

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
AVIATION DEPARTMENT**

TO: Mayor and City Council

FROM: Kevin C. Dolliole, Aviation Director

THROUGH: Terry M. Brechtel, City Manager

COPIES TO: J. Rolando Bono, Deputy City Manager, Asset Management, Budget, Legal, Finance and File

SUBJECT: Concession Contracts with Custom Food Group L.P., at San Antonio International Airport

DATE: June 24, 2004

SUMMARY & RECOMMENDATION

This ordinance authorizes the execution of a concession agreement with the Custom Food Group, L.P. ("Custom Food Group") for various locations in Terminal One and Terminal Two at San Antonio International Airport. The term of the agreement is five (5) years and will expire on or about July 31, 2009.

In addition to the Concession Agreement, this ordinance authorizes the execution of a lease with Custom Food Group to operate vending machines in select city office and break facilities at the Airport. The term of the agreement will expire on July 31, 2009.

Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

On October 24, 2003, the City issued a Request for Proposal for the beverage and snack vending concession. Two proposals were received by the due date of December 19, 2003, and one proposal was deemed non-responsive. The Concession Selection Committee consisted of representatives from the Aviation Department, Asset Management Department, Convention and Visitors Bureau, Economic Development Department, Air Transportation Advisory Commission, Unison Maximus (the City's Airport concession development consultant) and Westfield Concession Management. The selections were based on the Selection Committee's determination of the strength of the written proposal as well as the points awarded for locally based ownership and Disadvantaged Business Enterprise (DBE) participation (20%), financial offerings (10%), merchandising concepts (15%), experience and qualifications (10%), financial strength (10%), business plan (15%), commitment to customer service (10%) and street pricing (10%). This committee evaluated the proposal and upon review Custom Food Group was selected.

Custom Food Group ("Concessionaire") has conducted vending operations in San Antonio and the South Texas area since 1963 and continues to expand into new locations by offering quality products, superior customer service and reasonable pricing. Custom Food Group has been the predominate provider of vending services in the public areas and in the Aviation Department offices at the San Antonio International Airport since 1992.

POLICY ANALYSIS

This ordinance is consistent with prior policy, as evidenced by the City Council approved Concession Procedures Manual and Policy Statement of January 11, 2001. Custom Food Group will be a dynamic addition to the new concession program at San Antonio International Airport.

FISCAL IMPACT

The Minimum Annual Guarantee to be paid to the City during the first full year of operation of the concession will be \$12,000.00. Total Minimum Annual Guarantees for the complete term of the contract to be awarded pursuant to the proposed ordinance are \$60,000.00. The Concessionaire will pay the greater of the \$12,000.00 per year or 14.5% of sales per year for each year.

The fiscal impact of Custom Food Group conducting a vending operation in City areas has no impact on concession revenue for the Airport, due to the offering of all vending products at a level not to exceed 10% above wholesale cost. The Concessionaire will retain the 10% differential to offset the cost of furnishing the machines and product.

COORDINATION


This item has been coordinated with the City Attorney's Office.

SUPPLEMENTARY COMMENTS

The Discretionary Contracts Disclosure form completed by Custom Food Group is attached.

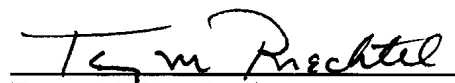


Kevin C. Dolliole
Aviation Director



J. Rolando Bono, Deputy City Manager

APPROVED:



Terry M. Brechtel
City Manager

City of San Antonio

Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

* This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the city in the enforcement of provisions contained in the City Charter and the code of ethics, an individual or business entity seeking a discretionary contract from the city is required to disclose in connection with a proposal for a discretionary contract:

- (1) the identity of any **individual** who would be a party to the discretionary contract;

WADE H. RICHARDSON III
Division Vice President

- (2) the identity of any **business entity**¹ that would be a party to the discretionary contract:
CUSTOM FOOD GROUP
and the name of:

- (A) any individual or business entity that would be a *subcontractor* on the discretionary contract;

N/A

- (B) any individual or business entity that is known to be a *partner*, or a *parent* or *subsidiary* business entity, of any individual or business entity who would be a party to the discretionary contract;

N/A

- (3) the identity of any *lobbyist* or *public relations firm* employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

N/A

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

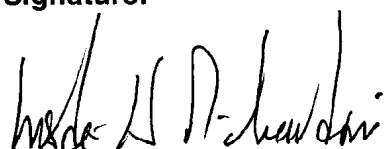
Political Contributions

Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (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, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
NONE	N/A	N/A

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

N/A		
Signature: 	Title: Division Vice President Company: CUSTOM FOOD GROUP	Date: MAY 26, 2004

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.