

Memorandum



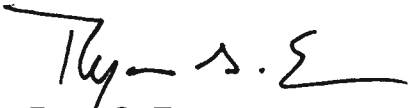
DATE November 2, 2012

TO Members of the Economic Development Committee
Tennell Atkins (Chair), Ann Margolin (Vice Chair), Jerry Allen, Monica Alonzo,
Sheffie Kadane

SUBJECT Dallas Convention Center Food and Beverage Contract

On Tuesday, November 6, 2012, the Economic Development Committee will be briefed on the Dallas Convention Center Food and Beverage Contract.

Please feel free to contact me at 214-670-3296 if you need additional information.



Ryan S. Evans
Assistant City Manager

c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa Rios, City Secretary
Thomas Perkins Jr., City Attorney
Craig D. Kinton, City Auditor
Daniel Solis, Administrative Judge
A.C. Gonzalez, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest E. Turner, Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Ron King, Director, Convention and Event Services
Mike Frosch, Director, Business Development and Procurement Services
Frank Libro, Public Information Officer
Stephanie Cooper, Assistant to the City Manager

Dallas Convention Center Food and Beverage Contract

Economic Development
Committee

November 6, 2012



Purpose

- Provide brief overview of the recent successes at Dallas Convention Center
- Review the procurement process and results of the proposal for food and beverage concession services at the Dallas Convention Center

Background

- **Dallas Convention Center's Economic Impact** – Last year, DCC hosted 105 events with approximately 1 million attendees bringing the City of Dallas an economic impact of over \$570 million. This is up by over \$168 million from the previous year. Based on bookings, the CVB estimates this year's economic impact will be over \$640 million
- **Convention Center Capital Improvement Project- \$60 million approved.** Includes upgraded finishes in many areas, 16,000 square foot ballroom as well as roof and life safety upgrades
- **Tourism PID passed** – Brings \$10 million to the CVB for marketing and incentives, and \$500,000 annually to the DCC
- **Dallas Convention Center Hotel (Omni)** – Highly Successful! Reported through September, gross operating revenue is \$9.4 million ahead of budget and profits are \$2.2 million ahead of budget

Background

- **Dallas CVB Record Room Nights**-Sold a record number of room nights during the last fiscal year bringing future business and hotel occupancy tax to Dallas
- **Dallas Hosted American Society of Association Executives**-Broke record attendance, conducted over 160 site visits, and have already booked one city-wide convention (National Rifle Association)
- **Selection of Food and Beverage Contractor**- at approximately \$2 million, food and beverage is the second highest operational revenue producer. Dallas Convention Center looks forward to a contractor that will partner with us to continue to improve the forward momentum

Scope of the Request for Proposal

- The City issued a Requests for Proposal solicitation for food and beverage services to provide catering service for a base period of 10 years with a 5 year option to renew
- The recommended proposer will operate food and beverage stands, vend various refreshments and other items as approved by the manager, sell alcoholic beverages under certain conditions and provide wardrobe checking service at the Center as required
- In addition, the City will require the successful proposer to operate a cafeteria and other food services as required by the Dallas Convention Center Manager

Procurement Activity

- The Request For Proposal for Food and Beverage Concessions Services advertised on July 12 & 19, 2012
- As part of the City's vendor notification process
 - 1779 Electronic notices were sent by the City's web-based procurement system
 - Electronic notifications were sent by BDPS' ResourceLINK Team to 25 chambers of commerce
 - Notifications were sent to the DFW Minority Supply Diversity Council and Women's Business Council-Southwest advocacy groups

Procurement Activity (cont'd)

- A pre-proposal conference was held August 8, 2012 - 8 companies attended
 - Aramark
 - Centerplate
 - Culinaire
 - Focus
 - Legends
 - Ovations Food Service
 - Savor/Delaware North – DCCP
 - Trinity Food & Beverage Services
- All questions asked during the pre-proposal meeting and City responses were posted on the City's bid website per standard business practices

Procurement Activity (cont'd)

- Proposal due date was extended five weeks to allow further clarification of City requirements
- September 12, 2012 – Proposal closed with 4 vendors submitting proposals
 - Centerplate
 - Savor/Delaware North – DCCP
 - Legends
 - Ovations Food Services
- Business Development and Procurement Services requested and received Best and Final Offers from all proposers

Procurement Activity (cont'd)

- Evaluation process
 - Proposals were received and distributed to a committee for evaluation
 - The evaluation committee was comprised of the following members:
 - Director with over 25 years of convention and event services experience
 - 2 Assistant Directors (AD) with financial and facility management experience
 - AD with extensive facility management experience
 - AD with extensive financial management and analysis experience
 - AD with extensive customer service and management experience

Evaluation Criteria

- EXPERIENCE – 45 points
 - Serving high profile and special events 17 points
 - Serving similar multiple events 14 points
 - Handling unexpected emergencies 5 points
 - Proposed catering & menu concepts 9 points
- SALES & MARKETING – 15 points
 - Marketing and thematic concepts 3 points
 - References and industry contacts 2 points
 - Quality vending service 2 points
 - Provision of specialized services 5 points
 - Sales initiatives 3 points
- FINANCIAL OFFER – 40 points
 - Income participation / Commission to City 24 points
 - Management fee 10 points
 - Capital investments 6 points

Financial Offer Summary

VENDORS	% NET for First \$9.85 M SALES	% NET OVER \$9.85 M SALES	MANAGEMENT FEE FOR YEARS 1 - 5	MANAGEMENT FEE FOR YEARS 6-10
Centerplate	95%	95%	\$450,000	\$500,000
Savor/Delaware North - DCCP	98%	95%	\$355,000	\$405,000
Legends	97%	92%	\$395,000	\$414,750
Ovations	96%	90%	\$475,000	\$525,000

Minimum capital investment requirement for all proposers of \$1M in the first year; \$1M total for years 2-10

Scoring Summary

Vendors	EXPERIENCE Max Points - 45	SALES & MARKETING Max Points - 15	FINANCIAL OFFER Max Points – 40 points	Total Points	OVERALL RANK
Centerplate	42.83	12.00	37.63	92.46	1
Savor/Delaware North - DCCP	38.83	12.17	40.00	91.00	2
Legends	34.50	12.33	38.88	85.71	3
Ovations	35.50	12.83	36.72	85.05	4

Recommended Proposer - Centerplate

- Centerplate was deemed the most advantageous proposer
 - Management Fee
 - \$450,000 Years 1 through 5
 - \$500,000 Years 6 through 10
 - 95% of net sales goes to DCC

Recommended Proposer - Centerplate

- Current partner of Dallas Convention Center since 2002
 - In the past 5 years Dallas has served 650 events and 6 million attendees
 - Proposing joint venture partner with Star Concessions (50/50)
- Partner with over 40 convention centers
 - Currently servicing half of the top 10 busiest centers
 - Washington DC, Dallas, Orlando, New Orleans and San Diego
- Ranked #1 in Quality, Service, Value, and Execution by 210 Meeting planners surveyed by a top meeting industry magazine

Recommended Proposer - Centerplate

- Partner with 7 NFL stadiums
 - San Francisco 49ers, Denver Broncos, Miami Dolphins, New Orleans Saints, Tampa Bay Buccaneers, Washington Redskins and Tennessee Titans
- Partner with major league baseball stadiums and hockey facilities
 - San Francisco Giants, Tampa Bay Rays, Seattle Mariners, New Jersey Devils and Winnipeg Jets
- Approximately 225 other facilities, including universities, arenas, parks, airports, and theatres.
- Company founded in 1929

Recommendation

- Approve resolution on the Council's November 14, 2012 agenda authorizing a ten-year contract with an option to renew for five years with Centerplate
 - City to receive 95% of net sales
 - Management fee of \$450,000 for years one through five and \$500,000 for years six through ten



Questions



Appendix

Business Highlights

Vendors	Number of Clients Ranked in the Top Ten Convention Centers	Total Number of Convention Centers Currently Managing	Approximate Number of Other Public Assembly Facilities	Overall Proposal RANKING
Centerplate	5	40	225	1
Savor/Delaware North - DCCP	2	32	65	2
Legends	0	0	3	3
Ovations	1	29	105	4