

**CITY OF SAN ANTONIO
CONVENTION FACILITIES & ALAMODOME DEPARTMENTS
CITY COUNCIL AGENDA MEMORANDUM**

TO: Sheryl Sculley, City Manager

FROM: Michael J. Sawaya, CHA, Convention Facilities Director
Michael Abington, Alamodome Director

SUBJECT: First Renewal and Amendment to the Utility Services License Agreements with Edlen Electrical Exhibition Services and Harper Wood Electric for the Convention Facilities and Alamodome Departments

DATE: March 9, 2006

SUMMARY AND RECOMMENDATIONS

An Ordinance authorizing the City Manager or her designee to execute an amendment and extension to the Utility Service License Agreements with Edlen Electrical Exhibition Services and Harper Wood Electric. These companies provide temporary utility services including electrical power, water and compressed air for events at the following venues: Henry B. González Convention Center; Lila Cockrell Theatre; Municipal Auditorium; Alamodome, and; Nelson W. Wolff Municipal Stadium.

The terms and conditions of the Agreements are amended by increasing the license fee payable to the City from 25% to 30% of gross sales, less tax, and deleting contractor authorization to disclose to customers the license fee payable to the City. In addition, customers contracted with or having received proposals prior to the license fee increase offer are exempted from the amended terms and conditions.

This first and only one (1)-year renewal extends these Agreements from March 15, 2006, through March 14, 2007, and is expected to generate \$569,610 in revenue for the Convention Facilities and Alamodome Departments.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Ordinance No. 97238, passed and approved by the City Council on February 27, 2003, authorized the execution of three (3) separate license agreements with Hi Tech Electric, Harper Wood Electric, and Edlen Electrical Exhibition Services to provide temporary utility services, including power, water and compressed air, for events at the various venues operated by the Convention Facilities and Alamodome departments. These agreements were for three (3)-year terms commencing March 15, 2003, and expiring March 14, 2006, and included a one (1)-year renewal option.

These companies were selected after a Request for Qualifications (RFQ) process conducted in December 2002 and January 2003. A committee consisting of representatives of the Convention Facilities and Alamodome Departments, Economic Development Department, Asset Management Department (Contract Services Division), Office of Management & Budget, and the City Attorney's Office reviewed

four (4) proposals received in response to the RFQ, three of which met the following minimum qualifications:

- 1) five (5) years in business;
- 2) five (5) years experience providing similar services and having serviced at least one (1) trade exposition or convention that equalled or exceeded 200,000 sq. ft. in each of those five (5) years;
- 3) ability to establish and maintain a local presence for the term of an agreement, and;
- 4) evidence of insurability and bonding.

Of the three original qualifying contractors, Hi Tech Electric was not able to satisfy the requirement of establishing a local branch office within 60 days of the execution of their agreement and their agreement was subsequently terminated.

Both Edlen Electrical Exhibition Services and Harper Wood Electric along with another company, Trade Show Electric, held previous utility service license agreements with the Convention Facilities and Alamodome departments from March 1999 through March 2003.

POLICY ANALYSIS

In assessing the one-year renewal option City staff conducted a survey of utility service license fees, or commission rates, received by other convention centers including Las Vegas, San Francisco, Miami, San Diego, Phoenix, and Houston. The results indicated that the City's current commission rate of 25% was slightly below the average of 26.5%.

Although both Edlen Electrical Exhibition Services and Harper Wood Electric had already requested to exercise the renewal option, the City requested that both contractors reevaluate the commission rate payable to the City and submit a "best offer" for the one-year renewal period.

Both contractors subsequently offered to increase the City commission from 25% to 30% of gross sales for the renewal period. The City tentatively accepted the increased commission rate and mutually agreed that previously contracted customers or customers who had already received cost proposals prior to the increased commission offer would be grandfathered at the 25% rate. Furthermore, in order to be consistent with other Convention Facilities and Alamodome license agreements, both contractors agreed to discontinue itemizing the City commission on customer invoices.

FISCAL IMPACT

Following is a summary of City license fees, or commission revenue, generated by these agreements during their original term:

| Fiscal Year | Harper Wood Electric | | Edlen Electrical Exhibition Services | | TOTAL |
|--------------------|------------------------------|------------------|---|------------------|--------------------|
| | Convention Facilities | Alamodome | Convention Facilities | Alamodome | |
| ¹ 2003 | \$124,376 | \$10,162 | \$109,870 | \$0 | \$244,408 |
| 2004 | 259,327 | 20,428 | 89,521 | 0 | 369,276 |
| 2005 | 339,378 | 7,595 | 190,215 | 831 | 538,019 |
| ² 2006 | 130,128 | 16,831 | 65,785 | 242 | 212,986 |
| TOTAL | \$853,209 | \$55,016 | \$455,391 | \$1,073 | \$1,364,689 |

Note: FY 03 and FY 04 amounts include commissions for grandfathered events at the previous 18% license fee in addition to commissions for events at the current 25% rate.

¹ Partial fiscal year March 15, 2003 through September 30, 2003.

² Partial fiscal year October 1, 2005 through January 31, 2006.

Based on historical averages and projected events, the execution of these extensions along with the increased commission rate to the City, is estimated to generate the following revenue for the one-year period of the extensions, March 15, 2006 through March 14, 2007:

| Harper Wood Electric | | Edlen Electrical Exhibition Services | | TOTAL |
|-----------------------|-----------|--------------------------------------|-----------|-----------|
| Convention Facilities | Alamodome | Convention Facilities | Alamodome | |
| \$356,122 | \$22,963 | \$190,077 | \$448 | \$569,610 |

Revenue generated from these agreements is credited to the Community & Visitor Facilities Fund.

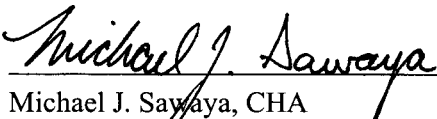
There is no General Fund impact.

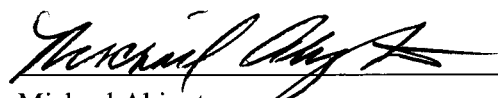
COORDINATION

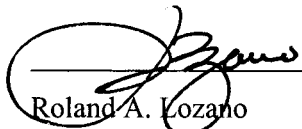
This item has been coordinated with the City Attorney's Office, Contract Services Department and the Office of Management and Budget.

SUPPLEMENTARY COMMENTS

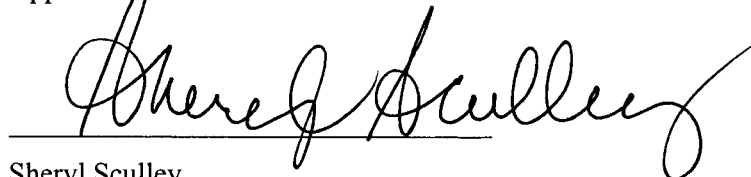
Completed Discretionary Contracts Disclosure forms are attached.


Michael J. Sawaya, CHA
Convention Facilities Director


Michael Abington
Alamodome Director


Roland A. Lozano
Assistant to the City Manager

Approved for Council Consideration:


Sheryl Sculley
City Manager

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: | |
| JAMES H. NORWOOD MARGARET M. CONNER KATHLEEN AZRA CHERIE BRYANT | DARRELL F. BOWE C. ROSS CONNER |
| (2) Identify any individual or business entity which is a <i>partner, parent</i> or <i>subsidiary</i> business entity, of any individual or business entity identified above in Box (1): | |
| <input type="checkbox"/> No partner, parent or subsidiary; or | |
| List partner, parent or subsidiary of each party to the contract and identify the corresponding party: | |
| HARPER WOOD ELECTRIC CO., INC. 1107 S. BROWDER STREET DALLAS, TEXAS 75215 | |
| (3) Identify any individual or business entity that would be a <i>subcontractor</i> on the discretionary contract. | |
| <input type="checkbox"/> No subcontractor(s); or | |
| List subcontractors: | |
| HUGH HAWKINS ENTERPRISES TUTTLE PLUMBING | |
| (4) Identify any <i>lobbyist</i> or <i>public relations firm</i> employed by any party to the discretionary contract for purposes related to seeking the discretionary contract. | |
| <input checked="" type="checkbox"/> 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: |
|---------------|---------------|---------|-----------------------|
| | | | |

(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: <i>Margaret M. Conner</i> | Title: <i>PRESIDENT</i> Company or D/B/A: <i>HARPER WOOD ELECTRIC</i> | Date: <i>2/21/06</i> |
|--|---|-----------------------------|

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.

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: |
| |
| (2) Identify any individual or business entity which is a <i>partner, parent</i> or <i>subsidiary</i> business entity, of any individual or business entity identified above in Box (1): |
| <input checked="" type="checkbox"/> No partner, parent or subsidiary; or |
| List partner, parent or subsidiary of each party to the contract and identify the corresponding party: |
| |
| (3) Identify any individual or business entity that would be a <i>subcontractor</i> on the discretionary contract. |
| <input checked="" type="checkbox"/> No subcontractor(s); or |
| List subcontractors: |
| |
| (4) Identify any <i>lobbyist</i> or <i>public relations firm</i> employed by any party to the discretionary contract for purposes related to seeking the discretionary contract. |
| <input checked="" type="checkbox"/> No lobbyist or public relations firm employed; or |
| List lobbyists or public relations firms: |
| |

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| | | | |

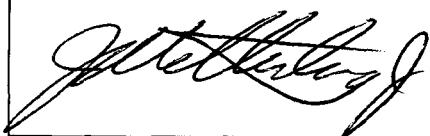
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☒ Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

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| | | |
|--|---|-----------------------------|
| Signature:  | Title: <i>President</i> Company or D/B/A: <i>Edlen Electrical Exhibition Services</i> | Date: <i>2/23/06</i> |
|--|---|-----------------------------|

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.