

IMPACT STATEMENT

Legislation title: * Amend Management Agreement with Kemper Sports Management, Inc. to add \$2,500,000 for the reimbursement of operating expenses for the management of Heron Lakes Golf course, for a not-to-exceed amount of \$2,823,400. (Ordinance; amend Contract no. 30006422)

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Presenter name: John Zoller

Purpose of proposed legislation and background information:

- Portland Parks & Recreation's (PP&R) golf program entered into a Management Agreement with Kemper Sports Management, Inc. for management operations at Heron Lakes Golf Course. The agreement is effective from June 14, 2018 to October 31, 2019.
- Under City Code 5.68.020.B.7, Golf Course Management Agreements are exempt from the solicitation process. No solicitation was done.
- PP&R is in the process of aligning operating agreements for the City's golf courses in preparation for a competitive Request for Proposals (RFP) in 2019.
- The Management Agreement authorized and contemplated appropriate compensation for Kemper Sports Management, Inc. in the form of a monthly fee for the performance of its duties as well as reimbursement for all golf course operating expenses that are incurred on a monthly basis.
- Due to oversight of the parties, the Management Agreement did not clearly include language to provide for the reimbursement of operating expenses to the management company in the relevant contract section. PP&R seeks to remedy that omission.
- The correct funding level in the Management Agreement exceeds the threshold for approval by the Chief Procurement Officer and requires Council authorization.
- This Management Agreement as amended continues the current status quo that has been in place since 2007, and all necessary funds are accounted for in the Golf Operating Budget.

Financial and budgetary impacts:

Discuss the impacts of the legislation relating to all of the following if relevant:

- This amendment continues the current status quo with that has been in place since 2007, and all necessary funds are accounted for in the Golf Operating Budget and in the Five-Year Forecast for the Golf Fund.

Community impacts and community involvement:

- This is an amendment to an existing contract that does not change the status quo. Therefore, no community impacts are anticipated, and no community engagement has been necessary. PP&R has reviewed the upcoming RFP process with the Golf Advisory Committee and they understand that the contracts need to be in place in the interim.

100% Renewable Goal:

- N/A

Budgetary Impact Worksheet**Does this action change appropriations?**

- ☐ **YES:** Please complete the information below.
- ☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

MEVAND 8/30/18