



Legislation Details (With Text)

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**Title:** CONSIDER APPROVING AMENDMENT NO. 1 TO CONTRACT SERVICES AGREEMENT WITH CHOURA VENUE SERVICES TO UPDATE THE PAYMENT METHOD FOR CITY SPONSORED AND CITY CO-SPONSORED EVENTS

**Sponsors:**

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**Attachments:** 1. Amendment No. 1, 2. Contract No. 23-022, 3. File ID 2022-872

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

Tuesday, April 18, 2023

Consent

**SUBJECT:**

**CONSIDER APPROVING AMENDMENT NO. 1 TO CONTRACT SERVICES AGREEMENT WITH CHOURA VENUE SERVICES TO UPDATE THE PAYMENT METHOD FOR CITY SPONSORED AND CITY CO-SPONSORED EVENTS**

**I. SUMMARY**

On December 6, 2022, after issuing and awarding an RFP, City Council approved a Contract Services Agreement (Contract No. 23-022; Exhibit No. 2 attached) with Choura Venue Services to provide on-call catering services at the Carson Event Center. Beginning January 1, 2023, the contract term is three years with two (2) optional one-year extensions. Contract No. 23-022 is a revenue-based contract because the City receives 10% - 30% of Choura’s gross monthly sales as revenue.

Effective April 1, 2023, Amendment No. 1 would require that all catering costs for City sponsored or co-sponsored events be billed by Choura and paid separately by the City, rather than taken out of the monthly “rent” payable from Choura to City (which is based on a percentage of Choura’s proceeds from patrons for catering services performed at the Center) as currently provided under Contract No. 23-022. These costs are and will be included in each adopted annual budget with a not-to-exceed amount of \$172,000 (or prorated portion thereof) each fiscal year for a total not-to-exceed amount of \$473,000 over

the contract term (through December 31, 2025). Staff recommends that City Council approve Amendment No. 1 to make this update to the method of compensation to Choura for City sponsored and co-sponsored events (Exhibit No. 1).

## **II. RECOMMENDATION**

TAKE the following actions:

1. APPROVE Amendment No. 1 to Contract No. 23-022 between the City of Carson and Choura Venue Services to update the payment method for City sponsored and co-sponsored events (Exhibit No. 1; "Amendment").
2. AUTHORIZE the Mayor to execute the Amendment, following approval as to form by the City Attorney.

## **III. ALTERNATIVES**

TAKE any other action City Council deems appropriate.

## **IV. BACKGROUND**

On July 21, 2022, the City Issued Request for Proposals (RFP) No. 22-013 for on-call catering services at Carson Event Center. Upon completion of a proposal review and evaluation, Choura Venue Services was selected as the most qualified vendor based. On December 6, 2022, City Council approved Contract No. 23-022 with Choura Venue Services to provide on-call catering services at the Carson Event Center. Beginning January 1, 2023, the contract term is three years with two (2) optional one-year extensions. Contract No. 23-022 is a revenue-based contract because the City receives 10% - 30% of Choura's gross monthly sales as revenue.

Under the current agreement (Exhibit No. 2), Choura will deduct fees for City sponsored or co-sponsored events from the monthly user fee (or "rent," as it is commonly referred to) payable by Choura to the City, which is calculated from a percentage of sales revenue. However, for greater event detail and accuracy, Amendment No. 1, effective April 1, 2023, would require that all catering costs for City sponsored or co-sponsored events be billed by Choura as an itemized invoice and then paid separately by the City. This will allow for a clear separation of "rent" revenue versus expenditures for each City sponsored or co-sponsored event. Additionally, this method provides more accurate monthly revenue reports at the Carson Event Center since fees will no longer be deducted.

Using the highest annual amount incurred over the past five fiscal years, the projected maximum total fees paid to Choura for catering services for City sponsored or co-sponsored events is in the amount of \$172,000 per year. The term of Contract No. 23-022 is three years; the beginning date is January 1, 2023 and the expiration date is December 31, 2025. Therefore, the Contract Sum would be set at \$473,000 by Amendment No. 1 with an effective date of April 1, 2023 and an expiration date of December 31, 2025.

Because of the calendar year-based contract term, two fiscal years will have prorated

expenses in their budgets. The prorated expense for the remainder of FY 2022-2023 is \$43,000 (one fiscal quarter). The projected expense for FY 2023-2024 is \$172,000. The projected expense for FY 2024-2025 is \$172,000. The prorated projected expense for FY 2025-2026 is \$86,000 (two fiscal quarters or half of the total fiscal year amount, as the contract expires halfway through the fiscal year) for a total projected not-to-exceed amount of \$473,000 that may be paid to Choura for City sponsored and City co-sponsored events over the contract term expiring December 31, 2025.

Staff recommends that City Council approves Amendment No. 1 to make these updates to the method of compensation to Choura for City sponsored and co-sponsored events (Exhibit No. 1).

## **V. FISCAL IMPACT**

There is no fiscal impact since this is a revenue-based contract. Amendment No. 1 clarifies that each adopted annual budget will have specific funds designated for Choura expenses with a not-to-exceed amount of \$172,000 (or prorated portion thereof) each fiscal year for a total not-to-exceed amount of \$473,000 over the contract term (through December 31, 2025).

## **VI. EXHIBITS**

1. Amendment No. 1
2. Contract No. 23-022
3. File ID 2022-872

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