

Mayor and Council Communication

DATE: 01/11/22

M&C FILE NUMBER: M&C 22-0031

LOG NAME: 25WRMC FOOD & BEVERAGE AGREEMENT WITH CRAFT CULINARY

SUBJECT

(CD 7) Authorize Execution of a Contract with Craft Culinary Concepts, LLC to Provide Food and Beverage Services at the Will Rogers Memorial Center for an Initial Term of 10 Year, with Five Optional One-Year Renewal Terms and a Management Fee in an Amount Equal to 2.75 of Annual Gross Sales

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a contract with Craft Culinary Concepts, LLC, to provide Food and Beverage Services at the Will Rogers Memorial Center for a term of 10 years, beginning on January 13, 2022 and expiring on January 12, 2032, with five optional one-year renewal terms, and a management fee in an amount equal to 2.75% of annual gross sales.

DISCUSSION:

The purpose of this Mayor and Council Communication is to consider a Food and Beverages Services Agreement with Craft Culinary Concepts, LLC (Agreement). The current agreement with Coburn's Catering Service, Inc. (Coburn's) to provide Concession and Alcoholic Beverage Services at Will Rogers Memorial Center (WRMC) expires on January 13, 2022.

The Public Events Department (PED) began the process of selecting a future provider of Food and Beverage Services at WRMC in the first quarter of 2021. The City contracted with Hunden Strategic Partners (HSP) as an advisor and to manage the selection process on the City's behalf.

In April of 2021, a Request for Qualifications (RFQ) was issued for WRMC Food and Beverage Provider Services. Six companies responded to the RFQ (2 local, 1 regional, 3 national). The responses of 5 of the companies were determined to be compliant with the requirements of the RFQ.

In June of 2021, a Request for Proposals (RFP) was issued to the five short-listed companies. All five of the companies responded to the RFP.

In August of 2021, the five respondents were interviewed. HSP then followed up on each proposal with additional questions and clarifications.

Respondent's proposals were evaluated on the following criteria:

Financial Proposal:	37%
Business Equity Participation:	15%
Revenue Improvement Record:	12%
Demonstrated Innovation:	12%
Fort Worth Flavor:	12%
Quality of Experience:	12%

Based on the evaluation of the interview panel, Craft Culinary Concepts, LLC (Craft) was selected as the leading candidate to serve as the provider of Food and Beverage Services at WRMC.

In November of 2021, staff briefed the Fort Worth City Council about the interview panel's recommendation and Craft's proposal.

Below are the essential terms of the proposed Agreement:

- **Term:** The Agreement will be binding upon execution by the parties and will be effective for a term of ten (10) years, beginning on January 13, 2022, and include five optional one-year renewal terms. Craft will start operations in February after the end of the 2022 Fort Worth Stock Show and Rodeo.
- **Financial Structure**
 - Craft will invest at least \$750,000.00 in mutually agreed upon new food and beverage focused capital investments within the first 18 months of the effective date of the Agreement.
 - This investment will be amortized in equal monthly amounts over a period of seven years from the date that the City accepts the improvements. Craft has also committed to investing in, and operating a, 53-foot grill and smoker tractor-trailer (valued at \$1.3M), which will be used to serve customers at the WRMC and for various events throughout the City.
 - Craft will pay the City 2.5% of its annual gross sales for repairs, maintenance, and replacement of items at the WRMC related to the

services to be provided under the Agreement. All such funds will be placed in a specially designated repair, maintenance, and replacement fund for the WRMC.

- City will pay Craft an annual management fee equal to 2.75% of gross sales, which will be specifically defined in the Agreement.
- Craft will pay the City 90% of its annual operating profits that it receives from the services to be provided under the Agreement.

- Services

- Craft will be responsible for providing professional food and beverage and other limited support services for WRMC events and visitors using the existing facilities, coupled with the new investment in them and new equipment.
- Craft's services will generally include the purchase, preparation, sales, marketing, and service of food, alcoholic and non-alcoholic beverages, and other related food items for WRMC catered and non-catered events. Catering, concessions, and alcohol are exclusives, and the Craft will carry the alcohol permit.
- The services will also include the operation of permanent concessions stands, portable food and beverage outlets, and permanent food service outlets.
- Catering services at the WRMC will be provided through a "Catering Cooperative Program" (Program). The Program will present the catering products and services of Craft, as well as the products and services of local caterers (selected by a panel representing local WRMC constituent organizations) who represent genres of "Fort Worth Flavor". The goal of the Program is to provide an elevated level of catering products and services at the WRMC that represent Fort Worth cuisine and provide opportunities to local catering firms (including Business Equity Firms), with the ultimate goal of increasing the volume of catering events and revenue and improving customer experience for the WRMC.

- Local and Business Equity Firms: Craft has also committed to a 33% Business Equity participation goal that places and emphasis on doing business with Fort Worth-based companies and Business Equity Firm (BEF).

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and execution of the contract, funds will be deposited into the Culture & Tourism Fund. The Public Events Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

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