

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
PARKS AND RECREATION DEPARTMENT**

**TO:** Mayor and City Council

**FROM:** Malcolm Matthews, Director, Parks and Recreation Department

**THROUGH:** J. Rolando Bono, Interim City Manager

**COPIES:** Christopher J. Brady; Finance; Management and Budget; Legal; File

**SUBJECT:** Extension of the Fiesta Carnival Contract

**DATE:** October 21, 2004

**SUMMARY AND RECOMMENDATIONS**

This ordinance authorizes an extension of the Fiesta Carnival and Parade Route Concessions Contract between Fiesta San Antonio Commission, Inc. and Reed Exposition Midway for an additional two (2) years to include the 2005 and 2006 Fiesta years and with modified pricing, as requested by the Fiesta San Antonio Commission, Inc.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

The City has a ten year contract with the Fiesta San Antonio Commission, Inc. to coordinate, oversee and provide financial payment to the City for Fiesta. The contract was approved in 1998 for Fiesta years 1999-2008.

Fiesta San Antonio Commission, Inc., in turn, contracts with an operator to provide the Fiesta Carnival and Parade Route Concessions, which is selected through an RFP process. City staff assists with the RFP process and City Council approves the final selection that is recommended by the Commission. In 2001, a three-year contract was approved with Reed Exposition Midway. The expiring contract allows an option to extend the contract for an additional two (2) years. The Commission has notified the City that it has exercised the option to extend the contract with Reed. The contract extension requires City Council approval. If the City Council does not approve, then the Commission must advertise an RFP for a new vendor.

The Commission and City staff have no concerns with the performance of Reed Exposition Midway during the past three (3) Fiesta events. Reed has requested some price increases for the extension period, which is the first request to change prices approved in the 2001

agreement. The proposed price changes are shown on Exhibit 1. Spectacular Rides will increase by \$0.50 to \$3.50 each, Major Rides will increase by \$0.75 to \$3.00 each and Kids' Rides will remain at the current price of \$1.50 each. Several food/beverage items have price increases of \$0.25 or \$0.50 but the majority of the prices will not change. Everything is sold by tickets and the ticket price will change from \$0.75 to \$0.50 each. Reed Exposition Midway operates concessions at the Wisconsin State Fair and the Lubbock South Plains Fair. A comparison of prices charged in those locations shows that San Antonio prices are lower overall.

During the Fiesta event, the City provides final approval of the Carnival and Concessions activities locations and inspects final clean up. If the areas are not cleaned satisfactorily, then the City may access a \$50,000.00 Performance Bond required from the contractor. Both the Fiesta Commission and the Carnival and Concessions contractor must indemnify the City. Fiesta San Antonio Commission, Inc. provides an audit to the City by December 31 of each contract year, which has been reviewed and has no outstanding issues. The Carnival and Concessions operator must provide an audit to the Commission within 90 days following the end of Fiesta, which also has been reviewed and has no outstanding issues.

### **POLICY ANALYSIS**

The contract was approved in 1998 for Fiesta years 1999-2008. In 2001, a three-year contract with an option for an additional two years was approved with Reed Exposition Midway. The proposed extension with price changes was presented to the Quality of Life Committee on October 7, 2004 and the Committee concurred with this action.

### **FISCAL IMPACT**

Contract payment terms will remain the same. 35% of gross revenues, or a minimum of \$750,000.00, is paid to the Fiesta Commission by Reed Exposition Midway.

The City receives reimbursement for costs and expenses incurred in connection with Fiesta, as specified in the Fiesta Commission agreement. The amount reimbursed is dependent upon the revenue collected by the Commission. In each of the past three years, the City received payment of \$150,000.00 from the minimum guaranteed payment of \$750,000.00 by Reed Exposition Midway to Fiesta Commission.

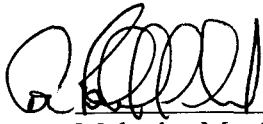
<u>Amount Collected</u>	<u>Commission Share</u>	<u>City Share</u>	
\$0 - \$500,000	\$500,000	\$ 0	
\$500,000 - \$600,000	\$ 25,000	\$ 75,000	(75% of \$100,000)
\$600,000 - \$750,000	<u>\$ 75,000</u>	<u>\$ 75,000</u>	(50% of \$150,000)
	\$600,000	\$150,000	

### **COORDINATION**

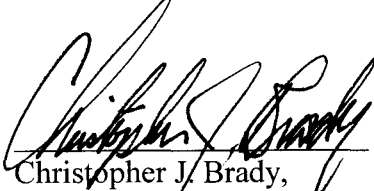
The City Attorney's Office has assisted with this item.

**SUPPLEMENTARY COMMENTS**

A Discretionary Contracts Disclosure Form is attached from Reed Exposition Midway.

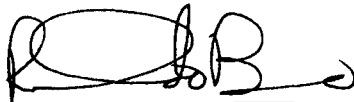


Malcolm Matthews,  
Director of Parks and Recreation



Christopher J. Brady,  
Assistant City Manager

Approved:



J. Rolando Bono,  
Interim City Manager

**EXHIBIT 1**  
**PROPOSED CARNIVAL AND PARADE ROUTE CONCESSIONS PRICES**

Item	2002-2004 Price	Proposed Increase	2005-2006 Proposed Price
	Tickets \$.75 Each		Tickets \$.50 Each
A. Rides			
Spectacular Rides	\$3.00	\$0.50	\$3.50
Major Rides	\$2.25	\$0.75	\$3.00
Kids Rides	\$1.50	n/c	\$1.50
B. Food & Beverages			
Hamburger	\$2.25	\$0.25	\$2.50
Cheeseburger	\$3.00		\$3.00
Tater Tots	\$2.25	\$0.25	\$2.50
French Fries	\$1.50		\$1.50
Onion Rings	\$1.50		\$1.50
Turkey Legs	\$3.75	\$0.25	\$4.00
Hot Dogs - Regular	\$1.50		\$1.50
Ft. Long	\$3.00		\$3.00
Frito Pie	\$2.25	\$0.25	\$2.50
Nachos - Regular	\$2.25	\$0.25	\$2.50
W/Chili & Cheese	\$3.00		\$3.00
Sausage	\$3.00		\$3.00
Corn Dog - Regular	\$1.50		\$1.50
Ft. Long	Not Offered	\$0.00	\$3.00
Burrito	\$1.50	\$0.50	\$2.00
Corn on the Cobb	\$1.50	\$0.50	\$2.00
Jalapeno Poppers	\$3.00		\$3.00
Blossom Onion	\$3.75	\$0.25	\$4.00
Pizza by the Slice	\$2.25	\$0.25	\$2.50
Fruit Cup	\$1.50		\$1.50
Toss Salad	\$2.25	\$0.25	\$2.50
Pickle	\$1.50		\$1.50
Peanuts	\$1.50		\$1.50
Popcorn	\$1.50		\$1.50
Cotton Candy - Regular	\$1.50		\$1.50
Large	\$3.00		\$3.00
Candy Apple - Plain	\$1.50		\$1.50
(Caramel)	\$2.25	\$0.25	\$2.50
W/Nuts	\$3.00		\$3.00
Funnel Cake	\$3.75	\$0.25	\$4.00
Ice Cream (Bars, Cones & Yogurt)	\$1.50		\$1.50
Sno Cones	\$1.50		\$1.50
Drinks - Regular	\$1.50		\$1.50
Drinks - Large	\$3.00		\$3.00
Bottled Water	\$1.50		\$1.50
Souvenir Cup	\$3.75	\$0.25	\$4.00
Refill Cup	Not Offered		Not Offered
Beer - 16oz.	\$2.25	\$0.25	\$2.50
Beer - 24oz.	Not Offered		Not Offered
Beer - 32oz.	Not Offered		Not Offered
Beer - Pitcher	Not Offered		Not Offered

**City of San Antonio**  
**Discretionary Contracts Disclosure\***

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 162  
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:

Jimmy Reed, Jr.

(2) the identity of any business entity that would be a party to the discretionary contract  
Reed Exposition Auditors  
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, or 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

\* 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		

#### 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 question<sup>2</sup> 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.

None		
Signature: 	Title: owner Company: Reed Exposition Midways	Date: 10/14/04

<sup>2</sup> 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 refusal or require careful consideration of whether or not refusal is required.