

City of Sacramento

Legislation Text

File #: 2019-00668, **Version:** 1

Title:

Contract Amendment: Exclusive Food and Beverage Service Provider at Convention Center Complex

File ID: 2019-00668

Location: District 4

Recommendation:

Adopt a Resolution authorizing the City Manager or the City Manager's designee to: 1) execute the Second Amendment to City Agreement No. 2010-0322 with Centerplate dba Classique Catering as the exclusive food and beverage service provider at the Convention Center Complex; and 2) increase the revenue and expenditure budgets in the Convention Center Complex Renovation Project (M17100100) by \$5.5 million (CIP Reimbursable Fund, Fund 3702) to reflect the terms of the agreement with Centerplate dba Classique Catering.

Contact: Matthew Voreyer, General Manager, (916) 808-5503, Convention & Cultural Services Department; Fran Halbakken, Project Executive, (916) 808-7194, Office of the City Manager

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Second Amendment to City Agreement No. 2010-0322

Description/Analysis

Issue Detail: On April 27, 2010, City Council adopted Resolution No. 2010-0209, approving Centerplate as the exclusive catering provider at the Convention Center Complex, which consists of the Community Center Theater, Convention Center, and Memorial Auditorium. The City and Centerplate executed a food services license agreement (the "Agreement") with an effective date of November 1, 2010 (City Agreement No. 2010-0322) and an initial term of five years, with an option to renew for one five (5) year term. On October 8, 2015, the City and Centerplate signed the First

Amendment to City Agreement No. 2010-0322, extending the Agreement until October 31, 2020.

With the upcoming closure of the Community Center Theater and Convention Center due to the renovation/expansion, staff recommends executing the Second Amendment to City Agreement No. 2010-0322 with Centerplate extending this Agreement through 2034, with an option to renew for one additional five-year term.

Policy Considerations: City Council approval is required for contract amendments that exceed the City Manager's delegated approval authority, which includes extending an agreement beyond its original Council approved term.

Economic Impacts: Not applicable.

Environmental Considerations: Under the California Environmental Quality Act (CEQA), continuing administrative activities, such as what is recommended in this report, does not constitute a "project" requiring environmental review. [CEQA Guidelines section 15378(b)(2).]

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: A Request for Proposal (RFP) was used in 2009 to select an exclusive catering provider for the Convention Center Complex. Centerplate was selected through this competitive process as the best provider based on the following criteria: customer service, quality assurance, financial proposal and experience. Over the last 10 years, Centerplate has consistently received high customer reviews and continues to improve its services.

The Community Center Theater and Convention Center are set to close in summer 2019 for renovations and reopen by the end of 2020. Events that book the Convention Center often enter into contracts one to three years in advance of the event. One of the most critical factors for the customer is certainty about the caterer. Extending this Agreement will provide the certainty that Centerplate will be the caterer for the Convention Center Complex and will facilitate the City's ability to solicit business for 2021 and beyond. Through the extension of the Agreement, Centerplate will provide significant capital contributions for the renovation of concession stands at the Memorial Auditorium, a new Starbucks location inside the Convention Center, and equipment for the new kitchen in the Convention Center.

Financial Considerations: The Convention Center Complex operates as a part of the City's Convention and Cultural Services Department and is funded through the Community Center Fund (Fund 6010). Revenue from catering services is shared between Centerplate and the Convention Center Complex.

Through this amendment to the agreement, Centerplate will invest \$7 million in capital toward the Convention Center Complex Renovation Project:

- \$5.5 million (CIP Reimbursable Fund, Fund 3702) is recommended to be budgeted in the Convention Center Complex Renovation Project (M17100100); and
- \$1.5 million will be used by Centerplate for the renovation of the Memorial Auditorium concession stands, relocation and buildout of Starbucks located inside the Convention Center, and purchase of kitchen small wares. Any remaining balance will be budgeted to the Convention Center Complex Renovation Project (M17100100). Improvements will be carried out by Centerplate in coordination with City staff.

Local Business Enterprise (LBE): Centerplate dba Classique Catering is an LBE vendor.