



City of San Antonio

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Sponsors:

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Attachments: 1. AU18-C03 Audit of CSF Catering & Concessions Contracts

Date	Ver.	Action By	Action	Result
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AUDIT COMMITTEE SUMMARY
January 29, 2019
Audit of Convention and Sports Facilities Catering & Concessions Contracts
 Report Issued January 9, 2019

Audit Objective

Determine if catering and concessions contracts for CSF properties are adequately managed.

Background

The Convention and Sports Facilities (CSF) oversees the operations and maintenance of City-owned convention, sports, and entertainment facilities including the Henry B. Gonzalez Convention Center and the Alamodome.

In May of 2015, the City contracted with RK Culinary Group, LLC (RK) to provide and manage the Convention Center dining and catering services including merchandise sales and supporting the employee cafeteria. In January of 2016, the City contracted SAVOR Black Tie Joint Venture (SAVOR) to provide and manage on-site dining and catering services to the Alamodome including concession stands, suites, and merchandise sales.

Monthly, RK and SAVOR pay a commission to the City on event sales, based on percentages and type of sale set forth in the contract. Below is a summary of the gross receipts and commissions paid to the City for both concession and catering contracts during FY2017 and FY2018.

**CSF Concession and Catering
Revenue Summary**

Contractor	FY2017		FY2018	
	Gross Receipts	Commission Paid to City	Gross Receipts	Commission Paid to City
RK	\$22,444,085	\$6,495,414	\$24,608,177	\$6,942,106
SAVOR	\$8,643,773	\$2,886,003	\$8,787,236	\$2,551,417
Total	\$31,087,858	\$9,381,417	\$33,395,413	\$9,493,523

Audit Scope & Methodology

The audit scope was from October 2016 through May 2018 and included Convention & Sports Facilities' monitoring of the catering and concession activities conducted by both RK and SAVOR.

To establish our test criteria, we reviewed the catering and concession contracts and interviewed key personnel from CSF responsible for monitoring and managing the catering and concession activities.

As part of our testing procedures we examined controls for ensuring that contractors are providing quality services in compliance with related contracts. We also reviewed the results of routine food inspections and verified contractors maintain active food and beverage permits. Furthermore, we reviewed contractor point of sale systems to confirm that pricing was in agreement with contracted rates and that systems were accurately and completely capturing all sales data. In addition, we verified that contractors are performing background checks and requiring new employees to successfully complete required training prior to working an event. Finally, we tested the accuracy and completeness of the commission payments made to the City.

Audit Conclusion

Effective controls are in place to ensure the catering and concessions contracts for CSF properties are adequately managed.

CSF contractors are providing quality customer service to customers and are accurately capturing register sales resulting in accurate and timely commissions paid to the City. Furthermore, contractor employees are completing their required background checks and training prior to working City events. In addition, CSF contractors have passed their City food establishment inspections and maintain current permits and licenses to operate.

We make no recommendations to CSF Department; consequently, no management responses are required.