

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 contract number THTRS-201736911, 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 of 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 of 2020 the contract was amended as a result of the Covid-19 pandemic. This amendment added \$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" necessitated by the pandemic, added minimum wage language, added sponsorship payments to be received by the City of Denver (City); revise exhibits, and made minor modifications to Contractor's scope of work. At this time DAV also exercised the two one-year extensions and added three years to the agreement for a new end date of December 31, 2025.

Current Request:

DAV is seeking City Council approval of amendment THTRS-202264155-03/THTRS-201736911-03 with Aramark Management Services Limited Partnership. This request adds \$34,000,000 in contract capacity for a new total contract capacity of \$64,000,000. There is no change to term of the agreement or the scope of work. The current request is based on the following:

- The number of events held at DAV continues to increase particularly at Red Rocks Amphitheatre. Total events at this location will total approximately 180 in 2022 up 20% from 2018. Due to high demand the number of performance dates may continue to climb.
- Expenses in 2021 and 2022 were subdued due to the Covid-19 pandemic allowing for the \$30,000,000 in authorized expenditures to cover nearly four years of services.
- Costs are expected to increase in correspondence to changes in Denver's minimum wage.
- Current expenses continue to reach as high as \$250,000 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.