



RFP 19-12, MANAGEMENT SERVICES
AGREEMENT FOR MIXED BEVERAGE SERVICES

RS-19-027

February 19, 2019

Background

- ❑ City obtained mixed beverage license from Texas Alcoholic Beverage Commission for the Killeen Civic & Conference Center Complex in 2002
- ❑ City obtained Mixed Beverage Catering permits in 2011 to provide mixed beverage services to other City facilities.
- ❑ Current management agreement is between YH SH, LLC and they have provided this service since 2005
- ❑ Last alcohol audit by City Internal Auditor recommended an RFP for mixed beverage services

Request for Proposal Process

3

- City staff developed RFP 19-12 for mixed beverage service
- Advertised on December 9th & 15th 2018
- Three proposals received:
 - YH, SH LLC, DBA Jesters; Let Us Do the Cooking, LLC; and Shilo Inn Restaurant
- Interviews with the three proposers were conducted on January 15, 2019

Request for Proposal Process-continued

4

- City staff evaluated the proposals based on five (5) criteria:
 - ▣ Compensation to the City of Killeen-management fee
 - ▣ Proposer's concept for mixed beverage and products to be offered
 - ▣ Proposer's experience and qualification in the mixed beverage service business
 - ▣ Business plan for operation of mixed beverage service
 - ▣ References

Proposer Evaluations

5

Item	Criteria	Value	Let Us Do The Cooking	Shilo Inn Restaurant	YH SH, LLC DBA Jesters
1	Compensation to the City of Killeen	120	115	35	95
2	Proposer's concept for mixed beverage service and products to be offered	100	100	82	60
3	Proposer's experience and qualification in the mixed beverage service business	80	60	77	80
4	Business plan for operation of the mixed beverage service	80	74	55	25
5	References	20	18	20	0
	Total Score	400	367	269	260

Request for Proposal from Let Us Do the Cooking, LLC

6

- ❑ A. Management fee - 40% mixed beverage gross receipts
- ❑ B. Table service - charged to the client at an hourly rate. City will receive 10% of revenue.
- ❑ C. Glass Rentals - beverage glassware rental provided by the Manager (LUDTC). City will receive 10% of revenue.
- ❑ D. Beverage Service - Manager will provide coffee, water & tea service for events requested for meetings, trainings, etc. City will receive 10% of revenue
- ❑ E. Specialty Cocktail/Mocktail Service Stations - Manager will provide signature drinks to be created and served at events. City will receive 10% revenue + mixed beverage %.

Revenue Forecast from Let Us Do the Cooking, LLC Proposal

7

- Net revenue to City for mixed beverage service = \$181,970
- Additional services = \$3,000 to \$5,000 estimated
- Marketing of new services will potentially increase that estimate

Alternatives

8

- Approve the management services agreement with Let Us Do the Cooking, LLC with the additional services
- Begin negotiations with one of the other two proposers
- Reject the management services agreement and end mixed beverage services

Recommendation

- City Council authorize the City Manager or designee to execute the management services agreement with Let Us Do the Cooking, LLC effective March 15, 2019 for a period of two years, with an option to extend the agreement by up to two (2) additional two (2) year terms, and that the City Manager or designee is authorized to execute any and all change orders in compliance with local policy or state law.