (“EC”) was comprised of three (3) voting members, all CPD staff. The EC began their evaluation of the proposals at their first meeting on November 12, 2014 where the Department of Purchasing (“Purchasing”) distributed the non-Financial portion of the proposal to the EC members, and the EC members submitted to Purchasing their signed Confidentiality Affidavits and Evaluation Guidelines. The EC met again on November 19 where they discussed the non-financial portions of the proposal, submitted to Purchasing their preliminary scores for these sections, and received from Purchasing the financial portion for each proposal. At their third meeting on November 20, the EC discussed the financial portion of the proposal, and submitted their preliminary scores for this section to Purchasing. The EC also decided at this meeting to send the proposer a request for a Best and Final Offer with a November 24 due date. Purchasing received the Best and Final Offers by the deadline, and it was distributed to the EC and discussed by them at their fourth meeting on December 5.

At the time the RFP was advertised and throughout the evaluation process, the Department of Revenue (“Revenue”), the user department for this RFP, was undecided about whether the management of the concession program would remain privatized or handled completely by Revenue staff. Further, Revenue intended to use the RFP process as a way to inform its decision regarding this question. Accordingly, after the fourth meeting on December 5, 2014, negotiations continued with the proposer and recently concluded with EC unanimously recommending Park Concession Management for award of the contract to concession program management services.

**V. Explanation**

The Chicago Park District (“CPD”) requires the services of a management firm to oversee the concession program. The CPD currently has over 270 facilities and/or grounds that are offered to concessionaires for the purpose of selling food, beverage, retail, and other services. The concessionaires generate approximately \$23 million dollars in annual gross sales.

Park Concession Management, LLC (“PCM”) is a strategic alliance of two well-known and established firms: Levy Restaurants and CBRE. PCM has the combined long-time experience in real estate services and the food and beverage industry. Additionally, they each have many employees with their own expertise and knowledge and other resources that can be made available to the CPD.

PCM has managed the CPD’s concession program since 2007. In that time, PCM has increased revenue from 63% and added 58% available concession locations. They implemented a comprehensive plan for Montrose Beach that included redevelopment of

concession stand into a beachfront restaurant with table service and live entertainment. Complementary amenities were added such as jet-ski, kayak and stand up paddleboard rentals and beach chair and umbrella rentals. As a result of PCM's efforts revenue for Montrose Beach increased by over \$152,000 between 2007 and 2014. Additionally, in 2010 the CPD tasked PCM with creating a plan for Connors Park. PCM worked with community stakeholders and the local elected official to create a concession plan for the park. The park now features Argo Tea in a beautiful year-round greenhouse style facility that is enjoyed by locals and visitors alike and brings over \$60,000 annually in revenue to CPD. Lastly, earlier this year PCM recruited a brand awareness campaign to the lakefront that featured signage in CPD's pedestrian underpasses. The opportunity is set to bring over \$500,000 in revenue this year as well as provided free wi-fi to visitors at five beaches

Park Concession Management has the experience, capability and personnel necessary to operate the Chicago Park District's concession program. Therefore, it is in the best interest of the Chicago Park District to recommend award the concession program management services contract to Park Concession Management.

## **VI. General Conditions**

1) *Conflicts*: The Agreement shall not be legally binding on the Chicago Park District if entered into in violation of the provisions of 50 ILCS 105, the Public Officer Prohibited Activities Act.

2) *Ethics*: The Chicago Park District's Ethics Code, Chapter III of the Code of the Chicago Park District, shall be incorporated into and made part of the agreement.

3) *Contingent Liability*: Any agreement lawfully entered into for a period of more than one year shall be executory only for the amounts for which the Park District may become liable in succeeding fiscal years pursuant to Section 17(i) of the Chicago Park District Act, 70 ILCS 1505/17(i). All agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year budget.

4) *Economic Disclosure Statement ("EDS")*: Contractor has submitted a full and complete.