



# CITY OF CARSON

## Legislation Text

File #: 2021-495, Version: 1

### Report to Mayor and City Council

Tuesday, August 03, 2021

Discussion

#### **SUBJECT:**

**CONSIDER APPROVING CONTRACT AMENDMENT NO. 3 TO CHOURA VENUE SERVICES TO PROVIDE EXCLUSIVE CATERING SERVICES AT THE CONGRESSWOMAN JUANITA MILLENDER-MCDONALD COMMUNITY CENTER FOR THE PERIOD OF JULY 6, 2021 THROUGH DECEMBER 31, 2021 (CITY COUNCIL)**

#### **I. SUMMARY**

On December 6, 2011 the City Council approved a five-year contract with Choura Venue Services (Caterer or Choura) to provide exclusive catering services at the Congresswoman Juanita Millender-McDonald Community Center. The contract duration began on January 1, 2012 and ended on December 31, 2016. On November 4, 2015 the City and Caterer entered into Amendment No. 1 to the agreement, extending the term of the agreement for an additional five years, from January 1, 2017 to December 31, 2021. Amendment No. 1 erroneously stated that the five-year term extension would conclude on December 31, 2022, which was a miscalculation and would have represented a six-year extension, which was not the parties' intent. On November 1, 2018, the City and Caterer entered into Amendment No. 2 to the agreement, adding a new Section 24, whereby the City engaged the Caterer to perform via 3<sup>rd</sup> party, services related to decorating the Civic Center for the 2018-2019 holiday season.

Staff is now requesting that City Council consider approving contract Amendment No. 3, which corrects and aligns the agreement end date to December 31, 2021, as well as other adjustments as requested by contractor.

Amendment No. 3 has the following changes:

- Choura Venue Services refund policy mirrors the City's refund policy for reservations for use of Center facilities
- Choura must respond promptly to all complaints from patrons and make best efforts to resolve within thirty days
- Minimum monthly rent requirement of \$11,000.00 is removed for the period

beginning from the March 2020 shutdown of the Center through to the end of the contract on December 31, 2021

- Establishes a six-month repayment plan from August to December 2021 for the outstanding rent of \$35,766.95 for the months of January and February 2020 due to the economic hardship encountered by Choura Venue Services during the pandemic
- City will ensure sufficient staffing levels to perform the responsibilities of booking space

## **II. RECOMMENDATION**

Take the following actions:

1. APPROVE Contract Amendment No. 3 to Choura Venue Services to provide exclusive catering services at the Congresswoman Juanita Millender-McDonald Community Center through December 31, 2021; AND
2. AUTHORIZE the Mayor to execute the contract after approval as to form by the City Attorney; AND
3. PROVIDE DIRECTION to staff on preferred catering services beginning in January 2022.

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## **III. ALTERNATIVES**

1. DO NOT APPROVE a contract amendment to Choura Venues Services.
2. Take another action the City Council deems appropriate.

## **IV. BACKGROUND**

Choura Venue Services has provided exclusive catering services to the Congresswoman Juanita Millender-McDonald Community Center since January 1, 2012. A five-year agreement was entered into between the City and Caterer. Amendment No. 1 granted an additional five-year contract extension covering the period of January 1, 2017 to December 31, 2021. However, Amendment No. 1 erroneously stated the five-year extension would conclude on December 31, 2022, which would have represented a six-year extension, which was not the parties' intent. On November 1, 2018, the City and Caterer entered into Amendment No. 2 to the agreement, adding a new Section 24, whereby the City engaged the Caterer to perform via 3<sup>rd</sup> party, services related to decorating the Civic Center for the 2018-2019 holiday season.

Due to the pandemic, the operations of the Congresswoman Juanita Millender-McDonald Community Center (Center) were shut down from March 2020 to June 2021. With no events scheduled at the Center, Choura was unable to generate revenue from catering

sales for events, which was a financial hardship for them.

Neither the original agreement nor any of the subsequent amendments had specified parameters for how the caterer should handle refunds to customers whose reservations had been cancelled for circumstances out of the customers' control. As a result, Choura Venue Services had not issued refunds to clients whose events were cancelled due to the pandemic. Staff brought this to the attention of Choura in April 2021 and all of the clients' refunds have been processed by Choura. The proposed amendment stipulates that Choura's refund policy mirror that of the City's facility rental refund policy to ensure consistency for customers.

Just prior to the pandemic shut down, Choura had become delinquent on its rent/revenue share payments to the City for the months of January and February 2020 in an amount totaling \$35,766.95. As such, this amendment proposes a short-term payment plan that affords Choura the opportunity to gradually repay the back rent through December 2021. With the Center reopened for events in June 2021, Choura is now booking new catering services through the summer and beyond.

Amendment No. 3 confirms the accurate agreement end date through December 31, 2021, as originally intended. With the current catering contract expiring at the end of 2021, staff has been preparing a Request for Proposals for catering services beginning January 2022 that we expected to release in August.

In addition, the substantive proposed amendments to the agreement are as follows:

- Choura Venue Services refund policy to mirror the City's refund policy for reservations for use of Center facilities
- Choura must respond promptly to all complaints from patrons and make best efforts to resolve within thirty days
- Minimum monthly rent requirement of \$11,000.00 is removed for the period beginning with the Center's March 2020 shutdown through the end of the contract on December 31, 2021.
- Establishes a six-month repayment plan from August to December 2021 for the outstanding rent of \$35,766.95 for the months of January and February 2020 due to the economic hardship encountered by Choura Venue Services during the pandemic
- City will ensure sufficient staffing levels to perform the responsibilities of booking space

Staff recommends that the City Council approve Contract Amendment No 3. with Choura Venue Services. If approved Choura will continue to provide exclusive catering services at the Congresswoman Juanita Millender-McDonald through December 31, 2021 with the revisions proposed.

While preparing this amendment, staff received a separate request from Choura to consider a one- or two-year extension of the contract due to the Center being closed for normal business for 15 months in 2020/2021. While it may be reasonable to consider Choura's request for extension due to pandemic related revenue losses, it is also worth noting that Choura's contract has been in place well beyond the original 5-year term, having already expended the single built-in option to extend for 5 years. Staff believes it is in the City's best interest to routinely bid out services to ensure that the City is receiving the best product at the best price and to ensure the City maintains a competitive and transparent bidding environment.

The request to extend the contract for an additional one or two years also includes the following Choura proposed adjustments beginning January 1, 2022:

- No minimum monthly rent paid to City
- Percentage rent for each month paid to city would commence only after the first \$50,000 of business is collected
- City to increase its sales staff beyond the current staffing levels
- That there be no space rented by the Center on Fridays and Saturdays without food service as a part of the package.

Prior to receiving this request, staff was preparing to publish a Request for Proposals (RFP) for catering services at the Center for the next 5-year period starting January 1, 2022. The RFP scope would present a new model of catering services that would allow the City Council to establish a list of preferred caterers to service the needs of Center clients. This would give clients a variety of price points and cuisines to choose from (including but not limited to vegetarian, vegan, ethnic, etc.). The list might include multiple caterers, which would provide a wider range of meal choices to accommodate diverse palettes and budgets from business conferences to formal celebrations.

Adding variety provides the Center with more versatility in the client portfolio, making the Center and City more resilient to economic downturns that may impact some industries and event types more than others. Choura would be encouraged to bid on the RFP as one of the preferred vendors for the City to consider.

Given the options of moving forward with a competitive RFP process for catering services beginning in 2022, or considering the contract extension request submitted by Choura, staff is seeking direction from City Council on the preferred path forward. Dependent upon City Council discussion, staff will return in a future meeting with either an extension contract with the terms negotiated or a recommendation for RFP contract award.

## **V. FISCAL IMPACT**

If approved, Amendment No. 3 will decrease the funds paid by Choura to the City during the closure of the Community Center due to the pandemic and would eliminate the base minimum monthly rent payment through the remainder of the contract.

**VI. EXHIBITS**

1. Original Agreement for Contract Services (Pgs. 6-31)
2. Amendment No. 1 to the agreement for Contract Services (Pgs. 32-34)
3. Amendment No. 2 to the agreement for Contract Services (Pgs. 35-45)
4. Proposed Amendment No. 3 to the agreement for Contract Services (Pgs. 46-56)

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