

EXECUTIVE SUMMARY

Background:

In 2018 Denver Arts & Venues (DAV) issued an RFP for concession services at the Colorado Convention Center (CCC) and the Denver Performing Arts Complex (DPAC) through the General Services Purchasing Division. Service America Corporation, d/b/a Centerplate (“Centerplate”) was awarded a ten-year service contract THTRS-201950097, from 7/1/2019 – 6/30/2029. Due to the ongoing COVID-19 pandemic, both DAV and the Contractor have experienced loss of business due to various restrictions and loss of employees due to furloughs and layoffs.

Pursuant to the contract, the Contractor provides services including but not limited to: concessions, catering and dining services; inventory management and spoilage control; operation of catering equipment, point of sale systems and other cooking, food preparation and food holding equipment; obtaining licensing and providing training to employees, and supervision of employees at the CCC and DPAC. The Concessionaire pays the City a monthly commission based on gross receipts or net operating profits, the percentage and type of commission varying by location, for each accounting period. Commission rates paid by Concessionaire increase for a significant portion of the affected areas beginning July 1, 2026.

Current Request:

Denver Arts & Venues is seeking City Council approval of an ordinance that will amend contract THTRS-201950097-00 with Centerplate to address business interruptions during the continued period of health and safety restrictions at DAV venues until the resumption of normal activity levels; extend the term of the agreement for one year (through June 30, 2030); relieve the City and contractor of their respective obligations to contribute to the Marketing Fund during the Health and Safety Restrictions Period; and confirm contractor’s obligation to performing renovations and enhancements of restaurant and concessions locations at the CCC and DPAC (with minor scheduling adjustments to account for the pandemic).

- During 2020, DAV performance venues have been closed and/or operating at greatly reduced capacity due to public health orders and social distancing mandates.
- The viability of this contract depends upon occupancy for events occurring at Denver A&V facilities.
- It is uncertain on what date performance venues in Denver will be able to resume normal activity levels.
- The ability to resume normal business activities rests on factors generally outside of the City’s or Contractor’s control.
- In consideration of lost activity in 2020 and uncertain activity levels in 2021, Denver Arts & Venues is proposing an extension of one year.

- Pursuant to the amendment, a declaration re: the resumption of “normal business activity” will be determined by the Director of Arts & Venues.
- The amendment prevents opportunistic cancellation of services pursuant to Force Majeure, and helps to ensure continuity of services once normal activity levels resume.
- The amendment adds and defines the term “Health and Safety Restrictions Period.” This period began on March 13, 2020, and will continue until formal notification issued by the Director of Arts & Venues or her designee.
- The amendment prioritizes cost transparency by identifying and controlling costs prior to resumption of normal activity levels (i.e. during the Health and Safety Restrictions Period). The Contractor is required during this period to receive written approval prior to making any purchases or deviating from cost estimates.
- The amendment provides for the provision of limited services by the Concessionaire during the Health and Safety Restrictions Period.
- The amendment modifies deliverable deadlines for certain concession area renovations required by Contractor to account for COVID-19 disruptions.
- The amendment does not anticipate additional costs for the City.
- The Contractor is a valued partner that has worked with the City during the COVID-19 pandemic to ensure DAV’s limited capacity activities are supported and taken steps so that it will be prepared when normal activity levels resume to continue to comply with its obligations under the contract.