

Legislation Text

File #: 2908, **Version:** 1

CC MEETING: October 18, 2016

DATE: October 10, 2016

TO: Leonard Martin, City Manager

FROM: Erin Rinehart, Assistant City Manager
Scott Whitaker, Parks & Recreation Director

Consider **Authorizing City Manager To Negotiate Contract With Orion Management Solutions For Management Of Indian Creek Golf Course.**

BACKGROUND:

Indian Creek Golf Club (ICGC) is a 36-hole municipal golf course that was closed May 2015 through April 2016 due to flooding. ICGC has been operated by a golf management company for 10+ years. Arcis, formerly Eagle, currently manages the golf facility and their contract with the City expires at the end of this year, December 31, 2016. City staff prepared an RFP for golf management services to start January 2017. A shared revenue model is preferred, in which the contractor manages all operations of golf with the City and contractor each receiving a percentage of total revenue. This allows for both the City and contractor to share in the risk and reward. Staff held a pre-bid meeting, sent out previous revenue and expense reports, and allowed potential vendors to tour the two golf courses in order to create interest for this contract.

Eight written proposals were received. A panel reviewed all proposals and narrowed the selection to four companies for interviews.

Staff on the panel included Erin Rinehart, Assistant City Manager, Bob Scott, Assistant City Manager, and Scott Whitaker, Parks and Recreation Director. Other panel members were Rob Eastep, independent consultant who has worked with the City for six years to review financial trends and make revenue recommendations, and Richard Ellis, a former Club Corp General Manager and Vice President who has been in the golf business for over 30 years.

The panel interviewed Kemper Sports, Touchstone Golf, Arcis Golf, and Orion Management Solutions.

Organizational experience, financial strength, operational plans, fee proposal, and references were evaluated. The panel was unanimous in its first choice of Orion Management Solutions. Additional due diligence consisted of staff secretly shopping at several municipal courses managed by Orion to observe golf operations, staffing, and overall course conditions. Staff talked with on-site staff in the pro shop, food and beverage, and maintenance. Staff also talked with golf patrons.

Bob Scott met with Orion ownership and their CPA to look at financial controls and company policies.

Orion Management Solutions currently manages seven golf courses, with four being in municipal settings, has had the same ownership since its inception 16 years ago, and has previous experience in all types and phases of golf operations.

Orion communicated a commitment to customer service, internal controls, and community involvement. The personal interaction with the Orion owners was professional and enthusiastic. Orion's team of golf professionals, agronomy, and marketing impressed the panel.

FINANCIAL IMPLICATIONS:

Due to the flooding, recovery of lost rounds, and time closed, the City budgeted a loss for 2017. While a subsidy is still projected in 2017, the goal of the revenue share model is to provide sufficient revenue to sustain the golf course operations and capital improvements in the future with little to no subsidy from the General Fund.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends the City Council authorize the City Manager to negotiate a contract with Orion Management Solutions for all golf operations at ICGC.