



Board Report

File #: A 17-083, **Version:** 1

- a. Approve and authorize the Contracts/Purchasing Officer to execute a Facility Lease Agreement based on the selection criteria set forth in RFP#10601, with PFD Management Inc. (“LESSEE”) for the Schilling Food Service Facility located at 1441 Schilling Place, Salinas, for the initial term of One (1) year, commencing on March 7, 2017 at 12:01a.m. and terminating on March 7, 2018 at 11:59p.m., for a guaranteed annual minimum lease amount of \$8,000, plus a monthly three (3%) percent commission based on Concessionaire’s annual gross sales revenue (“Gross Revenue”) over One Hundred Ninety-Two Thousand Dollars (\$192,000) for Cafeteria, Internal Catering and other Sales and Services associated with the facility, plus a flat fee of Five-Hundred (\$500) Dollars for each outside catering event supported through the use of the facility; and
- b. Authorize the Contracts/Purchasing Officer to exercise the option to extend the Facility Lease Agreement for nine (9) additional one (1) year periods in accordance with the terms and conditions set within the Facility Lease Agreement.

RECOMMENDATION

It is recommended that the Board of Supervisors:

- a. Approve and authorize the Contracts/Purchasing Officer to execute a Facility Lease Agreement based on the selection criteria set forth in RFP#10601, with PFD Management Inc. (“LESSEE”) for the Schilling Food Service Facility located at 1441 Schilling Place, Salinas, for the initial term of One (1) year, commencing on March 7, 2017 at 12:01a.m. and terminating on March 7, 2018 at 11:59p.m., for a guaranteed annual minimum lease amount of \$8,000, plus a monthly three (3%) percent commission based on Concessionaire’s annual gross sales revenue (“Gross Revenue”) over One Hundred Ninety-Two Thousand Dollars (\$192,000) for Cafeteria, Internal Catering and other Sales and Services associated with the facility, plus a flat fee of Five-Hundred (\$500) Dollars for each outside catering event supported through the use of the facility; and
- b. Authorize the Contracts/Purchasing Officer to exercise the option to extend the Facility Lease Agreement for nine (9) additional one (1) year periods in accordance with the terms and conditions set within the Facility Lease Agreement.

SUMMARY

Included with the recent purchase of the Schilling facility located at 1441 Schilling Place by the County, was a pre-constructed food service facility within the building. The Schilling Place “Café” is planned to fully serve the food and beverage needs of all County visitors having business within the facility as well as employees working within the Schilling Place Campus. The goal of the Cafe is to provide healthy, affordable, and enjoyable food options for breakfast, lunch, and snacks. Along with serving County employee’s campus-wide, it is anticipated that the Cafe will also receive patronage from County Departments within the facility, as well as surrounding businesses looking for variety from the limited options existing within the surrounding area. The Schilling Place Cafe is intended to be a positive benefit for employees/ patrons of the building and a place where people are excited to eat.

The County Contracts/Purchasing Officer prepared and issued a Request for Proposals (RFP #10601), which was released Thursday, October 13, 2016 to solicit written proposals from qualified Food Service providers capable of providing the required food service options outlined within the released RFP.

Through the competitive RFP process the County selected “PFD Management, Inc.”, (hereinafter referred to as

“PFD”) as the most qualified Contractor capable of fulfilling the requirements of the RFP with a high level of quality food service experience and with the level of experience capable of providing the Café patrons with a wide variety of specialties prepared fresh daily from scratch.

Approval of the recommended action will enable the County to assure a reliable source of food service is provided and made available within the referenced facility.

OTHER AGENCY INVOLVEMENT

The Office of the County Counsel has reviewed and approved the Facility Lease Agreement as to form and legality. The Auditor/Controller’s Office has approved the Facility Lease Agreement as to fiscal provisions. Risk Management has reviewed and approved the Facility Lease Agreement as to risk provisions.

FINANCING

There is no financial impact to the County’s General Fund. The \$8,000-dollar annual fee and other fees collected will be utilized to maintain the facility and associated costs.

Prepared by: Mike Derr, Contracts/Purchasing Officer, 4992

Approved by: Dewayne Woods, Assistant County Administrative Officer, 5309

Attachments: Final Proposed Facility Lease Agreement