



City of San Antonio

Legislation Details (With Text)

File #: 15-6032

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 1/28/2016

Title: An Ordinance approving a Food Services Agreement with SMG Food and Beverage, LLC for concessions and catering services at the Alamodome from March 1, 2016 through February 28, 2031 with no renewal option for an estimated annual revenue to the City of \$2,800,000.00. [Carlos Contreras, Assistant City Manager; Michael Sawaya, Director, Convention & Sports Facilities]

Sponsors:

Indexes: Alamodome

Code sections:

Attachments: 1. INTERVIEW SCORE Summary Matrix-RFP Concession and Catering Alamodome, 2. SBT Contracts Disclosure, 3. Form 1295, 4. SMG Agreement FINAL, 5. Draft Ordinance, 6. Ordinance 2016-01-28-0031

Date	Ver.	Action By	Action	Result
1/28/2016	1	City Council A Session	adopted	Pass

DEPARTMENT: Convention & Sports Facilities

DEPARTMENT HEAD: Michael J. Sawaya

COUNCIL DISTRICTS IMPACTED: District 2

SUBJECT:

Alamodome Concessions & Catering Services Contract

SUMMARY:

An ordinance approving a Food Service Agreement with SMG Food and Beverage, LLC, dba SAVOR Black Tie Joint Venture for the Alamodome from March 1, 2016 through February 28, 2031 with no renewal option.

BACKGROUND INFORMATION:

The Alamodome Food Service Agreement covers all food and beverage service on an exclusive basis for events held in the Alamodome. Included are the rights to provide non-alcoholic and alcoholic beverage services, non exclusive services customarily related to catering, and non-exclusive merchandise or novelty sales and services.

Through various renewals and extensions, this contract is set to expire on February 29, 2016. In order to provide sufficient time in the event of a transition from the incumbent contract, the City issued a Request for Proposal (RFP) on July 31, 2015. Three proposals were received by the October 16, 2015 deadline. The eight-member Evaluation Committee included representatives from Convention and Sports Facilities, San Antonio Sports, Valero Alamo Bowl, UTSA and the Convention & Visitors Commission. The proposals were evaluated based on the firm's qualifications, experience, quality of service, previous performance, reference review, proposed plan, compensation and investment, and food and suite presentation.

The evaluation of each proposal response was based on a total of 100 points; 10 points allotted for experience, background, and qualifications; 15 points allotted for proposed plan and 40 points allotted for Respondent's compensation and investments. Twenty preference points were allotted for the Small Business Economic Development Advocacy (SBEDA) Program, in addition to 10 points allotted for the Local Preference Program and 5 points for the Veteran-Owned Small Business Preference Program.

On November 16, 2015, the Evaluation Committee convened to interview and evaluate the qualifications of the respondents based on their experience, background, and ability to provide all food and beverage service on an exclusive basis for events held in the Alamodome. Based on the evaluation, the Committee recommends SAVOR Black Tie Joint Venture for award as the firm receiving the highest collective score from the evaluation categories.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority and women-owned business participation on the contract. The Goal Setting Committee recommended the application of the M/WBE Joint Venture incentive API, along with subcontracting goals of 13% SBE and 10% M/WSB, based on the participation of SMWBEs on the current contract as subcontractors and suppliers and the availability of SMWBEs to perform on the contract.

In accordance with Local Preference Program, the recommended Respondent received 2.50 points for having an office located within the incorporated San Antonio city limits.

Though points were available to firms meeting the definitions of the Veteran-Owned Small Business Preference Program, the recommended Respondent received no points in the category as the firm is not a veteran-owned small business. Therefore, the Veteran-Owned Small Business Preference Program was not applied.

ISSUE:

The Food Service Agreement for the Alamodome will expire on February 29, 2016. It is critical to the continued success of the Alamodome that the service provider has the ability to meet the expectations of current and future clients. As new construction for the Alamodome renovations begins this year, the awarded concessionaire will need to be established in the facilities to facilitate renovations of the concessions areas.

The contractor will be required to pay the City \$1.6 million for concession stand improvements and is expected to invest \$2.6 million in startup costs at the Alamodome. Following are the key deal points in the new agreement:

- Annual Concessions & Bar sales under \$3,000,000 40%

- Annual sales in excess of \$3,000,001 44%
- Catering Sales 32.5%
- Suite Sales 32.5%
- Merchandise - management fee of 3% of gross receipts

ALTERNATIVES:

Alternatives to approving the Agreement, as presented, include approving the agreement with amendments, postponing or denying approval, or directing City staff to reissue the RFQ with the same or amended terms and conditions. All of these alternatives will delay the execution of a contract and could impact the Alamodome's ability to provide a critical service to our customers once the current contract expires on February 29, 2016.

FISCAL IMPACT:

The value of this contract is expected to be \$7 million in sales of catering and concession services per year and \$101 million in sales over the life of the contract. It will generate approximately \$2.8 million annually in City revenue from commissions from catering and concessions sales and a total of \$42 million in commissions for the length of the contract and renewal option. This revenue is budgeted in the Community and Visitor Facilities Fund.

RECOMMENDATION:

Staff recommends approving the Food Service Agreement with SAVOR in order to continue quality service delivery to Alamodome customers effective March 1, 2016.

This contract is procured by means of Request for Proposal and the Contracts Disclosure Form is attached.