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COMMUNITY/CONVENTION CENTER
CITY OF SACRAMENTO
SAM J. BURNS, GENERAL MANAGER

April 3, 1980

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Sacramento Community Center Concessions Contract

SUMMARY

The exclusive contract for food and beverage at the Sacramento Community/Convention Center currently held by Volume Services, Interstate United, will expire June 29, 1980.

The City of Sacramento must decide whether to re-negotiate the contract which is currently held by Volume Services, Interstate United, or to put this contract out to bid.

It is this staff's recommendation that we re-negotiate the contract with Volume Services, Interstate United.

BACKGROUND INFORMATION

Prior to the opening of the Community Center in 1974, the City of Sacramento solicited proposals for the food and beverage concessions sold on an individual basis in the Community Center and Memorial Auditorium. (This was not the catering of dinners contract.) The City received six bid proposals and a committee composed of the Community Center Manager, Finance Director, City Purchasing Agent, Assistant City Attorney and a representative of the City Manager's Office evaluated the proposals. It was the conclusion of this committee to select Volume Services, which had the third highest bid. The two highest bids were rejected as being so high it would be impossible for them to perform. Mayor and Council voted to allow Community Center management to negotiate with Volume Services to increase their bid percentage. Community Center management did negotiate with Volume Services and their proposal was raised to 35% from 32%. It was recommended that this figure be accepted. On June 6, 1974, Mayor and Council voted (Resolution No. 74-254) to accept the 35% on a three-year contract with a three-year option.

FILED
By the City Council
Office of the City Clerk

REFER TO
340/FIN comm
APR 8 1980

SACRAMENTO, CALIFORNIA 95814 • (916) 449-5291



In 1977 Volume Services took the three-year option and has been the only exclusive food and beverage concessionaire since the Community/Convention Center opened. This exclusive food and beverage contract will expire June 29, 1980, and the City now has the option of renewing the contract with Volume Services, or soliciting for new bids.

Alternatives:

(1) Re-bid contract:

Pros: (a) City could receive a higher percentage (each percentage point constitutes approximately (\$3,500.00) thirty-five hundred dollars.

(b) City could demand and receive a better capital investment by highest bidder. (The last bid specified that this was a consideration when bids were evaluated.)

Cons: (a) There is a possibility that in the bidding process all bids would come in lower than our present 35%.

(b) Capital investment could be smaller than we presently have.

(c) If Volume Services was not the high bidder and another company was selected there could be a break in our service of alcoholic beverages.

(2) Extension of Volume Service Contract:

Pros: (a) We now have a very favorable percentage (see FINANCIAL DATA).

(b) Continuity of service.

(c) Reinvestment in capital.

Cons: (a) Potential of percentage loss.

(b) Potential loss of capital improvement.

FINANCIAL DATA

Comparative Figures (Other West Coast Facilities)

Fresno	34%
Bakersfield	34%
Long Beach	30%
Phoenix	25%
Tucson	30%
Seattle	32%
Cal Expo	25%

The above is a comparison of different contracts of west coast facilities. The two facilities in this district that are not included are (1) San Jose, where

their Convention Center has a total contract for 14% on catering and 36% on concessions; (2) the Oakland Coliseum, which has a volume of over three million dollars gross with a contract for 37.5%.

Sacramento Community/Convention Center

Annual Gross Figures, with percentage,
Paid to the City of Sacramento:

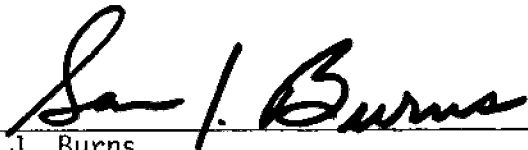
1974-75	\$249,544.00	\$ 87,340.00
1975-76	257,740.00	90,209.00
1976-77	305,083.00	106,779.00
1977-78	316,754.00	110,864.00
1978-79	306,714.00	<u>107,530.00</u>
		\$502,542.00

RECOMMENDATION

It is recommended that:


The City extend the contract with Volume Services under the same terms as the original contract. Volume Services has performed well in every phase of the contract and we feel a break in the continuity would not be in the best interests of the City.

Respectfully submitted,



Sam J. Burns
Community Center General Manager

Recommendation Approved:



Walter J. Slupe
City Manager

SJB/bjk
Attachment: Concession Agreement

April 8, 1980



CITY OF SACRAMENTO

OFFICE OF THE CITY CLERK

915 I STREET

CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814

TELEPHONE (916) 449-5428

LORRAINE MAGANA
CITY CLERK

MEMORANDUM

TO: BUDGET AND FINANCE COMMITTEE

FROM: JACI PAPPAS, ACTING CITY CLERK

SUBJECT: REFERRAL OF ITEM NO. 42, AGENDA OF APRIL 8, 1980

DATE: APRIL 9, 1980

Pursuant to Council action, the following subject matter is referred to your committee for hearing, report and recommendation: Sacramento Community Center Concessions contract.

cc: City Manager
S. Burns, Community Center
Finance Director

CITY OF SACRAMENTO

INTER-OFFICE ROUTING

To:

- Mayor / City Council Office
- City Manager
- Asst. City Manager
- Asst. City Manager, Community Development
- Asst. to City Manager
- Public Information
- City Clerk
- Finance Administration
- Revenues & Collections
- Purchasing
- Central Stores
- Accounting
- Utility Billing
- Data Processing
- City Treasurer
- City Attorney
- Planning Department
- Personnel Administration
- Employee Relations
- Employee Services
- Management Services
- Personnel Selections
- Training
- Police Department

To:

- Fire Department
- Fire Prevention
- Weed Abatement
- Emergency Planning
- City Engineer
- Asst. City Engr. Administration
- Animal Control
- Real Estate & Street Assessment
- Facility Maintenance
- Street Maintenance
- Traffic - Parking
- Water & Sewer
- Building Inspection
- Electrical Inspection
- Plumbing Inspection
- Community Improvement
- Waste Removal
- Equipment Maintenance

To:

- Museum & History Commission
- Recreation & Parks Administration
- Recreation
- Parks
- Golf
- Zoo
- Crocker Art Gallery
- Library Administration
- Housing and Redevelopment
- Community Center
- _____

Note:

- For Your Information
- Return with Recommendations
- Please Comment
- Prepare Draft and Return
- Prepare Letter
- Take Necessary Action
- Investigate and Report
- Per Your Request
- Reply, Send Copy To:
- _____
- _____
- _____

To: SAM BURNS, COMMUNITY CENTER DIRECTOR REFERRAL OF AGENDA ITEM, MEETING OF 4-8-80

Comments ITEM NO. 42: Staff to notify concessionaires of Budget & Finance Committee meeting.

cc: City Manager
Finance Director

Signature  Title or Dept. CITY CLERK Date 4-9-80