



City of San Antonio

Agenda Memorandum

File Number:16-2333

Agenda Item Number: 19.

Agenda Date: 4/14/2016

In Control: City Council A Session

DEPARTMENT: Convention & Sports Facilities

DEPARTMENT HEAD: Michael J. Sawaya

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Extension of Preferred Audio Visual & Exclusive Rigging Vendor Services Agreement

SUMMARY:

This ordinance authorizes an Extension Agreement with Audiovisual Services Group dba PSAV Presentation Services (PSAV) to provide preferred audio visual and exclusive rigging services for events at the Henry B. Gonzalez Convention Center, exercising the available three-year extension option from May 1, 2016, through April 20, 2019, with estimated revenue of \$2,900,000.00, based on events.

BACKGROUND INFORMATION:

Ordinance 2011-04-21-0320, dated April 21, 2011, authorized the original Agreement for Audio Visual and Rigging Services to contract for preferred (non-exclusive) audio visual services and exclusive rigging services for events held at the Henry B. Gonzalez Convention Center.

The agreement was for an initial term of five years, May 1, 2011 through April 30, 2016, with one, three-year extension option, subject to the approval of the City Council.

PSAV provides a full range of AV Services to clients under the Agreement including but not limited to set designs, multi-media production, video services, diamond screen video, video walls, laser lighting, and pyrotechnics and Rigging Services in accordance with planning and engineering, installation, and machinery and equipment guidelines, requirements, and standard operating procedures. The contractor provides services as requested by short-term event licensees and their contractors.

In exchange for the right to provide these services, PSAV pays the City a tiered monthly commission rate

dependent on their annual gross sales. The terms for the renewal would increase the commission percentage as indicated below:

City Commission			
Term	Annual Gross Sales		
	\$0 - \$999,999	\$1,000,000 - \$1,999,999	\$2,000,000 +
Initial	28%	29%	30%
Renewal	30%	31%	32%

The contractor is subject to a Minimum Annual Guarantee (MAG) which continues into the renewal period. If the aggregate City Commission paid per Agreement year for either or both AV Services and Rigging Services is less than the associated aggregate MAG for the Agreement year, the difference between the aggregate City Commission paid and the associated MAG is payable to City by Contractor. PSAV has met their Minimum Annual Guarantee every contract year.

ISSUE:

The original Agreement is slated to expire April 30, 2016 with one, three-year extension option available. Both the City and PSAV desire to exercise the extension option at the existing terms and conditions of the Agreement.

ALTERNATIVES:

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

The Agreement expires April 30, 2016. If not approved, it's critical the City extend the agreement for some minimal amount of time beyond April 30, 2016, in order to allow staff sufficient time to conduct a solicitation process to secure contractors. This agreement generates City commissions of approximately \$967,000.00 annually, so any lapse in the agreement would result in a significant impact to revenue.

FISCAL IMPACT:

If approved, this action is expected to generate approximately \$967,000.00 in City revenue annually, or approximately \$2,900,000.00 over the three year extension, based on events.

This revenue is budgeted in the FY 2016 Adopted Budget for the Community and Visitor Facilities Fund.

RECOMMENDATION:

Staff recommends approval of the Extension Agreement to the Preferred Audio Visual & Exclusive Rigging Vendor Services Agreement with Audiovisual Services Group dba PSAV Presentation Services (PSAV).