

RESPONSE TO COUNCIL QUESTIONS RE: 10/29/19 CITY COUNCIL AGENDA

Agenda Item #: 1.P (19-1208)

Action on Referrals from the September 18, 2019 Economic Development, Communications and Marketing Committee Meeting [EDCM Committee referral 9/18/19: Items 19-990 -Termination of Billboard Agreement and 19-988 - Next Steps for Worker Cooperatives]

Council Question: What is history of All Vision contract till date?

Staff Response: Staff expects to bring forward an item responsive to the Committee's referral together with history/background information before the end of the calendar year.

However, in brief summary, the City released a request for proposals in November 2014 for consulting and management services to assess the City's real estate assets for opportunities to maximize revenue from digital outdoor advertising (i.e., billboards). The City entered into an agreement with All Vision in March 2015.

Council Question: Did we make any revenue?

Staff Response: All Vision completed a comprehensive analysis of City-owned real estate and identified a number of potential development locations. The analysis did not result in the construction of any digital outdoor advertising signs. As a result, no revenue to either All Vision or the City was generated.

Council Question: What are plans to replace it?

Staff Response: The current agreement will expire in March 2020. The Economic Development, Communications and Marketing Committee recommended staff bring a request forward to City Council to terminate the agreement in advance of the March 2020 expiration date. Staff is reviewing the agreement to determine if there are any outstanding liabilities associated with the contract and/or its possible early termination. This assessment will be included in the Report to Council when the requested referral is placed on the Council agenda.

There is currently no Council direction to seek a new contract.

Agenda Item #: 4 (19-1123)

Action on an Agreement for Design Professional Services with SmithGroup for Consulting Services Associated with the City of Santa Clara Civic Center Concept Plan and Utility Building Project

Council Question: Evaluation criteria and tables did not show the costs quoted by various vendors ? Can we please get the costs quoted from all vendors?

Staff Response: A Statement of Qualifications (SOQ) or Request for Qualifications (RFQ) is a process that is used to solicit proposals based on a consultant's qualifications, whereby the scope and cost is negotiated upon the selection of the most qualified consultant. Given this process, cost proposals are negotiated after the selection. This was not a Request for Proposals (RFP).

The Statement of Qualifications (SOQ) selection process specifically does not request cost estimates from all proposers as part of the evaluation criteria. The SOQ is weighted on the firm's experience, staff qualifications and project approach. Once the consultant was selected based on their proposal and oral interview, City staff entered into detailed negotiations on the scope, project schedule and consultant fee. The consultant was selected unanimously by a panel consisting of staff from Silicon Valley Power, Finance, Public Works, and Community Development.

Agenda Item #: 6 (19-614)

Action on the Resolution Approving the Award of Agreement to Levy Premium Foodservice Limited Partnership for Food and Beverage Operations at the Santa Clara Convention Center and Authorizing the City Manager to Negotiate and Execute Agreement, to Take Ministerial Actions to Implement the Terms of the Agreement, and to Execute Two Five-Year Options to Potentially Extend the Term of the Agreement Through June 30, 2035

Council Question: Why is projected revenue on page 4 (67 Million) different than projections on page 7 (72 Million) ? How are projections as on page 7 compared to our past history of 5, 10, 15 years in the past?

Staff Response: During the RFP process, respondents were asked to submit their projections for an initial five-year term. The projected gross receipts as stated on page 4 (\$67M) was included in Levy's best and final offer and represents their projections for the initial five-year term. Due to the timing of the agreement (Levy to assume food and beverage operations January 1, 2020) and to align with the City's fiscal year, the six-month period (January 1, 2020 – June 30, 2020) was included as part of the initial term, thus increasing the initial term to 5.5 years. The increased revenue projection as stated on page 7 (\$72M) includes revenues for the additional six-month period.

As the previous Convention Center food and beverage contract with Aramark was not an agreement entered into or managed by the City, the revenue reporting from the Chamber/Aramark to the City followed a different methodology, reporting relationship, and disclosure level than the proposed new City agreement with Levy. The proposed new agreement provides for a direct relationship with the City and transparency on the financials of the food and beverage operation.

We are researching the net revenue numbers reported by the Chamber/Aramark that were used for budgeting of Convention Center operations. This research will take additional time as the food and beverage numbers were not accounted for or identified in a separate budget line as reported to the City. Instead these numbers were aggregated by the Chamber/Convention Center staff in the overall Convention Center budget. We will provide additional information to the Council as we are able to complete the research for the past 15 years.