



OFFICE OF THE CONTROLLER

CITY OF PHILADELPHIA PENNSYLVANIA

**DEPARTMENT OF
RECREATION**

**Administration of
Robin Hood Dell East
Needs Improvement**

October 2006

**Alan Butkovitz
City Controller**



CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER
1230 Municipal Services Building
1401 John F. Kennedy Boulevard
Philadelphia, PA 19102-1679
(215) 686-6680 FAX (215) 686-3832

ALAN BUTKOVITZ
City Controller

ALBERT F. SCAPEROTTO
Deputy City Controller

October 24, 2006

Mr. Victor N. Richard, III, Commissioner
Recreation Department
1515 Arch Street, 10th Floor
Philadelphia, PA 19102-1587

Dear Commissioner Richard:

The City Controller's Office has performed an assessment of entertainment scheduling for the Department of Recreation's Robin Hood Dell East facility pursuant to Section 6-400 (d) of the Home Rule Charter. This assessment was an objective and systematic examination of procedures to determine if reported delays in the booking of acts at the Dell East for the 2006 summer entertainment series were in fact true, and if so, to establish the reasons and offer corrective action for future entertainment series at the venue. A synopsis of the results of our work is provided in the executive summary to the report.

We discussed our findings and recommendations with you at an exit conference. You agreed with them and did not consider it necessary to issue a written response. We believe that our recommendations, if implemented by management, would improve the effectiveness of scheduling entertainment at the Dell venue in the future. Our recommendations have been numbered to facilitate tracking and follow-up in subsequent years.

We would like to express our thanks to you and your staff for the courtesy and cooperation displayed during the conduct of our work.

Very truly yours,

ALAN BUTKOVITZ
City Controller

cc: Honorable John F. Street, Mayor
Honorable Anna C. Verna, President
and Honorable Members of City Council
Members of the Mayor's Cabinet



Department of Recreation
Administration of Robin Hood Dell East Needs Improvement

Executive Summary

Why the Controller's Office Conducted this Review

Robin Hood Dell East is an outdoor amphitheater that seats almost 9,000 individuals and is managed by the City's Department of Recreation. The Dell East is a community-service venue that provides citizens of Philadelphia with an opportunity to attend summer concerts, featuring widely renowned entertainers as well as local talent. The 2006 summer concert series at the Dell consisted of eight shows, the first of which was held on July 10th. Through the Department of Recreation, the City outsourced responsibility for program planning and talent scouting to a consultant that has been retained since the early 1990's. Critics of the Dell East have asserted that the venue has been plagued with problems involving the untimely booking of performers; consequently, ticket sales and concert attendance have been low. In response to these assertions, the City Controller's Office performed a review of City operational procedures dealing with the scheduling of entertainers to confirm the existence of problems and to offer recommendations for improvements.

What the Controller's Office Found

All of the 2006 Dell East summer "Essence of Entertainment" concerts did occur on schedule as intended by the Department of Recreation with the final show held on August 21st. The series featured artists such as the O'Jays, Russell Thompkins, Jr. of the Stylistics, and Grammy Award winner Peabo Bryson to name a few. However, we found that entertainers were indeed being booked late. Poor planning caused the late bookings, many of which took place within days of a performance. The lateness significantly impeded management's ability to effectively advertise and promote the summer concert series. Consequently, ticket sales and concert attendance were adversely impacted; and the City had to subsidize more of the Dell East costs than planned.

Additionally, although many of the contract amounts associated with the concert series were for less than \$25,000, the Recreation Department chose to have formal contracts drawn up instead of utilizing the City's Miscellaneous Purchase Order (MPO) procedures, which may have taken less time to complete. Moreover, the agreement awarded to the Dell East consultant needs to include terms that more clearly address performance deadlines, fix accountability for achieving those deadlines, and disclose any related third-party involvement.

What the Controller's Office Recommends

The City Controller's Office recommends that the Department of Recreation initiate the contract processes for the next Dell East concert series sooner, in order to improve the scheduling of entertainment events and thus improve ticket sales and attendance. The department should also consider availing itself of the City's MPO procedures where possible and stipulating, in its proposal request for consulting services, language that specifies objective and measurable performance criteria and discloses the involvement of any third-party relationships. These recommendations are discussed further in the body of the report.

To view the full report, click on the following link: <http://www.philadelphiacontroller.org>.

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INTRODUCTION

BACKGROUND

Robin Hood Dell East, located in East Fairmount Park, is an outdoor amphitheater that seats almost 9,000 individuals (see Figure 1). Built in 1930 to accommodate the growing popularity of the free summer concert series, which began in the early 1920s at the Lemon Hill Concert Pavilion in Fairmount Park, the Dell East has become a community-service venue providing low cost entertainment to citizens who may be financially restricted. Citizens

Figure 1: Robin Hood Dell East Amphitheater



interested in purchasing 2006 season tickets for the eight-concert series — the first of which occurred on July 10th and the last on August 21st — could do so at a cost that ranged from \$125 to \$155. Individual show tickets ran from just \$14 for lawn tickets to \$24 for the highest price seating sections. Additionally, there are also complementary tickets offered.

Since at least the early 1990s, the Department of Recreation has used a consultant to aid Robin Hood Dell East staff employees identify and review potential performers and even emcee the series. In recent years, the consultant's role has expanded to one of providing program planning services, as well as scouting for talent. In providing program planning services, the consultant is required to coordinate public relations, and promote each of the eight shows. In supplying talent scouting services, the consultant identifies and assists potential performers in making applications to the City and assists the City in negotiating contracts with performers chosen by the Recreation Commissioner. Although not a party to the City contract with the consultant, a private company owned and operated by the consultant's son often represents many of the entertainers performing at the Dell summer concert series.

OBJECTIVE, SCOPE, AND METHODOLOGY

Based on a number of media reports asserting mismanagement of the 2006 Robin Hood Dell East summer concert series that resulted in the untimely announcement of scheduled entertainers and consequently, poor concert attendance throughout the season, we chose to review the venue's operations to (1) confirm the existence of the assertions; and (2) determine to what extent operational deficiencies played a role in any of the confirmed assertions.

To confirm the existence of an untimely announcement of performers for the 2006 Dell concert series, we observed the entertainment schedule as it existed on July 21st, nearly three weeks into the concert series. We obtained and reviewed Recreation Department records supporting ticket sales and attendance at the Dell summer concert series for the past five years

(2002 through 2005). To ascertain the impact of a late performance schedule, we spoke to an entertainment promoter that had sponsored shows, which had better ticket sales and were independent of the City-subsidized summer concert series. We also compared ticket sales for the five-year period against an estimated promotion time for the same period of time. We developed the yearly estimated times by establishing the lengths of time from each contract signing date to performance date and computing an average of these times.

To address the extent to which operational deficiencies played a role in any of confirmed assertions we made inquiries of key employees of the Recreation Department and the Law Department that were intimately familiar with Dell East operations and procedures for scheduling performers. We spoke to the consultant engaged to provide program planning and talent scouting services, as well as the related-third party company representing many of the entertainers performing at the Dell. We conducted these interviews to understand the process of how the concert series is operated and identify causes for any delays that became apparent.

We conducted our work between July and September 2006 in accordance with generally accepted government auditing standards.

MORE EFFECTIVE PLANNING NEEDED TO IMPROVE DELL EAST OPERATIONS

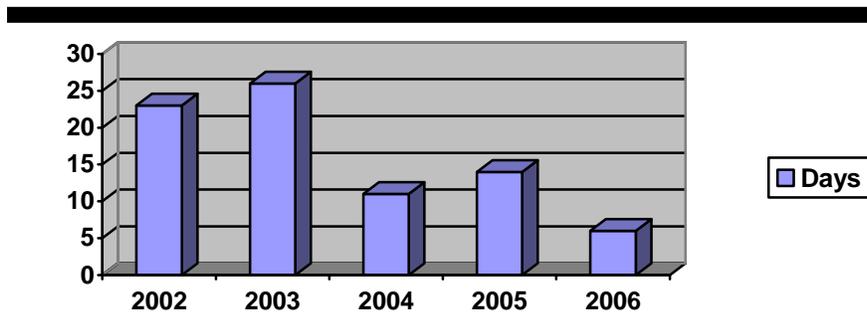
Titled the “Essence of Entertainment”, the Dell East concert series for the summer of 2006 came about as anticipated. The series featured artists such as the O’Jays, Russell Thompkins, Jr. of the Stylistics, and Grammy Award winner Peabo Bryson to name a few. However, the 2006 concert series was plagued with delays in booking entertainers, some of whom were booked just days before their scheduled performance. The late bookings, which occurred because of poor planning, significantly impeded management’s ability to effectively advertise and promote the summer concert series. Consequently, ticket sales and attendances were adversely impacted, and the City had to subsidize more of the Dell East costs than planned.

Delays Experienced In Booking Concert Entertainers

Although each of the City-sponsored concerts occurred on schedule, the line-up of performers booked for each show was significantly delayed. For instance, as late as July 21th, performers for five of the remaining 2006 summer dates, which ended August 21st, had yet to be announced by Recreation Department officials.

Our review of contracts signed by the City Recreation Commissioner and performers for the past five summer seasons indicates that dates entertainers have been booked for shows have, except for 2003, overall become progressively later each season since 2002. Figure 2 below shows that the average number of days from contract signing with the entertainers to engagement dates has gone from 23 days in 2002 to just six days in 2006. Several contracts for 2006 were signed just days before the show, with one even signed eight days after the entertainer’s performance.

Figure 2: Days from Performer Contract Signing to Engagement Date



Source: Prepared by the Office of the City Controller based on analysis of performer contracts

Effective Entertainment Promotion Requires Early Bookings

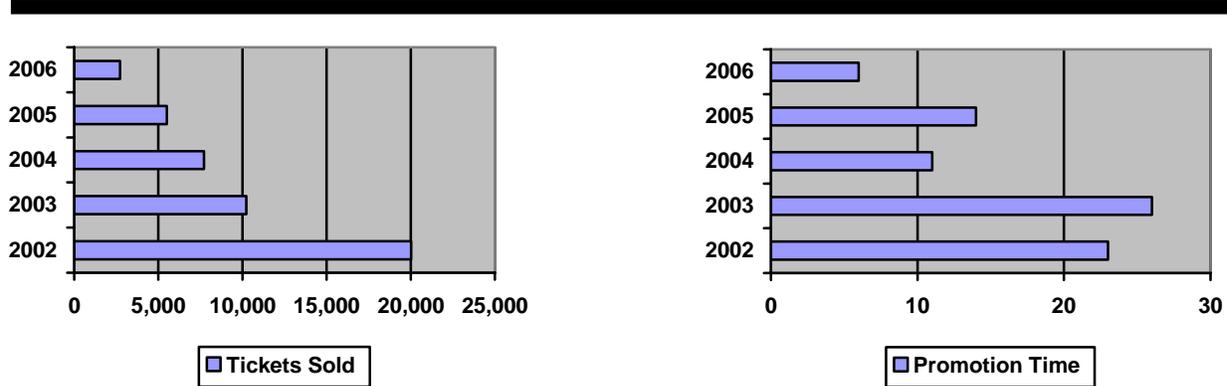
An expert entertainment promoter to whom we spoke suggested that entertainers be booked for a concert performance 30-60 days prior to the show. This time is needed to properly advertise and promote the concert. Because promotion and advertisement of an entertainer can only occur after a contract is signed, it is important for the City to have contracts with all

top-billed entertainers for the summer concert series signed and in place by the end of April each year. Both the City’s Recreation Commissioner and a former Deputy Commissioner of the department concurred with this assessment.

Lack of Promotion Adversely Impacts Ticket Sales and Attendance

Without adequate advertising and promotion, concert ticket sales and attendance are negatively affected. Our analysis (see Figure 3) of tickets sold at the Dell East for the last five years compared to the time available to promote entertainers does show there is a relational pattern between the two variables. For example in 2002, when promotion time averaged 23 days, Recreation Department records show that ticket sales for the season totaled 20,034. In 2006, when promotion time averaged six days, records indicate that ticket sales amounted to just 2,721 for the season.

Figure 3: Tickets Sold vs. Promotion Time



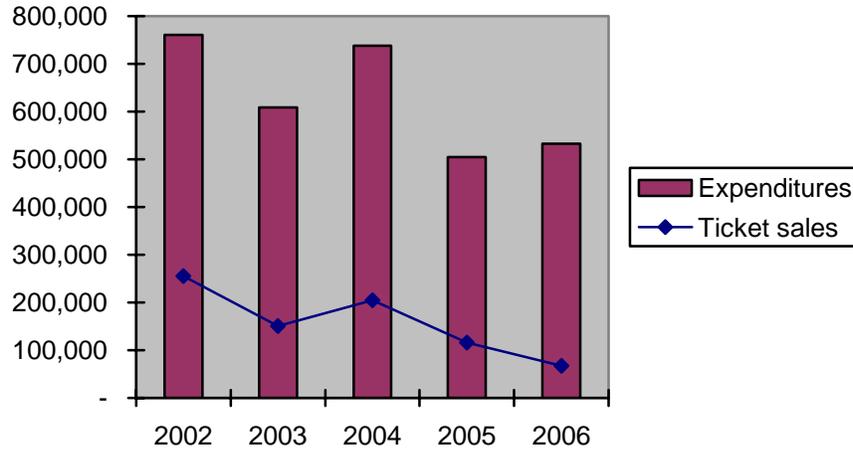
Source: Prepared by Office of the City Controller based on analyses of records provided by the Department of Recreation

Additionally, a private promoter that rented the Dell from the City for a performance by entertainer Teena Marie on July 1st was able to begin advertising 60 days in advance, and the tickets sold for that one show alone exceeded tickets sold for the entire 2006 “Essence of Entertainment” concert series. Moreover, that same promoter told us that he himself has experienced less than optimal ticket sales whenever he had insufficient time to advertise and promote a particular artist.

Poor Ticket Sales Leads To City Subsidizing Higher Percentage of Costs

While the summer concerts are primarily a community service, the more tickets that can be sold eases the burden on the City to fund Dell operations. As shown in Figure 4 on the next page, for the five years we examined, ticket sales at the Dell have never been enough to cover total summer concert expenditures. In 2002, for example, when concert expenditures totaled nearly \$761,000, ticket sales covered 34 percent of the concert costs. Through the last several years, however, ticket sales have plummeted, and in 2006 they covered just 13 percent of the costs, leaving the City having to fund a higher percentage of the expenditures.

Figure 4: Robin Hood Dell East – Entertainment Expenditures vs. Ticket Sales



Source: Prepared by the Office of the City Controller based on Department of Recreation records showing concert costs and ticket sales receipts

Poor Planning Led To An Ineffective Promotional Campaign

The planning process for the 2006 “Essence of Entertainment” concert series began much too late for any effective promotional campaign. For instance, the contract to conduct program planning and talent scouting, in our opinion, should have been in place by January 2006 with the major entertainers’ identified no later than March 2006. We found the program planning and talent scouting contract was not finalized until June 23, 2006, just 16 days before the first scheduled performance on July 10th.

Additionally, the earliest entertainer agreement we observed was with performer Peabo Bryson, which although dated May 10, 2006, was never signed until August 4, 2006, just seventeen days before his scheduled appearance on August 21st. Table 1 on the following page shows the entire lineup of entertainers appearing at the Dell, along with their scheduled appearance date, agreement date, and contract signing date. The table clearly shows that the majority of contract agreement dates were much too late to have completed a lineup schedule prior to the start of the series (July 10th). Moreover, signing dates in many instances were less than a week prior to the engagement date. In one instance, for Power Glide, the contract was actually signed after the entertainer performed on July 17th.

Table 1 also demonstrates that, except towards the end of the series, there appeared to be a significant amount of time elapsed between the contract agreement dates and the contract signing dates. For example, it took almost two entire months to finalize the Russell Thompkins, Jr. agreement. Neither the Recreation Department nor the Law Department could provide us with specific reasons, but a representative of the Law Department suggested that in finalizing the agreements, it often requires meetings and then negotiations with the entertainers or their agents.

Table 1: Schedule of Entertainers, Performance Dates, and Key Contract Dates

<u>Entertainer</u>	<u>2006 Performance Date</u>	<u>2006</u>	
		<u>Contract Agreement Date</u>	<u>Contract Signing Date</u>
Charles Jones	July 10	June 22	July 6
Power Glide	July 17	July 10	July 25
O'Jays	July 17	July 10	July 12
The 50's DooWop Review	July 24	July 10	July 21
Gospelrama	July 26	June 5	July 21
Russell Thompkins, Jr. and New Stylistics	July 31	May 29	July 27
The Whispers	July 31	July 12	July 26
Jaguar Wright	August 7	July 28	August 3
Enchantment	August 7	August 2	August 3
The Dramatics	August 7	August 2	August 3
The Temptations	August 14	July 10	August 4
Ray, Goodman, Brown	August 14	August 9	August 9
Urban Guerilla Orchestra	August 14	August 9	August 9
Peabo Bryson	August 21	May 10	August 4
Francine Stone	August 21	August 9	August 9
Marcus Johnson	August 21	August 10	August 10

Source: Prepared by the Office of the City Controller based on analysis of contracts supplied by the Recreation Department

Other Contractual Issues Requiring Improvement

In the process of completing work to satisfy the objectives of this audit, we observed two other matters about the Recreation Department's various summer concert agreements that management should consider changing in the future. First, although many of the contracts, including those of the program planning and talent scouting consultant as well as the entertainers were under \$25,000, the Recreation Department chose to have formal contracts drawn up instead of utilizing the City's Miscellaneous Purchase Order (MPO) procedures. In our opinion, drawing up a formal legal document can, in many instances, take longer to process than establishing the MPO. Second, the agreement for professional services involving program planning and talent scouting needs to include terms that more clearly address performance deadlines, fix accountability for achieving those deadlines and disclose the related-party relationship the consultant has with the third party company that frequently represents many entertainers selected to perform at the concert series. Such terms, if included within a future MPO type agreement, can better ensure timely service and protect the interests of the City.

Recommendations:

To ensure a timely promoted summer concert series and an improved contractual arrangement associated with the Dell operation, we recommend that the Recreation Department implement the following suggestions:

- Initiate the contractual agreement processes sooner. The agreement to conduct program planning and talent scouting should be in place by the end of each January. Major entertainers should be identified no later than March, and all entertainer agreements signed and in place at least 30 days prior to the scheduled performance. [20705.01]
- Reconsider the need to draw up formal legal-written contracts for professional services under \$25,000. In doing so, however, we remind management to follow the guidelines for processing MPOs as directed by the City's Finance Office. Such procedures include:
 - introducing competition into the selection process to the extent that it is cost beneficial;
 - documenting the competition process or, if such a process is considered impractical, then formally recording management decisions as to why it was not feasible; and
 - requiring professional-service vendors to comply with all the disclosure guidelines for processing MPOs. [20705.02]
- Develop a proposal request for consulting services that contains language specifying objective and measurable performance criteria and requiring disclosure of any third-party relationships. For example, include specific dates for when potential entertainer applications must be received for consideration by the Recreation Department. [20705.03]