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CITY OF SACRAMENTO

DEPARTMENT OF

PARKS AND COMMUNITY SERVICES

3520 FIFTH AVENUE SACRAMENTO, CALIFORNIA 95817
TELEPHONE (916) 449-5200

ROBERT P. THOMAS
DIRECTOR

G. ERLING LINGGI
ASSISTANT DIRECTOR

CROCKER ART MUSEUM DIVISION
GOLF DIVISION
METROPOLITAN ARTS DIVISION
MUSEUM AND HISTORY DIVISION
RECREATION DIVISION
PARKS DIVISION
ZOO DIVISION

APPROVED
BY THE CITY COUNCIL

DEC 11 1984

OFFICE OF THE
CITY CLERK
December 5, 1984

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Miller Park Food Concession Contract

CITY MANAGER'S OFFICE
RECEIVED
DEC 5 1984

SUMMARY

This report requests authorization to negotiate a contract for the Miller Park Food Concession with Joanna Harris, the current concessionaire, in accordance with Section 12.62 of the Sacramento City Code. The contract for the Miller Park Food Concession will terminate on December 31, 1984. It is necessary that the City Council award a contract to be effective January 1, 1985.

BACKGROUND INFORMATION

On October 16, 1984, the City Council called for bids to be received on Miller Park Food Concession. In an effort to attract potential bidders, an informational bid package was prepared; advertisements were placed in two local dailies and two minority newspapers; and letters inviting bids were mailed to 90 individuals and companies on the City's food concessionaires mailing list.

The bid process failed to produce any bidders. It is believed that the recent events and resultant negative publicity surrounding Miller Park dissuaded potential bidders. Additionally, the limited term of the proposed contract, necessitated by the planned expansion of the Boat Harbor, possibly deterred bidders.

One potential bidder informed the City in writing as to why she opted not to bid. This individual felt that the rent requirement of 15% of gross profits was excessively high, and therefore apt to encourage dishonesty on the part of the Concessionaire. In reality, rent at this operation has been 15% of gross for over 12 years. This individual also believes that the City, as opposed to the Concessionaire, should provide the equipment necessary to operate the Concession, and that the \$4,000 annual minimum guarantee is unreasonable. The provision of all equipment and fixtures necessary to operate a concession is a standard requirement of all concessionaires who contract with the City. The annual minimum guarantee was set at \$4,000 based on the past five year average of gross receipts.

City Council
December 5, 1984
Page Two

The current concessionaire, Joanna Harris, is interested in a new contract for the Miller Park Food Concession. Her reason for not submitting a bid was that the recent and rather sharp drop in business, resulting from the problems in the park and coinciding with the bid period, made her reluctant to commit to an annual minimum guarantee. There was, however, no objection to the 15% of gross rent requirement, the increased insurance and reporting requirements, or the limited term proposed under the new contract. Mrs. Harris has operated the Miller Park Food Concession for 22 years and has developed a loyal clientele. Department staff feels it is in the best interest of the City to negotiate a new contract with Mrs. Harris to be effective January 1, 1985. Section 12.62 of the City Code authorizes the negotiation of a contract including terms and conditions when the bid process has failed to produce a best responsible bidder.

FINANCIAL DATA

Revenue from this concession is deposited in the General Fund. Failure to negotiate a contract will result in the discontinuation of this concession operation with a resultant loss of revenue to the City of approximately \$3,554 per year.

RECOMMENDATION

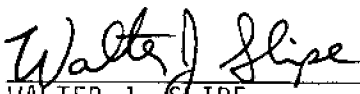
It is recommended that the City Council give notice of its intention, by resolution, to negotiate a contract, including terms and conditions, with Joanna Harris for the Miller Park Food Concession pursuant to the conditions contained in Section 12.62 of the City Code.

Respectfully submitted,



ROBERT P. THOMAS, Director
Parks and Community Services

Recommendation Approved:



WALTER J. SLIPE
City Manager

RPT:js

December 11, 1984
District 1

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CITY CLERKS OFFICE
CITY OF SACRAMENTO
OFFICE OF THE MAYOR

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Gloria B. Reynolds
P. O. Box 161456
Sacramento, CA 95816

October 25, 1984

CITY OF SACRAMENTO

NOV 05 1984

DEPARTMENT OF
COMMUNITY SERVICES

To the Mayor and the City Council
City of Sacramento
Sacramento, CA 95814

Dear Friends:

Reference REQUEST FOR PROPOSAL FOR FOOD CONCESSION AT MILLER PARK.

In my opinion, the rent requirement by the City of Sacramento in the above RFP is unrealistic, and unfair to any operator who intends to HONESTLY operate the concession at Miller Park with improved and upgraded services.

I am writing to you with the hope that you will take the time to review the RFP and consider my objections, because I believe a profitable and flourishing concession will tend to improve conditions that now exist in this beautiful city park.

My main objection to the RFP is the rent requirement of \$4000 or 15% of gross sales per year. This is a very harsh requirement for an operator who must provide, on a two-year contract, a substantial equipment investment (stove, refrigerator, freezer, heating and cooling, security) for a practically defunct business. Considering the conditions at and around the concession today, I believe the City should provide most of the equipment needed and charge a flat \$4000 per year rent in order to encourage a profitable operation at the end of this contract period.

Here are my estimates of sales and costs in the SECOND year of a 1985-1987 contract.

Gross Sales		\$ 50,000
Cost of Sales, 47%	\$ 23,500	
Payroll & expense (\$500 month)	7,500	
Utilities and telephone	1,500	
Insurance, taxes, professional	1,500	
Security, repairs, other	1,200	35,200
Profit before RENT		\$14,800

Rent at 15% gross would be \$7,500, net profit before depreciation and return on investment -for 7 days per week labor, \$7,300.

Very truly yours,

Gloria B. Reynolds

Gloria B. Reynolds
P.O. Box 161456
Sacramento, CA 95816

Telephone: 916/446-1028

EMPLOYMENT OBJECTIVE: A management position; a job with action, variety, responsibility and advancement opportunities.

EDUCATION: Graduate Studies, Management Certificate Program, University of California, Davis, CA, 1978.

B.A., Business Administration (Accounting) and Government, California State University, Sacramento, CA, Phi Kappa Phi Honors, 1974.

EMPLOYMENT

HISTORY: 1979-1983. Sole Proprietor, Gray's General Store, 1630 18th Street, Sacramento, CA, a grocery-delicatessen specializing in lunch, take-out and catering services, open Monday-Friday, 7AM-6PM.

I increased sales from \$50 per day when purchased in 1979 to \$650 per day when sold October, 1983. I controlled all facets of the operation which served over 200 customers per day, including hiring and training staff, purchasing inventory and supplies, performing all accounting functions, supervising the advertising, the repairs of fixtures and equipment, the re-design of floor space for maximum utilization, and the maintaining of customer satisfaction and goodwill.

1975-1978. Executive Director of Women's Justice Services, Inc., a non-profit, CETA funded community agency offering job counseling, training and placement services to women offenders.

I wrote the proposal and secured the funding for an experimental pilot program in a new community agency, Women's Justice Services, Inc. I received funding of \$80,000 in 1975, \$100,000 in 1976, and \$135,000 in 1977.

To establish the agency, I initiated the legal documents and obtained incorporation; secured the lease of suitable facilities, obtained permits and insurances, hired and trained the staff. I wrote job descriptions, developed a personnel policy manual and grievance procedures, designed CETA approved accounting methods, performance measurements and audit trails. In addition, I designed and implemented the program for which I received a Certificate of Merit from the Sacramento County Sheriff, and an Outstanding Achievement award from the agency's Board of Directors when I resigned in 1978.

EMPLOYMENT

HISTORY: 1958-1975. Accountant, Public Accountant, Bookkeeper.

I worked for two years for the accounting firm of Ruth E. Clark, C.P.A., Sacramento, CA, specializing in restaurant and bar accounting. In 1960, continuing a sub-contract partnership with the Clark firm, I opened an accounting business, North Area Tax and Bookkeeping Service, for a variety of businesses, proprietorships and individuals. Services included summarizing from books of original entry to general ledgers, preparing financial statements and tax returns, analyzing costs and cash variances, and preparing projections of income and expenses.

While attending college, 1968-1974, I worked as the accountant for Standard Transmission Exchange, OK Tire Company, and Walter Finch, P.A., Sacramento, CA.

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RESOLUTION NO. 84-1012

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION AUTHORIZING THE NEGOTIATION
OF A CONTRACT FOR THE MILLER PARK FOOD CONCESSION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the City Council hereby gives notice of its intent to negotiate a contract, including terms and conditions, with Joanna Harris for the Miller Park Food Concession, pursuant to the conditions contained in Section 12.62 of the City Code.

The City Clerk shall publish this notice of intention once in the official newspaper of the City of Sacramento.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

DEC 11 1984

OFFICE OF THE
CITY CLERK

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