



**COMMUNITY/CONVENTION CENTER**

CITY OF SACRAMENTO  
SAM J. BURNS, GENERAL MANAGER

June 10, 1980

CITY MANAGER'S OFFICE  
**RECEIVED**  
JUN 11 1980

City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: Community Center Concession Agreement

SUMMARY

The staff requests that the Council approve the recommendation as set forth and authorize the City Manager to enter into a concession agreement with Volume Services Company of California, Inc.

BACKGROUND

The Budget and Finance Committee reviewed (April 17, 1980) and forwarded to the Mayor and City Council (April 22, 1980) bid specifications for the concessions for food, beverages, vending and novelty sales at the Community Center. Following the adoption of the specifications the City Clerk advertised this, setting May 27, 1980, 10:15AM, as the bid opening.

Notices were mailed to all concerned concessionaires and interested parties that had originally requested bids, plus national concessionaires.

In total nine firms purchased bid packets. Five companies were represented at the pre-bid conference (May 13, 1980), scheduled to answer any questions and to tour representatives, with the others contacting the department at other times. On May 27, 1980, bids were received and opened. Two firms responded: (1) Leisure Food Services, Inc., and; (2) Volume Services Company of California, Inc., the incumbent concessionaire.

-more-

**APPROVED**  
BY THE CITY COUNCIL

JUN 17 1980

OFFICE OF THE  
CITY CLERK

*Cont*  
*6-24-80*



The bids were received as follows:

	<u>Vending</u>	<u>Concessions</u>	<u>Novelties</u>
Leisure Food Services, Inc.	10%	38.5%	10%
Volume Services Company of California, Inc.	10%	38%	50-50% Profit Split

A staff committee of five, representing the Community Center Department, Purchasing Department, Legal and City Manager's Office, met to review the bid proposals.

The criteria of bid selection was computed on the basis of the percentage of gross annual revenue less taxes, with a minimum annual guarantee of \$75,000.00, plus the capital investment of equipment necessary to effectively operate each stand. A minimum qualification for the concessionaire was to be in the business of providing food and beverage service on a per item basis to a facility similar in size and number of events during the immediate past five (5) years.

Based on computation of gross annual revenue for vending; concessions and novelties the bids as received would indicate Leisure Food Services, Inc., would pay a combined 1.08% greater fee.

The submittal from Volume Services Company of California, Inc., on novelties provides a 50-50% profit split. This could increase the City's share up to three percent (3%) depending on commissions paid to vendors.

Volume Services Company of California, Inc., also offered a minimum guarantee of \$100,000.00 as compared to the required \$75,000.00. This does not mean much because overall the percentage paid is what the City is looking for.

The equipment inventory by Leisure Food Services, Inc., is \$68,173.00. Volume Services Company of California, Inc., has provided \$78,454.00 in existing equipment plus a new capital investment of \$40,000.00 totaling \$118,454.00.

#### FINANCIAL

The bid process has succeeded in providing a minimum of three percent (3%) additional revenue to the City over the previous contract. Using the projection of 1979-80, (38% versus 35%) would mean \$10,285.00 more revenue.

With an anticipated takeover of the novelty sales by the concessionaire it is expected that the City could realize upwards of \$10,000.00 - \$20,000.00 more the first year of the new contract, and possibly a greater amount thereafter.

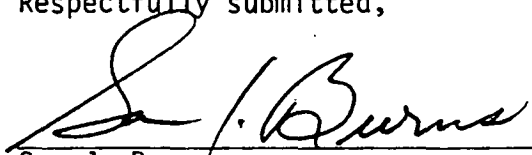
RECOMMENDATION

Staff recommends the award of the Concession Agreement to Volume Services Company of California, Inc., for the following reasons:

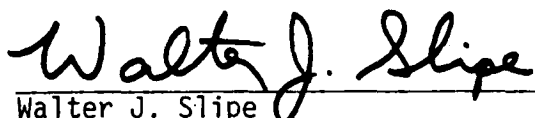
- 1) Firm meets all specifications of the bid packet, i.e., proven record of accomplishment in similar facilities, as well as a six (6) year history in Sacramento.
- 2) The financial consideration offered, percentage of vending, concessions and novelties is equal to, or greater than similar facilities.
- 3) The capital investment to be made in the Community Center concession stands.
- 4) Proven record of accomplishment in regards to financial records; personnel development and training, and; reputation in service to the client and public.
- 5) Continuity of operation with this most favored bid.

This Concession Agreement will be for a period of five (5) years: June 29, 1980, through June 28, 1985.

Respectfully submitted,

  
\_\_\_\_\_  
Sam J. Burns  
Community Center General Manager

Recommendation approved:

  
\_\_\_\_\_  
Walter J. Slipe  
City Manager

/bjk

June 17, 1980

**RESOLUTION NO.**

Adopted by The Sacramento City Council on date of

A RESOLUTION APPROVING  
THE CONCESSION CONTRACT  
AT THE SACRAMENTO COMMUNITY CENTER

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Pursuant to City Code Section 12.62, the City Manager is hereby authorized and directed to execute the CONCESSION CONTRACT for the Sacramento Community Center with the Volume Services Company of California, Inc., Division of Interstate United Corporation.

---

MAYOR

ATTEST:

---

CITY CLERK