

## **SURF SCHOOL/CAMP RFP**

### **Questions/Answers January 3, 2008 Pre-proposal meeting**

**Clarification to RFP:** There are 4 sites currently not operated they include: Beryl St., Santa Monica, Newport Ave., and the site North of the (South) Mission Beach lifeguard tower.

**1. Once the minimum rent is paid, are there are no more payments?**

The rent due is the greater of the minimum vs. percentage. If the percentage rent exceeds the minimum then you pay percentage rent. If the percentage rent is less than the minimum, then you only pay the minimum.

**2. For the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> years, is the rent 80% of the 1<sup>st</sup> year?**

The rent in years 2-5 is the greater of percentage of gross or minimum rent. The minimum rent is adjusted every 12 months beginning in year 2 to equal 80% of the prior year's percentage rents. If only minimum rent was paid in the prior year, the minimum rent is adjusted upward by 5%.

**3. Can federal and state tax be deducted from our gross income?**

No, federal and state tax may not be deducted from gross income.

**4. Can our liability insurance for the City be deducted from gross income?**

No, liability insurance required by the City may not be deducted from gross income.

**5. Liability insurance needed is 2 million. Is that per incident or aggregate, i.e., 2 million total for all claims?**

Liability insurance required is \$2 million per incident.

**6. Can records be supported by source documents other than a cash register tape such as class lists or a quicken document?**

Yes, per Section H of the agreement (Inspection of Records) "purchase invoices, class lists, or other documents as necessary to allow CITY to easily determine the gross income".

**7. What is the security deposit for?**

All proposals require a “Faithful Performance Deposit” of \$2,500. Deposits will be returned to unsuccessful proposers within 30 days of selection. For selected proposers, the deposit will apply toward the security deposit. Current operators will also be required to submit a \$2,500 deposit with their proposal. If selected, the deposit will be returned and the security deposit on file with the city will be retained.

**8. Where is the money going?**

The surf camp revenues are currently going to the City’s General Fund.

**9. What are the weekend allowable hours of operation?**

The hours of operation are 8:30 to 5:00 on the beach and 9:30 to 5:00 in the water. No operations are permitted on July 4<sup>th</sup>.

**10. Can approvals be bumped up to an earlier date for enrollment purposes for those who travel to camps from out of state or out of the country?**

City staff will use best efforts to adhere to the schedule provided in the RFP.

**11. I feel the current insurance is more than adequate. Our request is to have it remain the same. Our insurance carrier quoted \$1,500.00 increase in premiums.**

We are researching this issue with the Audit and Risk Department.

**12. The 28.5 hour safety course seems like a lot for seasonal & part-time staffers. I understand the need to have at least one person at each site to have those credentials – but to have all is a lot. We have between 50-80 staff during the course of the season.**

The 28.5 hour safety course has been the standard with current operators for the past 2 years. Lifeguard services will continue the requirement for this minimum level of training.

**13. Long term - would the City like to see more schools operating individual locations or fewer schools operating multiple locations?**

The City has determined the sites based on which sites are appropriate and safe. The sites will remain the same or similar in terms of location and number.

14. **Can the agreements begin 4 months later – October 1, 2008? The timing is not fair to the operators or the public who need to make plans for summer camps now – not in May or June. It’s too late to make alternative plans for families.**

The target commencement date for the Concession Agreements is June 1, 2008 due to expiration dates of May 31, 2008 for existing agreements. The City can consider termination dates in October for the new agreements. In this case the term of the agreements would exceed 60 months.

15. **Why can’t operators refer to City fees or tax or in advertising? It allows legitimate operators to disclose where fees are going.**

Rent paid to the City is not a tax.

16. **Why is insurance going up to 2 million per incident? Have there been any problems or claims to justify the added cost?**

The City’s Risk Management department sets the insurance requirement and feels that this limit is necessary given the potential liability.

17. **Can the City offer renewal options after 5 years? The State of CA offers 2 renewal options to operators in good standing.**

The City will consider options to extend the term of the lease at the Cities sole discretion.

18. **Must all non-profits adhere to the 28.5 hour safety standards? What about the Mission Bay Aquatic Center?**

The Mission Bay Aquatic Center requires all participants to take an open water swim test. Lifeguards are considering new higher standards.

19. **Is the \$2,500 performance deposit required per site or per operator?**

The \$2,500 deposit required is per operator.

20. **Are operators allowed to use permits to sub-contract out to other schools?**

No, operators are not allowed to use permits to subcontract out to other schools.

21. **Are operators allowed to use permit signs in other businesses that are not permitted, giving the public the impression that they are?**

No, this creates confusion. Only permitted operators are allowed to post these signs in their businesses.