



Monterey County

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Board Report

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- a. Receive a report on the rationale for modifying the competitive RFQ/RFP process for a new concession agreement to manage MRLS to enact a two phase process, to include as its first phase the issuance of a Request for Expression of Interest (RFEI), and with its second phase the issuance of a RFQ/RFP;
- b. Approve a revised timeline to accommodate the contemplated process revision;
- c. Clarify that the Board is seeking a firm or partnership that will manage, operate and program the racetrack and its related activities as well as, if feasible, other facilities and activities associated with Laguna Seca Recreation Area (LSRA); and
- d. Authorize the issuance/release of the RFEI.

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Receive a report on the rationale for modifying the competitive RFQ/RFP process for a new concession agreement to manage MRLS to enact a two phase process, to include as its first phase the issuance of a Request for Expression of Interest (RFEI), and with its second phase the issuance of a RFQ/RFP;
- b. Approve a revised timeline to accommodate the contemplated process revision;
- c. Clarify that the Board is seeking a firm or partnership that will manage, operate and program the racetrack and its related activities as well as, if feasible, other facilities and activities associated with Laguna Seca Recreation Area (LSRA); and
- d. Authorize the issuance/release of the RFEI.

SUMMARY/DISCUSSION:

On November 10, 2015, the Board of Supervisors approved Board Report 15-1227 authorizing the Parks Department to begin the competitive process for the procurement of a new concession agreement to manage MRLS. The original timeline for this process was to culminate in Fall 2016, with the award of a new agreement before the 2017 racing season commences; this timeline will not be altered if this recommendation is approved. Since the Board action of 11/10/15, with the assistance of a sports management consultant, the Parks staff, Purchasing staff, and County Counsel have participated in a series of meetings to develop the RFQ/RFP process. Among other things, an important objective of a new agreement would be, in addition to operating the racetrack facilities, to include the option of including the Rifle and Gun Range, the Event Center, the Lakebed, the Campground facilities and related events.

After receiving public input and considering the best way to present a RFQ/RFP, the consensus of those participating in developing the process was to issue a Request For Expressed Interest (RFEI) as an initial step to potentially attract a wider range of interested parties in competing

for the concession agreement. In other words, this should expand the opportunity to engage a number of significant and well-capitalized firms and partnerships in the opportunity to develop and operate one of the County's most renowned assets. A RFEI is a process in which the County would outline its programmatic objectives; invite interested parties to provide information about their capabilities; and request the interested parties to identify the information they would need in order for them, if they remain interested, to formulate a competitive and comprehensive proposal for the Board to consider. Since those responding to the RFEI will be identifying the information they need to prepare their responses, staff will be better able to prepare a RFQ/RFP document to ensure that potential proposers have the scope of information they need to prepare a competitive and comprehensive response. An advantage of this two phase process is that an interested party would not be obligated upfront to prepare a highly detailed response based on limited information. Rather, this would allow for the opportunity to explore the opportunity available at LSRA without investing the scale of resources necessary to prepare a comprehensive proposal. Given the complexity of operations at LSRA, staff believes the proposed RFEI process will ultimately result in higher quality bids and perhaps a wider variety of respondents who will have had the opportunity to develop a better understanding and knowledge about the opportunities available at LSRA. This will also allow the County to gauge the interest of potentially qualified proposers and modify the process as needed to elicit the most comprehensive responses.

The attached RFEI is substantially complete; however, staff may need to modify or add to the information provided in the Appendices. If the Board approves the recommendation, the RFEI would be released by the end of January. The key points covered would be as follows:

Background information about LSRA, MRLS and the County's intention to engage a qualified firm or partnership that can achieve the County's objectives for the property and facilities, including: a) operating and programming most if not all of the facilities and programmatic activities associated with LSRA, with the raceway being the priority; b) providing a source of funding to address capital improvement needs (particularly imminent needs) and desired facility enhancements to be funded through the proceeds that will be generated from a long term contractual arrangement; c) enhance and grow the public usage and access of LSRA, including attracting events that generate economic benefits to the region, and optimize the revenues associated with the programs and activities conducted on the property to benefit of the both the County and the concessionaire, within use and regulatory constraints.

An overview of the qualifications of the interested firms or partnerships interested in LSRA. It is important to emphasize that while past experience operating and programming a racetrack would certainly be a plus, firms or partnerships of a scale and experience that could assemble a management team with the capability of operating the racetrack and the other programs at LSRA would be encouraged to respond to the RFEI.

Information about the existing LSRA facilities and the programs currently provided will be available in the RFEI , however, more detailed information needs to be developed and such information will be included in the second phase RFQ/RFP document. Respondents will be asked to specify their questions about LSRA and indicate the information they feel they need to

best respond to the second phase RFQ/RFP. With that knowledge, staff will prepare responsive information that will be used in the RFQ/RFP when it is issued such that all interested parties will receive the same information.

If the Board approves this revised process and the RFEI is issued by the end of January responses will be due by mid- to late-March. The RFEI will be advertised and also sent to known entities, such as motorsports companies, event promoters, concert promoters, specialized non-profit organizations, public assembly managers and auto manufacturing companies that may have the interest and capability of achieving the County's objectives for LSRA. A site visit will be scheduled for interested parties. Once the RFEI responses are received staff will use the information provided by the respondents to prepare and fine tune the second phase RFQ/RFP to be issued by mid-April. It is anticipated that the RFQ/RFP will be due in early July. This window will provide ample time for interested parties to complete their due diligence and prepare their proposals, which are likely to be complex. The processing and evaluation of the proposals can be accomplished by mid-August. There will be negotiations necessary with the finalist(s) to determine the final contract terms. If all goes well, it is anticipated that a new agreement can be finalized by mid-October.

It is intended that the responses to the RFEI (only) will be kept confidential until the process is complete and a concessionaire selected. The reason for this is to give potential proposers some assurance that they can express interest without concerns that their response will put them at a competitive disadvantage with respect to other interested parties. The actual RFQ/RFP process is intended to be open to any proposer; responses will not be limited to RFEI respondents.

OTHER AGENCY INVOLVEMENT:

This report has been reviewed with the County Administration Office, including their Purchasing Division, and County Counsel.

FINANCING:

This report does not create any additional financial impact since it is reporting on the current status of the RFP process that is currently funded to date.

Prepared by: _____
Mark Mariscal, Parks & Recreation Director