

## **Frequently Asked Questions - City of Tucson Golf Management**

### **Why did the City of Tucson chose to bring in an outside management company to operate Tucson City Golf?**

In September 2012, Mayor and Council instructed City staff to issue a competitive Request for Proposal (RFP) for the management of all City of Tucson golf courses in an effort to operate Tucson City Golf in the most cost-effective manner possible.

### **How was OB Sports selected to be the new management team?**

Through the Department of Procurement, the City of Tucson issued a two-phase, competitive RFP in January 2013. A total of 15 proposals were received for Phase 1. Seven offerors were selected to move into Phase II of the proposal process, which began in July 2013. On November 6, 2013, Mayor and Council directed staff to proceed with negotiations with the top ranked firm, which was OB Sports, after being briefed on the recommendations of an Evaluation Committee. The Evaluation Committee included golf and finance experts who reviewed the proposals and conducted interviews and reference checks.

### **What will OB Sports be responsible for as the management team of Tucson Golf?**

OB Sports will be responsible for applying its professional management techniques to all levels of Tucson City Golf's operations, including marketing, employee management, customer service, retail services, and food and beverage services.

### **Which City of Tucson golf courses will be affected by the management change?**

All five of the City's municipal golf courses will be managed by OB Sports, including Randolph Golf Course, Silverbell Golf Course, Dell Urich Golf Course, Fred Enke Golf Course, and Trini Alvarez – El Rio Golf Course.

### **What is OB Sport's background in golf course management?**

OB Sports is a professional management, development, and consulting company based out of Scottsdale, Arizona whose sole focus is golf. In business since 1972, OB Sports manages 45 golf courses nationwide, 17 of which are in Arizona. Focusing on both a quality golf experience and revenue growth, OB Sports is leader in the golf management industry.

### **When will OB Sports be taking over management of Tucson Golf?**

Under the agreement, the transition begins immediately and the first day of OB's operations is projected to be February 1, 2014.

### **How will City employees be affected by the hiring of OB Sports?**

OB Sports will be responsible for all staffing at the five golf courses and will be interviewing current City employees for open positions. Also, current City employees may exercise their civil service rights after the change in management.

### **Will OB Sports be able to change the rates at the City of Tucson golf courses?**

No. Policy on rates will continue to be set by Mayor and Council, not OB Sports. OB Sports may recommend future rate changes – up or down – but any change is subject to Mayor and Council approval.

**Will the golf experience change under OB Sports' management?**

Part of the responsibilities under OB Sports' contract will be to enhance the municipal golf experience for the patrons of the City's five courses. OB's mandate is to provide the highest possible level of service at the lowest possible cost.

**What are the revenue projections for Tucson Golf under OB Sport's management?**

In its proposal, OB Sports projects an increase in rounds of golf played, as well as merchandise and food and beverage sales. In addition, OB Sports is projecting a reduction in labor costs as a percentage of revenue. The combined effect of these changes is predicted to gradually increase net operating income from \$102,893 in Fiscal Year 2014 to \$713,395 in Fiscal Year 2018.

**Will OB Sports cover any losses that Tucson Golf incurs?**

No. OB Sports will not be responsible for any losses incurred by Tucson City Golf while serving as the management team.

**How will OB Sports be compensated by the City of Tucson?**

OB Sports will receive a flat fee for its management services. In addition, OB Sports will receive an incentive if it can meet the eligibility requirements stated in the management contract.

**Will OB Sports receive ownership of the City of Tucson golf courses and facilities as a result of its hiring?**

No. The City of Tucson will retain ownership of all of Tucson City Golf's assets, including the courses.

**Will there be any changes to the City's commitment to The First Tee program?**

No. The First Tee Tucson program will be unaffected by the change in management at Tucson City Golf. The City of Tucson looks forward to fulfilling its partnership with the youth development program.

**Who will manage OB Sports' contract with the City of Tucson?**

The City's Department of Parks and Recreation will oversee the management contract with OB Sports.