

2008-08-14-0704

AN ORDINANCE

AUTHORIZING THE SECOND AMENDMENT TO THE AMENDMENT AND RESTATEMENT OF THE HENRY B. GONZALEZ CONVENTION CENTER FOOD AND BEVERAGE SERVICE AND CONCESSION SERVICES AGREEMENT WITH RK GROUP L.L.C. EXTENDING THE AGREEMENT THROUGH SEPTEMBER 30, 2015 AND EXPANDING SERVICES TO COVER PORTIONS OF THE ALAMODOME.

* * * * *

WHEREAS, Ordinance No. 99968, passed and approved on November 4, 2004, authorized the execution of an Amended and Restated Henry B. Gonzalez Food and Beverage Service and Concession Services Agreement (the "Agreement") with the RK Group L.L.C. (the "Contractor") to provide exclusive catering and concession services to the Henry B. Gonzalez Convention Center and non-exclusive concession services at the Municipal Auditorium; and

WHEREAS, the Contractor has proposed amending the Agreement to allow for the Contractor to provide exclusive catering services and certain concession services to the Alamodome thereby unifying the convention facilities under one caterer and providing customers of the facilities consistency in food preparation and service; and

WHEREAS, the Contractor has proposed expending \$250,000.00 in equipment and personnel at the Alamodome and an additional \$400,000.00 in building improvements at the Henry B. Gonzalez Convention Center to assist in increasing catering revenues and has requested an extension to the Agreement of an additional five (5) years for the purpose of recouping such funds; and

WHEREAS, the addition of the Alamodome to the Agreement will benefit the City by maximizing catering and concession revenues while customers benefit from the consistent, high-quality catering services; **NOW THEREFORE**;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The Second Amendment to the Amendment and Restatement of the Henry B. Gonzalez Convention Center Food and Beverage Service and Concession Services Agreement is hereby authorized. A copy of the Second Amendment in substantially its final form is attached hereto and made a part of this Ordinance as Exhibit A. Non-material changes to the Second Amendment are authorized upon the concurrence of the City Attorney. A copy of the final, fully executed Second Amendment will be attached to this Ordinance and will replace Exhibit A.

SECTION 2. The City Manager or her designee is hereby authorized to execute the Second Amendment to the Amendment and Restatement of the Henry B. Gonzalez Convention Center Food and Beverage Service and Concession Services Agreement.

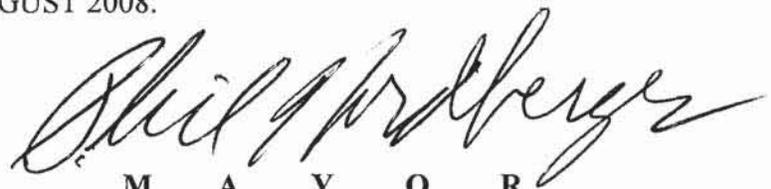
SECTION 3. Funds generated by this ordinance will be deposited into Fund No. 29006000, Hotel Motel Tax Fund, Internal Order No. 242000000001, entitled "Convention Center", General Ledger No. 4407732, entitled "Commissions from Contracts - Catering".

SECTION 4. Funds generated by this ordinance will be deposited into Fund No. 29016000, HOT Alamodome Fund, Internal Order No. 245000000030, entitled "Alamodome", General Ledger No. 4407732, entitled "Commissions from Contracts - Catering."

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance

SECTION 6. This Ordinance shall become effective on and after the tenth (10th) day after passage.

PASSED AND APPROVED this 14th day of AUGUST 2008.


M A Y O R
PHIL HARDBERGER

ATTEST: 
City Clerk

APPROVED AS TO FORM:


for City Attorney

Agenda Item:	24A (in consent vote: 5, 6, 9, 11, 12, 13, 14, 15, 17, 24A, 24B, 25, 26, 27, 29A, 29B, 29C)						
Date:	08/14/2008						
Time:	02:34:26 PM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing the Second Amendment to the Amended and Restated Food and Beverage Service and Concession Services Agreement with the RK Group, L.L.C. extending the Agreement through September 30, 2015 and expanding services to cover portions of the Alamodome.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				x
Sheila D. McNeil	District 2	x					
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6	x					
Justin Rodriguez	District 7	x					
Diane G. Cibrian	District 8		x			x	
Louis E. Rowe	District 9		x				
John G. Clamp	District 10		x				

**SECOND AMENDMENT TO THE AMENDMENT AND RESTATEMENT OF THE
HENRY B. GONZALEZ CONVENTION CENTER FOOD AND BEVERAGE SERVICE
AGREEMENT AND CONCESSION SERVICES AGREEMENT**

BETWEEN THE CITY OF SAN ANTONIO AND THE RK GROUP L.L.C.

This Second Amendment to the Amendment and Restatement of the Henry B. Gonzalez Convention Center Food and Beverage Service and Concession Services Agreement (hereinafter referred to as "Second Amendment") is hereby made and entered into by and between the City of San Antonio (hereinafter referred to as "City") a Texas municipal corporation acting by and through its City Manager pursuant to Ordinance No. 2008-08-14-_____, dated August 14, 2008 and the RK Group L.L.C. (hereinafter referred to as "Contractor").

RECITALS

- A. City and Contractor are parties to that certain Amendment and Restatement of the Henry B. Gonzalez Convention Center Food and Beverage Service and Concession Services Agreement entered into pursuant to Ordinance No. 99968 passed and approved on November 4, 2004 and executed by both Parties on November 10, 2004 (the "Agreement") and as amended by the First Amendment authorized by City Ordinance No.2006-01-12-0054, passed and approved on January 12, 2006.
- B. Prior to the effectiveness of this Second Amendment, the Agreement contained certain terms that the Parties now seek to clarify, change, or amend.
- C. City and Contractor desire to amend the Agreement as stated in this Second Amendment.
- D. All other provisions of the Agreement remain in force.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and agreements contained in the Agreement, the receipt and adequacy of which are hereby acknowledged, City and Contractor hereby agree as follows:

- 1. **Definitions.** All capitalized terms used in this Second Amendment without definition herein shall have the meanings assigned to such terms in the Agreement.
- 2. **Amendments.** The Agreement is hereby amended as follows:
 - (A) The definition of "Agreement" is deleted in its entirety and replaced with the following:

Agreement – shall mean this Food and Beverage Service and Concession Services Agreement and all addenda attached hereto. This Agreement is for the exclusive rights to all Food and Beverage Services (catering) inside the Center, Lila Cockrell

Theater and interior of the Alamodome and the Alamodome grounds, and Concession rights in the Center, Lila Cockrell Theater, City's Municipal Auditorium, and the Club Level of the City's Alamodome and Alamodome Grounds and non-exclusive rights, as set forth herein, outside of the Center.

- (B) The following definition of "Catering Services" shall be added to Section I of the Agreement:

Catering Services - shall mean the provision of any food, non-alcoholic drink and all alcoholic beverages supplied to customers in the Facilities at a prearranged price and billed to one client, other than Concession Services.

- (C) The definition of "Concession Facilities" is deleted in its entirety and replaced with the following:

Concessions – shall mean the sale of food and beverages (alcoholic and non-alcoholic) from fixed, temporary, Portable Concession stands, or roving vendors to individual customers and shall exclude Catering, Alamodome Suite, Restaurant and Subcontractor Sales, alcoholic beverages sold under a Mixed Beverage Permit and cash-bar sales at events not open to the general public.

- (C) The definition of "Concession Facilities" is deleted in its entirety and replaced with the following:

Concession Facilities - shall mean those areas of the Henry B. Gonzalez Convention Center, Lila Cockrell Theater, the City's Municipal Auditorium, and Alamodome where Contractor is authorized to perform Concession Services.

- (E) The definition of "Concession Services" is deleted in its entirety and replaced with the following:

Concession Services – shall mean all concessions provided to Customers of the Center, Licensees and Invitees of the Concession Facilities.

- (F) The definition of "Customer of the Center" is deleted in its entirety and replaced with the following:

Customer of the Facility – shall mean a customer who has agreed through a short-term License Agreement or any other written agreement with the City to occupy space at the Center, the Lila Cockrell Theater, Municipal Auditorium and/or Alamodome.

- (G) The definition of "Food and Beverage Service and Concession Service Facilities" is deleted in its entirety and replaced with the following:

Food and Beverage Service and Concession Service Facilities – shall mean those areas of the Center, Lila Cockrell Theater, City’s Municipal Auditorium, and the Alamodome that are to be used to conduct Food and Beverage Service and Concession Services as specified in Addendum II to this Agreement (Facility Floor Plans) which is incorporated herein by reference and which may be amended from time to time by City.

- (H) The definition of “Licensee” is deleted in its entirety and replaced with the following:

Licensee – shall mean an individual, group or organization who has executed a Short-Term License Agreement with the City to occupy space at the City’s Convention Center, Lila Cockrell Theater, City’s Municipal Auditorium and/or the Alamodome.

- (I) The following definition of “Mixed Beverage Services” shall be added to Section I of the Agreement:

Mixed Beverage Services – shall mean the sale of mixed beverages under a Mixed Beverage Permit.

- (J) The definition of “Premises” is deleted in its entirety and replaced with the following:

Premises – shall mean all areas associated with the Henry B. Gonzalez Convention Center, Lila Cockrell Theater, City’s Municipal Auditorium and the Alamodome, as described further in Addendum II.

- (K) The following definition of “Third Party” shall be added to Section I of the Agreement:

Third Party – shall mean a party that is not an existing Customer of the Facility who is required to submit all proposed referrals to the Director at least sixty (60) days prior to an event and receive written authorization from the Director before being eligible for commission of such referrals to a Facility.

- (L) The following definition of “Third Party Referral” shall be added to Section I of the Agreement:

Third Party Referral – shall mean a referral of business by a Third Party to a Facility that is authorized in writing by the Director at least thirty (30) days prior to an event.

- (M) All references in the Agreement to the Municipal Auditorium shall be stricken as of the date City no longer manages nor operates the facility.

- (N) Section 2.1 of the Agreement is deleted in its entirety and replaced with the following:

2.1 The Term of this Agreement is ten (10) years and seven (7) months commencing on February 1, 2005 and terminating on September 30, 2015.

- (O) Section 2.2 of the Agreement is deleted in its entirety and replaced with the following:

2.2 At the end of the Term, Contractor agrees to provide a transition period of termination for a period not to exceed six (6) months at City's request. During this transition period, Contractor shall continue to provide Food, Beverage and Concession Services as provided for under this Agreement. City shall give Contractor one hundred twenty (120) days notice prior to the end of the Term of its desire to have Contractor provide a transition period and for what period of time (i.e., 2 months, 4 months, etc.). During the transition period, the terms of this Agreement shall control.

- (P) Section 15.2.3 of the Agreement is deleted in its entirety and replaced with the following:

15.2.3 Contractor's Audit: In addition to the Report of Agreed Upon Procedures, City may require Contractor to perform an audit by an independent auditing firm approved by City no more than Three (3) times during the term of this Agreement. The cost of the audits will be shared equally by City and Contractor unless the Auditor finds that the Contractor underpaid the City by more than a two percent (2%) variance from what sums were paid to the City by Contractor as previously reported to the City, in which case Contractor will pay for all costs associated with the Audit. A copy of all Audit Reports and Management Letters prepared as a result of such audit shall be provided to City. If such audit reveals an error in the calculation of the payments made by Contractor to City under this Agreement, then the auditors report shall be furnished to both Contractor and City within thirty (30) days of the conclusion of the Audit. If a corrected payment required by the auditors report is due City, Contractor shall pay City the amount due within fifteen (15) Business Days of Contractor's receipt of such report together with interest at the rate of eighteen percent (18%) per annum on commissions due on unreported Gross Receipts (but in no event greater than the maximum legal rate allowed under applicable law) from the date payment should have been made until payment is received by City. If the auditor's report indicates a refund is due Contractor, Contractor shall notify City in writing and include a copy of the auditor's report within thirty (30) days. City shall pay Contractor the amount due within thirty (30) days of City's receipt

of such report but it is expressly agreed that City shall pay no interest on such refund.

(Q) Section 24.8 is added to the Agreement and shall be as follows:

24.8 Inventory will be taken at the Alamodome within sixty (60) days following the execution of this Second Amendment and attached as Exhibit I. Contractor holds the right to replace, at its sole cost and expense, any outdated kitchen equipment with other equipment subject to the approval of Director at the Center and/or Alamodome that provides higher energy efficiency and/or is equal or greater in value, as determined by Contractor.

(R) Section 38.1 of the Agreement is deleted in its entirety and replaced with the following:

38.1 In return for the right to exclusively conduct Food and Beverage Service operations at the Center, Lila Cockrell Theater and Alamodome including Other Services as described in this Agreement, but excluding Fixed, Temporary, or Portable concessions, Contractor shall pay to City on a monthly basis:

(a) For periods of October 1, 2008 through January 31, 2010, the following rates will apply:

i. 25% of Gross Receipts for all Food and Beverage Services and Other Services provided at the Center, Lila Cockrell Theater and/or Alamodome by Contractor if annual receipts do not exceed \$XXXXXXXXXX million;

ii. 22.85% of Gross Receipts for all Food and Beverage Services and Other Services provided at the Center, Lila Cockrell Theater and/or Alamodome by Contractor if annual receipts exceed \$XXXXXXXX million and are less than \$XXXXXXXXXX million;

iii. 21.10% of Gross Receipts for all Food and Beverage Services and Other Services provided at the Center, Lila Cockrell Theater and/or Alamodome by Contractor if annual receipts exceed \$XXXXXXXX million.

(b) For periods of February 1, 2010 through September 30, 2015, the following rates will apply:

i. 27% of Gross Receipts for all Food and Beverage Services and Other Services provided at the Center, Lila Cockrell Theater and/or

Alamodome by Contractor if annual receipts do not exceed \$XXXXXXXXXX million;

ii. 24.85% of Gross Receipts for all Food and Beverage Services and Other Services provided at the Center, Lila Cockrell Theater and/or Alamodome by Contractor if annual receipts exceed \$XXXXXXXXXX million and are less than \$XXXXXXXXXXXX million;

iii. 23.10% of Gross Receipts for all Food and Beverage Services and Other Services provided at the Center, Lila Cockrell Theater and/or Alamodome by Contractor if annual receipts exceed \$XXXXXXXXXXXX million.

(XXXXXX represent actual dollar figures to be inserted by City)

(S) Section 38.8 is added to the Agreement and shall be as follows:

38.8 Commissions paid for Third Party referrals to the Alamodome and Convention Center from September 30, 2008 to September 30, 2015 shall be:

- (a) Five-percent (5%) of Gross Receipts to Third Party; and
- (b) Twenty-five percent (25%) of Net Sales (Gross Receipts less 5% paid to Third Party) to the City from October 1, 2008 to January 31, 2010; and
- (c) Twenty-seven percent (27%) of Net Sales to the City from February 1, 2010 to September 30, 2015.

(T) Section 40.1 of the Agreement is amended by adding the word "Alamodome" to the first sentence as follows:

40.1 In addition to Food and Beverage Services to be performed at the Center and Lila Cockrell Theater, Contractor shall have exclusive right and privilege of selling and serving Concession Services (including alcoholic beverages) and related items (with the exception of Novelties and Souvenirs at the Municipal Auditorium,) at permanent or temporary stands and Portable Concessions at the Center, Lila Cockrell Theater, the Club Level of the Alamodome and Alamodome Grounds and the City's Municipal Auditorium during public events, provided that such exclusive right and privilege can be secured by City prior to the effective date of this Agreement. Notwithstanding this Section 40.1, Concession Services sales at the Alamodome are subject to existing lease/licensing agreements, including but not limited to those Agreements between the City and Feld

Entertainment. Contractor agrees to abide by all limitations on sales imposed by existing lease/license agreements.

(U) Section 40.1(a) of the Agreement is deleted in its entirety and replaced with the following:

a. For Non-Licensed Sales, a commission in the amount of thirty-five percent (35%) of Gross Receipts for such concession sales at the Convention Center and Lila Cockrell Theatre and Alamodome Grounds and twenty-five percent (25%) of Gross Receipts for such concession sales at the Alamodome; and

(V) Addendum V of the Agreement shall be amended by removing John Lopez d/b/a All Star Services as a member of the RK Group LLC.

(W) All reporting and audit requirements as determined by Director shall be amended to coincide with the effective date of this Amendment. Within sixty (60) days of the execution of this Agreement, City shall provide a list of reporting times and dates and attach such list as Exhibit II.

3. **Consideration.** As consideration for this Second Amendment, the adequacy of which the Parties hereby acknowledge, Contractor shall:

(a) pay FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) prior to INSERT DATE toward the construction of concession facilities in the Grotto area of the Convention Center; and

(b) pay an amount not less than TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) prior to INSERT DATE towards the costs of improvements, furniture, equipment, smallwares, and other like costs, as further described in Attachment A to this Second Amendment, at the Alamodome.

Date shall be determined within 60 days of the passage of the ordinance authorizing execution of this Second Amendment.

Should Contractor fail to provide the Consideration as described in this Second Amendment, this Second Amendment shall be terminated by City and the terms and conditions of the Agreement, along with the First Amendment, shall be reinstated.

4. **Effective Date.** This Second Amendment shall be effective October 1, 2008.

5. **No Other Changes.** Except as specifically set forth in Section 2 of this Second Amendment, all of the terms and conditions of the Agreement shall remain the same and are hereby ratified and confirmed. The Agreement, as amended by this Second

Amendment, shall continue in full force and effect, and the Agreement, as amended by this Second Amendment, shall be read and construed as one instrument.

6. **Choice of Law.** This Second Amendment shall be construed in accordance with and governed by the laws of the State of Texas.
7. **Counterparts.** This Second Amendment may be executed in any number of counterparts, but all such counterparts shall together constitute but one instrument. In making proof of this Second Amendment it shall not be necessary to produce or account for more than one counterpart signed by each party hereto by and against which enforcement hereof is sought.

IN WITNESS HEREOF, the parties hereto have executed in triplicate originals this _____ day of _____, 2008.

CITY OF SAN ANTONIO
Texas Municipal Corporation

RK GROUP L.L.C.
Limited Liability Corporation

Sheryl L. Sculley
City Manager

Greg Kowalski
Managing Member

Attest:

Leticia Vacek
City Clerk

APPROVED AS TO FORM:

Michael D. Bernard
City Attorney

- Exhibit I Alamodome Inventory (to be attached within 60 days)
- Exhibit II Reporting Requirements List with Dates (to be attached within 60 days)
- Attachment A – Improvements to Alamodome

Alamo Dome Improvements

Quantity	Improvements	Cost (\$250,000 total)
1	Freezer/Refrigerator (20' x 60')	\$70,000.00
4	Double Stack Convection Ovens	\$44,000.00
1	Ice Machine	\$11,000.00
1	Dishwasher (Lease & Installation)	\$12,000.00
2	70-90 Pound Fryalators	\$9,000.00
8	Stainless Tables on Casters	\$8,800.00
1	6' Char broiler	\$4,500.00
1	Tilt Skillet	\$11,000.00
1	Update Ansul Systems	\$6,000.00
1	Refurbish Existing Walk-In Refrigerator/Freezer	\$10,000.00
1	Demolish existing Kitchen	\$15,000.00
N/A	Service Equipment Upgrades to Suites	\$24,700.00
1	Refurbish Catering Office	\$10,000.00
1	Mechanical & Final Hook-Up	\$10,000.00
1	Catering Warehouse Divider	\$4,000.00

LAW OFFICES OF
KAUFMAN & ASSOCIATES, INC.
1250 Frost Bank Tower
100 West Houston Street
SAN ANTONIO, TEXAS 78205-1457
TELE: (210) 227-2000 FAX: (210) 227-2001
www.kaufmanassoc.com

Political contributions of more than \$100 made during the previous twenty-four months to Council members and political action committees.

William T. Kaufman

August 2006	Sheila McNeil Campaign	\$500
August 2006	Phil Hardberger Campaign	\$1000
May 2006	Delicia Herrera Campaign	\$500
December 2006	Kevin Wolf Campaign	\$500
January 2007	Mary Alice Cisneros Campaign	\$500
January 2007	Roland Gutierrez Campaign	\$500
February 2007	Delicia Herrera Campaign - IN KIND	\$500
February 2007	Phil Cortez Campaign	\$500
March 2007	Justin Rodriguez - IN KIND	\$500
March 2008	Richard Perez	\$500
May 4, 2007	Lourdes Galvan	\$500
May 24, 2007	Lourdes Galvan	\$500
June 2007	Phil Hardberger	\$1,000
July 2007	Mary Alice Cisneros	\$500
August 2007	Roland Gutierrez	\$500
August 2007	Diane Cibrian Campaign	\$500
November 2007	Roland Gutierrez	\$500
November 2007	Phil Cortez Campaign	\$500 in kind
January 2008	Kevin Wolf Campaign	\$2,500
February 2008	Lyle Larson for Congress	\$1,000
February 2008	Henry Avila Campaign	\$250
May 2008	Lyle Larson for Congress	\$1,000
May 2008	Jose Menendez Campaign (Texas House)	\$500
June 2008	Kevin Wolff (Commissioner Court)	\$2,500
April 2008	Jennifer Ramos Campaign	\$500
July 2008	Diane Cibrian Campaign	\$500

(Exhibit "A")

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The following is a listing of the political contributions of more than \$100 made during the previous twenty-four months to any current or former member of City Council, any candidate for City Council or to any political action committee that contributes to City Council elections.

John Reynolds

December 2007	Kevin Wolff Campaign	\$2,500.00
April 2008	Mary Alice Cisneros	\$250.00
May 2008	Diane Cibrian Campaign	\$250.00

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Rob Killen

Name	Date	Amount
Roger Flores	06/06/06	100
Kevin Wolff	06/27/06	100
Jose Menendez	07/11/06	100
Delicia Herrera	07/12/06	40.00
Sheila McNeil	08/24/06	100
Justin Rodriguez	09/01/06	100
Chip Haas	09/01/06	500
Richard Perez	09/13/06	100
Delicia Herrera	11/26/06	100
Delicia Herrera (Mi Tierra)	11/26/06	100
Roland Gutierrez	01/18/07	250
Mary Alice Cisneros	02/06/07	100
Philip Cortez	02/16/07	250
Delicia Herrera	02/16/07	500
Richard Perez	03/21/07	250
Lourdes Galvan	05/07/07	250
Lourdes Galvan	05/31/07	250
Sheila McNeil	05/07/07	100
Delicia Herrera	05/07/07	100
Kevin Wolff	05/07/07	100
Mary Alice Cisneros	07/13/07	500
Phil Hardberger	08/01/07	500
Phil Hardberger	08/01/07	500
Nelson Wolff	09/10/07	100
Henry Avila	09/10/07	100
Diane Cibrian	09/15/07	500
Philip Cortez	11/27/07	426.45
Kevin Wolff	12/31/07	2,500
Jennifer Ramos	05/01/08	150
Diane Cibrian	07/02/08	500

11:00 AM
08/14/08
Accrual Basis

Greg & Bekki Kowalski
Transaction Detail By Account
June 1, 2006 through June 13, 2007

T_	Date	Num	Name	Me	Clr	S_	Amount	Balance
Campaign Contribution								
C...	5/5/2006	1139	Roger O. Flores Campaign			T...	500.00	500.00
C...	3/27/2006	1162	Kevin Wolff Campaign	C...		T...	500.00	1,000.00
C...	7/24/2006	1194	Chip Haass Campaign	C...		T...	500.00	1,500.00
C...	5/22/2006	1225	Ruth McClendon Campaign	C...		T...	500.00	2,000.00
C...	5/22/2006	1226	Sheila McNeil Campaign	C...		T...	500.00	2,500.00
C...	5/28/2006	1237	Mayor Phil Hardberger Campaign	C...		T...	2,000.00	4,500.00
C...	12/4/2006	1370	Kevin Wolff Campaign	C...		T...	500.00	5,000.00
C...	1/17/2007	1418	Mary Alice Claerros Campaign	D...		T...	500.00	5,500.00
C...	2/25/2007	1474	Councilwoman Delicia Herrera...	G...		T...	500.00	6,000.00
C...	3/6/2007	1484	Justin Rodriguez Campaign	C...		T...	500.00	6,500.00
C...	3/13/2007	1486	Foundation for the Future			T...	500.00	7,000.00
C...	3/19/2007	1500	Richard Paez Campaign	C...		T...	500.00	7,500.00
C...	4/12/2007	1528	Campaign for Dr. Morris Stribling	C...		T...	500.00	8,000.00
C...	4/12/2007	1529	Campaign for Dr. Morris Stribling	V...	X	T...	0.00	8,000.00
C...	4/24/2007	1541	Roland Gutierrez Campaign	C...		T...	500.00	8,500.00
C...	4/24/2007	1542	Philip Cortez Campaign	C...		T...	500.00	9,000.00
C...	4/24/2007	1543	John Clamp Campaign	C...		T...	500.00	9,500.00
C...	5/1/2007	1548	Elena Guajardo Campaign	C...		T...	500.00	10,000.00
C...	5/3/2007	1549	Campaign to Elect Lourdes Ga...	C...		T...	500.00	10,500.00
C...	5/21/2007	1580	Campaign for Dr. Morris Stribling	C...		T...	500.00	11,000.00
C...	5/21/2007	1581	Campaign for Diane Cibrian	C...		T...	500.00	11,500.00
C...	5/21/2007	1580	Campaign to Elect Lourdes Ga...	C...		T...	500.00	12,000.00
Total Campaign Contribution							<u>12,000.00</u>	<u>12,000.00</u>
TOTAL							<u><u>12,000.00</u></u>	<u><u>12,000.00</u></u>

08/14/08
Accrual Basis

June 13, 2007 through June 30, 2008

T_	Date	Num	Name	Me	Clr	S_	Amount	Balance
Campaign Contribution								
C...	7/23/2007	1653	Campaign for Diane Cibrian	C...		T...	500.00	500.00
C...	7/23/2007	1656	Campaign for Phil Hardberger	C...		T...	500.00	1,000.00
C...	8/20/2007	1687	Roland Gutierrez Campaign	C...		T...	500.00	1,500.00
C...	8/20/2007	1688	Ruth McClendon Campaign	C...		T...	250.00	1,750.00
C...	8/20/2007	1689	Campaign for Phil Hardberger	C...		T...	500.00	2,250.00
C...	10/23/2007	1766	Justin Rodriguez Campaign	C...		T...	500.00	2,750.00
C...	10/28/2007	1762	Delicia Herrera Campaign	C...		T...	500.00	3,250.00
C...	11/28/2007	1808	Philip Cortez Campaign	C...		T...	500.00	3,750.00
C...	2/18/2008	1941	Campaign for Kevin Wolff	D...		T...	1,000.00	4,750.00
C...	4/8/2008	1999	Susan Reed for District Attorney	G...		T...	250.00	5,000.00
C...	4/15/2008	2004	Sheila McNeil Campaign	C...		T...	500.00	5,500.00
C...	4/21/2008	2016	Mary Alice Claerros Campaign	D...		T...	500.00	6,000.00
C...	4/28/2008	2020	Jennifer Ramos Campaign	G...		T...	500.00	6,500.00
C...	9/17/2008	2072	Wolff for County Commissioner	G...		T...	3,000.00	9,500.00
Total Campaign Contribution							<u>9,500.00</u>	<u>9,500.00</u>
TOTAL							<u><u>9,500.00</u></u>	<u><u>9,500.00</u></u>

Accrual Basis

July 2008 through June 2009

T_	Date	Num	Name	Me	Clr	Sp	Amount	Balance
Campaign Contribution								
C...	7/1/2008	2041	Campaign for Diane Cibrian	C...		T...	500.00	500.00
Total Campaign Contribution							<u>500.00</u>	<u>500.00</u>
TOTAL							<u><u>500.00</u></u>	<u><u>500.00</u></u>

August 14, 2008

Political Contributions to totaling \$100 or more within the past 24 months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any Political Action Committee that contributes to City Council elections:

Rosemary Kowalski

7/16/2008	Mary Alice Cisneros	\$500
4/24/2008	Jennifer Ramos	\$500
3/11/2008	Sheila McNeil	\$500
10/22/2007	Delicia Herrera	\$500
2/22/2007	Delicia Herrera	\$500
7/10/2007	Diane Cibrian	\$500
5/03/2007	Lourdes Galvan	\$500
3/22/2007	Richard Perez	\$500
3/12/2007	Justin Rodriguez	\$500
1/18/2007	Mary Alice Cisneros	\$500

August 14, 2008

Chelsea's Sandwiches of Texas, Inc

5/10/07	Lourdes Galvan	\$250
4/15/07	Art Hall	\$500
4/11/07	Dr. Morris Stribling	\$500
4/10/07	Art Hall	\$500
3/12/07	Joel Williams	\$500

Black Tie Affairs Catering

5/2008	Diane Cibrian	\$500
4/01/08	Diane Cibrian	\$500
8/2007	Mary Alice Cisneros	\$500 (in kind)
1/2007	Mary Alice Cisneros	\$500 (in kind)

True Flavors (Johnny Hernandez)

7/2008	Mary Alice Cisneros	\$400
5/2008	Diane Cibrian	\$500
4/2007	Kevin Wolff	\$250
	Delicia Herrera	\$250
	Justin Rodriguez	\$250
	Elena Guajardo	\$250

Absolutely Everything Catering

7/2008	Mary Alice Cisneros	\$500
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Catering by Nick

5/2008	Diane Cibrian	\$500
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CITY OF SAN ANTONIO
Request for Council Action

Agenda Item # 24
Council Meeting Date: 8/14/2008
RFCAs Tracking No: R-3393

DEPARTMENT: Convention Sports and
Entertainment Facilities

DEPARTMENT HEAD: Michael Sawaya

COUNCIL DISTRICT(S) IMPACTED:
Council District 1

SUBJECT:
CSEF Agreements with RK Group & Aramark

SUMMARY:

These two ordinances authorize the amendment and extension of catering services performed at the Henry B. Gonzalez Convention Center by the RK Group, L.L.C. and the Alamodome by Aramark Sports and Entertainment Services of Texas, Inc. through September 30, 2015. The amendments also incorporate the addition of certain food and beverage services to be performed by the RK Group and the reduction of certain services previously performed by Aramark at the Alamodome.

BACKGROUND INFORMATION:

The First Amendment and Restatement of the Henry B. Gonzalez Convention Center Food and Beverage Service and Concession Services Agreement (Agreement) was approved by City Ordinance #99968, passed on November 4, 2004. The Agreement provided for a five (5)-year term commencing on February 1, 2005 and expiring on January 31, 2010. By this Agreement, the RK Group is granted exclusive rights to provide food, beverage and concession services at the Henry B. Gonzalez Convention Center, Lila Cockrell Theatre, and exclusive concession services at the Municipal Auditorium.

The RK Group, L.L.C. consists of six locally-owned catering companies which are managed by Catering by Rosemary. In the contract year ending January 31, 2008, the RK Group exceeded budgeted revenues by \$302,100.00 and achieved the SBEDA participation goal of 31.5%.

City Ordinance #97586, passed and approved on May 8, 2003, authorized a five-year agreement and five-year renewal option, with Aramark Sports and Entertainment Services of Texas, Inc. for the operation of food, beverage and catering services at the Alamodome. Aramark has 25 years experience in facility food service and is the largest food service business in the U.S. Aramark employs experienced personnel and has made a strong SBEDA commitment under its current License Agreement. The proposed First Amended and Restated License Agreement will allow Aramark to continue providing concessions services at the Alamodome, while providing the opportunity for another firm to provide catering, restaurant, and Club Level concessions services.

ISSUE:

The City will benefit from the opportunity to maximize catering and concession revenues while customers of the Henry B. Gonzalez Convention Center and Alamodome will benefit from the consistent, high-quality catering services. This ordinance will provide for the simultaneous expiration of the terms of both agreements which would allow for a future competitive process and provide consolidated services at the two facilities.

The RK Group and Aramark have negotiated an agreement that provides for the RK Group to perform concession services on the Club Level of the Alamodome, as well as catering services in the suites, Dome Sports Club, Top of the Dome, meeting rooms and other designated areas. The contractors have asked the City to consent to this agreement and have proposed an extension of their respective City agreements to allow for the RK Group to invest additional funds in improvements including \$250,000.00 in equipment and personnel at the Alamodome, and \$400,000.00 in building improvements at the Convention Center which should result in enhanced opportunities for increasing catering revenues. Aramark will invest an additional \$75,000.00 in equipment and concession stands improvements at the Alamodome.

ALTERNATIVES:

The catering and concession services provided by Aramark for the Alamodome could be extended under the current agreement for an additional five-year period. However, the Alamodome is not currently considered a premium catering venue and through the amendments proposed in these ordinances an extensive sales & marketing plan and investment in improved production facilities could be undertaken by the RK Group to attract and service premier catered events to the Alamodome.

The catering and concession services for the Alamodome could also be put out for competitive bid; however, consistency in the level of catering between the two facilities would not be achieved as readily, administrative demands on contract monitoring would be greater, and the facility would forfeit the capital investment money offered by the RK Group for improvements to the buildings.

FISCAL IMPACT:

With the proposed investment from the RK Group of \$400,000.00 for Convention Center building enhancements and \$250,000.00 for Alamodome equipment and the proposed investment from Aramark of \$75,000.00 for equipment and concession stands improvements, the City anticipates an increase in revenue potential.

Commissions on catering at the Alamodome would increase from the current 16.5% to 25% effective at the execution of the First Amended and Restated License Agreement. Catering commissions at both the Alamodome and the Convention Center would increase from 25% to 27% from February 1, 2010 to September 30, 2015.

RECOMMENDATION:

Staff recommends extending the catering agreements at the Henry B. Gonzalez Convention Center and the Alamodome with the respective contractors through September 30, 2015. Staff also recommends amending the RK Group agreement to add certain concessions and catering services

at the Alamodome and removing such services from the catering agreement with Aramark, as requested by the contractors.

ATTACHMENT(S):

File Description	File Name
Voting Results	
Voting Results	
Ordinance/Supplemental Documents	200808140704.pdf
Ordinance/Supplemental Documents	200808140705 part 1.pdf
Ordinance/Supplemental Documents	200808140705 part 2.pdf

DEPARTMENT HEAD AUTHORIZATIONS:

Jim	Assistant Director for Sports	Convention Sports and Entertainment
Mery	Facilities	Facilities

APPROVED FOR COUNCIL CONSIDERATION:

Penny Postoak Ferguson Assistant City Manager