

# EXECUTIVE SUMMARY

## **Background:**

In 2017 Denver Arts & Venues (DAV), with the assistance of the city's Purchasing Division issued an RFP for janitorial and related facility services at DAV locations. Aramark Management Services Limited Partnership was awarded a three-year agreement with two optional one-year extensions. The initial term of the contract was to run from January 1, 2018, through December 31, 2020.

-In January 2019, the contract was amended to add Minority and Women Owned Business Enterprise language and update bond requirements. No changes were made to the contract amount or term.

-In December 2020, the contract was amended as a result of the Covid-19 pandemic, adding \$10,000,000 in contract capacity to the agreement to a total of \$30,000,000, added language addressing the "Health and Safety Restrictions Period", added minimum wage language, added sponsorship payments to be received by the City of Denver, revised exhibits, and made minor modifications to Contractor's SOW. DAV also exercised the two one-year extensions and added three years to the agreement for a new end date of December 31, 2025.

-In November 2022, a third amendment added \$34,000,000 in contract capacity for a new total contract capacity of \$64,000,000 with no change to term of the agreement or the scope of work.

## **Current Request:**

DAV is seeking City Council approval of amendment THTRS-202578461-04/THTRS-201736911-04 with Aramark Management Services Limited Partnership. This request adds \$10,750,000 in contract capacity for a new total contract capacity of \$74,750,000 and extends the term date to May 31, 2026. The current request is based on the following:

- The number of events held at DAV venues has stabilized at around 1,100 events, including Red Rocks Amphitheatre.
- Expenses in 2023 and 2024 increased significantly as compared to prior years, with \$11.65MM and \$12.07MM spent, respectively.
- Costs are expected to continue increase in correspondence to changes in Denver's minimum wage.
- Expenses for the 2025 calendar year will likely reach over \$13MM total, as high as \$300,000 per week across all locations during high activity weeks.
- A number of these expenses are billed back to clients as event related costs. DAV is not absorbing the entire cost of all services provided on net.