



PARKS AND RECREATION DEPARTMENT

QUINLAN COMMUNITY CENTER
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CITY COUNCIL STAFF REPORT

Meeting: July 18, 2023

Subject

Consider authorizing the City Manager to execute the Fourth Amendment to the recreation agreement with Red Line Gymnastics LLC, DBA Bay Aerials Gymnastics, a Limited Liability Company for Gymnastics Classes and Programs.

Recommended Action

Authorize the City Manager to execute a Fourth Amendment to the recreation agreement with Red Line Gymnastics LLC, DBA Bay Aerials Gymnastics, a limited liability company, increasing the amount by \$643,028.80 for a total amount not to exceed \$817,028.80 and extending the term of the agreement to December 31, 2026.

Reasons for Recommendation

Background

The City has been offering gymnastic classes and programs for children ages one to twelve at the Monta Vista Recreation Center for over 40 years. In 2019, the Parks and Recreation Department conducted a Request for Qualifications and selected Red Line Gymnastics LLC, DBA Bay Aerials Gymnastics, a limited liability company, (“Bay Aerials Gymnastics”) to be awarded a contract to provide gymnastics classes and programs under the City Manager’s authority. Programming with this contractor began in January 2022.

The contract terms are a 60/40 split on revenue collected for classes and camps with the contractor receiving 60% and the City receiving 40% of the revenue from registration. The contractor administers the program, including hiring and training any instructors as well as providing and maintaining the specialized equipment. The city provides the facility, registration program and processing, and a listing in the recreation class schedule. Offering specialty recreation classes and programs through contracts such as these are an industry standard and occur commonly in surrounding cities such as Campbell, Sunnyvale, Santa Clara, and Mountain View.

Bay Aerials Gymnastics began building and establishing a reputation for the program and

participation has steadily and consistently increased. With the success and growth of the program three amendments have been executed under the City Manager’s authority to increase the total contract amount and extend the term of the agreement. As with all classes and programs offered through the Parks and Recreation Department, an increase in registration reflects greater community interest in the offerings and results in increased revenue for the City. The contract amendment requested will exceed the City Manager’s purchasing authority under Cupertino Municipal Code section 3.22.060(A) and the City’s Purchasing Policy. Increasing this contract would allow the gymnastic classes and programs to continue to be offered through December 2026 and continue to produce revenue for the City that exceeds the amount paid to the instructor.

Sustainability Impact

No sustainability impacts.

Fiscal Impact

The City currently has an agreement with Bay Aerials Gymnastics to administer the gymnastics program at Monta Vista Recreation Center. The gymnastics program offered at Monta Vista Recreation Center is run through G/L account 580-62-630 Outdoor Recreation.

The extended term of the contract will cover programmatic costs and estimates through December 31, 2026.

Calendar Year	Gross Revenue	Contractor Payment	Net Revenue
2022 Actuals	\$ 149,110.00	\$ 89,466.00	\$ 59,644.00
2023 Actuals (to date)	\$ 84,508.00	\$ 50,704.80	\$ 33,803.20
2023 Projected (July to December)	\$ 158,333.33	\$ 95,000.00	\$ 63,333.33
2024 Projected	\$ 279,268.33	\$ 167,561.00	\$ 111,707.33
2025 Projected	\$ 321,160.00	\$ 192,696.00	\$ 128,464.00
2026 Projected	\$ 369,335.00	\$ 221,601.00	\$ 147,734.00
Total	\$ 1,361,714.67	\$ 817,028.80	\$ 544,685.87

California Environmental Quality Act

The proposed contract amendment is exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines section 15301 (operation of an existing facility).

Prepared by: Jenny Koverman, Recreation Manager
Reviewed by: Rachelle Sander, Director of Parks and Recreation
Approved for Submission by: Pamela Wu, City Manager
Attachments:

- A – Bay Aerials Gymnastics Agreement, First, Second, and Third Amendments
- B – Draft Fourth Amendment