

EXECUTIVE SUMMARY

Background:

In 2017 Denver Arts & Venues (DAV) issued an RFP for concession services at Red Rocks Amphitheatre and the Denver Coliseum through the General Services Purchasing Division. Aramark Sports and Entertainment Services LLC was awarded a three-year service contract THTRS-201737254, from 11/1/2017 – 10/31/2020 with an option for two mutually agreed upon, one-year extensions through 10/31/2022. Due to the ongoing COVID-19 pandemic, both DAV and the Contractor have experienced loss of business due to various health and safety restrictions limiting mass gatherings 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; 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 Denver Coliseum and Red Rocks Amphitheatre including the Amphitheatre, Visitor Center and Trading Post. The Concessionaire pays the City a monthly fee equal to fifty-percent (50%) of gross sales for each accounting period regardless of whether the Concessionaire has a profit or loss.

Current Request:

Denver Arts & Venues is seeking City Council approval of an amendment to contract THTRS-201737254 with Aramark Sports and Entertainment Services, LLC 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 two years (through October 31, 2024); defer City's obligation to pay operating losses, if any, incurred by Contractor until the end of the 2021 Contract Year (October 31, 2021); and confirm contractor's obligation to continuing contributions to the Marketing Fund and Reserve Fund.

- 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 the agreement of two years.
- 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 provide information concerning costs to be incurred and must 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 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.