



# City of Palo Alto

## City Council Staff Report

(ID # 6296)

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**Report Type: Consent Calendar**

**Meeting Date: 11/9/2015**

**Summary Title: From Finance: Aquatics RFP**

**Title: Finance Committee Recommendation to Approve the Release of a Request for Proposal to Explore Options for the Delivery of the Aquatics Programs and Services for the City of Palo Alto**

**From: City Manager**

**Lead Department: Community Services**

### **Recommendation**

The Finance Committee recommends that Council approve the Community Services Department recommendation to release a Request for Proposal to explore options for the delivery of the Aquatics Programs and Services for the City of Palo Alto.

### **Background**

In the summer 2015, the City of Palo Alto's Aquatics program was severely understaffed and was in jeopardy of cancelling approximately 40% of the summer swim lessons. The Community Services Department entered into an emergency contract with Team Sheeper, LLC to provide qualified, professional swim instructors and lifeguards at the JLS Middle School pool. The fall 2015 Aquatics program is underway and the program continues to experience staffing shortages and staff predict to have continuing staffing shortages in the winter 2015 season. The Community Services Department requests to explore alternative approaches to providing Aquatics services and programs to the community by releasing an Request For Proposal (RFP). This matter was discussed at the October 20, 2015 Finance Committee meeting.

### **Discussion**

At the October 20, 2015 Finance Committee, staff presented the rationale for releasing an RFP to explore alternatives for the delivery of Aquatics Services. The Finance Committee unanimously approved the recommendation and the recommendation is now before Council for approval. For more details on the rationale to release an RFP for Aquatics services please see Attachment A - Finance Committee Report October 20, 2015.

### **Timeline**

- October 20, 2015 – Finance Committee presentation and discussion of the RFP
- November, 2015 –RFP released
- March, 2016 – Potential Council action on the scope of aquatics services to be contracted out

**Resource Impact**

The City cost recovery for aquatics programs and services, as described in recent Cost of Services Study, is below:

| Total Direct Expenses | Total Indirect Expenses | Total Full Costs | Total Fee Revenue | Total General Fund Subsidy | Direct Cost % Recovery | Full Cost % Recovery |
|-----------------------|-------------------------|------------------|-------------------|----------------------------|------------------------|----------------------|
| \$623,895             | \$259,043               | \$882,938        | \$507,150         | \$375,788                  | 81%                    | 57%                  |

The intent of the RFP is to provide an enhanced level of service at or below current cost. Should alternative proposals require additional funding, staff will evaluate fees for that service to ensure cost recovery goals are met while being competitive in the marketplace.

**Policy Implications**

This proposal is aligned with Comprehensive Plan goal G1: Effective and Efficient Delivery of Community Services

**Attachments:**

- Finance Committee Staff Report (PDF)

## **Recommendation**

Staff recommends that Council direct the Community Services Department to release a Request for Proposal to explore options for the delivery of aquatic programs and services for the City of Palo Alto.

## **Background**

During the summer season which runs from mid-June through mid-August, the City of Palo Alto Aquatics program offers a variety of activities for the community including family recreation swim, adult lap swim, youth swim lessons for ages birth to 13 years, facility rentals for private pool parties, a youth competitive swim (PASA - Palo Alto Stanford Aquatics), and an adult competitive swim team (Rinconada Masters).

Once the Palo Alto Unified School District begins their academic year typically in mid-August which we call "late summer," the Aquatics program continues to offer the same activities excluding swim lessons. During this time, family recreation swim and facility rentals are only available on weekends since a majority of our staff are back in school and have limited work availability.

The Aquatics off-season program runs from mid-September through mid-May, and includes limited activities offered daily such as adult lap swim, the youth competitive swim (PASA - Palo Alto Stanford Aquatics), and the adult competitive swim team (Rinconada Masters). In years past, the Aquatics program has attempted to offer youth swim lessons during the fall and spring seasons but due to the difficulty hiring and retaining staff, youth lessons are only offered during the summer season.

## **Discussion**

The Community Services Department (CSD) would like to explore contracting out additional aquatics services provided at Rinconada Pool, and potentially other satellite pools in the community that the City rents during the summer.

Currently, the City has existing contracts to provide the Masters Swim Program and the Palo Alto Youth Swim Program PASA, while City staff provides the year round Lap Swim Program, Learn-to-Swim Program and Summer Recreation Swim.

This past summer the City managed programs (Lap Swim, Learn-to-Swim and Summer Recreation Swim), struggled to hire and retain adequate pool staff to meet community demand. This has been a growing challenge for several years and this summer it reached its tipping point. In order to meet the demand for the 2015 summer swim lessons and the recreation swim program, CSD had to

enter into an emergency contract with an outside vendor to mitigate the staffing shortages. Working on a very short timeline, CSD was able to write and approve a contract with Team Sheeper LLC, a professional third party aquatics service provider, who was able to mobilize quickly and provide qualified professional swim instructors and lifeguards to support the Palo Alto aquatics programs. As a result CSD narrowly met its commitments to the parents that enrolled their children in swim lessons in the spring. Currently CSD staff is managing the fall aquatics Lap Swim Program and we continue to face difficulties with pool staff shortages, which is also compromising the program and limiting community access to Rinconada Pool.

There are several reasons the City aquatics program is experiencing difficulty hiring and retaining staff. The pay rates for lifeguards and swim instructors are not as competitive compared to other employment opportunities for high school and college students. The City offers mostly seasonal work opportunities and not year round part time employment. The majority of the pool staff are students and after summer they are no longer available to work. Those that live and go to school in the area often continue working at the pool but this only represents a small number of the aquatics staff.

Provision of aquatics services for cities in the region is delivered in a number of ways. For example the City of Menlo Park contracted out their entire Aquatics program to Team Sheeper, Inc. and it now operates in a private public partnership as Menlo Swim & Sport. While contracting out is gaining interest from cities most cities within the area operate their aquatics program in-house or through a hybrid model like the City of Palo Alto, whereby a portion of the program is contracted out, typically their swim teams or clubs, while swim lessons and recreation swim remain in-house. The City of Morgan Hill has a unique partnership with the YMCA to run their recreation programs. As partners, the City of Morgan Hill and YMCA partner to provide high quality health and fitness, youth, teen, family, and senior programs including aquatics for residents and the surrounding community to enjoy. Currently, the City of Palo Alto provides a hybrid program where the Aquatics program is predominantly run in-house with the exception of our Master's and PASA program which is provided by contractors.

To address the issue of ongoing challenges to hire and retain aquatics staff CSD is drafting a Request for Proposals (RFP) for aquatics services for summer 2016. If agreeable to the Finance Committee and City Manager's Office, CSD will release the RFP in late October 2015, evaluate proposals in December/January

and bring a recommendation to Council in early Spring 2016 for possible contracting out of additional aquatics services.

Contractor(s) responding to the RFP would be able to submit proposals to manage the Learn-to-Swim program, the Palo Alto Youth Swim Program, Masters Swim Program, Lap Swim and Recreation Swim. Proposals would be accepted for one, some, or all of these services depending on the applicant's area of expertise, capacity and interest.

An internal meeting between Administrative Services (ASD), People Strategies and Operations (PSO) Departments and the City Manager's Office was held on September 22 to discuss the CSD proposal to issue an RFP for aquatics services. Staff are in agreement with the approach outlined above, that would allow CSD to explore alternative options for the delivery of aquatics programs service through an RFP process.

Recognizing that an RFP for aquatics services could impact an SEIU regular staff member, and several SEIU hourly staff, a Meet and Confer process is necessary. As such PSO intends to notify SEIU at their monthly regularly scheduled meeting on October 15 about the possibility of an RFP for aquatics services.

Rinconada pool is a magnificent community asset. Exploring options for how we might better deliver aquatics programs and services to maximize community benefit is a prudent course of action in CSD's view. By issuing an RFP to explore options the City may be able to improve the overall aquatics program with additional services and increased access to Rinconada pool for the Palo Alto community.

### **Timeline**

- October 15, 2015 – PSO meets with SEIU to notify them of the possible RFP
- October 20, 2015 – Finance Committee presentation and discussion of the RFP
- November, 2015 – Pending Finance Committee and CMO direction, RFP released
- March, 2016 – Council action on the to be determined scope of aquatics services to be contracted out

### **Resource Impact**

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The intent of the RFP is to provide an enhanced level of service at or below current cost. Should alternative proposals require additional funding, staff will evaluate fees for that service to ensure cost recovery goals are met while being competitive in the marketplace.

**Policy Implications**

This proposal is aligned with Comprehensive Plan goal G1: Effective and Efficient Delivery of Community Services.