



Dallas Park & Recreation

**TENNIS CENTERS  
PROGRAM OVERVIEW AND CONTRACT STATUS  
UPDATE**

**Park and Recreation Board  
January 26, 2017**

# Tennis Center Contract Status Update

- Contracts with tennis professionals were approved by City Council on May 23, 1979 to provide professional instruction and management of the City's five tennis centers offering
  - Tennis merchandise and racket repair
  - Private, semi-private and group lessons
  - Daytime and evening leagues for all ages
  - A variety of training equipment (e.g., ball machines) are available at each site and may be rented to sharpen skills
- Contracts expire at the end of September 2017
- Past RFPs and current contracts have the City setting pricing for court fees
- Staff is seeking direction from the Park Board on an RFP process that allows additional opportunities for the vendors
  - Propose new court fees which would allow competitive pricing by center
  - Encourage responders to be creative in pricing based on market
  - Encourage responders to be creative in revenue sharing with the City
  - Encourage responders to include capital improvements in their proposals
- Proposals will be evaluated by a committee of five and the contracts should be available to Park Board in May or June for approval

# Request For Proposal Key Points

- Recommended Changes to RFP
  - Allow for tennis pros to suggest court reservation prices based on the following range of pricing
    - Fair Oaks, Kiest and S. Grand      \$2.50 to \$3.50
    - Fretz and L.B. Houston                \$3.00 to \$4.00
  - Allow for tennis center managers to make pricing changes within the following range of tournament prices
    - Fair Oaks, Kiest and S. Grand      \$5.00 to \$6.50
    - Fretz and L.B. Houston                \$6.00 to \$7.50
  - Implement revenue sharing for ‘other revenues’ at tennis centers (e.g., lessons, merchandise) – consistent with other contracts
    - Tennis pros earn anywhere from \$14,000 to \$300,000 in lesson fees (depending on year and location)
    - Average \$208,000 in other revenue over last three years
    - 1% to 5% commission
    - Offset City court renovation expenses

| Average Gross Sales (Other Revenue) for previous three operating years | Commissions Percentage |
|--|------------------------|
| Less than \$100,000 annually   | 1%                     |
| 100,001 to 299,999   | 2%                     |
| \$300,000 to 399,999   | 3%                     |
| \$400,000 to 499,999   | 4%                     |
| \$500,000 or more  | 5%                     |

# Request For Proposal Key Points

- City needs to reduce expenses
  - Encourage tennis center managers to assume expenses for court accessories, nets and windscreens



# Summary

- Staff is seeking Park Board guidance on moving forward with a Request for Proposal (RFP) allowing tennis pros to propose fees versus City setting court fees; allowing proposals to include capital investments; and allowing for consideration of revenue sharing opportunities within the RFP process
- Specifications for the RFP will be finalized based on Park Board guidance
- Specifications advertised and awarded through Business Development and Procurement Services (BDPS)
- Proposals will be evaluated by a committee of five City staff and the contracts should be available to Park Board in May or June for approval



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