

DEPARTMENT OF PUBLIC WORKS

People serving people.

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April 16, 2013

Marin County Board of Supervisors
3501 Civic Center Drive
San Rafael, CA 94903

SUBJECT: New Civic Center Cafeteria Concessionaire Agreement with Epicurean Group

Dear Board Members:

RECOMMENDATION: 1) Approve the proposed Civic Center Cafeteria Concessionaire Agreement with Epicurean Group, and 2) Authorize your President to execute the Civic Center Cafeteria Concessionaire Agreement.

SUMMARY: On November 6, 2012 your Board approved a month to month extension of the existing concessionaire agreement with Ray's Catering that was set to expire on December 31, 2012, and directed staff to issue a Civic Center Cafeteria concessionaire Request for Proposal (RFP). Since then, an interdepartmental committee was formed to provide guidance and advice on the concessionaire selection, an RFP was issued that included 13 direct vendor notices as well as posting on the County's Purchasing web site, a cafeteria walk-through with prospective concessionaires was conducted, and four proposals were received, including a proposal from Ray's Catering.

The proposals were evaluated by the interdepartmental committee based on: experience, financial capability and cost to county, food and beverage offered, menu pricing, quality of service, and sustainability and nutrition. The committee unanimously recommends Epicurean Group, and staff recommends that your Board approve the attached Civic Center Cafeteria Concessionaire Agreement.

Should your Board select Epicurean Group today, the cafeteria would close at the end of the business day on May 17th and reopen on June 3rd in order to allow Building Maintenance to make equipment repairs, conduct thorough cleaning, and to provide transition time for the new concessionaire. The proposed new agreement would take effect on June 1, 2013 and end on December 31, 2016, with options for mutually agreed extensions provided in the agreement.

DISCUSSION: Ray's Catering has operated the Marin County Civic Center Cafeteria since January 1, 2002, through a concessionaire agreement with the County that included a subsidy during most of that time period. A \$4,600 per month subsidy from the County was discontinued at the time that the agreement was amended and extended by two years by your Board in October 2010 (ending on December 31, 2012). It was noted at that time that cafeteria prices would increase by 5 to 30 cents per item.

On November 6, 2012 your Board approved a month to month concessionaire agreement extension with Ray's Catering beginning on January 1, 2013, and ending on June 30, 2013. Because the menu pricing and cafeteria use could not sustain the concessionaire operation without an operating loss, the extension allowed a menu price increase and also reinstated a subsidy in the amount of \$2,800 per month.

Your Board also directed staff to issue a Civic Center Cafeteria concessionaire Request for Proposal (RFP). An interdepartmental committee of individuals from the County Administrator's Office, Courts, Health and Human Services, Parks, and Public Works was formed to provide guidance and advice on the concessionaire RFP and selection. An RFP was issued that included 13 direct vendor notices as well as posting on the County's Purchasing web site. The contacted vendors ranged from small local businesses, e.g., Bogies Cafe and Blue Sky Cafe, to larger national firms, e.g., Guckenheimer. A cafeteria walk-through with prospective concessionaires was conducted in order for operators to familiarize themselves with the site and equipment.

Four proposals were received from: Epicurean Group, Lunch Stop, New Era Foods, and Ray's Catering. The proposals were evaluated by the interdepartmental committee based on: experience, financial capability and cost to county, food and beverage offered, menu pricing, quality of service, and sustainability and nutrition. The committee unanimously recommends Epicurean Group, and staff recommends that the Board approve the attached Civic Center Cafeteria Concessionaire Agreement.

Part of the RFP included an option to provide a proposal for a coffee/snack cart in the Civic Center building. Because of the variables and risk in instituting this option, the proposals either did not include this option, requested a subsidy, or would only provide staffing for a cart. Staff does not at this time recommend pursuing this option. Also part of the RFP, based on Parks request, was an option to provide an independent proposal to seasonally run the Mc Near's Beach Park snack bar. We did not receive any proposals on this option.

Epicurean Group Background and Proposed Agreement

Epicurean Group is headquartered in Northern California (Los Altos), and has been the contracted in-house Marin Center concessionaire caterer for venue services for the last three years and a vendor at the Marin County Fair. Cultural Services has been very satisfied with their operation. Epicurean Group sources the majority of its food from farmers, ranchers and artisans within a 150 mile radius of each restaurant location, including for Marin: Cowgirl Creamery, Clover Farms, Franco American Bakery, and Strauss Organic (meats), and other farmers through Marin Organic. They also work with Green Sangha, Revolutionary Green-Teresa Bradley, and the Agricultural Institute of Marin.

Epicurean Group is an independent woman and minority-owned business. Their founder is on the board of the Los Altos environmental nonprofit group called GreenTown Los Altos. Epicurean Group is also certified as a Bay Area Green Business (Marin County is part of that program). Epicurean Group covers 80% of each employee's monthly medical premiums. As further background, attached is a news article on one of their facilities.

A subsidy of \$2,499.60 per month is proposed because cafeteria patron use with reasonable prices and food quality does not appear sustainable without a subsidy. This has been the case in the past and the current concessionaire was unable to operate without a subsidy. Ray's Catering currently operates at \$2,800 per month, and in their proposal was requesting

to raise it to \$4,000 per month. A number of vendors were contacted after the RFP due date to inquire why they did not submit a proposal, and the reason was generally because they did not see how they would be able to make a profit. On the upside, in the agreement the County would receive 5% of net sales (gross sales less sales tax, both for cafeteria and in-house catering) above \$781,000 per year. Past cafeteria sales are in the \$550,000 range.

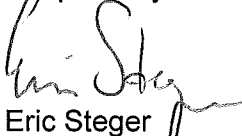
The proposed concessionaire agreement is nearly identical to the existing terms and includes living wage provisions, hours of operation (7 a.m. to 3 p.m.), use of biodegradable or compostable products for take-out catering packaging (no polystyrene), and sourcing local food products through farmer's market programs. Attached is Epicurean Group start up menu prices and typical 'Specials' menu.

Staff has evaluated the food service equipment performance, equipment inventory and equipment condition wear and tear, and will make repairs from existing funds in the Building Maintenance expense budget and small project capital fund (for walk in freezer insulation and industrial garbage disposal). Should the Board select Epicurean Group today, the cafeteria would close at the end of the business day on May 17th and reopen on June 3rd in order to allow Building Maintenance to make equipment repairs, conduct thorough cleaning, and to allow transition to the new concessionaire. The proposed new agreement would take effect on June 1, 2013 and end on December 31, 2016, with mutually agreed extensions provided in the agreement

FISCAL IMPACT: The recommended concessionaire agreement has a monthly subsidy of \$2,499.60 (\$29,995.20 annually). The County would receive 5% of net sales (gross sales less sales tax, both for cafeteria and in-house catering) above \$781,000. DPW will work with the Administrator's Office to ensure the FY13-14 budget and future budgets incorporate the cost of concessionaire service.

REVIEWED BY:	<input type="checkbox"/>	Department of Finance	<input checked="" type="checkbox"/>	N/A
	<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	N/A
	<input type="checkbox"/>	Human Resources	<input checked="" type="checkbox"/>	N/A

Respectfully submitted,



Eric Steger
Assistant Director

Attachments: Concessionaire Agreement
Startup Menu and Pricing
Specials Examples
On-Campus Hospitality news article

C: Mary Clark Bartlett, Epicurean Group

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