
**County of Milwaukee
Interoffice Communication**

Date: April 30, 2013

To: Supervisor Gerry Broderick, Chair, Parks Energy and Environment Committee

From: Josh Fudge, Interim Fiscal and Budget Administrator, Department of Administrative Services

Subject: Due Diligence Report for an agreement with Funtime LLC d/b/a Wheel Fun Rentals to provide paddleboat rental concession services at Veterans Park

Request

The Department of Parks, Recreation, and Culture (Parks) requests approval to enter into a five (5) year agreement with Wheel Fun Rentals (Wheel Fun) to provide paddleboat rental concession services at Veterans Park.

Background

In January 2013, Parks issued a Request for Proposals (RFP) for paddleboat rental services at the lagoon at Veterans Park. Wheel Fun was selected as the successful bidder to replace the current vendor, whose agreement expired in 2012. During the five-year term of the previous contract, Parks received an average of \$12,904 in annual revenue from the concession¹.

Review & Analysis

The Department of Administration - Fiscal Affairs (DAS), Corporation Counsel, Risk Management, and Community Business Development Partners have reviewed the draft proposal with Wheel Fun.

Wheel Fun would be permitted to operate a concession for the rental of paddleboats, kayaks, canoes, and related items at the Veterans Park Lagoon. Wheel Fun would also be authorized to erect a structure on the premises, with the approval of the Director of Parks and DAS-Facilities Management, Architecture and Engineering Section. The proposed structure would be owned by Wheel Fun. Upon expiration or termination of the agreement, the Vendor shall remove all of its supplies, displays, and related items (including the proposed structure) within three (3) days.

The term of the proposed agreement is five (5) years with two one (1) year mutual options for an extended term. The agreement begins on the execution date and the original term expires on March 30, 2018. If the mutual options are exercised, the agreement will expire on March 30, 2020. The agreement may be terminated by either party for cause if a failure to comply with any provision of the agreement is not cured in

¹ Based on data from the Milwaukee County Fiscal Intranet for actual revenues (Functional Code VW26, Activity Code KWYL, Revenue Source 9046, Agency 900, Fund 001)

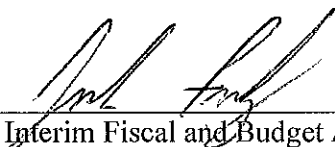
a timely manner. Upon expiration or termination of the agreement, Wheel Fun shall remove all of its supplies, displays and related items within three (3) days.

Per terms of the proposed agreement, the County will receive 20% of all gross receipts with a guaranteed annual minimum of \$22,000 in 2013. The minimum commission to the County automatically increases \$250 each year. The agreement with the previous vendor (in effect from 2008 to 2012) provided that the County would receive 15% of gross receipts with no annual minimum. The chart below shows the actual amount of revenue received from the concession and the projected amount of revenue based on the terms of the proposed agreement. An annual 1% increase in gross receipts from 2012 actual activity is assumed for future years.

<u>Year</u>	<u>Revenue</u>
2008 - Actual	\$ 11,752
2009 - Actual	\$ 11,962
2010 - Actual	\$ 12,221
2011 - Actual	\$ 13,279
2012 - Actual	\$ 15,304
2013 - Projected	\$ 22,000
2014 - Projected	\$ 22,250
2015 - Projected	\$ 22,500
2016 - Projected	\$ 22,750
2017 - Projected	\$ 23,000

Recommendation

Upon review of the available information, and changes made to the agreement based on consultation with Corporation Counsel, Risk Management, Parks, and CDBP staff, DAS recommends approval of the vendor permit agreement.



Josh Fudge, Interim Fiscal and Budget Administrator

cc: Chris Abele, County Executive
Supervisor Marina Dimitrijevic, Chair, County Board of Supervisors
Amber Moreen, Chief of Staff, County Executive's Office
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Jim Keegan, Interim Director, Parks, Recreation & Culture
Laura Schloesser, Chief of Admin & External Affairs, Parks, Recreation, & Culture
Suzanne Carter, Contracts Services Officer, Parks, Recreation, & Culture
Don Tyler, Director, Department of Administrative Services
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