A U S T I N C I T Y C O U N C I L

AGENDA



Recommendation for Council Action (Purchasing)

Austin City Council	**Item ID:**	40214	**Agenda Number**	36.

Meeting Date:	February 12, 2015
Department:	Purchasing

Subject

Authorize award and execution of a 60-month revenue contract with LONE STAR RIVERBOAT, INC. to provide boat excursion services on Lady Bird Lake for an estimated revenue amount of $150,000, with one 60-month extension option in an estimated amount of $150,000 for a total estimated revenue amount of $300,000.

Amount and Source of Funding

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Sole proposal received.
Prior Council Action:	
For More Information:	Terry V. Nicholson, Sr. Buyer Specialist, 512-974-2995
Boards and Commission Action:	January 13, 2015 - Recommended by the Parks and Recreation Department Contract and Concessions Committee on a 3-0 vote. January 27, 2015 - Recommended by the Parks and Recreation Board on a 5-0 vote.
Related Items:	
MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9C Minority-Owned and Women-Owned Business Enterprise Procurement Program. No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Additional Backup Information

This contract is for the management and operation of an excursion boat as part of the recreational venues available on Lady Bird Lake and will provide dinner cruises, night cruises, weddings, banquets, corporate events and general sightseeing tours. The cruise includes popular sights and landmarks along Lady Bird Lake.

The City began providing excursion boat services to the public in 1979. Today, excursion boats operate lake tours providing patrons the opportunity to enjoy the Austin skyline, natural beauty of the lake and shoreline. They are also used to conduct Bat Tours, which provide tourists and Austinites with a close up view of the evening flight of North America's largest urban colony of Mexican Free-tail bats from under the Ann W. Richards Congress Avenue Bridge.

Lone Star Riverboat is a local business that has been in operation since 1987 and is the largest electric paddle wheeler in the nation. Lone Star Riverboat is the current contractor for the services on Lady Bird Lake. The existing contract was established in January of 2001 as the result of a competitive process. The contractor provides all personnel, equipment and other resources and has a solid safety plan with experienced captains and staff and an excellent track record. Lone Star Riverboat provides excellent customer service and marketing in the operation of the excursion boats. They provide public tours and private charters year round with quality food and beverage service. The City enjoys a revenue share of 8% of gross sales.

In addition to the services noted above, the contractor will provide significant upgrades as part of the new contract. The upgrades will include improvements to parkland to improve accessibility and ADA compliance. Lone Star Riverboat is also expanding the existing services by partnering with other entities on the lake for additional access and concession services. The contractor shall also further the City's environmental goals through clean ups, programming and operations.

This contract will be for a five-year period with one five-year extension option. Revenue in the initial term will be 9% of gross sales and increase to 10% in the second term. The contractor is also proposing additional boats to the fleet as services are expanded.

Lone Star Riverboat enjoys a stellar reputation with recommendations coming from the Austin Rowing Club, Four Seasons Hotel, Lady Bird Lake Fest producer Bill Oliver and the Holiday Inn on Lady Bird Lake. This contract was recommended for approval by the PARD Contracts & Concessions Committee, the City's Environmental Board, the Design Commission as well as the PARD Board.

An Evaluation Committee consisting of personnel from the Parks and Recreation Department with expertise in this area evaluated the proposal and based on the criteria, scored this proposal as the best to provide these services. The evaluation criteria used to evaluate the proposals included concept and solution, revenue proposed, experience and personnel qualifications, concession pricing, safety plan, and local presence.

MBE/WBE solicited: 2/5 MBE/WBE bid: 0/0

PRICE ANALYSIS

a. Sole proposal received. Lone Star Riverboat is the current provider of these services.
b. 252 notices were sent including two MBEs and five WBEs. One proposal was received with no response from the MBEs/WBEs.
c. This is a revenue contract and therefore no cost to the City is incurred.

APPROVAL JUSTIFICATION

a. Sole proposal received.
b. The Purchasing Office concurs with the Parks and Recreation Department's recommended award.
c. Advertised in the Austin American Statesman and on the Internet.