

City of San Antonio

ADDENDUM I

SUBJECT: Request for Qualifications (RFQ) for Catering and Concessions for the Convention Center (**RFQ 014-007, RFX # 6100003884**), Scheduled to Open: August 29, 2014; Date of Issue: May 21, 2014

FROM: Denise D. Gallegos, CPM, CPPB
Procurement Administrator

DATE: June 18, 2014

THIS NOTICE SHALL SERVE AS ADDENDUM NO. I TO THE ABOVE REFERENCED REQUEST FOR QUALIFICATIONS

A. THE ABOVE MENTIONED REQUEST FOR QUALIFICATIONS IS HEREBY AMENDED AS FOLLOWS:

1. **Replace** sentence, Page 6, Section 007 – Pre-Submittal Conference, 1st sentence as follows:

“The first Pre-Submittal Conference will be held at the Henry B. Gonzalez Convention Center, 200 East Market, 2nd Floor Room 204, San Antonio, TX 78205 at 10:00 a.m., Central Time, on June 19, 2014.”

2. **Delete** sentence, Page 11, Section 011 – Restrictions on Communication, “Upon completion of the evaluation process, Respondents shall receive a notification letter indicating the recommended Respondent and anticipated City Council agenda date. Respondents desiring a review of the solicitation process may submit a written request no later than seven (7) calendar days from the date letter was sent. The letter will indicate the name and address for submission of requests for review.”

Replace with: “Upon completion of the evaluation process, Respondents shall receive a notification letter indicating the recommended firm, anticipated City Council agenda date, and a review of the solicitation process.”

3. **Change:** RFQ Attachment A, Part III – Proposed Plan, pg. 37, item 1 “Quality Control”, 3rd sentence, from “80%” to “85%”.
4. **Replace:** RFQ Exhibit 2 Insurance Requirements, pgs. 24 – 25, item 4 as follows:

“At the discretion of the Respondent, any subcontractors and/or suppliers providing goods or services hereunder may be required to obtain the same insurance coverages required of Respondent herein, and provide a certificate of insurance and endorsement that names the

Respondent and the City as additional insureds. The limits of coverage required of subcontractor shall be determined by the Respondent, at its sole discretion. Respondent shall provide the City with said certificate and endorsement, if so required, prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes."

5. **Replace:** RFQ Exhibit 12 Draft Agreement with the attached Revised RFQ Exhibit 12 Draft Agreement. The Revised Draft Agreement is provided in two (2) versions, one indicating the changes from the original Draft Agreement and the Revised Draft Agreement with all incorporated changes.
6. **Replace:** RFQ Attachment B Commission Schedule with the attached revised RFQ Attachment B Commission Schedule.
7. **Per Section 004 Scope of Service, pg. 5, potential respondents are reminded that this is a commission-based contract.**

B. QUESTIONS SUBMITTED IN ACCORDANCE WITH SECTION 011, RESTRICTIONS OF COMMUNICATION:

Question 1: What is the proposed timeline for proposal evaluation, presentations, city council approval and start of transition services following the August 29th proposal submission?

Response: Per Section 014 Schedule of RFQ Events:

- Pre-Submittal Conferences will be held on June 19th and July 8th, 2014;
- Final Questions are due August 15, 2014; and
- Proposals are due August 29, 2014.

The following is a tentative timeline of the process after proposals are received by the City:

- Evaluations and interviews in September 2014;
- Contract negotiations in September/October 2014;
- City Council consideration in November 2014; and
- Contract Commencement October 1, 2015.

Question 2: Please describe the annual attendance between 2010 and 2013. What is the projected attendance for 2014 and 2015?

Response:

Year	Attend.
2010	603,341
2011	602,418
2012	509,278
2013	655,129
2014 (est)	589,435
2015 (est)	614,986

Question 3: Please provide a complete list of the contracted (or licensed), definite and tentative Center bookings by group and/or local name for 2013 – 2017.

Response:

Event Type	2013	2014	2015	2016	2017
Convention With Exhibits	76	93	86	81	58
Convention Without Exhibits	10	12	8	4	1
Meeting	95	88	19	4	4
Food Function	29	41	19	5	2
Corporate Tradeshow	2	1	4	2	1
Private	27	19	3	1	1
Social	11	14	1	1	0
Entertainment Show / Concert	25	19	13	2	1
Public Show	13	15	11	2	1
Seminar	7	5	4	2	0
Competition	10	11	15	4	3
Sports	2	3	3	3	0
Religious Event	9	5	0	0	0
School	19	24	10	2	1
Event Planning Meeting	37	25	0	0	0
Other / Internal Event	160	158	20	3	2
Grand Total	542	533	221	116	75

Question 4: Please provide a list of the projected food and beverage revenue for 2015 – 2017.

Response: Historical sales and commissions, and sales by event types, for FY 09-10 through the first six months of FY 13-14 were provided as RFQ Exhibit 8 Historic Financial Data. There has been additional information provided in this Addendum I, including historical attendance, projected events by event type, and additional historical sales and attendance information for the Lila Cockrell Theatre. The City is requiring Respondents to project all sales as part of their RFQ response, specifically in RFQ Exhibit 6 Projected Events, Attendance and Sales and RFQ Exhibit 7 Projected Operating Proforma; therefore, the City will not provide food and beverage revenue projections.

Question 5: What is the typical conversion ratio from tentative to licensed business for group and local business?

Response: The City typically contracts 40% of all its tentative business.

Question 6: Which, if any, unions are engaged in providing food/décor/floral services at the Center?

Response: None. Texas is a right-to-work state.

Question 7: If any unions are engaged, please provide a copy of their Collective Bargaining Agreement.

Response: Not applicable.

Question 8: Who owns the equipment related to providing food services at the Center and Lila Cockrell Theater?

Response: The City owns all the food service equipment and the current contractor owns and provides all the smallwares.

Question 9: What is the number of committable hotel rooms surrounding the Center?

Response: The City currently has approximately 13,500 hotel rooms within the Central Business District, approximately 4,000 of which are committable within three blocks of the Convention Center and approximately 6,500 committable downtown.

Question 10: With regard to the SBEDA program: The Subcontracting Program requires at least 20% of the contract value be subcontracted to SBE firms and 14% to M/WBE firms. Does the city define prime contract value as the cost of products and services incurred by the prime contractor and its JV partner in service to the Center's catering and concessions business?

Response: The City defines prime contract value as the revenue collected by the prime, minus the dollars paid to the City through this contract. For the purpose of documenting commitment of subcontracting goals, prime respondents only need to provide subcontractor names, vendor numbers, certifications, and percentages to be subcontracted; since amounts may fluctuate based on revenues, the "dollar value" column of the Subcontractor/Supplier Utilization Plan may be left blank. However, all other fields **MUST** be completed.

Question 11: With respect to RFQ Attachment A, Part One under #1 the directions appear to indicate that Co-Respondents *each* need to provide the required information in #1, but that only the Respondent provides information in questions 2 – 11 (c). Is this correct? If it is correct, this would seem to exclude information that may apply to joint venture partnerships with one partner being based in SAMSA. Kindly clarify.

Response: If Respondent is proposing as a team or joint venture, provide the information for each member of the team or joint venture. All parties should provide information for questions 1-11.

Question 12: Will the expanded exhibit space now exceed 500,000 sq. ft of contiguous space or how will the expanded exhibit space be configured?

Response: Yes, the expanded exhibit space is now 513,945 sq. feet.

Question 13: Will the outdoor wraparound balcony be spacious enough (by code) to include food and beverage set ups?

Response: Yes

Question 14: Page 5 of the RFQ, middle of the page notes that the submittal must include comparable venue pricing as required by the City. Please identify which venues the City considers "comparable" so a pricing study may be included.

Response:

Facility	City, State
America's Center	St. Louis, MO
Austin Convention Center	Austin, TX
Baltimore Convention Center	Baltimore, MD
Colorado Convention Center	Denver, CO
George R. Brown Convention Center	Houston, TX
Indiana Convention Center	Indianapolis, IN
Kay Bailey Hutchison Convention Center	Dallas, TX
Minneapolis Convention Center	Minneapolis, MN
Salt Palace Convention Center	Salt Lake City, UT
Washington State Convention Center	Seattle, WA
San Diego Convention Center	San Diego, CA
Phoenix Convention Center	Phoenix, AZ
Kansas City Convention Center	Kansas City, MO
Nashville Convention Center	Nashville, TN

Question 15: Is a Joint Venture proposal limited to one partner or may multiple partners be included?

Response: There is no limit on the number of joint venture partners that may be included; however, to qualify for the SBEDA M/WBE Joint Venture Program and earn evaluation points, M/WBE partners must perform certain percentages of the overall prime contract value, as detailed in Section 012 Evaluation of Criteria, pgs. 11-12.

Question 16: Does the current food and beverage provider share the service charge with the employees and to what extent?

Response: Currently, all commissions due to the City are calculated from the amount actually billed to customers before taxes and service charges (gratuities). Gross receipts are defined as the total amount of gross revenue received from all sales, whether collected or not, excluding applicable sales taxes or service charges (gratuities). The City is not a party to how or if the current provider shares any service charges.

Question 17: Is there a living wage program in effect in San Antonio or is there consideration for one in the future?

Response: No, there is not a living wage program.

Question 18: What is the last three years' attendance and food and beverage sales for the Lila Cockrell Theater?

Response:

Sales	FY 2010 - 2011		FY 2011 - 2012		FY 2012 - 2013		* FY 2013 - 2014	
	Sales	Attend.	Sales	Attend.	Sales	Attend.	Sales	Attend.
Catering								
Catering	\$171,619		\$72,679		\$259,962		\$24,399	
Alcohol	\$1,142		\$651		\$3,796		\$3,330	
Other	\$400		\$-		\$-		\$300	

Subtotal	\$173,161		\$73,330		\$263,758		\$ 28,029	
Concessions								
Concessions	\$22,905		\$42,770		\$31,708		\$9,041	
Alcohol	\$21,684		\$54,628		\$54,358		\$39,092	
Subtotal	\$44,589		\$97,398		\$86,066		\$48,133	
F&B Total	\$217,750		\$170,728		\$349,824		\$76,162	
Novelties	\$929		\$4,641		\$5,174		\$2,268	
TOTAL	\$218,679	50,900	\$175,369	64,600	\$354,998	69,350	\$78,430	33,000

* October 2013 – March 2014

Question 19: How many point-of-sale are there currently in the entire facility?

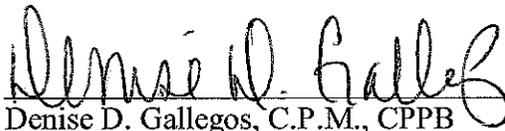
Response: There are currently 17 point-of-sale as follows: Lobby Bridge/El Puente (3); Pour Favor (2); Mural Café (2); and 10 portable points-of-sale shared between Exhibit Halls A, C & D, and Lila Cockrell Theatre .

Question 20: How many point-of-sale are there expected to be in the entire facility after the expansion?

Response: There are 23 proposed point-of-sale after the completion of the expansion as follows: Exhibit Hall C (2); Exhibit Hall D (2); Lobby Bridge/El Puente (3); Pour Favor (2); Mural Café (2); Lila Cockrell Theatre (2); Lila Café (2); Market Café (7); and North Pre-Function Grab-and-Go Concessions

Question 21: Please provide architectural drawings, by level, of the existing Convention Center indicating the current kitchen and concessions/food service areas as well as of the expanded space.

Response: See Attachment A-Drawings.



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