



City of San Antonio

Agenda Memorandum

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Agenda Date: 5/6/2015

In Control: City Council B Session

DEPARTMENT: Convention & Sports Facilities

DEPARTMENT HEAD: Michael J. Sawaya

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Henry B. Gonzalez Convention Center Catering & Concessions Contract

SUMMARY:

This is a staff briefing on the process and recommendation for the selection of a contractor to provide exclusive catering and concession services for the Henry B. Gonzalez Convention Center.

BACKGROUND INFORMATION:

This contract covers all food and beverage service on an exclusive basis for events held in the Convention Center (includes the Lila Cockrell Theatre). Included are the rights to provide event-related non-edible merchandise services (including novelties, souvenirs and programs) for a commercial event. The selected vendor will be responsible for booking catering business for the Convention Center, and becoming an integral member of the Convention Center's Customer Outreach Program.

The current Catering and Concessions Contract at the Henry B. Gonzalez Convention Center was approved by City Council in October 1996. Through various renewals and extensions, this contract is set to expire on December 31, 2015. In order to provide sufficient time in the event of a transition from the incumbent contract, the City issued a Request for Qualifications (RFQ) in May 2014.

The RFQ was released for eight months, and two Pre-Submittal Conferences were held in June and July, 2014 to allow for vendor questions and clarification to the RFQ. Three responses to the RFQ were received; however one was disqualified from the process for failing to meet the requirements of the SBEDA Ordinance.

Specifically, the proposal failed to document how the subcontracting goals established for this contract would be met and failed to request a waiver from these goals.

The evaluation committee consisted of representatives from the City Manager's Office, Convention & Sports Facilities Department, Convention and Visitors Bureau, and Convention & Visitors Commission, and a convention center client representative.

On April 9 & 10, 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 Convention Center. Based on the evaluation, the selection committee will recommend award of the contract to the RK III Culinary Group, LLC.

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 20% SBE and 14% 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.

This contract will also be awarded in compliance with the Local Preference Program (LPP) and the Veteran Owned Small Business Program. A business meeting the definition of local business may be awarded 10 points for being headquartered within the city, or 5 points for having a local office within the city. A business meeting the definition of a veteran owned business may be awarded 5 points.

ISSUE:

The Catering & Concessions Services Contract for the Henry B. Gonzalez Convention Center will expire on December 31, 2015. It is critical to the continued success of the Convention Center that the service provider has the ability to meet the expectations of current and future clients. As new construction of the expanded convention center will be completed in December, the awarded caterer/concessionaire will need to be established in the new facilities before opening for business in early 2016.

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 Center's ability to provide a critical service to our customers once the current contract expires on December 31, 2015.

FISCAL IMPACT:

This is a revenue contract for the City with an estimated commission of \$17 million annually or \$255 million for the length of the contract and renewal option.

RECOMMENDATION:

As this is a Staff Briefing item, a final recommendation will be provided to City Council for their consideration on a later agenda.