



Legislation Details (With Text)

File #: ID17-139 **Version:** 1 **Name:** PSC Grizzlies Concession Agreement
Type: Action Item **Status:** Passed
File created: 1/13/2017 **In control:** City Council
On agenda: 2/9/2017 **Final action:** 2/9/2017
Title: Consent and Approval of a Contract for Food and Beverage Concession Services at Chukchansi Park with Professional Sports Catering, LLC.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: 1. 9379 Evaluation Form, 2. 9379 RFP Concession Services, 3. 9379 Concession Services Summary of Information, 4. PSC Grizzlies Concession Agreement .pdf

| Date | Ver. | Action By | Action | Result |
|----------|------|--------------|----------|--------|
| 2/9/2017 | 1 | City Council | approved | Pass |

REPORT TO THE CITY COUNCIL

February 9, 2017

FROM: Michael Lima, Finance Director/Controller
Finance Department

SUBJECT

Consent and Approval of a Contract for Food and Beverage Concession Services at Chukchansi Park with Professional Sports Catering, LLC.

RECOMMENDATION

Staff recommends that the City Council consent to and award a five (5) year contract for food and beverage concession services to Professional Sports Catering, LLC.

EXECUTIVE SUMMARY

Staff recommends the awarding of a five-year contract to Professional Sports Catering, LLC (PSC), who provided the most responsive and responsible response to the Request for Proposals (RFP) for food and beverage concession services at Chukchansi Park. The company will staff and operate the food concession services at Chukchansi Park during events held at the stadium. The selected consultant demonstrated a comprehensive management and branding strategy for the concessions at Chukchansi Park. PSC has proposed a compensation structure that is projected to generate \$8.25 million over the term of the contract.

BACKGROUND

With the expiration of the previous stadium concessions services contract held by Ovations Fanfare L.P., doing business as Spectra Food Services & Hospitality, the City and the Fresno Baseball Club agreed to issue an RFP for the purpose of soliciting bids on the food and beverage concession service at Chukchansi Park. An RFP was issued in July 2016, with responses due the first week of August 2016. After requests were made for walkthroughs of the stadium by several potential proposers, the bid opening date was delayed to August 12, 2016. Five (5) proposals were received and subsequently opened on the revised submission deadline.

An RFP review committee (Committee) consisting of the Assistant City Manager, the Finance Director/Controller, the Parks Director, and the General Manager of the Fresno Grizzlies was established to review the proposals (see attached Report from the Committee). The Committee met with the five proposers on September 1, 2016. Shortly after this meeting, one of the proposers removed their response from consideration. The Committee requested last, best, and final responses from the remaining four proposers on September 27, 2016. Those last, best, and final responses were received on October 11, 2016. Based on the operational and branding concepts outlined in the initial responses and the financial proposal outlined in the last, best, and final proposal, the Committee recommended awarding the contract to PSC.

PSC has been in operation for ten years. Its only clientele are baseball facilities, of which they serve 27 minor league stadiums and six spring training facilities. PSC was able to demonstrate to the Committee's satisfaction that its focus on baseball would enable it to execute operational, culinary, and branding strategies that would enhance the concessions experience at Chukchansi Park.

On December 16, 2016, the City notified PSC that they were selected by the Committee to be awarded the contract. Per the terms of the RFP, the Fresno Grizzlies entered into negotiations with PSC to finalize the terms of the agreement. The proposed agreement is the result of those negotiations. Under the terms of the proposed agreement, PSC will be paid a 4% management fee if gross revenues are below \$3 million and no management fee if the gross revenues are above \$3 million. PSC would also share in 8% of all net profits. Finally, PSC will contribute \$500,000 toward capital improvements in the food and beverage concession areas of the stadium. PSC has identified the purchase of a new point of sale system and the installation of digital menu boards as the first items to be purchased with this capital contribution. Based on the projected attendance and the projected spend per patron, the Committee corroborated PSC's estimate that their proposed deal has a value of \$8.25 million over the five-year life of the contract.

ENVIRONMENTAL FINDINGS

By the definition provided in the California Environmental Quality Act (CEQA) Section 15378, this item does not qualify as a "project" for the purposes of CEQA.

LOCAL PREFERENCE

The local preference criteria were not implemented as there were no proposals submitted by local businesses.

CONCLUSIONS AND RECOMMENDATIONS

Staff recommends that the City Council consent to and award a five-year contract to Professional Sports Catering, LLC for food and beverage concessions at the Chukchansi Park.

FISCAL IMPACT

PSC's proposal is estimated to generate \$7.75 million over the five-year term of the contract. Additionally, PSC will contribute \$500,000 to be spent on capital improvements in the food and beverage concession areas of the stadium. Altogether, PSC's proposal is anticipated to have a value of \$8.25 million over the life of the contract.

Attachment:

Committee Selection Matrix

Committee Report

Draft Contract