



Item No. 12 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

THROUGH: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

FROM: SALLY BENTZ-DALTON, PARK MANAGER

DATE: MARCH 20, 2019

**SUBJECT: APPROVAL OF A CONTRACT AMENDMENT AND EXTENSION
OF THE EVENT SERVICES CONTRACT WITH CATERING BY
DANA**

RECOMMENDATION

Approve the proposed revisions to the Catering by Dana contract and extend the contract for the final 2-year extension. Direct the City Attorney to prepare the amendment; and authorize the City Manager to execute the amendment.

BACKGROUND

In 2014 Catering by Dana was awarded the event services contract for 3 years with a provision allowing for two 2-year extensions. The first of the two-year extension expires on March 17, 2019.

To accommodate the construction of the new Civic Center, the Council has authorized the relocation of Administration and Permit Center (Building Planning and Public Works) staff to the Park.

Staff discussed the final 2-year contract extension with Catering by Dana in light of the pending temporary use of the Park.

ANALYSIS

Catering by Dana, as well as the Town, wish to extend the contract for the final 2-year term ending March 17, 2021. With the transition of staff to the Park it is anticipated that there may be disruptions to the park rentals both current and future. Additionally, adjustments to the rental approval process for larger groups is needed based on the impact to parking.

Compensation

The contract with Catering by Dana is revenue based, wherein Catering by Dana receives a percentage of rental fees, not including Town administrative charges. To offset some of the disruption to park rentals, Catering by Dana requested an update to Section 4, Compensation and Method of Payment.

The contract currently provides "...total compensation in the amount of 50% of the first \$100,000 and 40% of any fees collected thereafter taken in rental fees for park facilities unless additional compensation is approved in writing by the Town". Catering by Dana has requested that the reduction in compensation percentage when rental fees exceed \$100,000 be removed and that the total compensation for ongoing performance of the contract be set 50% of rental fees for park facilities unless additional compensation is approved in writing by Town.

Monthly revenue to Catering by Dana ebbs with event activity irrespective of the required staffing at the facility. Monthly revenue to Catering by Dana in the months of June through November hover around \$9,000 to \$10,000. Revenue in the months of December through May range from \$1,800 to \$7,000. It is anticipated that over the next couple of years, due to the Town's presence in the Park, event activity may decrease. This decrease will have an impact on revenue to Catering by Dana through no fault of their own.

In calendar year 2017, for the first time in the 5-year contract, event revenue for the Park did reach the \$100,000 threshold. However, an internal staff review found that staff failed to adjust the compensation amount accordingly after reaching the \$100,000 threshold. This resulted in an overpayment of approximately \$7,001 to Catering by Dana for the contract year. In that year, revenue from events in the Park totaled \$170,010.50. Catering by Dana was supposed to receive 50% of the first \$100,000 (\$50,000) and 40% of \$70,010.50 (\$28,004.20) for a total of \$78,004.20. Catering by Dana instead was paid \$85,005.25. Staff has corrected the accounting necessary to more accurately track compensation but has not approached Catering by Dana for any recovery.

Parking

Currently, City Manager approval is required for events that exceed 150 attendees. With staff moving to the Park and less parking available, it is recommended that the threshold for City Manager approval of events be 75 attendees. Other changes to the contract include an update the contract to better integrate with the Town financial processing system.

Catering by Dana has agreed to the proposed adjustments to the contract. Julie Simonin, the Event Venue Manager with Catering by Dana, has actively worked with the Town to integrate the new processing of payments and applications. Ms. Simonin does a good job at being available for rentals and there have been limited issues with respect to event management services performed by Catering by Dana.

Staff recommends that the contract be extended for its final two-year term with the above

outlined amendments.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

FISCAL IMPACT

Staff does not anticipate a fiscal impact related to the Catering by Dana amendments to contract. However, staff does anticipate that rentals in the Park will be impacted by the Town's temporary use of the North Meadow Parking Area. At this time, it is difficult to quantify that impact.

Compensation associated with the Catering by Dana contract are a percentage of rental fees received and are covered in the Park Events budget.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ____ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)
- Tree Committee (meets each month)