



# City of San Antonio

## Agenda Memorandum

**File Number:** 14-1609

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**Agenda Item Number:** 18.

**Agenda Date:** 8/14/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Convention & Sports Facilities

**DEPARTMENT HEAD:** Michael J. Sawaya

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

Extension of Temporary Utility Services License Agreements

**SUMMARY:**

This ordinance authorizes Extension Agreements with Edlen Electrical Exhibition Services of Texas, Inc., Freeman Expositions, Inc. fka Freeman Decorating Services, Inc., and Associated Operations, Inc. dba Harper Wood Electric Co. to provide temporary utility services for events at the Henry B. Gonzalez Convention Center, Alamodome, and the Carver Community Cultural Center, exercising the available two-year extension option from September 15, 2014, through September 14, 2016, with estimated revenue of \$1,800,000.00, based on events.

**BACKGROUND INFORMATION:**

Ordinance 2007-08-30-0918, dated August 30, 2007, originally authorized five Temporary Utility Services License Agreements. Two agreements with SLS Electric and Alarms and CES Electrical respectively were subsequently terminated at the request of the contractor and for lack of a local office. The agreements were for an initial term of five years, September 15, 2007, through September 14, 2012, with two, two-year extension options. Ordinance 2012-09-06-0677, dated September 6, 2012, approved Extensions and First Amendments to the three remaining agreements, exercising the first two-year extension option, September 15, 2012, through September 14, 2014.

Since 1999 the City has had an exclusive list of contractors to provide temporary utility services for events at venues operated by the Convention and Sports Facilities Department. These services include: power; lighting;

compressed air; water and drain lines; fill and drain services; natural gas lines and gas cylinders, and; associated labor. These contractors provide, maintain, and manage all activities associated with the sale, installation, operation, and removal of temporary utility services as requested by short-term event licensees and their contractors. In exchange for the right to provide these services, these contractors pay the City a monthly commission of 30% of their gross sales.

## **ISSUE:**

The first extension options of these three agreements are slated to expire September 14, 2014, and have a two-year renewal option remaining. Both the City and the three parties desire to exercise the second and final extension options at the existing terms and conditions of the amended agreements.

## **ALTERNATIVES:**

Alternatives include not authorizing the Extension Agreements, and/or directing staff to revise the terms and conditions of the Extension Agreements.

The first extension options of the three agreements expire September 14, 2014. If not approved, it's critical the City extend some or all of these agreements for some minimal amount of time beyond September 14, 2014, in order to allow staff sufficient time to conduct a solicitation process to secure contractors. These three agreements generate City commissions of approximately \$900,000.00 annually, so any lapse in these agreements would result in a significant impact to revenue.

The Convention and Sports Facilities Department licenses various event services within its venues, including catering, concessions, telecommunications, and audio/visual services. Although the department has exclusive or preferred contractors in some areas, the department has afforded customers a choice in the provision of temporary utility services.

## **FISCAL IMPACT:**

If approved, this action is expected to generate approximately \$900,000.00 in City revenue annually, or approximately \$1,800,000.00 over the two year extension, based on events.

This revenue is budgeted in the FY 2014 Adopted Budget for the Community and Visitor Facilities Fund.

## **RECOMMENDATION:**

Staff recommends approval of Extension Agreements to the Temporary Utility Services License Agreements with Edlen Electrical Exhibition Services of Texas, Inc., Freeman Expositions, Inc. fka Freeman Decorating Services, Inc., and Associated Operations, Inc. dba Harper Wood Electric Co.