



# City of Dania Beach

FLORIDA

Date: April 15, 2014

To: Mayor Walter B. Duke, III  
Vice Mayor Chickie Brandemarti  
Commissioner Bobbie H. Grace  
Commissioner Albert C. Jones

From: Robert Baldwin, City Manager

A handwritten signature in blue ink, appearing to be "RB", is located to the right of the "From:" line.

By: Bid Review Committee: Colin Donnelly, Assistant City Manager  
Mark Felicetty, Director of Parks and Recreation  
Tania Stevens, Finance Department  
Mark Jensen, Parks and Recreation

Subject: Pier Management Concession

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In November 2013, the Administration proposed to the City Commission that the fishing pier operation be managed by an outside vendor. In response to this recommendation, the City Commission directed Administration to seek a vendor through a more formal process. Specifications for a formal Request for Proposals (RFP) were developed, the RFP issued, and the responses were reviewed and ranked by Administration's Bid Review Committee. In accordance with the RFP, the Bid Review Committee ranked the respondents to determine which respondent would be most qualified to manage the pier concession. The respondents were ranked based upon their professional qualifications, ability to meet the City's needs, City scheduling requirements, proposed services, pier amenity improvements offered and financial strength.

Four responses were received on March 15, 2014. Of the four responses, two failed to provide required documentation and other information necessary to fairly and completely analyze their proposals. The remaining two respondents were analyzed to determine which proposer gave the best proposal. A summary of each proposal is listed below and includes the major points, the financial stability of the proposer, observations after field investigation and additional comments.

"Broward's <sup>1</sup>First City"

## Concession Management Corp. (CMC)

### Major Points

- Experienced in operating fishing piers in Florida
- Submitted references revealed no issues
- Management fee \$125,000.00 per annum
- City retains 100% of the admissions
- City receives 5% of the retail sales
- Staffing - 1 full-time attendant, and a second when required. Pier Manager would be assigned, but it is not clear if the manager would be on site full time.
- Amenities: live bait well, additional shelter, speaker system
- Proposal did not provide estimated revenues

### Field Visit

Staff intended to visit the Juno Beach fishing pier, however, CMC had lost a competitive bid and had been replaced as the pier operators a week prior to the visit. Additionally, inquiries were made with Palm Beach County in reference to CMC's performance and bid (attached). Discussion with the lifeguard staff revealed that the pier staff did not always respond to lifeguard concerns that fisherman were casting too close to shore and creating a hazard for beach bathers. In addition, the pier staff did not clear the pier during lightning sightings as required by park rules.

### Financial Stability (from Mark Bates)

Finance noted that this is a new corporation formed in 2013. We further noted that financial schedules provided reflected either no corporate name on the top or the name of another corporation - Dania Pier Management Corp. The Dania Pier Management Corporation's accumulated Retained Earnings reflect a total of less than \$23,000 at 12/31/13. This amount is very small **representing less than 5% of their 2013 annual gross revenues**. The financial schedules provided did not include a statement of cash flows or footnote disclosures. The schedules provided reflect a new and very weak financial organization. Their office is located in Wilton Manors.

### Additional Comments:

The management fee of \$125,000 is low and is a clear indication that staffing will not be adequate to maintain the pier, clean restrooms and service the public on a consistent basis. Coupled with the comments made by the Juno lifeguard staff and the Palm Beach County Facility Development & Operations Department, the

lack of adequate resources dedicated to pier operations indicates that CMC is not likely to meet the City's needs.

### Westrec Marinas

#### Major Points

- Proposal was answered completely and well documented
- Management structure is adequate to meet the City RFP's *Description of Services*
- Experienced in operating bait shops, marinas and retail
- The provided references revealed no issues
- Management fee paid to Westrec Marinas \$187,140.00
- City retains 100% of the gate, estimated at \$263,000.00
- City receives 5% (\$9,450.00) of the retail sales estimated at \$189,000.00 per annum
- Staffing – 1 full time on-site manager, store clerks, supplemented with maintenance staff and a book keeper
- Amenities: live bait well, 10' x 10' shade shelter, revamp retail area

#### Review of Financial Stability (provided by Mark Bates)

Consolidated financial statements of this corporation were provided for a 3-year period from 2009-2012 including footnotes. Total Retained Earnings increased by ~7 million during this 4-year period from \$21.3m, to \$28m. **This represents ~160% of gross annual revenues** – which is a very sizable amount and reflects much financial strength and resources. Cash flows from operating activities generated over ~\$4 million in the most recent 2012 year. The comprehensive financial reports provided reflect a financially strong and resilient organization. Their Southeast regional office is located in Dania Beach.

#### Field Visit

Staff visited the bait shop managed by Westrec at the Crandon Park Marina in Miami - Dade County. The facility was clean, well-organized, and the employees were courteous, engaging and helpful.

## **Ranking**

The Bid Review Committee ranked the respondents as follows:

1. Westrec Marinas
2. Concessions Management Corp.

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Eleanor Titus (non-responsive)  
Quarterdeck (non-responsive)

## **Recommendation**

The Bid Committee recommends that the City Commission of the City of Dania Beach authorize Administration to negotiate a contract with Westrec Marinas to manage the pier concessions and to present the contract to the City Commission for its approval at a subsequent meeting.

Attachments:

Correspondence from Palm Beach County  
City Manager's 11/18/2013 memorandum on pier management services w/o  
attachments

## **Donnelly, Colin**

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**From:** Felicetty, Mark  
**Sent:** Monday, April 14, 2014 2:43 PM  
**To:** Donnelly, Colin  
**Cc:** Jensen, Mark; Stevens, Tania  
**Subject:** reference check

On Wednesday, April 9<sup>th</sup>, I contacted Steve Schlamp, Property Specialist for Palm Beach County Facility Development & Operation Department.


I asked if there was any specific reason why Pier Concession Management was not awarded the bid for Juno Pier?

Mr. Schlamp explained that Pier Concession Management staff either was not willing or unable to perform minor maintenance tasks such as changing light bulbs, washing down pier decking, keeping fish cleaning and bait stations washed down, emptying trash cans, daily visual inspections of pier and lubricating gate locks with WD 40.

P.B. County Public Works garage was 20 miles away from fishing pier and sending staff out continuously for minor maintenance issues at Juno Pier was not cost effective and depleted resources from the Public Works Department.

The new Juno Fishing Pier operator (Loggerhead Maine Center) provided a comprehensive pier maintenance plan which was a requirement of Agreement.

**Mark T. Felicetty, CPRP**  
**Director of Parks & Recreation**  
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**[mfelicetty@ci.dania-beach.fl.us](mailto:mfelicetty@ci.dania-beach.fl.us)**

Date: November 18, 2013  
To: Honorable Mayor and City Commission   
From: Robert Baldwin, City Manager  
By: Colin Donnelly, Mark Felicetty and Mark Bates  
Subject: Pier Management Services

The Recreation Department has been the pier operator since July 2011. This opportunity has given the city a better understanding of pier operations and provided a vision of the opportunities a well-run pier could provide our residents in coming years. After a visit to the fishing pier a casual observer may conclude that the fishing pier could be better run. Such an observation is bolstered by *September 30, 2013 – 12-months (100% of yr.) Pier Budgetary Report*, which reflects:

- Overall pier revenue has decreased \$12,000 from last year's level ~\$374K last year to ~\$362K this year.
- Paid fishing receipts at the Pier are down.
- Pier merchandise cost-of-sales reflects an increase from last year's levels despite a decline in merchandise sales
- Decreasing revenues contradict increased beach activity from operations of the Quarterdeck restaurant garnering much more customer traffic and parking revenues to the Pier area.

The administration believes there is an opportunity to improve fishing pier services for residents and guests while increasing revenue for the City. A fishing pier operation is a niche service, requiring skills and specialize knowledge beyond the customary knowledge of a municipal Recreation Department. A fishing pier is as much a retail operation as recreational service. Engaging an operator with specialized experience in bait/retailing/ fishing/pier operation will create greater value for pier visitors, the City and its residents and help compliment other Beach area improvements being accomplished in this area.

Towards that end, the administration initiated a strategy to seek out interest from experienced and interested operators; soliciting proposals fashioned similar in nature to the Marina management contract. The administration solicited operators with both a

City relationship and familiarity with its beach and pier patrons. Improved management and oversight of the pier will better coordinate operations with the pier restaurant, new city marina, and public beach areas providing a level of service that is better able to meet increasing expectations at the beach.

The administration requested interest from the following three vendors:

- Paul Flanigan, operator of pier's Quarter Deck Restaurant
- Westrec Marinas, the city's marina management vendor
- Thomas Zannucci, Dania Pier Management Corp., operator of the city's fishing pier from 1995 – 2004.

Vendors were given the FY 2012 approved City Pier budget plan and asked to provide an outline of their pier management services. Management services were to include and represent all staffing and related personnel costs to operate the Pier and keep it clean. In return, the vendor would retain all revenue from bait shop and merchandise sales. The City would retain all admission revenues at the Pier, using these funds to pay the management fee, provide pier maintenance, utilities, capital improvements, and licenses and rental costs. These points were not intended to be the final framework for an agreement, but a basis for discussion. Negotiations may include other elements such as revenue sharing, capital improvements and operational issues.

#### Analysis of Vendors

All vendors stated that they would make investments to the appearance of the Pier entry area and in new equipment such as freezers, live bait wells or both.

The proposed management fee was roughly equivalent for Westrec and Dania Pier Management, while the Quarterdeck's fee was substantially greater.

All references were checked and all came back positive.

#### Recommendation

After extensive analysis and consideration, the committee consisting of Colin Donnelly, Mark Bates, and Mark Felicetty unanimously recommend Westrec Marinas as the top ranked pier operator after the following points of evaluation:

- Success with other governmental retailing and recreation operations
- Symbiotic support involving marina, beach, parking, and restaurant patrons
- Investment in POS (point of sale system)

- Reputation and reliability of management
- Competitive management fee

The administration recommends Commission approval to waive bidding and allow the Administration to negotiate a management agreement with Westrec Marinas for Commission consideration and approval.

Attachments: Proposals, pier budget