

ORDINANCE No.

Amend Management Agreement with Kemper Sports Management, Inc. for Heron Lakes Golf Course for an additional twelve months in the amount of \$2,500,000, for a total contract amount not to exceed \$9,807,912 (Ordinance; amend Contract No. 30006422)

The City of Portland ordains:

Section 1. The Council finds:

1. On June 14, 2018, Portland Parks & Recreation's (PP&R) golf program entered into a Management Agreement with Kemper Sports Management, Inc. for management operations at Heron Lakes Golf Course (City Contract no. 30006422) for the period from June 14, 2018 to October 31, 2019. The Management Agreement authorized and contemplated appropriate compensation for Kemper Sports Management, Inc. in the form of a monthly fee for the performance of its duties and reimbursement for all golf course operating expenses that are incurred on a monthly basis.
2. Amendment 1 to the Management Agreement which was executed on September 25, 2018 clarified that \$323,400 was the amount contracted for management fees for the 16.5 months of the Management Agreement, based on the rate of \$19,600 per month, and further clarified that \$80,850 was allocated for operating expenses. The Amendment further identified that up to \$2,500,000 could be available for operating expenses with Council consent.
3. Amendment 2, authorized by Ordinance 189176, which passed on September 19, 2018, was executed on September 26, 2018 and allocated the balance of the previously identified amount for operating expenses (\$2,419,150) to the Management Agreement, bringing it to \$2,500,000.
4. Amendment 3, executed on May 23, 2019, gave authority to Kemper Sports to enter into new golf cart lease agreements.
5. Amendment 4, authorized by Ordinance 189689 which passed on September 4, 2019, was executed on November 8, 2019, and allocated the balance of the previously identified amount for operating expenses in the amount of \$4,484,512 to provide for the additional management fee of \$484,512 and reimbursement of operating expenses of \$4,000,000, extending the term to October 31, 2021, with the total not-to-exceed \$7,307,912 for the full term.
6. While Ordinance 189689 contemplated a new solicitation for Parks' golf courses in 2019, PP&R determined that more time was needed, and an RFP was planned for 2021, with contract(s) in place, by November 1, 2021.

7. On December 11, 2020, the Golf Advisory Committee voted their approval in support of delaying the golf operating RFP by 12 months. This action will allow time for a contracted golf consultant to provide assessment and recommendations to the Golf Program and upcoming RFP for clubhouse operations at Colwood, Heron Lakes, Eastmoreland, and Rose City golf courses. This assessment is currently underway and being conducted by GGA Partners. This assessment is anticipated to be completed in June 2021.
8. Although the COVID-19 pandemic has led to more public golf rounds, it has also led to operational and economic uncertainty that could impact the golf operator RFP and subsequent contract negotiations. An additional 12 months will allow the Portland Parks & Recreation Golf Program more time to understand the post-COVID 19 environment.
9. The existing contract with Kemper Sports Management, Inc. (30006422), for management of Heron Lakes Golf Course, expires on October 31, 2021.
10. For the reasons set out above, efficient use of PP&R's existing golf course management services requires the amendment of Kemper Sports Management, Inc.'s golf course Management Agreement for additional funding and time to continue their services.
11. Funds for the contract are accounted for in the Golf Operating Budget and the Five-Year Forecast for the Golf Fund.

NOW, THEREFORE, the Council directs:

- a. The Chief Procurement Officer is hereby authorized to execute Amendment 5 to the Management Agreement with Kemper Sports Management, Inc. (Contract no. 30006422) in a form substantially similar to attached Exhibit A, upon approval as to form by the City Attorney's Office, to add \$2,500,000 to the contract value for reimbursement of operating expenses, for a new not to exceed contract amount of \$9,807,912, and extend the contract term until October 31, 2022.
- b. The Mayor and Auditor are authorized to draw and deliver warrants chargeable to Portland Parks & Recreation budget when demand is presented and approved by the proper authorities.

Passed by the Council:

Commissioner Rubio
Prepared by: Vincent Johnson
Date Prepared: March 11, 2021

Mary Hull Caballero
Auditor of the City of Portland
By

Deputy

~~278~~ 270
 Agenda No.
ORDINANCE NO.
 Title

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<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Rubio</p>	<p>CLERK USE: DATE FILED <u>April 6, 2021</u></p>
<p style="text-align: center;">COMMISSIONER APPROVAL</p>	<p style="text-align: center;">Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u>Megan Lehman</u> Deputy</p> <p>ACTION TAKEN: April 14, 2021 Passed to Second Reading on April 21, 2021 at 9:30 am</p>
<p>Mayor—Finance & Administration - Wheeler</p>	
<p>Position 1/Utilities - Rubio <small>Carmen Rubio Digitally signed by Carmen Rubio Date: 2021.04.05 16:01:14 -07'00'</small></p>	
<p>Position 2/Works - Ryan</p>	
<p>Position 3/Affairs - Hardesty</p>	
<p>Position 4/Safety - Mapps</p>	
<p style="text-align: center;">BUREAU APPROVAL</p>	
<p>Bureau: Parks & Recreation Bureau Head: Adena Long <small>Digitally signed by Adena Long Date: 2021.03.31 16:19:39 -07'00'</small></p>	
<p>Prepared by: Vincent Johnson Date Prepared: 3/11/2021</p>	
<p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>City Auditor Office Approval: required for Code Ordinances</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <small>Digitally signed by L. Law Date: 2021.03.23 08:22:01 -07'00'</small></p>	
<p>Council Meeting Date April 14, 2021</p>	

AGENDA

TIME CERTAIN
 Start time: _____
 Total amount of time needed: _____
 (for presentation, testimony and discussion)

CONSENT

REGULAR
 Total amount of time needed: 5 min
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Rubio	1. Rubio		
2. Ryan	2. Ryan		
3. Hardesty	3. Hardesty		
4. Mapps	4. Mapps		
Wheeler	Wheeler		

Exhibit A



AMENDMENT No. 5 to MANAGEMENT AGREEMENT No. 30006422 FOR HERON LAKES GOLF COURSE

This Amendment No. 5, amends Management Agreement No. 30006422 dated the 12th day of June, 2018, by and between **Kemper Sports Management, Inc.**, ("Contractor") a Corporation, of the State of **Illinois**, and the City of Portland, a municipal corporation of the State of Oregon ("City") by and through their duly authorized representatives. This Amendment may refer to Contractor and City individually as a "Party" or collectively as the "Parties."

The Effective Date of this Amendment is May 31, 2021. The purpose of this Amendment is to extend the Contract Term and add funds to continue service at Heron Lakes Golf Course.

The Management Agreement was previously amended as follows:

Amendment 1, dated September 25, 2018, which changed Management Agreement Terms & Conditions.

Amendment 2, dated September 26, 2018, which increased the original not-to-exceed amount of the Management Agreement from \$323,400, by \$2,500,000, to a new total not-to-exceed amount of \$2,823,400.

Amendment 3, dated May 23, 2019, which changed Management Agreement Terms & Conditions.

Amendment 4, dated November 11, 2019, which extended Management Agreement from October 31, 2019 to October 31, 2021, and which increased the prior not-to-exceed amount of the Management Agreement from \$2,823,400, by \$4,484,512, to a new total not-to-exceed amount of \$7,307,912.

The Parties agree to Amend the Management Agreement as follows:

1. The Management Agreement not-to-exceed amount of \$7,307,912.00, is increased by \$2,500,000.00, to a new total not-to-exceed amount of \$9,807,912.00.

\$323,400.00	(Original Contract Amount)
+ \$2,500,000.00	(Amendment 2)
+ \$4,484,512.00	(Amendment 4)
+ <u>\$2,500,000.00</u>	(Amendment 5)
= \$9,807,912.00	(Total Not to Exceed Amount)

2. The Term is extended from October 31, 2021, to October 31, 2022, unless terminated sooner under the provisions of the Management Agreement.

All other terms and conditions of the Management Agreement remain unchanged by this Amendment and in full force and effect.

This Amendment may be signed in two (2) or more counterparts, each of which shall be deemed an original,

and which, when taken together, shall constitute one and the same instrument. The Parties agree that they may execute this Amendment by electronic means, including the use of electronic signatures.

IN WITNESS WHEREOF, the Parties hereby cause this Amendment to be executed.

KEMPER SPORTS MANAGEMENT, INC.

Owner/Officer Signature Date

Printed Name and Title

Address: 500 Skokie Blvd, Suite 444, Northbrook, IL 60062
Randy Morrison, 541-829-9929, rmorrison@kempersports.com

Prepared by Serin Bussell
Sent to Randy Morrison via email at rmorrison@kempersports.com

Contract Number: 30006422

Contract Title: MANAGEMENT AGREEMENT FOR HERON LAKES GOLF COURSE

CITY OF PORTLAND SIGNATURES

By: N/A Date: _____
Bureau Director

By: _____ Date: _____
Purchasing Agent

By: N/A Date: _____
Elected Official

Approved:

By: _____ Date: _____
Office of City Auditor

Approved as to Form:

By: _____ Date: _____
Office of City Attorney

IMPACT STATEMENT

Legislation Title: Amend Management Agreement with Kemper Sports Management, Inc. for Heron Lakes Golf Course for an additional twelve months in the amount of \$2,500,000, for a total contract amount not to exceed \$9,807,912 (Ordinance; amend Contract No. 30006422)

Contact name: Vincent Johnson

Contact phone: 503-318-1432

Presenter name: Vincent Johnson

Purpose of proposed legislation and background information:

On June 14, 2018, Portland Parks & Recreation's (PP&R) golf program entered into a Management Agreement with Kemper Sports Management, Inc. for management operations at Heron Lakes Golf Course (City Contract no. 30006422) for the period from June 14, 2018 to October 31, 2019. Under City Code 5.68.020.B.5, Golf Course Management Agreements are exempt from the solicitation process. No solicitation was done.

The Management Agreement authorized and contemplated appropriate compensation for Kemper Sports Management, Inc. in the form of a monthly fee for the performance of its duties and reimbursement for all golf course operating expenses that are incurred on a monthly basis. Since inception, there have been four amendments to the Management Agreement, clarifying scope and fees for service.

PP&R anticipated an RFP for Heron Lakes, Colwood, Eastmoreland, and Rose City golf courses in 2019. However, PP&R determined that more time was needed, and an RFP was planned for 2021, with contract(s) in place, by November 1, 2021. Unfortunately, the COVID-19 pandemic further delayed the timing for this assessment. In the meantime, an RFP for a golf consultant has been completed, a consultant selected, and the assessment is currently underway. The deliverable timeline for the golf consultant has been delayed due to the pandemic.

While awaiting the outcome and recommendations from the consultant's assessment, and uncertainty with how golf recreation will be impacted post pandemic in 2021 and beyond, PP&R finds it necessary to extend golf course management services through the 2022 season. This will enable a smooth transition of golf course management services, regardless of the recommendation from the consultant. The assessment is anticipated to be completed in June 2021.

Therefore, PP&R is requesting an amendment to the existing golf course Management Agreement (30006422) with Kemper Sports Management, Inc.'s, through October 31, 2022, and additional funding, in the amount of \$2,500,000, for continuation of services.

This is the 5th amendment to C30006422.

Financial and budgetary impacts:

This contract does not have long-term financial impacts for the City, and does not have additional budget impacts, as ongoing management costs are included in PP&R's budget. Funds are accounted for in the Golf Operating Budget and the Five-Year Forecast for the Golf Fund.

Community impacts and community involvement:

The Golf Advisory Committee reviewed and approved the recommendation to extend the current operating contracts for 12 months and to delay the golf clubhouse RFP by 12 months. This support was based upon having time to receive assessment and recommendations by a golf consultant for the upcoming golf operating RFP.

100% Renewable Goal:

This action has no impact on the City's 100% renewable goal.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

Claudio Campuzano

Claudio Campuzano, Finance, Property & Technology Manager

3/22/2021

City Council Meeting - Wednesday, April 14, 2021 9:30 a.m.

Agenda No.	First	Last	Zip
248	Edith	Gillis	97206