



AGENDA MEMORANDUM

Future Item for the City Council Meeting of November 7, 2017
Action Item for the City Council Meeting of November 14, 2017

DATE: November 7, 2017

TO: Margie C. Rose, City Manager

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<p>American Bank Center Management Services for Five Years, Eight Months at \$16,557,171.15, with Three One-year Options and a Total Potential Multi-year Amount of \$24,978,169.39.</p>

CAPTION:

Motion authorizing the City Manager or designee to execute a service agreement with SMG, West Conshohocken, Pennsylvania, for the management of the American Bank Center complex, in accordance with RFP No. 1222, based on the best value proposal. The agreement will be for a not-to-exceed value of \$16,557,171.15 excluding capital contributions to be determined, and approximately \$2,759,528.52 will be funded in FY2017-2018. The term of the agreement is from February 1, 2018 to September 30, 2023, with three additional one year options subject to the sole discretion of the City, with a total for a potential multi-year not-to-exceed amount of \$24,978,169.39.

PURPOSE:

The purpose of this agenda item is to execute a contract for the management of the American Bank Center complex.

BACKGROUND AND FINDINGS:

The American Bank Center consists of three facilities, a convention center, arena and an auditorium. Since its inception in 1979 and expansion in 2004 this center has hosted a number of events. It is the City's intent to operate this center in a manner that is fiscally responsible with the objective of offering diverse event activity to area residents and visitors. The City contracts the management services out to firms that specialize in the management of these types of facilities.

The current contract expires in January of 2018. A Request for Proposals (RFP) was issued in order to have a new contract in place before the current contract expires. Two proposals were received and were evaluated by an evaluation team against the published criteria in the RFP. Minimum qualifications were evaluated under a pass fail system and the firm's experience, team's experience and understanding of the scope of work were evaluated on the published point system as outlined in the RFP. The firms were also interviewed and scored based on the same published criteria and a final score was developed for each firm. Then the cost proposal was evaluated for each firm and the pricing score was tabulated and added to the technical proposal and interview scores to determine the highest scoring firm. The staff recommends awarding a service agreement to SMG for the management of the American Bank Center Complex as the highest scoring firm.

ALTERNATIVES:

No feasible alternatives are available.

OTHER CONSIDERATIONS:

No feasible considerations

CONFORMITY TO CITY POLICY:

This purchase conforms to the City's purchasing policies and procedures and State Statutes regulating procurements.

EMERGENCY / NON-EMERGENCY:

Non-emergency

DEPARTMENTAL CLEARANCES:

City Manager's Office and Purchasing Division

FINANCIAL IMPACT:

☒ Operating ☐ Revenue ☐ Capital ☐ Not applicable

Fiscal Year: 2017-2018	Current Year	Future Years	TOTALS
Line Item Budget	\$4,657,193.48	\$22,218,608.87	\$26,875,834.35
Encumbered / Expended Amount	\$0.00	\$0.00	\$0.00
This item	\$2,759,528.52	\$22,218,640.87	\$24,978,169.39
BALANCE	\$1,897,664.96	\$0.00	\$1,897,664.96

Fund(s): Visitors Facilities Fund, Hotel Occupancy Tax Fund and Arena Facility Fund

Comments: The contract value total is a not-to-exceed \$16,557,171.15, of which \$2,759,528.52 will be funded in FY2017-2018. The balance will be requested during normal budgeting process for future years. If all options are exercised the total contract value will be a not-to-exceed \$24,978,169.39.

RECOMMENDATION:

Staff recommends approval of the Motion.

LIST OF SUPPORTING DOCUMENTS:

Service Agreement

RFP Matrix – American Bank Center Management Services

Pricing Sheet

Presentation