

OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

ITEM 120

CITY COUNCIL COMMUNICATION 97-148
MARCH 24, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
BLANK PARK ZOO—SINGLE BID FOR FOOD, BEVERAGE, AND GIFT SERVICES	◆ RESOLUTION ORDINANCE RECEIVE/FILE	DONALD M. TRIPP PARK AND RECREATION DIRECTOR

SYNOPSIS —

Accept the bid for concession services from Service Systems Associates.

FISCAL IMPACT —

Net revenue is projected to be approximately \$84,000 during the initial two years of the contract, based on attendance per capita sales commissions of 16 percent for food and gifts and 10 percent for catering and alcoholic beverages.

RECOMMENDATION —

Approval of single bid from Service System Associates.

BACKGROUND —

On December 27, 1996, the City of Des Moines Purchasing Agent sent a Request for Proposals to 31 potential bidders which included local and national firms. Two companies expressed interest: Service Systems Associates of Denver, Colorado, and Marriott Management Services of Irving, Texas. Service Systems Associates was the only compliant bid received.

In an effort to solicit the most competitive proposals, the Invitation to Bid included three bid categories, from which respondents could bid singly or in any combination:

- Category I - Food and Beverages (Non-alcoholic)
- Category II - Catering and Alcoholic Beverages
- Category III - Gift Shop Concession

Service Systems Associates bid all three categories.

The explanation for the limited response for this type of service is due to several factors: 1) the operation of zoological park visitor services is diverse, requiring expertise in all areas of fast food management, retail merchandise sales, and large group catering; 2) The Zoo is a non-traditional market, where the contractor's income is largely dependent on the Zoo's effectiveness in attracting the customer; 3) a large initial capital investment is required for equipment, fixtures, displays and inventories; and 4) the profit margin after the commission to the client is relatively low.

Service Systems Associates specializes in visitor services for zoological parks, with accounts at zoos in Denver, Colorado Springs, Pittsburgh, El Paso, Louisville, and Lincoln.

Approval of the bid is necessary in order to provide these customer services for the 1997 Zoo Season, which begins on May 1.