

Theater in 1999, and was renamed again to the Grove of Anaheim in 2001. The City then purchased the Grove in 2002 from SMG and soon after entered into a facility management agreement (FMA) with Nederlander-Grove, LLC (Nederlander). In 2011 the Grove was renamed again to the City National Grove of Anaheim through a sponsorship deal with City National Bank.

The Grove has hosted many notable acts such as Prince, Bob Dylan, BB King, and Dwight Yoakam, along with many family shows and corporate events.

The current FMA for the Grove expires on December 31, 2024, and with no extensions left, on May 10, 2024, City staff issued an RFP for the exclusive booking and event operations at the Grove with an initial three-year base term with up to two (2) one-(1) year renewals to 361 self-registered vendors via the City's Planet Bids system under the categories: Building and Facilities Management Services; Property Management Services, Asset Management Services; Food Management Services; and Management Services. On June 10, 2024, four vendors attended a mandatory pre-submittal Site Visit/Tour of the Grove.

On July 10, 2024, City staff was pleased to receive responses from two (2) highly qualified operators, OCSE and Nederlander, each with great potential to enhance the Grove operation.

The Convention, Sports & Entertainment department staff established an Evaluation Panel and assigned this group the task of reviewing each proposal in accordance with the requirements identified in the RFP. The Evaluation Panel was comprised of the following persons: Tom Morton, Executive Director, CS&E department, David Hernandez, Financial Accounting Manager CS&E department; Dan Lee, Deputy Director, Administration & Operations CS&E department; and Sjanya Larson-Cash, Director, Community Services department.

The proposals were evaluated based on the four (4) weighted areas defined in the RFP and listed below:

- Background, Qualifications and Experience of Proposer (25 points)
- Operating Plan (25 points)
- Compensation Proposal (35 points)
- Financial Strength (15 points)

The Evaluation Panel found both proposals responsive and was pleased with the conscientious effort made by each of the proposers. After review, the OCSE Proposal was determined to be the most cost-efficient option and has been selected to proceed with an agreement, with Proposals ranked as listed below:

1. OC Sports & Entertainment, LLC
2. Nederlander-Grove, LLC

The decision to award the proposed Agreement to OCSE was based on the following:

Background, Qualifications and Experience of Proposer:

Both bidding companies provided the requisite information on their ability to provide the requested services.

Operating Plan:

Both bidding companies provided exceptional operating plans pursuant the RFP.

Compensation Proposal:

For the three-year base term OCSE proposed to pay to the City an annual commission the greater of (i) Seventy-Five percent (75%) of Operating Profits or ii) a \$750,000 annual guaranteed minimum payment; and Nederlander proposed to pay to the City an annual commission the greater of (i) 70% of Operating Profits or ii) a guaranteed minimum annual payment of \$150,000 for year one, \$250,000 for year two, and \$300,000 for year three.

Additionally, a parking license fee is required to be paid to the City in the amount of \$265,000 for the first year, increased annually thereafter by Consumer Price Index (CPI).

Financial Strength:

Both bidding companies provided evidence of the financial wherewithal to provide the requested services.

The length of the Agreement will include a three (3) year base term and at the end of the third year, the City and OCSE may renew upon mutual consent for two additional one-year terms on the same terms and conditions of the base term.

IMPACT ON BUDGET:

Revenues generated from this Agreement will be used to support the Convention, Sports & Entertainment's departmental operations.

Respectfully submitted,

Thomas Morton, Executive Director
Convention, Sports & Entertainment Department

Attachments:

1. OC Sports & Entertainment LLC Concessions Agreement
2. OC Sports & Entertainment LLC Parking License Agreement