

## City Council – Action Request Form

**Date:** September 17, 2018

**To:** The City Manager

**From:** William L. Royston, Recreation and Parks Director  
Tasha Logan Ford, Assistant City Manager

**Council Action Requested:**

Adoption of Resolution Awarding Contract with T-Square Golf, LLC for Managing Services at Reynolds Park Golf. (Southeast Ward).

**Strategic Focus Area:** Livable Neighborhoods

**Strategic Objective:** Expand Open Space and Recreational Facilities

**Strategic Plan Action Item:** Yes

**Key Work Item:** No



**Summary of Information:**

In August of 2008, the City entered into a lease agreement with T-Square Golf, LLC for the management of Reynolds Park Golf Course. On August 20, 2012, the City Council of Winston-Salem approved a new lease, operation and management agreement with T-Square Golf, LLC due to the cost replacement of the bent grass greens with Diamond Zoysia greens. This agreement began September 1, 2012 and is set to expire on October 31, 2018.

On June 18, 2018, the City issued a Request for Proposals (RFP) for the management of the Reynolds Park Golf Course, and received one proposal which was opened on July 24, 2018. The proposal was from T-Square Golf, LLC. A committee comprised of City staff, evaluated the proposal.

Major criteria considered during the evaluation included, but were not limited to:

- Proposer’s efforts to comply with all the terms and conditions of the City of Winston-Salem’s Minority and Women Business Enterprise (M/WBE) Program through award of subcontracts to minority and women-owned business enterprises and utilization of minority and women owned business enterprise suppliers to the fullest extent consistent with the efficient performance of this contract.

**Committee Action:**

<b>Committee</b>	<u>Finance 9/10/18</u>	<b>Action</b>	<u>Approval</u>
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<b>For</b>	<u>Unanimous</u>	<b>Against</b>	<u></u>
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**Remarks:**

- Proposer's business location/distance from the City of Winston-Salem.
- An analysis of the proposer's evaluation of the projected ability of the golf facility to provide sufficient revenue to recapture the proposer's investment, cover operating expenses, fund capital improvement and any other debt, yield adequate return and profit and manage the facility. A pro forma for the operation of the golf course is required and include the number of projected rounds for the five-year period.
- Proposer's demonstrated financial status and ability to provide the proposed service operations for a full-service golf facility and provide maintenance operations.
- Demonstration of the proposer's understanding of the City of Winston-Salem Recreation and Parks Department's facilities and operations as impacted by the following: the site's physical characteristics; the site's future growth potential if any, the surrounding business community and residential population, local climatic conditions; current social issues affecting services, and the local City and political environment.
- Quality of Proposal including RFP requirements, readability and flow of proposal, with a full and detailed presentation of the proposer's plan to market the Reynolds Park Golf Course locally, regionally or nationally to increase the opportunity to play golf and include the intended clientele.

T-Square Corporation's proposal required the City pay a base management fee of \$8,000 per month for five years, for management services yielding an annual payment of \$96,000. In addition to the management fee, T-Square Golf, LLC proposed that 15% of the management fee would be returned to the City for gross sales over \$800,000, 25% for gross sales over \$900,000, and 100% of the fee returned for gross sales over \$1,000,000 during the contract. An interview was scheduled with T-Square Golf, LLC on August 8, 2018.

Contract negotiations yielded the following provisions: a base management fee of \$7,000 per month for five years, for the services yielding an annual payment of \$84,000; purchase of capital equipment not to exceed \$60,000, netting a payment not to exceed \$12,000 per year for five years, and implement a detailed marketing plan for Reynolds Park Golf Course and provide to the City a summary of the golf programs to include rates, membership structure, and strategies for engagement and other marketing-related goals. The new contract will begin November 1, 2018 through October 31, 2023.

Over the five years of the proposed agreement, the City would pay a minimum of \$420,000 in base management fees, and \$60,000 for capital equipment for upkeep and maintenance of the greens. The City will remain the owner of the capital equipment, but provide any required maintenance as needed. T-Square Golf, LLC is in sound financial condition and its revenue projections are realistic based upon the current financial environment of the golf industry and accepted the counter offer.

Based upon the committee's assessment, it is recommended that the agreement be awarded to T-Square Company (Harold Kincaid and Mark Hartis) to manage the Reynolds Park Golf Course for the a period of five years. Exhibit B provides the combined scores of the evaluation panel for the proposal.

On September 4, 2018, City staff presented their recommendation to the Recreation and Parks Commission for their review and consideration. The Commission recommends the selection and recommends approval of a contract with T-Square Golf, LLC by the Mayor and City Council.

M/WBE comment: Please see Exhibit A for a complete list of businesses notified of this RFP opportunity. This RFP was posted on the City's and State's Purchasing websites, and staff from the Office of Business Inclusion and Advancement addressed inquiries from potential respondents about compliance with the City's M/WBE policy. T-Square Golf, LLC is not an M/WBE business.