
From: Gibran Stout [REDACTED]
Sent: Wednesday, November 16, 2022 11:45 AM
To: npham@ocfairboard.com; nkovacevich@ocfairboard.com; bbagneris@ocfairboard.com; aaitken@ocfairboard.com; scervantes@ocfairboard.com; dlabelle@ocfairboard.com; nrubalcava-garcia@ocfairboard.com; rruiz@ocfairboard.com; Michele Richards
Subject: Proposed Contract SA-006-23YR
Attachments: EqCModelComparisonChartandNotes.pdf

Dear OCFEC Board of Directors,

Please find attached important documentation regarding the proposed award SA-006-23YR Lopez Works, Inc. Horse Feeding, Box Stall Cleaning & Arena Maintenance.

Please review and consider before voting on this item in tomorrow's board meeting.

Your time and consideration are deeply appreciated...

November 16th, 2022

Dear OCFEC Board of Directors,

I am writing regarding SA-006-23YR proposed contract award to Lopez Works, Inc (LWI) for Horse Feeding, Box Stall Cleaning & Arena Maintenance.

Earlier this year, the Board adopted a strategic plan that indicated as a direction “The business model for the equestrian center will balance the requirement to operate as a public benefit venue with the need to be financially sound.” It was decided that the District would take over the day-to-day management. It was then decided that the bulk of the daily day-to-day tasks would be contracted to a private company.

The IFB that was issued for the Feeding, Box Stall Cleaning and Arena Maintenance job contained numerous fundamental faults (as pointed out in the next pages) in both its accuracy and scope of work.

The bid structure itself (paying per task for services) is outside industry norms for public boarding facilities and equestrian centers. A general facility caretaking contract that encompasses all required services at a cost commensurate with rental income is what is typically done.

The figures quoted by LWI and recommended for approval by staff are far beyond industry standard – in some cases by 300-400%. For more than a decade, the Equestrian Center has generated income for OCFEC with accrued profits being used by OCFEC for some necessary repairs and capital expenses. The proposed new management structure is predicted to create a \$1.4million loss. This loss is mostly driven by an over-inflated award to a private company with no funds left over for significant public programs or major capital improvements. In addition, while accruing this debt, the boarded horses will be receiving 50% less of the core services they currently get.

Please review the information on the following pages with fiduciary responsibility in mind. There are successful, sustainable equestrian centers on public land that offer public programming, income-generating horse shows and boarding that can help provide both the financial information and operational model you seek.

We share the same vision – a thriving, public benefit venue that provides “best in breed” equine care. This proposed pathway forward is not the way to achieve those goals.

Sincerely,

Leigh-Ann Kazolas
per the Equestrian Center Task Force

2022 EqC MODEL FULL-SERVICE OPERATOR (generates \$113K profit)	2023 EqC MODEL MANAGED BY LWI and STAFF (generates \$1.45MILLION loss)
<p>OPERATOR PROVIDES:</p> <ul style="list-style-type: none"> - Feeding - Order and supply all hay and bedding - Twice daily stall cleaning - Twice daily dragging of main arenas, as-needed maintenance of all others - Maintenance of industry-standard levels of footing for the usage - Manure removal - Daily facility repairs (equipment, supplies, labor) - Supply/ maintenance of stall rubber mats/flooring - Barn aisle maintenance (trenching pre and post storm, adding DG on a regular basis as needed) - Cleaning/maintenance of farrier rack, wash rack, grounds - 24 hour on-site security - All admin tasks including billing and collection of rental fees, ordering feed, paying vendors - On-site office staff - Construction, painting, maintenance of jumps - Trash removal - Landscaping (mow and maintain grassy areas) <p>PROVIDED BY OCFEC</p> <ul style="list-style-type: none"> - Necessary capital repairs from time to time 	<p>LWI TO PROVIDE:</p> <ul style="list-style-type: none"> - Feeding labor (for 150 horses¹ at a labor rate of \$1500 an hour not including cost of the food²) - Once a day stall cleaning (50% reduction in current service³) - Once a day water and dragging of main arenas⁴ (50% reduction in current service⁵) at beyond industry pricing⁶ - Unnecessary daily maintenance of round pens⁷ - Required to provide/maintain “less” than industry-standard levels of footing and base for usage (reduction in current services⁸) <p>PROVIDED BY OCFEC</p> <ul style="list-style-type: none"> - Hay and Bedding purchased at retail pricing plus 5% commission to LWI⁹ - Manure Removal - Office Staff/Admin and Accounting/Supervisor - Facility Repairs (equipment, supplies and labor) - Stall Rubber mat supply, replacement, leveling - Barn Aisle maintenance including added DG - Trash removal - Maintaining farrier area, wash racks, grounds - Construction and maintenance of arena jumps - Increased security monitoring (reduction in current service) - Necessary capital repairs from time to time

Notes

1. The number of stalls quoted in the IFB – 186. Actual number of horse stalls – 150
2. Currently for 150 horses, it takes 4 workers 30 minutes to prepare hay and feed all horses in the morning and again in afternoon. This equates to 1 hour worth of labor per day to feed the horses. LWI is quoting a rate of \$5 per horse to feed 150 horses each meal so \$1500 per day for 1 hour of work. Workers that give hay to horses are the same ones that clean stalls – this is not a specialty position. Note- this quoted price does not include the feed.
3. Currently wet bedding and manure are removed from stalls in the morning and bedding is replaced as needed. In the afternoon, manure is picked out of the stalls. This provides a more hygienic living environment for the horses and helps with fly mitigation.
4. The number and dimensions of the arenas and turnouts and sizing are inaccurate in the IFB.
5. Currently the main arenas (Arlington, Mesa, Orange, and Vaulting arenas) are watered and dragged twice a day. The large turnout, small turnout and dressage arena are watered and dragged once a day.
6. Arena maintenance quote by LWI is above industry standard for a boarding facility. For reference Del Mar Horsepark (managed by the 22nd DAA) charges show operators \$77 per hour for a water truck including operator and \$80 per hour for a tractor and harrow including operator if you rent the facility for a show (meaning higher than daily use cost). Arena maintenance currently takes approximately 3 hours a day.
7. The round pens are maintained periodically and not daily as they do not contain a proper base and footing that need to be maintained.
8. The IFB quotes base and footing depths that are less than industry-standard levels and not currently what is in place for the number of horses and equestrian activities that take place.
9. As there are frequent weekly changes, currently hay is purchased directly from a supplier on an “as-needed” basis as hay is a perishable good. The pricing guidelines proposed in the IFB reflect higher than current wholesale prices (in fact, higher than current retail prices in some cases) and it leaves a question as to whether the District is obligated to buy all of the hay that the contractor purchases OR simply the quantity of hay that the job requires? Is the District spending money on perishable goods they can’t/won’t use? The contractor has no cost incurred for waste on their end – in fact they profit 5% on all wasted goods in this contract structure.