

CONSENT AGENDA
ITEM NO. **23**

**CITY OF SAN ANTONIO
PARKS AND RECREATION DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Malcolm Matthews, Director, Parks and Recreation Department

SUBJECT: Second Amendment to the Golf Food and Beverage Concession Agreement

DATE: May 5, 2005

SUMMARY AND RECOMMENDATIONS

This ordinance approves the second amendment to the Golf Food and Beverage Concession Agreement with Polanco and Company, L.L.C. to revise revenue payment to the City during four months in each year for the duration of the contract.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

The City owns and operates six municipal golf courses and one Par 3 driving range, which include: Brackenridge Golf Course in City Council District 1, Mission del Lago Golf Course in City Council District 3, Riverside Golf Course in City Council District 3, San Pedro Driving Range in City Council District 1, Cedar Creek Golf Course in City Council District 8 and Willow Springs Golf Course in City Council District 2. Polanco and Company, L.L.C. has operated the food and beverage concession at these facilities since 2002, following a Request for Proposal process and concessionaire selection by the City. The contract is for ten years. In June 2003, their contract was amended, including a change of ownership of the company.

At the time of RFP concessionaire selection, the percentage proposed by Polanco and accepted by the City was higher than the other proposals. The company has had difficulty meeting financial requirements and has continually asked for a reduction in the percentage paid to the City during weak golf participation months in order to cover their operating costs. The proposed amendment will reduce the percentage paid to the City from 16% to 12% during November, December, January and February each year. All other months will remain at 16%. Also, the Performance Bond will be reduced from \$100,000 to \$75,000 for the remaining contract term. The City desires a performance bond equal to approximately a six month revenue value in regard to this type of concession. Should this agreement be terminated, it would take five to six months to replace this concession with a long term lessee; however, we would utilize a short term concession operation in the interim, which would generate revenue to the City. Therefore the reduced performance bond is adequate. Finally, for clarification, there will be a new centralized procedure established for notification of opening and closing concession operations during inclement weather, which shall be followed at all golf course sites.

All amounts currently owed to the City are paid and up to date.

POLICY ANALYSIS

It is standard practice to amend contracts when deemed advantageous to the City. The contract amendment requires passage of a City ordinance.

FISCAL IMPACT


The City's revenue from the contract will decrease from 16% to 12% of adjusted gross revenue during the four months of November, December, January and February each year. Anticipated commission revenue will be about \$116,600.00 per year for the City, a reduction of approximately \$9,200.00 per year. Revenue is deposited into the Golf Revenue Fund.

COORDINATION

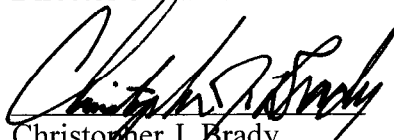
This amendment was coordinated with the City Attorney's Office.

SUPPLEMENTARY COMMENTS

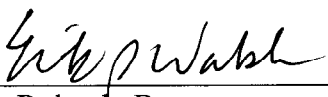
A Discretionary Contracts Disclosure Form is attached.



Malcolm Matthews
Director of Parks and Recreation



Christopher J. Brady
Assistant City Manager

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J. Rolando Bono
Interim City Manager

**THE GOLF COURSE AND DRIVING RANGE
FOOD AND BEVERAGE SERVICE CONTRACT
AMENDMENT NO. 2**

The City of San Antonio, hereinafter called "City", entered into a contract with Polanco & Company, L.L.C., hereinafter called "Concessionaire", pursuant to Ordinance No. 96179, passed and approved by the City Council of the City of San Antonio on August 8, 2002, and amended on June 23, 2003 through Ordinance No. 97881. Both the City and Concessionaire wish to amend said contract and hereby agree to the following amendments to said contract to be effective April 1, 2005:

1) Section 5.1.1 is amended to read as follows:

"5.1.1 16.00% of gross sales *during the eight (8) months of March through October and 12% of gross sales during the four (4) months of November through February*, for the duration of the Contract, pro rata share payable monthly."

2) Section 11.1 is amended to read as follows:

"The performance bond or other performance guarantee acceptable to the City shall not be less than **\$75,000** each year, and will remain in effect for the entire length of the contract."


3) Section 6.1.2 is added as follows:

"City shall develop a process of inclement weather notification for opening and closing of concession operations, which shall be followed at all golf course sites."

All other terms and conditions of the current agreement remain in full force and effect.

Executed this _____ day of _____, 2005.

POLANCO & CO., L.L.C.



Title:

PRESIDENT

CITY OF SAN ANTONIO

J. Rolando Bono
Interim City Manager

ATTEST:

APPROVED AS TO FORM:

City Clerk

City Attorney

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a **party** to the discretionary contract:

POLANCO & CO, LLC

(2) Identify any individual or business entity which is a **partner, parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):

☐ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

H.G.K. 44 INTERESTS, L.L.C. (MEMBER (MANAGING) OF POLANCO & CO, LLC.

(3) Identify any individual or business entity that would be a **subcontractor** on the discretionary contract.

☒ No subcontractor(s); or

List subcontractors:

(4) Identify any **lobbyist** or **public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.

☒ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

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. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made 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 Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3):

☐ No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:
KARL KAPUSTKA	JOEL WILLIAMS	500. ⁰⁰	4/5/05
SERGIO AVILA	JOEL WILLIAMS	100. ⁰⁰	4/15/05
AVILA ENTERPRISES, INC.	JOEL WILLIAMS	200. ⁰⁰	4/15/05
POLANCO & CO, LLC	(DONATION IN KIND) FOOD		

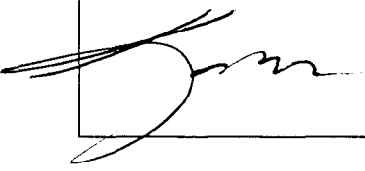
(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.

☒ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

This form is required to be supplemented in the event there is any change in the information 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, whichever occurs first.

Signature: 	Title: POLANCO & CO, LLC Company or D/B/A: PRESIDENT	Date: 4/15/05
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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.