

AN ORDINANCE

99385

ACCEPTING THE PROPOSAL OF CUSTOM FOOD GROUP, L.P.; AUTHORIZING THE EXECUTION OF A STANDARD CONCESSION AGREEMENT FOR THE OPERATION OF FOOD AND BEVERAGE CONCESSIONS AT SAN ANTONIO INTERNATIONAL AIRPORT, BY CUSTOM FOOD GROUP L.P., FOR A TERM OF FIVE (5) YEARS AND PROVIDING FOR A PAYMENT TO THE CITY OF SAN ANTONIO THE GREATER OF FOURTEEN AND ONE-HALF PERCENT (14.5%) OF SALES OR MINIMUM ANNUAL GUARANTEE PAYMENT OF \$12,000.00 AND A TOTAL MINIMUM GUARANTEE OF \$60,000.00 FOR THE FULL TERM OF THE CONTRACT; AND AUTHORIZING THE EXECUTION OF A LEASE WITH CUSTOM FOOD GROUP TO OPERATE VENDING MACHINES IN CITY AVIATION DEPARTMENT OFFICE AND BREAK FACILITIES AT THE SAN ANTONIO INTERNATIONAL AIRPORT, FOR A TERM OF FIVE (5) YEARS.

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WHEREAS, on October 24, 2003 the City of San Antonio ("City") issued a Request for Proposal for the beverage and snack vending concession at the San Antonio International Airport; and

WHEREAS, two proposals were submitted to the City by the due date of December 19, 2003 City and one was deemed non-responsive; and

WHEREAS, the remaining proposal was reviewed and evaluation points assigned by the Concession Selection Committee, as provided for in the Concession Procedures Manual and Policy Statement, approved by City Council on January 22, 2001; and

WHEREAS, the proposal of Custom Food Group, was judged to be acceptable and is recommended for selection by the Concession Selection Committee; and

WHEREAS, the City now wishes to allow Custom Food Group to operate beverage and snack vending machines in Terminal One and Terminal Two; and

WHEREAS, the City also wishes to grant Custom Food Group the right to operate beverage and snack vending machines in select city office and break facilities located at the San Antonio International Airport; and

WHEREAS, it is now necessary to accept the proposal of Custom Food Group and execute a San Antonio International Airport Standard Concession Agreement and Lease with said firm;
NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The proposal of Custom Food Group, received on or about December 19, 2003 in response to the Request for Proposals for the operation of a beverage and snack vending concession at the San Antonio International Airport, is hereby selected for negotiation. A copy of the proposal is on file in the Office of the Aviation Director and its terms are incorporated herein by reference.

SECTION 2. In the event the San Antonio International Airport Standard Concession Agreement and Lease for operation of a beverage and snack vending machines by Custom Food Group, L.P., which is attached hereto in substantial form and incorporated by reference herein, are not signed by the parties within ninety (90) days from the date of this Ordinance, then both shall become null and void, and any further signed documents must again be considered by City Council.

SECTION 3. If within the next ninety (90) days, The San Antonio International Airport Standard Concession Agreement and Lease is signed by Custom Food Group, L.P., in substantially the same form and content as the Standard Concession Agreement and Lease, the City Manager or her designee is hereby authorized to execute such Concession Agreement and Lease, without further City Council action. Should the Concessionaire sign a Concession Agreement and Lease that varies substantially from the form and content of the attached Standard Concession Agreement and Lease, then such varied Concession Agreement and Lease must be subsequently considered and approved by City Council.

SECTION 4. The Standard Concession Agreement with Custom Food Group provides for the operation of a beverage and snack vending concession in Terminal One and Terminal Two for a five (5) year term. The Concessionaire will pay the City the twelve thousand dollar (\$12,000.00) Minimum Annual Guarantee for the first full year of operation of the concession. For subsequent years, the Concessionaire will pay the City the greater of fourteen and one-half percent (14.5%) of sales or twelve thousand dollars (\$12,000.00), per year. The Total Minimum Guarantees for the complete term of the contract is sixty thousand dollars (\$60,000.00).

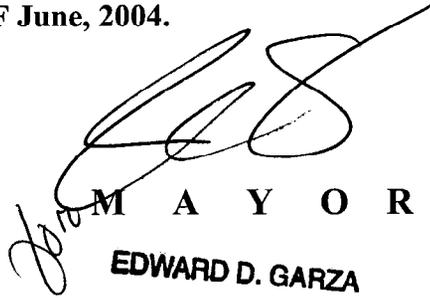
SECTION 5. The Standard Lease Agreement with Custom Food Group provides for the location by this company of beverage and snack vending machines in select City Aviation Department office and break facilities located at the San Antonio International Airport for a five (5) year term. There is no fiscal benefit to the City for the location of vending machines in these limited locations under this Lease.

SECTION 6. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific index codes and fund numbers as necessary to carry out the purpose of this Ordinance.

SECTION 7. The proceeds of the Agreement shall be deposited into Fund No. 51-001 entitled "Airports Funds," Index Code 036202 entitled vending machines.

SECTION 8. This Ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED THIS 24th DAY OF June, 2004.


M A Y O R
EDWARD D. GARZA

ATTEST: *Lucia M. Vaca*
City Clerk

APPROVED AS TO FORM: *M. Zetuche*
for City Attorney