

BUENAVENTURA GOLF COURSE MANAGEMENT

INTRODUCTION

An article appeared in a local newspaper stating a smaller share of the fees collected from the Buenaventura Golf Course were returned to the city than from comparable golf courses in other cities. The article pointed out that the former mayor was the golf management company's attorney and the current mayor was a consultant which, they said, suggested impropriety, most likely in the form of political contributions by the management company. The Cities and Joint Powers Committee learned the City of San Buenaventura was in the process of seeking bids for the golf course management and decided to monitor the process.

INQUIRY

At our request, the City of San Buenaventura furnished us with a marketing study, a copy of the Request for Qualifications (RFQ) sent to those golf management companies invited to bid for the position(s), copies of the responses received and a copy of the contract for our review. The Director of Public Works and the City Attorney were interviewed to clarify the ambiguities with the above listed documents plus explain their selection process. Subsequent to the interview, we were sent copies of the individual rating sheets used by the evaluators.

FINDINGS

The RFQs offered the respondents the option of bidding in any combination they chose, to:

- Operate Olivas Park Golf Course
- Operate Buenaventura Golf Course
- Maintain Olivas Park Golf Course

The document requested a response to six general background questions, 53 operational requirements and 61 maintenance requirements.

Twelve of the 19 companies to whom RFQs had been sent responded. The responses were evaluated by two committees of five selected city employees and two public employees, each of whom made an independent evaluation. Based upon the results of the independent evaluations, six companies were asked to participate in personal interviews. A committee evaluated the interviews by a "forced ranking" method. The final selection was based upon those interviews.

A comparison of the requirements outlined in the RFQs with the responses received produced an unexpected range in the completeness of the responses. For identification purposes during the discussion in this document, the respondent companies, are assigned numbers 1

through 12. Figure 1 shows the company numbers and the number of requirements to which each responded.

Company No.	1	2	3	4	5	6	7	8	9	10	11	12
Background Questions (6 possible)	5	6	5	5	6	6	6	6	3	6	4	6
Operational Requirements (61 possible)	10	40	17	14	29	27	28	16	6	24	8	4
Maintenance Requirements (53 possible)	*	48	*	*	*	53	37	48	30	1	0	0
<i>*Did not bid for the maintenance option</i>												

Figure 1: The number of requirements addressed, by category, by responding companies.

The initial screening committee, comprised of the Director of Public Works, the Director of Management Resources, the Deputy City Attorney, the Community Services Administrator, the Acting Parks Manager, the Vice Chair of Community Services Committee and a member of the Buenaventura Men’s Golf Course, rated each respondent company independently. Their ratings were compiled into a single score used to rank the companies. Figure 2 shows how the companies, with our identification numbers, were ranked.

Our ID No.	1	2	3	4	5	6	7	8	9	10	11	12
Ranking	10	6	3	2	12	1	8	11	5	4	7	9

Figure 2: Ranking of respondent companies after initial evaluation

The six companies invited for personal interviews were ranked 1, 2, 3, 7, 9 and 10 by the committee. Those ranked 7, 9 and 10 were local companies.

The final selection committee was comprised of the Director of Public Works, the Director of Management Resources, the Deputy City Attorney, the Community Services Administrator, the Acting Parks Manager, the Vice Chair of Community Services Committee and a member of the Buenaventura Men’s Golf Club.

During the final evaluations, each company, in turn, made a presentation and answered questions from the committee. The first company interviewed was automatically ranked first. After the second completed its presentation/question session, the two companies were ranked first and second. The third company to complete the presentation/question session was ranked either first, second or third, depending upon how it

was evaluated. The process was repeated until all six companies had been ranked.

Because our initial interest in this subject began with the allegation that the percentage of the fees collected and kept by the current management company was too high, we inquired about those financial considerations in the ongoing negotiations. The Director of Public Works and the City Attorney explained that their extended negotiations to renew their contract with the current management company had failed. Now the city was pressed for time to hire a new management company. Financial return was not a consideration because the company they selected would be given only an 18-month interim contract.

In gathering data on this subject, we've found several points where data supplied verbally is inconsistent from that supplied in printed form. All information in the Findings section was taken primarily from documented data. Inconsistencies between that and the data supplied verbally will be discussed in the Conclusions section.

CONCLUSIONS

In reviewing the data furnished by the City of San Buenaventura and our interviews with the Director of Public Works and the City Attorney, we found several inconsistencies and a number of ambiguities left unanswered. It is unclear how the list of invited bidders was compiled. We were told no ads were run; the invitees were just well known management companies. No further explanation was forthcoming. Since several of these companies were from other states, the source guide would have been helpful.

Initially, we were told that the City had hired a consulting company to do the first evaluation. The 19 respondents were narrowed to 12 by this consultant firm. We received a letter in December that stated one person from the consulting firm and the Director of Parks and Facilities formed an independent evaluation team who ranked the respondents after the City's team had completed its rankings. By either scenario, we are unclear what value or weight the consulting firm had in the selection process.

The evaluation sheets used by the committee members consisted of six sections, five major headings with several subheadings under each, the sixth asked for a subjective assessment of the respondent. A percentage of the total score was assigned to each section. Each section had three boxes in "Highly Meets Needs, Adequately Meets Needs and Marginally Meets Needs" were printed, respectively. We assigned numerical values to the boxes in order to confirm the subjective ratings.

For example, if the section accounted for 30% of the total score (we used 100 points), that section accounted for 30 points. An evaluator could assign between 1 and 10 points in the Marginally Meets Needs box, 11 to 20 points in the Adequately Meets Needs box and between 21 and 30 points in the Highly Meets Needs box. Only one evaluator assigned exact

numerical values, the rest just checked the box. In computing numerical values, we gave maximum value for the box unless otherwise specified. Of the 72 scores assigned, we found only six numerical scores that didn't agree with the subjective rating. What we did find interesting was that one section of the form was titled Cost of Golf Operations. As with some of the other headings, it is unclear how the evaluation found sufficient data in the material submitted to respond adequately.

We computed that one company responded to 66% of the operational requirements outlined in the RFQ, three companies responded to 44%, one company responded to 39% and one company responded to 33%. Our concern is that only one company invited for an interview is among these six respondents. The others invited for interviews responded to 21%, 13%, 10%, 7% and 2% of the requirements outlined.

The maintenance requirements will not be discussed because two of the highest ranked respondents, including the company to whom the contract was awarded, no-bid the maintenance contract. The company that ranked second, admittedly a well-known company sent the type of brochure they might give to someone interested in buying a membership in one of their courses/clubs.

The company awarded the contract responded to only one requirement, gave profiles on the management team where they are based (out-of-state), but no details of how management in San Buenaventura would be handled.

A company responding to the requirements listed in a RFQ can be compared to a resume an individual might send to a prospective employer asking for specific skills. It seems unlikely that an applicant who does not address those special needs would be called in for an interview.

Both private and government agencies at all levels are currently experiencing a "tightening of the belt" which raises the question of why we were repeatedly told that, because of the short time in which the City of San Buenaventura had to award their interim contract, finances were not an issue. The major emphasis was put on the compatibility of personalities and what the companies were offering.

This approach is particularly disturbing in light of one RFQ option being for maintenance which is a total financial debit, although we've already established that the contract award went to a company that did not bid on the maintenance option. We were given no information how the maintenance is being handled at this point.

It is easy to understand why the newspaper article asked questions about the management of the Buenaventura Golf Course operation. The selection process for the interim contract award seems to be almost independent of the evaluation process.

RECOMMENDATION

- Detailed procedures be written outlining the selection of companies invited to bid on the next contract, the evaluation process and the evaluation criteria.
- The development of procedures and criteria outlined above should be started immediately to allow ample time for them to be put in place before the next contract award process is begun.
- Evaluation or rating sheets be designed to reduce subjectivity and provide more objectivity to the selection process.
- An independent committee be formed to oversee all parts of the bidding, selection and award process outlined above to ensure all steps taken are in strict accordance with the written procedures.

RESPONSES

City of San Buenaventura City Council

City of San Buenaventura City Manager