



TO: Board of Contracts and Awards
FROM: Kim Bedier, Director, Public Assembly Facilities
Jon Houg, Deputy Director, Public Assembly Facilities
COPY: City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and Marie Holm, Finance/Purchasing
SUBJECT: Waiver of Competitive Solicitation – Food and Beverage Services Contract for the Greater Tacoma Convention & Trade Center
DATE: November 18, 2014

SUMMARY:

Public Assembly Facilities (PAF) requests a waiver of competitive procurement procedures and recommends that a contract be awarded to **Aramark Sports and Entertainment Services, LLC, Philadelphia, PA**, in the amount of \$700,000.00, plus variable fee (never more than 20% of the total compensation in any Contract year) to provide food and beverage services to the Greater Tacoma Convention & Trade Center for the contract term January 1, 2015 to December 31, 2018.

STRATEGIC POLICY PRIORITY:

- Strengthen and maintain a strong fiscal management position.
- Encourage and promote an open, effective, results-oriented organization.

In addition, the four year contract will allow and promote:

- Increased capital investment in both the Tacoma Dome and Greater Tacoma Convention & Trade Center.
- Increased national volume discounts as revenue streams.
- Economies of scale, including staffing and product.

BACKGROUND:

The purpose of the agreement is to provide exclusive food and beverage services to the Greater Tacoma Convention & Trade Center. Aramark is currently the exclusive provider of food and beverage services at the Greater Tacoma Convention & Trade Center. The City of Tacoma entered into an agreement with Aramark for an initial five (5) year period followed by a five (5) year extension exercised through December 31st, 2014. The current agreement does not provide for an additional extension. Public Assembly Facilities has a separate agreement with Volume Services Inc., dba Centerplate, to provide exclusive food and beverage services at the Tacoma Dome through December 31, 2018.

ISSUE: Public Assembly Facilities seeks to align the end dates of the exclusive food and beverage service vendor(s) in the Greater Tacoma Convention & Trade Center and the Tacoma Dome, with the intention of ultimately entering into one competitive solicitation process to encompass both venues. A single competitive solicitation process for exclusive food and beverage services could exponentially increase the value of capital investment from prospective vendors due to the volume of business available through a larger contract, and would increase the value of national volume discounts as revenue streams. Department-wide food and beverage service provision by one vendor would enhance efficiency and reduce costs due to streamlined administration, and offer enhanced potential for revenues through economies of scale (including staffing and purchasing of product).



ALTERNATIVES:

The alternative to this recommendation is a competitive solicitation process for a four (4) year term contract. A shorter term agreement of this nature will not encourage capital investment, and would deliver an unknown value for fixed and/or variable management fees. Agreements of shorter duration are not appealing to the major industry providers, which would limit the depth of the prospective respondent pool.

COMPETITIVE ANALYSIS:

In accordance with TMC 1.06.256 (B) Authorization of Direct Negotiation for Professional Services and Personal Services waiver was authorized by the City Manager on November 18, 2014. Public Assembly Facilities desires to maintain the current services until the Greater Tacoma Convention & Trade Center and Tacoma Dome food and beverage services can be consolidated into a single competitive solicitation, to be issued prior to proposed contract end date, in order to increase capital investment into PAF venues by the food and beverage provider over current levels, leverage product and service volume, and gain better pricing and services.

CONTRACT HISTORY: New contract.

SUSTAINABILITY: Aramark Sports and Entertainment Services, LLC, engages in the following sustainability efforts onsite at the Greater Tacoma Convention & Trade Center:

- Paper, glass, cardboard, metals and plastics are recycled.
- Recyclable utensils, plates, cups, etc. are available.
- Cooking oils are recycled and converted into biofuel.
- Trans fat free, using local, organic and sustainable products whenever possible.

SBE/LEAP COMPLIANCE: Not applicable.

RECOMMENDATION:

Public Assembly Facilities (PAF) requests a waiver of competitive procurement procedures and recommends that a contract be awarded to **Aramark Sports and Entertainment Services, LLC, Philadelphia, PA**, in the amount of \$700,000.00, plus variable fee (never more than 20% of the total compensation in any Contract year) to provide food and beverage services at the Greater Tacoma Convention & Trade Center for the contract term January 1, 2015 to December 31, 2018.

FISCAL IMPACT:

EXPENDITURES:

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4165-CCOP	890300	5330100	\$700,000.00
TOTAL			\$700,000.00

* General Fund: Include Department



REVENUES:

FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
4165-CCOP	890300	4347155	\$2,000,000.00
TOTAL			\$2,000,000.00

POTENTIAL POSITION IMPACT:

POSITION TITLE	PERMANENT/ PROJECT TEMPORARY POSITION	FTE IMPACT	POSITION END DATE
TOTAL			

This section should only be completed if a subsequent request will be made to increase or decrease the current position count.

FISCAL IMPACT TO CURRENT BIENNIAL BUDGET: N/A

ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED? Yes

IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED. N/A

FINANCE PURCHASING

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