



**Purchasing Service Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

AGENDA ITEM NO.: 30
AGENDA DATE: Thu 08/12/2004
PAGE: 1 of 2

SUBJECT: Authorize negotiation and execution of a five-year revenue contract with RODRIGUEZ CONCESSION, INC. (MBE-MH-100%), Austin, TX, for a food and beverage concession at Barton Springs Pool with an estimated annual revenue of \$90,000, with two five-year extension options with an estimated annual revenue of \$90,000, for an estimated total revenue amount of \$1,350,000.

AMOUNT & SOURCE OF FUNDING: Net estimated annual revenue of \$90,000 over the duration of the five-year contract period and \$90,000 over the duration of each five-year extension option. Revenue is included in the 2003-2004 Operating Budget of the Parks and Recreation Department..

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT: for Parks and Recreation; **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Lydia Torres, Buyer II/530-7615

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: Recommended by the Parks and Recreation Board.

PURCHASING: Best proposal of three proposals received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract is for the management and operation of a food and beverage concession for Barton Springs Pool. Rodriguez Concession, Inc. will furnish and operate a food area including staffing, management, equipment, janitorial services and other functions necessary for an operation of this type.

Rodriguez Concession, Inc.'s hours of operation are from 10:00 a.m. to dusk, seven days a week. The concession will serve a short order menu consisting of breakfast items, sandwiches, burgers, drinks, and snacks. An eating area for customers will also be maintained by the Concessionaire.

This contract value is based on the Concessionaire providing the City \$90,000 out of its annual gross sales. The Concessionaire will pay an additional 8% of annual gross sales up to \$265,000 and 28.5% of annual gross sales exceeding \$265,000.

Council requested a process change to include citizen input for Tennis and Golf Pro contracts. PARD and Purchasing worked together to develop a new procedure, which will be used on all PARD concession solicitations. The new citizen input process was used for the food and beverage concession RFP for Barton Springs Pool.

MBE/WBE solicited: 3/1

MBE/WBE bid: 0/1



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PRICE ANALYSIS

- a. Best proposal of three received for Barton Springs Concession.
- b. Sixty notices were sent including three MBEs and one WBE. Eight solicitations were issued. Three proposals were received including two proposals from MBEs.
- c. The revenue amount to the City will increase by approximately 5% from previous contract years. This is due to the contract being structured differently from the previous contract. In the previous contract, the vendor paid the City 38% of gross revenues. With this new contract, the vendor will pay a *minimum of \$90,000 annually. In addition to the minimum annual payment, the vendor will also pay 8% of gross sales up to \$265,000 and 28.5% of gross sales exceeding \$265,000.*

APPROVAL JUSTIFICATION

- a. The recommended proposer meets the requirements of the solicitation.
- b. Parks & Recreation Department concurs with the recommended award.
- c. Advertised in the Austin American-Statesman and Internet.