



CITY COUNCIL ACTION REPORT

February 20, 2007

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance and Administration
Susan A. Leirstein, Purchasing Director
Carol K. Anderson, Parks and Recreation Director

SUBJECT: Standard Purchasing Resolution 8: Best Value – Food Service Provider – Sanctuary Lake Golf Course.

Background

- On January 9, 2007, request for proposals were received to provide food services at Sanctuary Lake Golf Course.
- Fifty-five vendors were notified via the MITN e-procurement website; two (2) companies responded.
- At the February 5, 2007, City Council meeting, additional information was requested regarding this item.

Requested information included:

1. The feasibility of the liquor license transfer to a new vendor in time for the 2007 golf season.

- If Council decides to award a contract to Kosch, then it is possible for the Michigan Liquor Control Commission to issue a new municipal golf course liquor license for Sanctuary Lake Golf Course. This new license would not be effective until May 1, 2007, and the issuance is contingent upon timely submission of all required paperwork, as well as the surrender of the current license and/or non-renewal of the current liquor license.
- The current contract with Emerald does not expire until April 30, 2007. This is the earliest date that the City could demand the surrender of the current liquor license. The Michigan Liquor Control Commission will not begin the transfer process until the surrender of the liquor license, and the transfer process generally takes approximately 90 days.
- The current bid proposal requires the food service to commence on May 1, 2007, or as soon as possible after this date.

2. In the weighted scores of vendors, additional points were given to one vendor and

a reduction of points to another vendor. More information was requested on the reasons for these scores.

- Rater #1 gave additional points to Emerald Food Service for having the liquor license to operate. Rater #1 reduced points for two liquor violations.
- Please note that if these points are completely eliminated from the scoring, the total scores are:

Emerald Food	69
Kosch	63

3. The point at which Kosch's proposal has a better return to the City.

- The point at which Kosch's proposal has a better return to the City is when revenue generated exceeds \$227,000 annually.
- The gross revenues from Emerald Food Service for 2005 and 2006 are \$156,509 and an estimated \$169,000 respectively.

Financial Considerations

- Based upon the financial return to the City of Troy from each provider and factoring annual rent, Emerald Food Service LLC proposal was the most beneficial to the City of Troy's Golf Operation.

Legal Considerations

- RFP-COT 06-61 was competitively bid and both vendors were given the opportunity to respond with their level of interest in providing a food service for Sanctuary Lake Golf Course.
- The award recommendation is based upon the company offering the best combination of a variety of factors, and not simply the lowest bidder meeting certain minimal requirements. A best value approach addresses ability, experience and quality issues leading to a successful contract and reduction in risk of poor service.
- The awarding of this bid is contingent upon the recommended bidder's submission of proper contract and proposal documents, insurance certificates, payment schedule, and other specified requirements.

Policy Considerations

- Awarding the contract to the vendor whose food service provides the best product and the most return for the City of Troy's Golf operations (Goal II).

Options

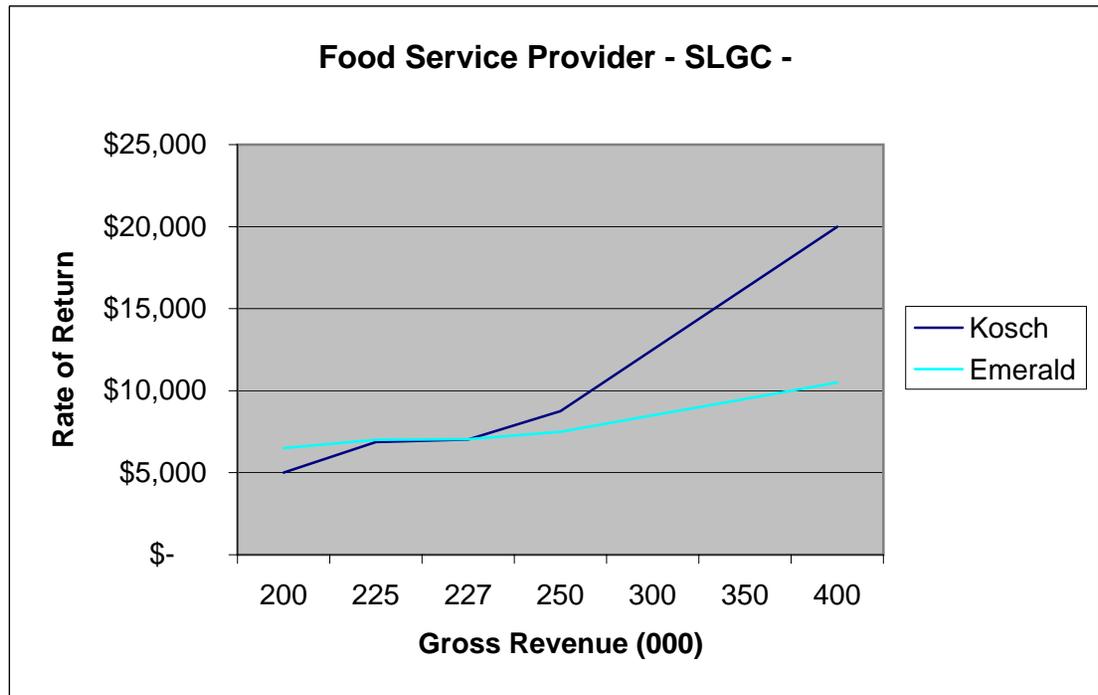
- City management and the Parks and Recreation Department recommends awarding the two-year contract, with an option to renew for two additional years, for the food service at Sanctuary Lake Golf Course to Emerald Food Service LLC of Troy, MI, the highest rated and highest return bidder as a result of a best value process with a final weighted score of 69.3.

Approved as to Form and Legality:

Lori Grigg Bluhm, City Attorney

RFP-COT 06-61
 FOOD SERVICE PROVIDER
 SANCTUARY LAKE GOLF COURSE

Value of X : (000)	\$	200	225	227	250	300	350	400
Kosch Return Formula - \$1250 + (X-150,000).075	\$	5,000	6,875	7,025	8,750	12,500	16,250	20,000
Emerald Food Service Formula - \$6000 + \$500+ (X-\$200,000).02	\$	6,500	7,000	7,040	7,500	8,500	9,500	10,500





EXECUTIVE SUMMARY

Sanctuary Lake Golf Course – Food Service

STATISTICS:

- ◆ **Fifty-Five Companies were notified via the MITN e-procurement website**
- ◆ **Two (2) proposals were received**
- ◆ **Both proposals qualified by passing the minimum requirements**
- ◆ **Phase III (Food Tasting and Interviews) was deleted since staff is familiar with both companies' product.**
- ◆ **Emerald Food Service LLC obtained the highest rating and is, therefore, the recommended vendor to perform the food service for Sanctuary Lake Golf Course**

The following bidders submitted a proposal and received the indicated final scores:

Company	SCORE
Kosch Catering & Corporate Dining	62.8
Emerald Food Service LLC	69.3

Attachments:

- ✓ Weighted Final Scoring
- ✓ Evaluation Process



WEIGHTED FINAL SCORING
Sanctuary Lake – Food Service Provider

Final Score Calculation:

40% x Price Score (100 pt. Base)	=	
35% x Menu Score (100 pt. Base)	=	
15% x Sample Food / Interview Score (100 pt. Base)	=	Deleted Phase
10% x Other (100 pt. Base)	=	
100%		Final Weighted Score

In order to equate the price to the weighted evaluation process scoring, the prices had to be converted into a score with the base of 100.

Menu Score: 35%

	Raters:	1	2	3	AVERAGE
Vendors:					
Emerald Food Service LLC		90	83	80	84
Kosch Catering & Corporate Dining		85	95	92	91

Price Score: 40%

	Weighted Criteria – Difference in Return 1-(High Price – Proposal Price) / high price] x available points
Emerald Food Service LLC	(1-(6500-6500)/6500) x 100 = 100
Kosch Catering & Corporate Dining	(1-(6500-5000)/6500) x 100 = 77

Other Score: 10%

	Raters:	1	2	3	AVERAGE
Vendors:					
Emerald Food Service LLC		10	0	0	+3
Kosch Catering & Corporate Dining		- 5	0	0	-2

FINAL WEIGHTED SCORE:

VENDORS:	Emerald Food Service LLC	Kosch Catering & Corporate Dining
Score		
Menu Score: (x .35) =	84 x .35 = 29	91 x .35 = 32
Price Score: (x .40) =	100 x .40 = 40	77 x .40 = 31
Other Score: (x .10) =	3 x .10 = + .30	- 2 x .10 = (.20)
Final Score:	69.3	62.8

**** HIGHEST RATED VENDOR – RECOMMENDED AWARD**



SELECTION PROCESS

CRITERIA FOR SELECTION

A City Committee will review the proposals. The City of Troy reserves the right to award this proposal to the company considered the most qualified based upon a combination of factors including but not limited to the following:

- A. Compliance with qualifications criteria
- B. Completeness of the proposal
- C. Financial strength
- D. Correlation of the proposals submitted to the needs of the City of Troy
- E. Any other factors which may be deemed to be in the City's best interest
- F. Evaluation Process

Phase 1: Qualifications Evaluation.

Bidders will be required to meet minimum established criteria in order to go to the second phase of the process. (Evaluation Sheet Proposal)

Phase 2: Menu Evaluation Process.

- o The City Committee will use a weighted scoring sheet to evaluate the required submitted menus.
- o Each Committee Member will calculate a weighted score.
- o The scores of the three Committee Members will be averaged into one score for each bidder for this phase of the process.

Phase 3: Food Tasting And Interview Evaluation Process.

- o The City Committee will use a weighted scoring sheet to evaluate the food samples and/or interviews.
- o Each Committee Member will calculate a weighted score.
- o The scores of the Committee Members will be averaged into one score for each bidder for this phase of the process.

Phase 4: Price

Points for price will be calculated as follows:

FORMULA -

$[1 - (\text{High Price} - \text{Proposal Price}) / \text{high price}] \times \text{available points}$



Phase 5: Other

Proposals may be assessed "Other" points for items not specified, but for which the Evaluation Committee deems as outstanding.

Phase 6: Final Scoring and Selection

The highest final weighted scored will be the food service operator recommended to the Troy City Council for Award.

40% x Price Score (100 pt. Base)	=	
35% x Menu Score (100 pt. Base)	=	
15% x Sample Food / Interview Score (100 pt. Base)	=	
<u>10% x Other (100 pt. Base)</u>	=	
100%		Final Weighted Score

Note: The City of Troy reserves the right to change the order or eliminate an evaluation phase if deemed in the City's best interest to do so.

CITY OF TROY
RFP TABULATION
SANCTUARY LAKE GOLF COURSE - FOOD SERVICE

Opening Date -- 12/27/06
Date Prepared -- 1/9/2007

FIRM NAME:

	Kosch Catering & Corporate Dining	Emerald Food Service	
CHECK #	10788079	314159414	
CHECK AMT	\$500.00	\$500.00	

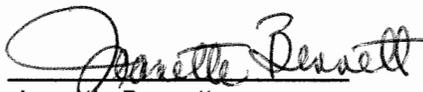
**PROPOSAL: PROVIDE TWO YEAR REQUIREMENTS OF FOOD SERVICE FOR THE CITY OF TROY
SANCTUARY LAKE GOLF COURSE WITH AN OPTION TO RENEW FOR TWO (2) ADDITIONAL YEARS**

SANCTUARY LAKE GOLF COURSE

Return Schedule	Y or N	Yes	Yes
5% of sales over \$125K			Annual Rent - \$7,500 plus 1% of gross
7.5% of sales over \$150K			revenue over \$150,000; 2% over \$200,000 with beer sales off beverage cart OR
			Annual Rent - \$6,000 plus 1% of gross
			revenue over \$150,000; 2% over \$200,000 w/o beer sales from the beverage cart
Estimated Return on \$200,000 gross sales		\$ 5,000.00	\$6,500.00
Signed	Y or N	Yes	Yes
SITE REVIEW: Reviewed the Sites		12/8/2006	Currently on site 06/07
Did not Review Sites			
INSURANCE: Can Meet		XX	XX
Cannot Meet			
INSURANCE VERIFICATION: Y or N		Yes	Yes
PAYMENT SCHEDULE: Marked as:		Payment Schedule	Return Schedule
EMPLOYEE UNIFORMS DESCRIBED:		Yes	Yes
TERMS:		Blank	Blank
WARRANTY:		Blank	Blank
EXCEPTIONS:		Blank	Attached to RFP
VENDOR QUESTIONNAIRE: Y or N		Yes	Yes
ACKNOWLEDGEMENT: Y or N		Yes	Yes

ATTEST:

Dana Forgaciu
Frank Dascenza
Linda Bockstanz


Jeanette Bennett
Purchasing Director