

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: May 22, 2013

Board Item: 3-B-1

## **Tabulation of Bids for Café Food Services Contract # 14791A**

Action by Consent

Action

Information

Denver Water contracts with a third-party vendor to provide café food and catering services at its on-site facility. For the past seven (7) years, Two Forks, Inc. has operated the café. To maintain competitive pricing and allow other vendors an opportunity to compete, the Board competitively bid this service.

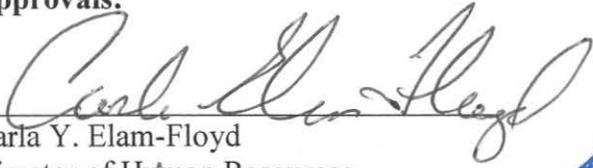
A Request for Proposal was sent to twenty-five (25) potential proposers, fifteen (15) of whom were SBEs, and seven (7) of whom responded. Based on the selection criteria, the top four (4) respondents were invited to attend interviews with the selection committee during which a food item was presented for sampling. At the interviews, proposers were asked to discuss their experience, qualifications, service model, and transition plan, among other topics of interest to the committee. Due to their experience, quality of food and ingredients, and favorable pricing structure, the committee recommended Compass Group USA, Inc. ("Compass"). Not only will Compass provide the café services at a lower cost to the Board, but the cost to employees for food, when compared to the competition, was significantly less (as per the attached tabulation).

Contract No. 14791A, if approved, will operate for the first six months on a cost reimbursement basis not to exceed \$65,000. Prior to the start of the sixth (6<sup>th</sup>) month, the parties will meet to decide on an annual budget, which has been estimated to be approximately \$88,733 per year for the first year (this amount will be revised annually). This budget includes a \$540 per week management fee, estimated operating losses for the first twelve month period, and depreciation for an initial investment to be funded by Compass. If operating losses are above the estimated amount, Compass will be responsible for absorbing the loss. However, if operating losses are less than estimated and, Compass has met all Key Performance Indicators as established in the agreement, the Board and Compass will split the remaining funds equally. The not to exceed amount has been estimated at \$300,000 to cover these funds and to provide contingency in the event of changing circumstances in the annual budget, as this will be negotiated each year. The remaining funds for Café Food Services included in the 2013 Human Resources budget are in the amount of \$103,751.

### Recommendation:

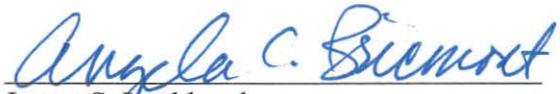
It is recommended the Board authorize award of Contract No. 14791A to Compass Group USA, Inc. for Café Food Services for a three year period June 1, 2013 through May 31, 2016 for a total contract amount not to exceed \$300,000.

**Approvals:**



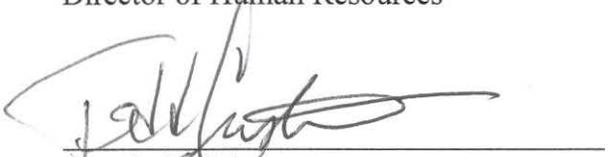
Carla Y. Elam-Floyd  
Director of Human Resources

Respectfully submitted,



James S. Lochhead  
CEO/Manager

*for*



Angela C. Briemont  
Director of Finance

*Perri Bryant*  
5/17/2013