

RESOLUTION/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighResolution@DenverGov.org by **3:00pm on Monday**.

****All fields must be completed.****

Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: 02/07/2018

Please mark one: ☐ Bill Request or ☒ Resolution Request

1. Has your agency submitted this request in the last 12 months?

☐ Yes ☒ No

If yes, please explain:

2. **Title:** Resolution request approving an amendment to the existing contract with SMG, CE93003(02) to extend terms and pay rates

3. **Requesting Agency:** Denver Arts & Venues

4. **Contact Person:** (With actual knowledge of proposed resolution/resolution.)

- **Name:** Kent Rice and Frank Delmonte
- **Phone:** 720.865.4202
- **Email:** Frank.Delmonte@denvergov.org

5. **Contact Person:** (With actual knowledge of proposed resolution/resolution who will present the item at Mayor-Council and who will be available for first and second reading, if necessary.)

- **Name:** Frank Delmonte
- **Phone:** 720.865.4233
- **Email:** Frank.Delmonte@denvergov.org

6. **General description of proposed resolution including contract scope of work if applicable:** The SMG Management contract (CE93003) is a professional services contract overseen by Arts & Venues to provide operational management of the Colorado Convention Center (CCC). SMG provides services and systems to provide day-to-day operations and management support pursuant to approved budgets and annual plans. SMG currently is paid a flat fee of \$444,784 and may earn an incentive fee of \$445,000 by reaching predetermined benchmarks. The current contract is in force through 12/31/20. The design phase of the \$233M expansion of the CCC will begin later this year. Construction is projected to begin in 3Q19 and continue for 2-3 years—so well beyond the contract expiration date. Given the complexity and size of the project, DAV believes that there should be continuity of operations at the CCC throughout the construction cycle. The proposed contract extension would provide for that.

*****Please complete the following fields:***

- a. **Contract Control Number:** CE93003(02)
- b. **Duration:** Previous term: 01/01/2009 – 12/31/2020 / New Term: 01/01/2021 – 12/31/2023
- c. **Location:** Denver Arts & Venues / the Colorado Convention Center.
- d. **Affected Council District:** Council District 9
- e. **Benefits:** Consistent operational management throughout Convention Center expansion construction.
- f. **Costs:** The Convention Center averages about \$24.5M in revenue annually vs. \$27M in expenses (which includes a management fee of \$445k). The General Fund supplies the difference in that gap, so on average \$2.5M annually. SMG operates the Center and has as part of its contract an annual incentive fee, that can be up to \$445K, predetermined benchmarks are achieved. That amount is included in the \$27.5M in expenses.

7. **Is there any controversy surrounding this resolution?** (Groups or individuals who may have concerns about it?) **Please explain.** None that is known.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: RR18 0199

Date Entered: _____

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EXECUTIVE SUMMARY

SMG, CE93003(02)

Contract Term: 01/01/2018 to 12/31/2020

To be completed by Mayor's Legislative Team:

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Date Entered: _____