

17133 Valley Blvd Management Proposal

Objective: Provide management services for the City of Fontana (hereinafter referred to as “City”) for the property located at 17133 Valley Blvd, Fontana, CA 92335.

Background of Management Company: **KC Management, LLC** (hereinafter referred to as “Management Company”) currently has five hotel properties under management, spread out between California, Texas, and New Mexico. All properties are well maintained and highly rated on review platforms.

Proposed Terms: 4 months with optional 60 day extensions

- Management Term: ~~6 Months~~. If City needs management for a longer period can be extended on a month-to-month basis as needed.
- Management Company will hire employees, pay employees, manage employees, and provide overall management of property for the City as needed/required.
- Management Company will be responsible for the following:
 - Checking in and checking out approved guests per City requirements.
 - Providing guests with hospitable service and reasonable accommodations.
 - Making sure common areas and parking lot are clean and in order on a regular basis.
 - Making sure rooms are cleaned, inspected, and turned over on a regular schedule per City requirements.
 - Making sure all linens, bed sheets, towels, etc. are washed and ready for guests.
 - Reporting maintenance issues to City and coordinating repairs per city approval if needed.
 - Maintaining required insurance related to management duties in limits acceptable to City.
 - Any other management responsibilities as determined by the City.
- Management company **will not** be required to:
 - Maintain any insurance related to the building (Fire, Earthquake, etc.)
 - Pay for repairs/maintenance.
 - Pay for or provide supplies (toilet paper, soap, laundry chemicals, linens, blankets, etc).
 - Pay utilities.
 - Pay for TV, Internet, or Phone service.
 - Pay for operating equipment.

Budget:

- \$30,000 per month (estimated*)

Proposed budget will allow Management Company to cover all associated costs for the following:

- Payroll for Front Desk Staff, and Housekeeping,
- Payroll Tax
- Payroll processing
- Flat Management Fee
- Workers Compensation, General Liability, and Employment Practices Liability Insurance in limits required by city.

Management Company proposes City provide a **\$45,000**** initial retainer to cover initial operations and any potential reimbursement delays.

Management Company will provide bank statements for operating account, payroll reports, payroll processing invoice, insurance invoice, and flat management fee invoice to the City in the following month by the 10th day for verification and reimbursement. Management Company will return any unused funds to the City upon termination and/or end of term.

*This is an estimated budget based on Management's experience and quotes received for certain line items. Actual budget may vary slightly.

**Management Company requests retainer in order to support initial operations, and any possible delays in reimbursement.

From: [Phillip Burum](#)
To: [Cybele Collins](#)
Cc: [Laurie Miller](#)
Subject: Fwd: Hotel operations
Date: Friday, May 10, 2024 2:10:46 PM
Attachments: [17133 Valley Blvd Management Proposal.pdf](#)

Cybele

Attached is a proposal to operate the hotel for us. They were not part of the bid process that happened several months ago. This proposal is exclusively for basic hotel operating, without the services that the two respondents included in their RFP responses

So, this is a sole source. The vendor is being selected for their specialized knowledge of hotel operations and this property specifically (they used to own and operate this hotel).

I need this to go to city council on May 28 so we can start their service on June 15 and get the hotel opened and serving the homeless

The only change to the proposal is the term will be 4 months with optional 60-day extensions (rather than 6 months with 30 day extensions)

Can you get this processed / prepared for me, including getting it in the city council agenda and having the retainer check ready for them prior to their start date (June 15)?

Please let me know early next week if this is something you can take care of or if you have any questions

Thanks

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Phillip Burum

Deputy City Manager • Development Services
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From: Vishal Patel <vishalkiritpatel@gmail.com>
Sent: Friday, May 10, 2024 2:07:02 AM
To: Phillip Burum <pburum@fontanaca.gov>
Subject: Re: Hotel operations

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Hi Phil,

Good morning!

Apologies for the delay. Please see the attached proposal. Please let me know if you have any questions or would like to discuss anything over a quick call.