

Agenda Report

TO: CITY COUNCIL **DATE:** NOVEMBER 8, 1999

FROM: CITY MANAGER

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACT WITH THE PASADENA TOURNAMENT OF ROSES ASSOCIATION FOR CONCESSION SERVICES RELATED TO NEW YEARS' DAY EVENTS

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to enter into a contract with the Pasadena Tournament of Roses Association for the provision of food, beverage and novelty concessions at the 2000 New Year's Fan Fest event as well as the site of post-Rose Parade float viewing, with an option to extend the agreement for an additional year at the discretion of the City Manager. The proposed contract is exempt from Competitive Bidding pursuant to City Charter section 1002[F] contracts for professional or unique services.

It is further recommended that the proposed contract be granted an exemption from the competitive selection requirement of the Affirmative Action in Contracting Ordinance, pursuant to P.M.C. 4.09.060[C], contracts for which the City's best interests are served.

BACKGROUND

Pursuant to the Master License Agreement between the City and the Tournament of Roses Association, the City retains the rights to food, beverage and novelty concessions at the New Year's Fan Fest event as well as the area designated for post-Rose Parade float viewing.

Concession services at these locations had up until September 1997, been part of the contract between the City and Service America Corporation for concession services at the Rose Bowl Stadium.

In September 1997, the City Council approved an amendment, effective January 1, 1998, to the Service American contract, which among other things reduced the geographical area covered by the contract to those areas located inside the Rose Bowl concourse fence. The logic behind revising the geographic area of coverage was to bring the contract scope into conformity with the area under the control and operation of the Rose Bowl Operating Company that administers the contract, pursuant to the RBOC Operating Agreement.

A consequence of this action was to leave the City without a concessionaire for Fan Fest and post-Rose Parade float viewing for 1999. Subsequently, the City entered into an agreement with Service America for services for the 1999 New Years post-parade event. In regard to the Fan Fest event, an informal arrangement between the City and the Tournament of Roses Association was placed into effect. Under that arrangement, the Tournament was provided the concession rights for Fan Fest, which in turn, it subcontracted to the Pasadena Chamber of Commerce. This arrangement called for the Tournament and Chamber to pay the City a fee of \$5,000 each.

Prior to issuing a request for proposals to select a concessionaire for the year 2000 post-parade event, staff received an unsolicited proposal by the Tournament of Roses Association to provide such services. The proposed arrangement would involve the Tournament subcontracting to the Chamber of Commerce, in the same fashion as Fan Fest was structured previously. The Tournament is offering to pay the City 40% of gross revenues with a guaranteed minimum of \$12,000. By contrast, the City's prior agreement with Service America was for 35.4% of the gross, less tax and without guaranteed minimum. The amount of revenue received over the past few years through the post-parade event has varied. In 1996 the City received \$14,232, in 1997 - \$7,400, in 1998 - \$21,000 and last year the City received \$32,744. For the Fan Fest the Tournament is offering 20% of gross receipts with a guaranteed minimum of \$10,000. Staff recommends accepting the proposal.

FISCAL IMPACT

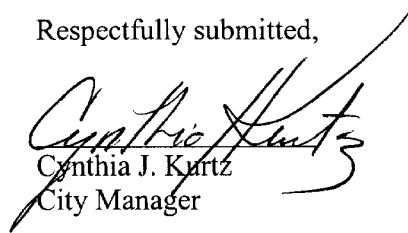
Under the proposed agreement, the Tournament of Roses Association will pay the City 40% of gross revenues with a guaranteed minimum of \$12,000 for post-parade concessions and 20% of gross revenues for Fan Fest with a guaranteed minimum of \$10,000. Since the Fan Fest event is held on land under the direction of the Rose Bowl Operating Company, the concession revenues paid to the City for this event will be shared equally with the RBOC.

The following table illustrates the amount of revenue received by the City as a result of post-parade concessions.

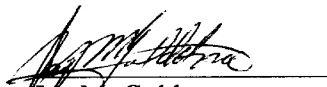
New Years	1999	1998	1997	1996
Return to City	\$32,744	\$21,000	\$7,400	\$14,232


As part of the arrangement for the 1999 Fan Fest concessions, the Tournament of Roses and the Pasadena Chamber of Commerce agreed to pay the City a total of \$10,000.

Respectfully submitted,

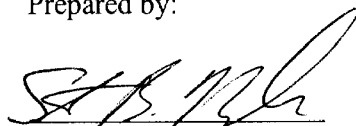

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