



City of Muscatine



AGENDA ITEM SUMMARY

DATE: 2/25/21

STAFF

Richard Klimes, Director of Parks and Recreation

SUBJECT DOT

Request Approval of Concessions Operations Agreement

EXECUTIVE SUMMARY

The City of Muscatine through the Parks and Recreation Department has concession stands at Kent-Stein Park, the Soccer Complex and the Aquatic Center. An outside vendor through a Concession Operations Agreement operates them seasonally. The concession operations are not only a food service delivery mechanism but also are a customer service base at each of the facilities.

STAFF RECOMMENDATION

At this time, City staff would recommend the approval of the Concession Operations Agreement to Hy-Vee Food Store from Muscatine for a period of five (5) years with annual reviews and adjustments as mutually agreed upon between the City and Hy-Vee. Hy-Vee will pay the City 7% of gross receipts net of sales tax if credit/debit card service is provided and 10% of gross receipts net of sales tax if credit/debit card service is not provided.

BACKGROUND/DISCUSSION

The City's Purchasing Policy was used to solicit for responsible and responsive vendors to submit bids as specified through a Request for Proposal process. The Request for Proposal for Concession Operations was sent to 30 potential vendors and was made available on the City of Muscatine web site. Hy-Vee was the only vendor that responded to the Request for Proposal. Follow up calls were made to some prospective vendors inquiring about the solicitation process that was used and the lack of responses received. Reasons for not submitting centered on the inability to secure adequate staff and the unknown foreseeable future in the food service industry.

CITY FINANCIAL IMPACT

In 2020, there were \$87,668.25 in gross sales with a limited schedule for Kent-Stein Park and the Soccer Complex. Due to COVID-19 reasons, the Aquatic Center did not open in 2020. Of the gross sales net the sales tax the City was paid \$8,193.29 for Concession Operations.

ATTACHMENTS

[Proposed Concession Operations Agreement](#)

**City of Muscatine
Concession Operations Agreement**

It is hereby agreed by and between the City of Muscatine, Iowa hereinafter referred to as City and Hy-Vee Food Store, Muscatine referred to as "Concessionaire" as follows:

1. That the City and the Concessionaire enter into this agreement to provide concession stand services at Kent Stein Park, the Muscatine Soccer Complex, and at the Muscatine Aquatic Center for the period from March 5, 2021 to November 30, 2025.
2. The Concessionaire, in consideration of this agreement shall pay the City monthly based on the attached schedule (by the 10th of the following month). Sales are to be reported on a form provided by the City.
3. The Concessionaire agrees to obtain all necessary licenses, permits, and certificates as required by Federal Law, State Law, or local ordinances, at Concessionaires expense.
4. Prior to the effective date of this agreement the concessionaire shall file a certificate of insurance with the City, with the right of fifteen (15) day notice of cancellation, naming the City as additional insured. The insurance shall be in the amount of at least one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000.00) aggregate for bodily injury and property damage claims and shall include product liability.
5. The Concessionaire agrees not to assign this agreement or sublet the premises without the expressed written consent of the City.
6. That the City will furnish the buildings, in-place equipment, and a vehicle for portable sales to the Concessionaire as is during the agreement period. Concessionaire will provide grilling equipment.
7. The Concessionaire agrees to keep said concession buildings open during periods of activity and hours mutually agreed upon. Concessionaire will provide the City with a menu of items to be served which will include some healthy food and drink options. The Parks and Recreation Department office will inform Concessionaire of scheduled activities.
8. The Concessionaire shall have exclusive consumable sales privileges for said facilities with the exception of special events which have been or will be approved by the City.

9. The City reserves the right to terminate this agreement within seven (7) calendar days written notice if the Concessionaire does not perform the terms and conditions of this agreement. Either party may terminate at any time upon thirty (30) days written notice.
10. That the Concessionaire shall not permit any of the following practices:
 - a. To discharge from employment or refuse to hire any individual because of their race, creed, color, national origin, religion, age, sex, marital status, political affiliation, or disability.
 - b. To discriminate against any individual in the terms, conditions, or privileges of employment because of their race, creed, color, national origin, religion, sex, marital status, political affiliation, or disability.
 - c. To discriminate against any individual in the performance of any obligation or the extension of services under this agreement because of their race, creed, color, national origin, religion, age, sex, marital status, political affiliation, or disability.
11. Prior to December 1, 2021, said Concessionaire and City agree to enter good faith negotiations for an extension and/or adjustment of the terms and conditions of this agreement to be mutually agreed upon by said Concessionaire and City.

DATED AND EXECUTED AT MUSCATINE, IOWA THIS 25th DAY OF February 2021

The City of Muscatine, Muscatine, Iowa

City Clerk: _____

Hy-Vee Food Store, Muscatine, Iowa

Concessionaire: 

Fee Schedule

**PLEASE INSERT PROPOSED FEE SCHEDULE
PERCENTAGE OF GROSS RECEIPTS (TOTAL NET OF APPLICABLE SALES TAX)**

7% gross receipts net of applicable sales tax if concessionaire provides credit and debit card services at each stand.

10% gross receipts net of applicable sales tax if credit and debit card services are not provided at each stand.

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Concession Operations Agreement**

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6. That the City will furnish the buildings, in-place equipment, and a vehicle for portable sales to the Concessionaire as is during the agreement period. Concessionaire will provide grilling equipment.
7. The Concessionaire agrees to keep said concession buildings open during periods of activity and hours mutually agreed upon. Concessionaire will provide the City with a menu of items to be served which will include some healthy food and drink options. The Parks and Recreation Department office will inform Concessionaire of scheduled activities.
8. The Concessionaire shall have exclusive consumable sales privileges for said facilities with the exception of special events which have been or will be approved by the City.

9. The City reserves the right to terminate this agreement within seven (7) calendar days written notice if the Concessionaire does not perform the terms and conditions of this agreement. Either party may terminate at any time upon thirty (30) days written notice.

10. That the Concessionaire shall not permit any of the following practices:

- a. To discharge from employment or refuse to hire any individual because of their race, creed, color, national origin, religion, age, sex, marital status, political affiliation, or disability.
- b. To discriminate against any individual in the terms, conditions, or privileges of employment because of their race, creed, color, national origin, religion, sex, marital status, political affiliation, or disability.
- c. To discriminate against any individual in the performance of any obligation or the extension of services under this agreement because of their race, creed, color, national origin, religion, age, sex, marital status, political affiliation, or disability.

11. Prior to December 1 each year said Concessionaire and City agree to enter good faith negotiations for an extension and/or adjustment of the terms and conditions of this agreement to be mutually agreed upon by said Concessionaire and City.

DATED AND EXECUTED AT MUSCATINE, IOWA THIS _____ DAY OF _____.

The City of Muscatine, Muscatine, Iowa

City Clerk: _____

Hy-Vee Food Store, Muscatine, Iowa

Concessionaire: _____

Fee Schedule

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PERCENTAGE OF GROSS RECEIPTS (TOTAL NET OF APPLICABLE SALES TAX)**

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