



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2.

Agenda Date: 5/17/2017

In Control: City Council B Session

DEPARTMENT: Center City Development & Operations

EXECUTIVE LEADS: Carlos J. Contreras, Assistant City Manager; Kevin Barthold, City Auditor

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT: A briefing and presentation on the river barge concession contract

Background

The City originally issued an RFP for an operator for the river barge concession in June of 2014. The RFP sought a new barge design and an innovative operation reflective of the City's history and culture which would be attractive to both tourists and locals. An evaluation committee interviewed the two firms that were responsive to the RFP: Rio San Antonio Cruises (current operator Pat Boone) and Rio Way Cruises (a joint venture between Ed Torres, Lisa Wong, and Hope Andrade). The committee had serious concerns about the adequacy and quality of both proposals and never completed final scoring of the proposals.

In response to the evaluation committee's concerns and with City Council agreement, in the summer of 2015 City staff separated the river barge design from the concession operator solicitation and issued two separate solicitations. In accordance with the revised approach, the City will buy and own the new fleet and the operator will maintain the fleet and lease it from the City. With City Council's concurrence, AIA San Antonio launched the river barge design competition in October 2015. The 11 member jury included a naval architect, artist, restaurateur, and a variety of key potential users. Additionally, all but one member of the jury was local.

AIA San Antonio received 12 anonymous submittals for the first phase of the competition and the jury selected three finalists for the second phase of the competition based on the following:

- Design innovation;
- Functionality;
- Operational considerations;
- Constructability; and
- Sensitivity to San Antonio's culture.

After receipt of public input through a public open house process, the jury selected METALAB's design as the

competition winner. METALAB is headquartered in Houston, Texas. The design provides for an all-electric fleet with modularity for boats to accommodate a wide range of uses, including tours, dining, events, and new opportunities for the river barge experience. The single-level deck design allows for greater wheelchair accessibility with adjacent companion seating. The durability of materials requires minimal ongoing maintenance and the decorative railings provide enhanced passenger comfort with increased capacity.

Upon completion of the design documents, the City awarded the contract to Lake Assault Boats to manufacture 43 new electric powered barges on December 1, 2016. The City received 4 responses to the solicitation. None of the respondents were from Texas. The first delivery of barges is scheduled for September 2017 with the full fleet arriving in mid-November.

Operator Selection

The next step was to issue the RFP for the operator of the new fleet. An RFP was issued on October 4, 2016. According to the RFP:

- The operator should deliver new river barge programming that enhances the customer experience and is reflective of San Antonio's culture, history, and authenticity. The experience must be equally relevant to local passengers as well as visitors;
- The operator should employ strategies that leverage San Antonio's unique and diverse cultural assets and physically and emotionally connects its residents and visitors to our City;
- The operator must also increase the local customer base as a greater percentage of the overall consumer that utilizes the river barges. In Fiscal Year 2016, less than 10% of the riders were from the local community; and
- The operator should provide new and exciting high tech solutions that incorporate technology upgrades and innovation to enhance the customer experience.

First Round:

On January 20, 2017, the City received 4 proposals in response to the River Barge Concession solicitation with three having a San Antonio presence: 1) Mery & Associates, LLC dba Buena Vista Barges; 2) Go Rio San Antonio, LLC, a joint venture between Lisa's Cantina y Café, Landry's Seafood Inn & Oyster Bar, and Hope Andrade; 3) Rio San Antonio Cruises, the current operator Pat Boone; and 4) San Antonio River Cruises, Inc, which is owned by Entertainment Cruises headquartered in Chicago.

An 11 member evaluation committee chaired by Assistant City Manager Lori Houston, reviewed each of the proposals and conducted in person interviews. After substantive discussion, the evaluation committee ranked San Antonio River Cruises, Inc (Entertainment Cruises, Chicago) as the top firm and clearly articulated that San Antonio River Cruises was their strong preference when evaluating Experience and Quality of Proposal. Once the points were assigned for Economic Terms, Local and Veterans Preference, and SBEDA, San Antonio River Cruises, Inc (Entertainment Cruises, Chicago) ranked the top firm.

Second Round:

Due to concerns raised about the interview process, City staff recommended reissuing the RFP and appointing a new evaluation committee. This evaluation committee was comprised of 14 members representing the diverse users of the barge concession, various industries and organizations that the river barge operation would significantly impact. The co-chairs of the committee were Assistant City Manager Carlos Contreras and City Auditor Kevin Barthold. The new RFP was issued on March 1, 2017.

On March 30, 2017, five proposals were received:

1. Rio SA Cruises (current operator);
2. Buena Vista Barges (Mery and Associates);
3. San Antonio River Cruises, Inc (Entertainment Cruises, Chicago);
4. Go Rio San Antonio, LLC (partnership among Landry's, Hope Andrade, and Lisa's Cantina y Café, Inc.); and
5. San Antonio Alamo Cruises (Hornblower Cruises in California).

All proposals were deemed responsive and all five respondents were interviewed by the evaluation committee on April 11th.

The evaluation committee ranked San Antonio River Cruises, Inc (Entertainment Cruises, Chicago) as the top firm and by strong consensus felt that they were the best choice to take the river barge experience to the next level. In fact, the Committee was overwhelmingly in agreement when evaluating for Experience, and Quality of Proposal that San Antonio River Cruises Inc (Entertainment Cruises, Chicago) was the best choice (with a score of 52.3). When the points for Economic Terms were added to the Committee's score for all of the proposals, San Antonio River Cruises, Inc (Entertainment Cruises, Chicago) continued to rank first with a total of 70.4 points and Go Rio San Antonio, LLC ranked third with 53.9 points. In short, in terms of operational experience, capability, proposed plan and economic terms San Antonio River Cruises, Inc (Entertainment Cruises, Chicago) was the clear leader. However, once the points were assigned for Local and Veterans Preference, and SBEDA, there was a virtual tie with Go Rio San Antonio LLC (partnership among Landry's, Hope Andrade, and Lisa's Cantina y Café, Inc) ranking at the top with a 1.02 point difference between it and San Antonio River Cruises, Inc (Entertainment Cruises, Chicago).

Staff Recommendation

Both selection committees (made up of a majority of non-staff evaluators), overwhelmingly recommended San Antonio River Cruises, Inc (Entertainment Cruises, Chicago) as the best company to improve and elevate the barge experience for locals and visitors. In keeping with the guiding principles of the selection process and following the recommendation of now 25 Evaluation Committee members, staff recommends San Antonio River Cruises, Inc (Entertainment Cruises, Chicago) as the new operator. Further, given the high profile nature of this contract, the high visibility of our river barges and its impact on our local community, the publicity surrounding the contract, and the opportunity to secure a new operator with sufficient time for the upcoming Tricentennial celebration beginning in January 2018, staff is also recommending that the top two ranked teams present their proposals to the Mayor and City Council in a B Session.

Process and Timing

The presentation to City Council is an extraordinary measure but warranted given the unique circumstances of the scoring results. The staff does not recommend this step be added as a standard practice for future competitive proposal processes. Upon completion of the presentations, the Mayor and City Council may discuss the legal issues surrounding the contract in City Council Executive Session. Staff will post the operator contract for Council action on the May 25th City Council agenda.

List of Evaluation Committee Voting Members

First Round:

- Lori Houston, Assistant City Manager, City Manager's Office, Committee Chair
- Xavier D. Urrutia, Director, Parks & Recreation Department
- Maria Martinez, Hotel Lodging Association, General Manager - Marriott Plaza
- Sho Nakopodia, The MightyGroup
- Robert Thrailkill, General Manager - Hilton Palacio Del Rio, Tricentennial Commission President

- Omar Gonzalez, Hemisfair Park Area Redevelopment Corporation, LOOP, Downtown Resident
- Janet Dietel, President, San Antonio Conservation Society
- Vonzetta Hickman, Past President, Fiesta SA Commission
- Jeremy Aguillen, VP of Operations and Guest Experience, The DoSeum
- Andres Esparza, General Manager, Bourdro's
- Suzanne Scott, General Manager - San Antonio River Authority

Second Round:

- Carlos Contreras, Assistant City Manager, City Manager's Office, Committee Co-chair
- Kevin Barthold, City Auditor, Committee Co-chair (Non-voting member)
- Kim Biffle, Vice President of External Affairs, The Witte Museum
- Tim Morrow, CEO & Executive Director - San Antonio Zoo & Chair - San Antonio Tourism Council
- Janet Holliday, President/CEO, The CE Group, Inc.
- Vanessa Hurd, Founding CEO, The DoSeum
- Lorenzo Gomez, CEO - Geekdom & Executive Director - 80/20 Foundation
- John Carbajal, Board Member - Paseo Del Rio & Executive Committee Board Member - SA Restaurant Association
- Edward Benavides, CEO, Tricentennial Commission/Office
- Alex Perez, Partner - Sanudo Perez, PLLC & Co-Chair - 2017 Bond Committee
- Michelle Krupa, Vice-Chair, Brooks Development Authority
- Dee Smith, Board Member Emeritus - Dignowity Hill Neighborhood Association & Civilian - Fort Sam Houston
- Joseph Carreon, Corporate Marketing Manager - Holt Cat & Chairman - Westside Development Corporation
- Jody Newman, Co-Owner, The Friendly Spot & Lavaca Neighborhood Association