



## Board Report

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**File #:** 17-1190, **Version:** 1

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Public workshop to accept recommendations from the Parks Commission on the upcoming Lake Nacimiento and Lake San Antonio operations Request for Proposals (RFP).

**RECOMMENDATION:**

It is recommended that the Parks Commission:

- a. Conduct a public workshop on the planned Lake Nacimiento and Lake San Antonio operations RFP; and
- b. Provide input and recommendations on areas of improvement to a future scope of work for Lakes operations.

**SUMMARY:**

The County of Monterey is preparing a Request for Proposals (RFP) for the management and operation of facilities at Lake Nacimiento and Lake San Antonio (the “Lakes”). RMA has reviewed the current Management Agreement (Attachments A-D) and intends to expand on the current scope of work in the RFP to better identify roles and responsibilities for both the County and contractor. The scope will also make clear the maintenance and operation standards the Contractor will be expected to uphold.

The RFP follows a strict and confidential process to ensure a fair and unbiased result. As part of this confidential process, RFP language is available only to those subject matter experts working directly on the project. As a result, RMA is unable to present any draft version of the RFP. However, RMA can accept recommendations and input based on observation of present Lakes management, and review of the current Management Agreement. RMA welcomes the input of the Parks Commission for consideration in the final RFP.

The current Management Agreement and subsequent Amendments are attached here for review and reference.

A major concern with the current agreement is facility maintenance standards. While the agreement requires the contractor to provide maintenance and repair services, it does not list specific requirements for what is to be done, or the level of service to be provided.

Since the integration of Parks into RMA in December 2016, RMA Staff have met regularly with CalParks to address serious issues with facility maintenance. The majority of buildings at the lakes have been allowed to deteriorate beyond normal wear and tear. Many facilities are now in a state of total disrepair, mainly due to damage from water or wildlife. Major repairs or new construction is now required. RMA has directed CalParks to prevent further damage by completing repair work in accordance with the terms of the agreement.

Below is a summary of the major points in the current Agreement (Attachment A) relating to maintenance and operation responsibilities for the Contractor. The associated agreement clause number is provided in

parenthesis.

- a. The Contractor is responsible for providing visitor services at the Lakes facilities. (3.1, pg. 6)
- b. The Contractor provides marketing and promotion for the lakes facilities (3.9.9, pg. 10)
- c. The Contractor is responsible for maintaining facilities and equipment. A summary of facilities and equipment is included in the Agreement starting on page 25. (6.1.4; 6.1.5, pg. 11)
- d. The Contractor is responsible for the expenses related to maintenance and repairs. (13.5, pg. 15)
- e. A Reserve Fund Account is set up for major repairs and includes a list of the types of projects approved to use this fund. (C.1 through C.7, pg. 30)
- f. The Contractor is responsible for all costs to maintain vehicles in good condition. (Vehicle Lease Agreement - Article 6, pg. 32)
- g. The County may conduct surprise inspections and notify the Contractor of deficiencies in its performance. (pg. 45)

Based on these terms and conditions, RMA understands the duty to care for facilities to be with the Contractor. RMA intends to carry these responsibilities forward into the new agreement, adding more detail to clearly spell out the standards the Contractor will be expected to maintain.

#### DISCUSSION:

On October 1, 2007, the County took ownership of assets from Water World Resorts, Inc. and Lake San Antonio Resorts, Inc., including both real and personal property, as authorized by the Board of Supervisors on July 24, 2007. Six months later, on April 22, 2008, the County contracted with a management company to operate the resort business operations at the Lakes which include marinas, stores, restaurants, fueling facilities, lodging units, and boat rentals.

Subsequently, on May 3, 2011, the Board of Supervisors approved the Management Agreement with CalParks for an 18-month term from May 11, 2011 through October 31, 2012. The Board also approved Addendum No. 1 to extend the term for a one-year extension through October 31, 2013 and Addendum No. 2 to extend the term through January 31, 2015. The Management Agreement and Addendums have authorized CalParks to manage operations at the Lakes.

On May 17, 2016, the Board of Supervisors approved a new Management Agreement (Attachment A) through July 26, 2016. This date was agreed to allow the Fiscal Year 2016-17 budget process to be completed. The proposed budget had contemplated layoffs of full time County employees. The Board allocated one-time funding for Fiscal Year 2016-17 that allowed for the restoration of three (3) employees and expense funds for the County to continue with the operations of resort repairs, public safety, water, sewer and trash removal.

On July 19, 2016, the Board of Supervisors approved Amendment No. 1 (Attachment B) to the new Management Agreement, extending the term through October 31, 2017. This was intended to allow the County time to begin the analytical work needed to decide whether to negotiate a new agreement for up to a five-year period as requested by the vendor, or to rebid as either a Management Agreement, Concession Agreement, or a

combination. On July 26, 2017 the Board of Supervisors approved Amendment No. 2 (Attachment C) to add mutual indemnification provisions to the agreement. During this same period, the then Parks Director retired from the County and the Board of Supervisors approved the Director of the Resource Management Agency to act as the Interim Parks Director.

On December 13, 2016, the Board of Supervisors approved the integration of the Monterey County Parks Department into the RMA. As part of the integration, RMA generally assumed responsibility for Parks agreements. It was determined that the County would issue a new RFP for Lakes management.

On October 3, 2017, the Board of Supervisors approved Amendment No. 3 (Attachment D) to the new agreement, extending the term through October 31, 2018 to allow RMA time to complete the RFP process.

**OTHER AGENCY INVOLVEMENT:**

County Counsel has reviewed this report as to form. RMA will be working with CAO's Office and Contracts/Purchasing in development and publishing of the RFP.

Prepared by: John Snively, Management Analyst

Reviewed By: Shawne Ellerbee, RMA Deputy Director of Administrative Services

Approved by: Carl P. Holm, AICP, RMA Director

Dated: November 16, 2017

Attachment A - Current Lakes Management Agreement

Attachment B - Amendment No. 1

Attachment C - Amendment No. 2

Attachment D - Amendment No. 3