



City of San Antonio

Legislation Details (With Text)

File #: 14-2326

Type: Misc - Professional Services
Agreements

In control: City Council A Session

On agenda: 10/30/2014

Title: An Ordinance authorizing amendments to the catering and concessions services agreements at the Henry B. Gonzalez Convention Center with the RK Group L.L.C. and at the Alamodome with ARAMARK Sports and Entertainment Services of Texas, L.L.C. extending the agreements by 3 months and 5 months, respectively, and providing for a six month renewal option, due to lengthened solicitation processes for new contracts for these services. [Ed Belmares, Assistant City Manager; Michael Sawaya, Director, Convention and Sports Facilities]

Sponsors:

Indexes: Alamodome, Convention Center

Code sections:

Attachments: 1. Draft Ordinance, 2. RKLLC Fourth Amendment to Amend Restate - Signed, 3. Aramark Third Amd to First Amnd and Rstd Agmt(final) - Signed, 4. Aramark Contracts Disclosure Form, 5. RK Group Discretionary Contracts Disclosure Form, 6. Ordinance 2014-10-30-0831

Date	Ver.	Action By	Action	Result
10/30/2014	1	City Council A Session	adopted	Pass

DEPARTMENT: Convention & Sports Facilities

DEPARTMENT HEAD: Michael J. Sawaya

COUNCIL DISTRICTS IMPACTED: Council District 1, Council District 2

SUBJECT:

Amendments to the Catering and Concession Agreements at the Convention Center and Alamodome

SUMMARY:

This ordinance authorizes amendments to the catering and concessions services agreements at the Henry B. Gonzalez Convention Center and the Alamodome with the RK Group L.L.C. and ARAMARK Sports and Entertainment Services of Texas, L.L.C. These amendments extend the expiration of the catering and concessions agreement at the Henry B. Gonzalez Convention Center by 3 months and the concessions and catering agreement at the Alamodome by 5 months due to lengthened solicitation processes for new contracts for these services.

BACKGROUND INFORMATION:

City staff provided the High Profile Contract Council Committee (HPCCC) pre-solicitation briefings for the Catering and Concessions Requests for Qualifications (RFQs) for the Convention Center and Alamodome on May 13, 2014 and August 6, 2014, respectively.

In those briefings, proposed timelines were presented that accomplished all solicitation milestones and would have provided recommendations to City Council in November 2014 for the Convention Center RFQ (10 months prior to the expiration of the RK Group contract on September 30, 2015) and in January 2015 for the Alamodome RFQ (eight months prior to the expiration of the ARAMARK contract on September 30, 2015). This additional time was included as transition periods in the event of a change in contractors.

However, questions by potential respondents related to the Local Preference Program ordinance and its interpretation have delayed the solicitation process. To address the issue, the Finance Department is slated to present proposed amendments to the LPP ordinance to City Council this month.

The LPP amendments, as well as the related SBEDA requirements, merit an extension of the Convention Center solicitation process which results in an adjustment to the City Council consideration date from November 2014 to May 2015. This allows potential respondents adequate time to prepare their proposals to the RFQ. Moreover, since the Alamodome solicitation process overlaps the Convention Center process, this has resulted in a revised City Council consideration date of August 2015 for that item.

In order to allow for sufficient transition time in the event a change of contractor(s) occurs, staff is proposing to extend the expirations of the current contracts with the RK Group and ARAMARK from September 30, 2015 to December 31, 2015 and February 28, 2016 respectively. In addition, six-month extension options are proposed for both contracts as a contingency in the event it is necessary to extend the Convention Center and/or Alamodome solicitation timelines again.

ISSUE:

The current solicitation process timelines for the Catering and Concessions RFQs for the Convention Center and Alamodome culminate in City Council consideration of a new contract in May 2015 and August 2015 respectively. These timeframes do not provide for adequate transition periods before the expiration of the current contracts on September 30, 2015. Therefore, an extension of the current contracts with the RK Group through December 31, 2015 and ARAMARK through February 28, 2016 are proposed to increase the transition periods in the event of a change of contractor(s). Also, six-month extension options are proposed for both contracts as a contingency in the event it is necessary to extend the Convention Center and/or Alamodome solicitation timelines.

ALTERNATIVES:

The alternative is not to extend the current contracts with the RK Group and ARAMARK. This will result in approximately four month and one month transition periods between the current contractors and potential new contractors for the Convention Center and Alamodome respectively. This is especially critical given the Convention Center expansion is slated to open in Spring 2016. It is imperative there be adequate transition periods between the current contractors and any new contractors to ensure an orderly and effective transfer of this most critical of service offerings to event clients at the Convention Center and Alamodome.

FISCAL IMPACT:

The proposed three month contract extension with the RK Group is expected to generate approximately \$1,052,000 in City revenue from commissions from catering and concessions sales. The proposed five month contract extension with ARAMARK is expected to generate approximately \$773,808 in City revenue from commissions from concessions and catering sales.

This revenue is budgeted in the FY 2015 Community and Visitor Facilities Fund.

RECOMMENDATION:

Staff recommends authorizing amendments to both the RK Group and Aramark agreements to extend the expiration dates to December 31, 2015 and February 28, 2016 respectively, with six-month extension options.