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894-2022

[Report](#)

Accept bid from Kemper Sports Management, LLC for five-year contract for clubhouse operations at Colwood, Eastmoreland, Heron Lakes, and Rose City golf courses for an estimated cost of \$40 million (Procurement Report - Bid No. 00001854)

Accepted

TO THE COUNCIL:

Portland Parks & Recreation (PP&R) has five golf facilities located across the Portland metro area, all of which feature contracted clubhouse operations. The clubhouse operations consist of tee time reservations, tournament bookings, merchandising, food and beverage and events, golf instruction programming, driving range services, golf cart rentals, golf course marshalling, and golf customer service. An operator is also responsible for the general administration necessary to support the clubhouse operation.

As Authorized by Ordinance # 190729, the City of Portland, Procurement Services issued RFP #00001854 seeking proposals from qualified firms and contractors to provide clubhouse operations at Colwood, Eastmoreland, Heron Lakes, and Rose City golf courses. This includes managing and operating all golf and restaurant operations, documenting compliance with appropriate laws and regulations, and implementing an agreement that will fulfill the values of the City of Portland and achieve the financial and programmatic objectives of Portland Parks Golf.

On June 27, 2022, six (6) proposal responses were received, each bidding on all four of the golf courses included in the solicitation. Proposals were evaluated over multiple phases in accordance with the RFP requirements, and on August 15, 2022, a notice of intent to award Kemper Sports Management, LLC was issued. A protest was received on August 16th, 2022.

Kemper Sports Management, LLC Business Tax Registration Account, is in full compliance with the Equal Benefits Program and the EEO certification requirement. The level of confidence in the cost estimates for this project is high, based on historical financial data and the pricing received and negotiated with Kemper Sports Management, LLC and for the final contract.

The Chief Procurement Officer recommends that the City Council accept this Report and authorize the Chief Procurement Officer to execute of a contract with Kemper Sports Management, LLC for an initial term of five (5) years; with

Introduced by

[Mayor Ted Wheeler;](#)
[Commissioner Carmen Rubio](#)

Bureau

[Management and Finance;](#)
[Revenue and Financial Services](#)

Contact

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Requested Agenda Type

Regular

Date and Time Information

Requested Council Date

October 26, 2022

Time Requested

15 minutes

the City's option to extend for up to five (5) additional option years, for a total of ten (10) years. The not-to-exceed amount for the initial term of five (5) years shall be up to \$40,000,000.00. This amount covers the reimbursement to the contractor for operating expenses incurred on behalf of the City and management fees for conducting golf operations services at the golf courses. All revenues produced at the golf courses included in the contract flow directly back to the City. Funds for the contract are accounted for in the Golf Fund Budget and the Five-Year Forecast for the Golf Fund. The Council's conditional acceptance of this report is subject to the final contract's approval as to form by the City Attorney's Office.

Recommended by:

Biko Taylor

Chief Procurement Officer

Impact Statement

Purpose of Proposed Legislation and Background Information

In March 2022, Council gave the Chief Procurement Officer authority to facilitate the use of a competitive solicitation to obtain the most responsible and responsive offers for golf clubhouse operations for Colwood, Eastmoreland, Heron Lakes, and Rose City golf courses. Clubhouse operations include tee time reservations, tournament bookings, merchandising, food and beverage and events, golf instruction programming, driving range services, golf cart rentals, golf course marshalling, and golf customer service. In addition to those services, the contractor is responsible for operationalizing financial sustainability, promoting greater diversity with staff and customers, and increasing access to the game, values of the PP&R Golf program and keys to its future success.

On June 27th, 2022, six (6) proposal responses were received, all bidding on the four courses included in the solicitation. Written proposals were reviewed and scored by an evaluator committee, consisting of City staff and golf knowledgeable members of the public, which short listed four proposers to a 2nd round of oral interviews. After the oral interviews were scored and combined with the written proposal scores, an intent to negotiate and award was given to Kemper Sports.

In order to execute the contract with Kemper Sports, City Council must approve the Chief Procurement Officer's Report to Council.

Financial and Budgetary Impacts

The contract costs are included in PP&R's budget. Funds are accounted for in the Golf Fund Budget and the Five-Year Forecast for the Golf Fund.

The level of confidence in the cost estimates for this project is high, based on historical financial data and the pricing received and negotiated with Kemper Sports Management, LLC for the final contract.

Community Impacts and Community Involvement

The Golf Advisory Committee advises Portland Parks and Recreation on golf program related matters and works closely with the Portland Parks Director of Golf to further program goals.

Additionally, golf knowledgeable members of the public, who also satisfied the City's Minority Evaluator Program (MEP), participated in the evaluation of proposals.

100% Renewable Goal

This action has no impact on the City's 100% renewable goal.

Budget Office Financial Impact Analysis

Under the new contract structure authorized by this Ordinance, PP&R will receive all revenues earned on courses and expenses previously absorbed by the course operator will now be fully incurred by the Golf Program at PP&R (past concessionaire contract agreements authorized shared earnings, with PP&R earning approximately 5 to 7 percent of all revenue). To recognize this, in the FY 2022-23 Fall Supplemental Budget, the bureau requested a \$2.04 million increase in service charge revenue in the Golf Program's budget (balanced with commensurate operating expenses). The net outcome of this contract structure change may result in increased income for the enterprise, but the bureau is not currently forecasting any at this time. Per the [City Policy FIN 3.54](#) "All revenues derived from the operation of the municipal golf links shall be credited to the Golf Fund." There is no General Fund impact as a result of this ordinance.

Agenda Items

894 Regular Agenda in [October 21-27, 2022 Council Agenda](#)

Accepted - Prepare Contract

Motion to accept the report: Moved by Mapps and seconded by Rubio.

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Nay

Commissioner Jo Ann Hardesty Nay

Mayor Ted Wheeler Yea