## **City Council – Action Request Form**

**Date:** March 19, 2018

**To:** The City Manager

From: Ben Rowe, Assistant City Manager

Jerry Bates, Purchasing Director

## **Council Action Requested:**

Adoption of Resolution Awarding Contract with Innovation Hospitality, LLC for Concession Services at Bowman Gray Stadium

**Strategic Focus Area:** Economic Vitality and Diversity **Strategic Objective:** Promote Travel and Tourism

Strategic Plan Action Item: No

Key Work Item: No



## **Summary of Information:**

In March 2017, the City contracted with Americana Catering Group to provide food and beverage concession services at Bowman Gray Stadium for the 2017 NASCAR racing and Winston-Salem State University Football seasons. Due to the concessionaire's failure to provide timely payment and reports during the second half of the year, City staff did not renew their contract for an additional year. As a result, the City-County Purchasing Department advertised a Request for Proposals (RFP) on January 25, 2018 to provide food and beverage concession services at the stadium for 2018.

The objective of the RFP was to identify and select a food and beverage provider that could best suit the needs of the primary clientele to the stadium and provide the City with maximum financial outcomes. Preference was given to food and beverage providers located in Winston-Salem that demonstrated an established record of providing concession services at large public venues, including timely reporting and payment to the venue owner.

On February 15, 2018, the City received proposals from the following companies: B&T Concession (Mocksville), Debo Food Service (Stratford, CT), Carolina Thunderbirds, LLC (Winston-Salem), Duggins Concessions, LLC (Winston-Salem), and Innovation Hospitality, LLC (Winston-Salem). Innovation Hospitality, LLC is associated with the Winston-Salem Dash and Legends Hospitality.

Committee Action:			
Committee	Finance 3/19/2018	Action	Approval
For	Unanimous	Against	
Remarks:		_	

An evaluation panel of City staff reviewed the proposals received to select the one most qualified to meet the requirements of the RFP. Major criteria considered during the evaluation included, but were not limited to:

- Reasonableness/competitiveness of proposed revenue share and/or benefits to the City of Winston-Salem (although the evaluation panel was not bound to select the respondent who proposes the highest revenue share or most benefits for services)
- Respondent's background, education, and experience of the respondent in providing similar services elsewhere, including and especially the level of experience in working with stadiums, arenas, municipalities, and the quality of services performed
- Respondent's history of positive financial and contractual experiences in similar type venues, including references
- Variety and quality of food and beverage offerings, with emphasis on affordable fanfriendly pricing and commitments to honor existing City pouring beverage and food provider contracts
- Overall quality of the proposal, including readability and flow of proposal, overall marketing vision and creativity that furthers City's commitment to food quality and menu pricing, respondent's responsiveness and compliance with the RFP requirements, and respondent's demonstrated ability to provide the services requested by the City
- Respondent's efforts to use minority or woman-owned businesses to provide third-party concession services (e.g., food trucks)
- Location of the respondent, with greater weight assigned to Winston-Salem based businesses

The evaluation panel assigned the highest score to Innovation Hospitality, LLC. Exhibit B provides the combined scores of the evaluation panel for each proposal. Duggins Concessions, LLC provided food and beverage services at Bowman Gray Stadium from 2014 until September 2016, when the City terminated its contract with the company for failure to provide payment.

Innovation Hospitality, LLC's proposal would provide a 30% commission to the City for the first \$400,000 in gross sales (after taxes) and 40% for sales above \$400,000. Based on previous sales data for Bowman Gray Stadium, the effective percentage could be close to 31%. The evaluation panel provided high scores to Innovation Hospitality, LLC for work experience, payment confidence, quality of proposal, and commitment to the City's Minority/Women Business Enterprise (M/WBE) goals.

Based upon the above criteria, the evaluation panel recommended that the City award a contract for food and beverage services at Bowman Gray Stadium to Innovation Hospitality, LLC for the commissions specified in their proposal. The initial contract term would be for one year, ending on December 31, 2018, with authorization to extend the contract for one additional twelve-month period.

On March 19, 2018, City staff presented their recommendation to the Public Assembly Facilities Commission for their review and consideration. The Commission adopted a resolution recommending approval of a contract with Innovation Hospitality, LLC by the Mayor and City Council.

M/WBE comment: Please see Exhibit A for a complete list of businesses notified of this RFP opportunity. This RFP was posted on the City's and State's Purchasing websites, and staff from the Office of Business Inclusion and Advancement addressed inquiries from potential respondents about compliance with the City's M/WBE policy. B&T Concession and Duggins Concession, LLC are woman-owned businesses. Innovation Hospitality, LLC met the City's goal of contracting 10% of the value of the contract with minority or woman-owned third-party vendors.

Workforce Demographics: See Exhibit A