



Board Report

File #: 18-808, 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 Jo’s cafe a Food Service located at 142 West Alisal Street, Salinas, for the initial term of two (2) years, commencing on August 29, 2018 at 12:01 a.m. and terminating on August 29, 2020 at 11:59 p.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 eight (8) additional one-year (1) year terms (each a “Renewal Term”) at a rate to be negotiated by the parties. Such renewal shall be in the form of a written Amendment to the Agreement at least thirty (30) days prior to the expiration of the then-current term.

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 Jo’s cafe a Food Service located at 142 West Alisal Street, Salinas, for the initial term of two (2) years, commencing on August 29, 2018 at 12:01a.m. and terminating on August 29, 2020 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 eight (8) additional one-year (1) year terms (each a “Renewal Term”) at a rate to be negotiated by the parties. Such renewal shall be in the form of a written Amendment to the Agreement at least thirty (30) days prior to the expiration of the then-current term.

SUMMARY/DISCUSSION:

With the recent remodel of the County East-West Wing facility located at 142 West Alisal Street Salinas, the remodel includes a constructed food services facility within the building. Jo’s Café is planned to serve the food and beverage needs of all County visitors having business within the County Campus as well as employees working within the Campus. The goal of Jo’s 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 and State Departments within the facility, as well as visitors to the facility. Jo’s Cafe is intended to be a positive benefit for both employees and visitors to the campus facilities.

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. During the selection process PFD Management Inc., was selected to provide the food service operations to the new purchased Schilling Facilities, and for continuity in food service operations the County has elected to continue the services of PFD to the newly constructed Jo's Café.

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.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

These actions will help ensure the timely provision of necessary services to all County Departments.

Mark a check to the related board of Supervisors Strategic Initiatives

☐ Economic Development
☒ Administration
☐ Health & Human Services
☒ Infrastructure
☐ Public Safety

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

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

Attachments: Final Proposed Facility Lease Agreement