



City of San Antonio

Agenda Memorandum

File Number: 19-5337

Agenda Item Number: 16.

Agenda Date: 8/8/2019

In Control: City Council A Session

DEPARTMENT: Convention and Sports Facilities

DEPARTMENT HEAD: Patricia Muzquiz Cantor, Executive Director

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Audio Visual and Rigging Services for the Henry B. Gonzalez Convention Center

SUMMARY:

An Ordinance authorizing the execution of a professional agreement for Audio Visual and Rigging Services for events held in the Henry B. Gonzalez Convention Center with Audio Visual Services Group, LLC dba PSAV-Hotel Services Division for a five (5) year term, with an opportunity to renew for an additional one five (5) year renewal option. This agreement is estimated to generate \$7,573,245 over the initial five-year term. Revenues generated from this agreement will be deposited into the Community and Visitor Facilities Fund to support the activities of the Convention and Sports Facilities Department.

BACKGROUND INFORMATION:

The Convention Center hosts an average of 250 events each year with more than 800,000 convention delegates from around the world to include a variety of conventions, meetings, trade and consumer shows, and civic and community events. The selected respondent will be required to provide preferred audio visual and exclusive rigging services at competitive pricing for events held at the Convention Center. The selected Respondent will provide, maintain, and manage all activities associated with the sale, installation, operation, and removal of services and equipment as requested by the clients. Service areas include exhibit halls, ballrooms, meeting rooms, banquet rooms, lobbies, and registration areas of the Convention Center.

A Request for Proposal (RFP 19-008) was issued on December 14, 2018, to select a qualified firm to provide preferred audio visual and exclusive rigging services for events held in the Convention Center. The RFP was

advertised in the San Antonio Express-News, TVSA channel, and an email notification was released to a list of potential Respondents identified by the Convention and Sports Facilities Department. Additionally, the RFP was posted to the City's Bidding and Contracting Opportunities website. Responses were due January 25, 2019, and a total of three (3) firms responded to the RFP and were deemed eligible for review.

The proposals were reviewed by the selection committee on February 26, 2019, which included representatives from the City Manager's Office, Convention & Sports Facilities Department, Visit San Antonio and the Grand Hyatt San Antonio. The selection committee chose to interview all three (3) respondent firms. After the interviews and discussions were completed, the selection committee finalized their scores. Proposals were evaluated and scored based on the published evaluation criteria in the RFP, which included: Experience, Background, and Qualifications (35 points), Proposed Plan (30 points), Price (20 points), Local Preference Program (LPP) (up to 10 points), and the Veteran-Owned Small Business Preference Program (VOSB) (5 points).

The highest ranked firm, Audio Visual Services Group, LLC dba PSAV-Hotel Services Division was selected for award recommendation.

Some key terms of the proposed agreement include:

- City receives a commission rate of 33% of gross sales for audio visual and 30% for rigging services. (Commission under the current contract ranges from 30-32%)
- \$1.5M Minimum Annual Guarantee
- Respondent will pay \$120K for the Grotto Lighting Project
- Respondent will establish a Maintenance and Repair Fund of 1% of the total AV gross sales (excluding rigging for use by City) for the repair and maintenance for any technology infrastructure or project as determined by the Department
- Respondent will provide discount pricing packages for local companies and local non-profit organizations
- Respondent will provide Business Analytics to City on a quarterly basis, or as requested by City

This agreement will be awarded in compliance with the City's Small Business Economic Development Advocacy (SBEDA) Program. The Goal Setting Committee applied a 5% SBE subcontracting goal. Audio Visual Services Group, LLC dba PSAV-Hotel Services Division has committed to subcontract 5% to a SBE firm.

ISSUE:

The current agreement for Audio Visual and Rigging Services between the City and PSAV expires on September 30, 2019 with no renewal options. Over the eight year term of the last agreement, PSAV has paid the City over \$10,000,000 in commissions.

ALTERNATIVES:

Should this agreement not be approved, the Convention & Sports Facilities Department will need to process individual procurements for audio visual and rigging services. Processing individual procurements will affect the cost of services provided to clients due to non-contract pricing.

FISCAL IMPACT:

The ordinance authorizes the execution of a contract with Audio Visual Services Group, LLC dba PSAV-Hotel

Services Division for Audio Visual and Rigging Services. Commissions are expected to be \$842,000 and \$673,000 respectively, for an annual commission total of \$1,515,000. This agreement is estimated to generate \$7,573,245 over the initial five-year term. Revenues generated from this agreement will be deposited into the Community and Visitor Facilities Fund.

RECOMMENDATION:

Staff recommends authorizing an agreement for Audio Visual and Rigging Services for events held in the Convention Center with Audio Visual Services Group, LLC dba PSAV-Hotel Services Division for a five-year term and one, five-year renewal option.

This contract was procured by means of Request for Proposals and a Contract Disclosure Form is attached.