

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-104

SYNOPSIS -

AGENDA:

MARCH 15, 1999

Propose Council action to approve the amended and extended concession agreement with Service Systems Associates (SSA) for the operation of food and gift services at the Blank Park Zoo through August 31, 1999.

SUBJECT:

BLANK PARK ZOO
CONCESSION
AGREEMENT

FISCAL IMPACT -

There is no fiscal impact for FY 1998/1999. The fiscal impact for FY 1999/2000 will be approximately \$34,000 in increased net income.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

RECOMMENDATION -

Approve the amended and extended concession agreement.

SUBMITTED BY:

DONALD M. TRIPP
PARKS AND
RECREATION
DIRECTOR

BACKGROUND -

Under their current contract, Service Systems Associates (SSA) had the option to renew for an additional two years. SSA recently declined to renew the contract because their local manager is resigning effective May 1, 1999 and in order to prepare for the upcoming Zoo visitor season, they would need to transfer staff from other accounts and incur considerable expense to hire a replacement. SSA decided it would not be a good business decision.

Due to the short time available to prepare for the 1999 Zoo season, SSA agreed to amend and extend their current contract through August 31, 1999. Their general manager has agreed to work part-time from May 1 through August 31, 1999, to provide time for the zoo to hire a manager and to assist with the transition. The Zoo will begin operating these services effective September 1, 1999. An operating plan, budget, and

position classifications are now being prepared and coordinated with the City's Finance and Human Resources Departments.

The estimated projected increase in Zoo net income of approximately \$34,000 for FY 2000 is based on SSA's projected net income after operating expenses and commission to the Zoo.

With this change, the Zoo will operate all on-site revenue producing facilities, except the Camel ride, which is still under separate contract.