



# County of Monterey

Board of Supervisors  
Chambers  
168 W. Alisal St., 1st Floor  
Salinas, CA 93901

## Board Report

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**File #: 21-947, Version: 1**

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a. Approve and authorize the Acting Contracts/Purchasing Officer to execute a three (3) year Concession Lease Agreement, effective December 1, 2021 with Zako HK, Inc. for cafeteria space located at 142 West Alisal Street, Salinas, California (commonly known as Jo's Café) for a minimum base rent of \$8,000 per year, plus a three percent (3%) commission fee based on gross monthly sales revenue over \$10,000, and a \$500 flat fee for each outside catering event.

b. Approve and authorize the Acting Contracts/Purchasing Officer to execute a three (3) year Concession Lease Agreement, effective December 1, 2021 with Zako HK, Inc. for cafeteria space located at 1441 Schilling Place, Salinas, California (commonly known as Schilling Place Café) for a minimum base rent of \$8,000 per year, plus a three percent (3%) commission fee based on gross monthly sales revenue over \$16,000, and a \$500 flat fee for each outside catering event.

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

a. Approve and authorize the Acting Contracts/Purchasing Officer to execute a three (3) year Concession Lease Agreement, effective December 1, 2021 with Zako HK, Inc. for cafeteria space located at 142 West Alisal Street, Salinas, California (commonly known as Jo's Café) for a minimum base rent of \$8,000 per year, plus a three percent (3%) commission fee based on gross monthly sales revenue over \$10,000, and a \$500 flat fee for each outside catering event.

b. Approve and authorize the Acting Contracts/Purchasing Officer to execute a three (3) year Concession Lease Agreement, effective December 1, 2021 with Zako HK, Inc. for cafeteria space located at 1441 Schilling Place, Salinas, California (commonly known as Schilling Place Café) for a minimum base rent of \$8,000 per year, plus a three percent (3%) commission fee based on gross monthly sales revenue over \$16,000, and a \$500 flat fee for each outside catering event.

### SUMMARY/DISCUSSION:

Zako HK Inc. is a California Corporation which provides cafeteria concession services to the local Monterey County community. Since January 10, 2019, Zako HK Inc. has been providing cafeteria concession services for County employees working within the County Government Center Campuses and community members conducting business or visiting the County Government Center campuses at Jo's Café, 142 West Alisal Street, Salinas and at the Schilling Place Café, 1441 Schilling Place, Salinas.

Zako HK Inc. has been operating as a subcontractor to PFD Management Inc. However, the County has chosen to terminate the master agreements with PFD Management Inc. without cause effective November 1, 2021. As a result of terminating the master agreements with PFD Management Inc., the County is seeking approval to enter into two (2) new Concession Lease Agreements (Agreements) with Zako HK Inc., for Zako HK Inc. to continue providing cafeteria concession services at Jo's Café and at the Schilling Place Café while a new RFP for concessionaire services can be developed and implemented. Please see Attachment E, Sole Source Justification Request Form, for more information.

The lease term for both Agreements will commence on December 1, 2021 and expire on November 30, 2024. In the event the Agreements convert to a holdover status after the November 30, 2024 expiration date, the Agreements provide for a month-to-month occupancy. Either party may terminate the Agreements upon thirty

(30) days written notification to the other party. Rent for each Agreement is \$8,000 per year and includes electric, gas and water utilities. Concessionaire is responsible for janitorial services, general maintenance, inspections and repairs at each location. In addition to rent, Concessionaire will pay a \$500 flat fee for each outside catering event and will provide the County a three percent (3%) commission based on gross monthly sales over \$10,000 for Jo's Café, and \$16,000 for Schilling Place Café.

Approval of the Agreements will support the County's ability to continue to provide excellent cafeteria concession services at Jo's Café and Schilling Place Café for County employees and community members while visiting or conducting business on the County Government Center campuses.

**OTHER AGENCY INVOLVEMENT:**

The Office of the County Counsel-Risk Management has reviewed and approved the Agreements as to form and as to insurance and indemnity provisions. The Auditor/Controller's Office has reviewed and approved the Agreements as to fiscal provisions.

**FINANCING:**

There is no fiscal impact to the General Fund resulting from approval of the Agreements. The \$8,000 annual fee and other fees collected from each Agreement will be utilized to help maintain the facility and associated costs.

**BOARD OF SUPERVISORS STRATEGIC INITIATIVES:**

If approved, this action supports the Board of Supervisors' Strategic Initiatives for Health and Human Services as well as Administration. Providing cafeteria concession services at Jo's Café and Schilling Place Café will help ensure County employees and community members conducting business or visiting the County Government Center campuses will continue to have access to viable food and beverage services.

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

Prepared by: George K. Salcido, PWFP-Real Property Specialist

Approved by: Dewayne Woods, Assistant County Administrative Officer

Approved by: Debra R. Wilson, PhD, Acting Contracts/Purchasing Officer (831) 755-4995

**Attachments:**

- Attachment A - Jo's Café Concession Lease Agreement
  - Attachment B - Schilling Place Café Concession Lease Agreement
  - Attachment C - Jo's Café Location Map
  - Attachment D - Schilling Place Café Location Map
  - Attachment E - Sole Source Justification Request Form
- (Attachments on File with the Clerk of the Board)