



Travis County Commissioners Court Agenda Request

Meeting Date: September 17, 2013

Prepared By/Phone Number: Loren Breland, 854-4854

Elected/Appointed Official/Dept. Head: Cyd Grimes

Commissioners Court Sponsor: Judge Biscoe

Agenda Language: Approve contract award for Expo Center Concession Operations, RFS No. S1306-012-LD, to the sole respondent, GMC Catering, Inc.

- **Purchasing Recommendation and Comments:** Purchasing concurs with department and recommends approval of requested action. This procurement action meets the compliance requirements as outlined by the statutes.

One response was received on July 29, 2013 in response to RFS S1306-012-LD. FM has reviewed the response and recommends award to the sole respondent GMC Catering, Inc. FM and Purchasing met with the proposer and after negotiation agreed upon revenue and contract terms.

The negotiated revenue meets the minimum requirement of the RFS. Revenue will be 40% of gross receipts of concession sales and 10% of sales of catered events. Additional payments based on gross concession sales are \$15,000 at \$250,000 of gross sales, \$25,000 at \$500,000 gross sales and \$15,000 at \$750,000 gross sale. The contract term will be a four year contract term.

The average of the last 5 years of gross sales was \$880,000. If we take the \$880,000 as a reference to the current and proposed revenue calculation, we have an annual gain in revenue.

Proposed County Revenue:

$40\% \times \$880,000 = \$352,000$ Plus \$55,000 = \$407,000

Current County Revenue:

$39\% \times \$880,000 = \$343,200$ Plus \$50,000 = \$393,200

The gain in revenue from the current County Revenue is \$13,800 per year.

➤ **Contract-Related Information:**

Award Amount: N/A, Revenue Generating

Contract Type: Fixed Term

Contract Period: October 1, 2013 – September 30, 2017

➤ **Solicitation-Related Information:**

Solicitations Sent: 34

Responses Received: 1

HUB Information:

% HUB Subcontractor:

➤ **Funding Information:**

SAP Shopping Cart #:

Funding Account(s): N/A

Comments: Revenue Generating Contract



FACILITIES MANAGEMENT DEPARTMENT

Roger A. El Khoury, M.S., P.E., Director

1010 Lavaca Street, Suite 400 • P.O. Box 1748, Austin, Texas 78767 • Phone: (512) 854-9661 • Fax: (512) 854-9226

MEMORANDUM

FMD Project: EXPO - General
FILE: 601

TO: Cyd V. Grimes, CPM, Purchasing Agent

FROM: Roger A. El Khoury, M.S., P.E., Director

DATE: September 9, 2013

SUBJECT: Travis County Exposition Center Concession Operations
RFS No. S1306-012-LD; Award Recommendation

A handwritten signature in blue ink that reads "Roger A. El Khoury".

Facilities Management Department (FMD) recommends award of the Travis County Exposition Center Concession Operations contract to GMC Catering, Inc. GMC Catering was the sole proposer on this solicitation. FMD met with the proposer and agreed on negotiated terms for this revenue generating contract. FMD is recommending award of a base contract for 4 years in lieu of two years with three-one year options to extend for 12 months for each option.

The negotiated revenue meets the minimum requirement of the RFS which is 40% of concession sales plus \$55,000 of fixed revenue. In addition the County will receive 10% on the catered events. Therefore, the fixed revenue of \$55,000 would be earned on an increment of gross sales basis, such as:

1. For the 1st increment of \$250,000 of gross sales, the County will earn \$15,000
2. For the 2nd increment of \$250,000 of gross sales (\$500,000), the County will earn \$25,000
3. For the 3rd increment of \$250,000 of gross sales (\$750,000), the County will earn \$15,000.

The average of the last 5 years of gross sales was \$880,000. If we take the \$880,000 as a reference to the current and proposed revenue calculation, we have an annual gain in revenue.

Proposed County Revenue:

$40\% \times \$880,000 = \$352,000$ Plus \$55,000 = \$407,000

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$39\% \times \$880,000 = \$343,200$ Plus \$50,000 = \$393,200

The gain in revenue from the current County Revenue is \$13,800 per year.

In accordance with the procedure to secure approval for this contract award, this request is being forwarded along with the supporting documents for approval by the Commissioners Court on September 17, 2013. If approved, please issue a fully executed contract to GMC Catering, Inc. Please direct any questions on this request to myself at 44579.

ATTACHMENT:

Concession Revenue Contract

COPY TO:

Leslie Browder, County Executive, PBO
Bonnie Floyd, Assistant Purchasing Agent, TCPO
Lorne Breland, Purchasing Agent Assistant, TCPO