



Legislation Details (With Text)

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Title: RESOLUTION RESCINDING BOARD OF PORT COMMISSIONERS POLICY NO. 451: USE OF THE DISTRICT'S PORTABLE STAGE

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Date	Ver.	Action By	Action	Result
2/11/2020	1	Board of Port Commissioners	adopted	

DATE: February 11, 2020

SUBJECT:

RESOLUTION RESCINDING BOARD OF PORT COMMISSIONERS POLICY NO. 451: USE OF THE DISTRICT'S PORTABLE STAGE

EXECUTIVE SUMMARY:

For more than 20 years, the District has owned, maintained, and installed a portable stage per BPC Policy No. 451: Use of the District's Portable Stage. The policy provided the portable stage for use at both District-sponsored and internal agency-produced events.

General Services staff determined in late 2019 that the portable stage is now well-beyond its useful service life and has deteriorated to the point that it is no longer a viable asset. Upon consideration of the costs associated with acquiring a single replacement portable stage, the long-term storage and maintenance requirements, the labor related expenses required to deliver, install and strike the stage, plus safety considerations, staff does not recommend replacing this asset.

During their review of the matter, staff determined that the as-needed rental of a portable stage from a commercial provider is a more cost-effective solution that allows for greater flexibility in size and features to best fit each event's unique footprint and needs. Renting also allows for the use of stages at events occurring on the same day at different locations and has lesser legal risks than owning a stage and using District workers to perform the tasks related to providing a stage (e.g., maintenance, set-up and break-down, transportation). As such, this agenda item requests the Board adopt a resolution to rescind BPC Policy No. 451: Use of the District's Portable Stage, and enable the District to implement a more efficient, effective and economical business practice for providing stage services for District-produced events on tidelands.

Historically, the District stage has been used primarily for external events that have applied for District sponsorship under the annual Tidelands Activation Program (TAP). As part of the FY21 TAP application process, applicants were already informed that the District's portable stage was decommissioned and no longer available for sponsorship request. If a TAP event requires the use of a stage, the applicant will include the cost of a stage rental in their itemized budget of event-related expenses which they provide to staff as part of the TAP application process. Most events, including TAP Signature Events and business negotiated events, often require multiple stages and desire appropriately-sized contemporary stages that are suitable for the special event needs. As such, in most instances the District's portable stage was not used as the main event stage. As a current practice, members of the general public and other event producers who request park permits, do not request the District's portable stage and already contract directly with professional equipment rental companies.

RECOMMENDATION:

Adopt a resolution rescinding Board of Port Commissioners Policy No. 451: Use of the District's Portable Stage.

FISCAL IMPACT:

A cost analysis of stage rental versus ownership, as presented in the discussion section below, indicates the potential for reduced operational and maintenance costs with the as-needed rental option, as well as significant capital cost savings in not having to purchase a replacement for the current deteriorated stage. The Waterfront Arts & Activation department has a line item in its Non-Personnel Expense budget for event-related equipment rentals, as needed.

COMPASS STRATEGIC GOALS:

Discontinuing the use of the District's portable stage and rescinding the policy governing its use will help to ensure that well-maintained stages of the appropriate size will be available to the District on an as needed basis for any District-produced event. This agenda item supports the following Strategic Goal(s).

- A vibrant waterfront destination where residents and visitors converge.
- A Port that is a safe place to visit, work and play.

DISCUSSION:

Since 1998, the District has owned and maintained a portable stage and provided it, as requested, to special events primarily sponsored through the Tidelands Activation Program (TAP) and, on occasion, at events that the District produces. The District's General Services staff members provide the staffing resources to install the portable stage. BPC Policy No. 451: Use of the District's Portable Stage, contains the criteria under which the District will provide the portable stage to an event sponsor. Now in an advanced state of deterioration, the portable stage is no longer safe to use.

In evaluating solutions and upon considering the recurring maintenance obligations of District assets, staff analyzed the purchase of the new stage as well as the current practice of offering the District's stage as an amenity for events. The analysis determined the following:

- Acquisition of a new portable stage comparable to the decommissioned asset would cost approximately \$110,000 to \$150,000, based on the desired accessories and features.
- The current portable stage requires a three-person crew, consisting of a General Services Department Equipment Operator and two General Services Maintenance Workers, for a total six (6) hours each to retrieve the portable stage from storage and then transport, deliver, set up, strike, and return it to storage. In many instances, the stage installation and strike occur on weekends and holidays which can incur overtime costs.

The following chart shows the District labor cost, including burden and overhead, to provide the portable stage to an event. Labor cost ranges from approximately \$2,290.02 to \$3,435.18 per use.

Classification	Hours Required	Regular Rate	Cost at Regular Rate	Overtime Rate	Cost at Overtime Rate
Equipment Operator	6	\$164.42	\$986.52	\$246.43	\$1,478.58
Maintenance Worker	6	\$108.70	\$652.20	\$163.05	\$978.30
Maintenance Worker	6	\$108.70	\$652.20	\$163.04	\$978.30
Total			\$2,290.02		\$3,435.18

An unintended consequence of assigning General Services staff to provide portable stage services, is that the eighteen (18) hours of labor are diverted from other priority maintenance needs in the District's public parks and open spaces.

The following chart shows the usage of the District's stage during the past three calendar years.

Calendar Year	Stage Usage at Port-Produced Events	Stage Usage at Port-Sponsored Events	Approximate Labor Cost to District*
2019	2	12	\$48,093
2018	0	15	\$51,528
2017	0	11	\$37,787

**calculated based on current year fully burdened overtime rates*

In addition to the labor costs indicated above, there are other costs associated with maintenance of the District-owned stage and the trailer used to transport it.

The cost to rent stages for events from a service provider is variable and typically based upon the stage size, rental time period, and features. Staff determined that the rental of a portable stage that is comparable in size to the District's decommissioned portable stage would cost approximately \$2,200 per event. The per use rental rate is slightly less than the minimum regular labor cost incurred by the District to provide its portable stage. However, savings increase when considering overtime rates. Contracting with a service provider offers greater flexibility regarding stage size and could include specialty features such as drapery, rigging trusses, etc. The business case for utilizing rental equipment also relieves the District of the responsibility to maintain, repair, store, or install and strike a portable stage. The rental provider would assume liability for the stage's integrity and safe operation, thus lessening the District's legal exposure at a District-produced event.

Further, it is intended, with the rescission of Board Policy No. 451, that the District would discontinue providing stage service to non-District-produced events, including TAP events and business negotiated events. However, event organizers could request funds to be used for stage rental expenses when seeking District sponsorship. As discussed above, the anticipated cost of renting a similarly sized stage for such events would be less than waiving the District's personnel costs associated with providing the existing stage. Providing funding for equipment rental expenses, as opposed to providing the portable stage and associated services, would also alleviate the District's legal risks inherent in providing a portable stage to sponsored events.

In summary, staff determined that renting a portable stage from a commercial provider, when needed for District-produced events, is more cost-effective; provides greater flexibility for a wide-range of events and venue conditions; alleviates the need to manage, maintain and install such an asset; and reduces liability to the District. Events applying under the TAP, will include expenses associated with stage rental, as part of the application submittal. Given these benefits, and as the District-owned stage has been decommissioned and is pending disposal, staff will rent stages on an as-needed basis to support future events. In the absence of a District-owned stage, BPC Policy No. 451: Use of District's Portable Stage, is no longer needed and staff is requesting the Board adopt a resolution to rescind the policy.

General Counsel's Comments:

The General Counsel's Office has reviewed the agenda sheet and attachments, as presented to it, and approves them as to form and legality.

Environmental Review:

The proposed Board direction or action, including without limitation, a resolution rescinding BPC Policy No. 451: Use of the District's Portable Stage because the District's portable stage has passed its usable service life and will not be replaced, does not constitute a "project" under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA. No further action under CEQA is required.

In addition, the proposed Board direction or action complies with Section 35 of the Port Act which allows the Board to perform acts necessary and convenient for the exercise of its powers. The Port Act was enacted by the California Legislature and is consistent with the Public Trust Doctrine. Consequently, the proposed Board action is consistent with the Public Trust Doctrine.

Finally, the proposed Board direction, or action, and presentation does not allow for "development," as defined in Section 30106 of the California Coastal Act, or "new development," pursuant to Section 1.a. of the District's Coastal Development Permit Regulations. Therefore, issuance of a Coastal Development Permit or exclusion is not required.

Equal Opportunity Program:

Not applicable.

PREPARED BY:

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Attachment(s):

Attachment A: BPC Policy 451: Use of the District's Portable Stage