



500 West Big Beaver
Troy, MI 48084
troymi.gov

I-05

CITY COUNCIL AGENDA ITEM

Date: February 18, 2019

To: Mark F. Miller, City Manager

From: MaryBeth Murz, Purchasing Manager
Tom Darling, Director of Financial Services
Elaine Bo, Recreation Director
Brian Goul, Assistant Recreation Director

Subject: Bid Waiver - Catering Contract for Community Center Events (*Presented by Brian Goul, Assistant Recreation Director*)

History

- May 9, 2011 Troy City Council awarded a contract to provide catering services at the Troy Community Center for three (3) years with an option to renew for three additional years to *Encore Catering of Troy, MI*. (Resolution #2011-05-093)
- Encore Catering requested termination of their contract due to economic hardship effective July 31, 2013.
- July 8, 2013 Troy City Council rescinded the contract with Encore Catering and re-awarded and assigned the catering contract to *Kosch Hospitality, LLC* with a renewal for five (5) additional years; contract to expire July 31, 2019. (Resolution #2013-07-123)
- Also on July 8, 2013 Troy City Council supported and approved *Kosch's Hospitality, LLC* ability to submit the required document to be considered for a municipal Civic Center liquor license under MCL 436.1509 of which *Kosch Hospitality, LLC* is the sole liquor licensee for the Troy Community Center banquet and catering operations on accordance with MCL 436.1509; which is nontransferable. (Resolution #2013-07-123)

Purchasing

It is in the best interest of the City to waive the bid process and renegotiate a new contract with the existing Catering Service provider; *Kosch Hospitality, LLC of Troy, MI* for the following reasons:

- The current contract expires on July 31, 2019 and does already have numerous groups pending for reservations after that date.
- Kosch provides advertising services, promotes the facility, and secures long range events.
- Kosch is the sole liquor licensee for the Troy Community Center banquet and catering operations.
- Kosch has exclusive food service rights on Saturdays, and a ten percent return on both food and liquor sales and also has exclusive use of the kitchen on Saturdays.
- Kosch is the only company that has completed their obligation to the City with regard to the catering contracts.



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- Recreation staff have had no complaints and are very happy with the service that Kosch has provided to our groups that rent rooms.

Financial

Through the length of the current agreement, the city has received a minimum of \$12,000 annually with a potential for an additional ten percent if the caterer exceeds \$120,000/year.

Recommendation

In the best interest of the City; City management recommends waiving the bid process and requests authorization to renegotiate a catering contract with *Kosch Hospitality, LLC of Troy, MI* for a five (5) years with two (2) 5-year renewal options.

As Needed)

City Attorney's Review as to Form and Legality

Lori Grigg Bluhm, City Attorney

Date