

August 16, 2006

To: Phillip L. Nelson, City Manager

From: John L. Lamerato, Assistant City Manager / Finance
 Brian P. Murphy, Assistant City Manager/Services
 Jeanette Bennett, Purchasing Director
 Carol K. Anderson, Parks and Recreation Director

Subject: **Agenda Item:** Standard Purchasing Resolution 11 - Rejection Of Bids – Food Services

RECOMMENDATION

On Monday, August 14, 2006, one partial proposal was received to provide five (5) year requirements of food service at the Community Center and Sanctuary Lake Golf Course with an option to renew for five (5) additional years. City management recommends that the proposal be rejected, as the proposal received reduced the minimum guarantee to operate Sanctuary Lake by 50%, and no proposal was received for food services at the Community Center. Therefore, it is also recommended that the food service proposal including specifications be revised and re-bid with a guarantee of service at the Community Center.

BACKGROUND

Emerald Food Service, LLC of Troy, Michigan provided the sole proposal for food services. The guaranteed minimum per year at Sanctuary Lake was established by the City at \$30,000.00; Emerald offered an alternate plan which would pay the City \$15,000.00 per year. No proposals were received to operate the Community Center for \$70,000.00 per year, or to combine food service operations for a guaranteed minimum per year of \$100,000.00.

Prior to the bid opening, 7 companies attended a non-mandatory pre-bid meeting to review the request for proposal documents and the locations to determine what set-up and facilities were available. Notices were sent to seventy-seven (77) vendors registered in the JD Edwards database and seventy-three (73) vendors were notified via the eprocurement website, www.mitn.info.

The main reasons given for the lack of interest on the part of the vendor community was the financial structure specified did not suit the industry's overall business model, the lack of a liquor license in the Community Center event rooms, and the restrictions of the facilities. (User group categories, hours of operation, etc)

RE-BID

The City intends to broaden the specifications and allow bidders to be creative with their business plan, and then make a recommendation utilizing a best value process.

73 Vendors Notified via MITN System

77 Notices mailed to vendors registered in JD Edwards

1 Proposal Rec'd

2 No Bids: (1) Company was not interested at this time.

(1) Company indicated there was no fit to the company's business model.

Prepared by: Susan Leirstein, Purchasing Systems Administrator

Opening Date -- 8/14/06
 Date Prepared -- 8/16/06

CITY OF TROY
 RFP TABULATION
 FOOD SERVICES

FIRM NAME:

Emerald Food
 Service LLC

CHECK # 314058768
 CHECK AMT \$5,000.00

PROPOSAL: ONE CONTRACTOR TO PROVIDE FIVE YEAR REQUIREMENTS OF FOOD SERVICE FOR THE CITY OF TROY COMMUNITY CENTER AND SANCTUARY LAKE GOLF COURSE WITH AN OPTION TO RENEW FOR FIVE (5) ADDITIONAL YEARS

GUARANTEED MINIMUM PER YEAR: \$ 100,000
 Add'l Rental Plan 0

Attach Plan Marked Blank No Bid

OPTIONAL - Alternate Proposals

A: Community Center

GUARANTEED MINIMUM PER YEAR: \$ 70,000
 Add'l Rental Plan 0

Attach Plan Marked Blank No Bid

B: Sanctuary Lake Golf Course

See Exceptions

GUARANTEED MINIMUM PER YEAR: \$ 30,000
 Add'l Rental Plan 0

Attach Plan Marked "B"

INSURANCE: Can Meet XX
 Cannot Meet

SITE REVIEW: Reviewed the Sites XX 7/25/2006
 Did not Review Sites

TERMS: Blank

WARRANTY: Blank

EXCEPTIONS: Proposes to reduce minimum
 guarantee to \$15,000 under
 Plan B the first year

ACKNOWLEDGEMENT: Y or N Yes

ADDENDUM Yes

NO BIDS:

Continental Services
AVI Foodsystems, Inc

**** RECOMMEND REJECTION OF RFP-COT 06-23 ****

ATTEST:

John Hug
Charlene McComb
Linda Bockstanz

Jeanette Bennett
 Purchasing Director