



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 1/4/2023

ALL

Item Creation Date: 10/25/2022

T31149 - Houston Airport System Food and Beverage Concessions - Package Two
(William P. Hobby Airport) - Ordinance

Agenda Item#: 22.

Background:

Request for Proposals received March 10, 2022, for P03-T34419 - Approve an ordinance awarding a revenue contract to LaTrelle's Galley, LP to provide and operate a food and beverage concession at William P. Hobby Airport (HOU) for the Houston Airport System.

Specific Explanation:

The Director of the Houston Airport System and the Chief Procurement Officer recommend that City Council approve an ordinance awarding a **ten (10) year revenue contract to LaTrelle's Galley, LP** to provide and operate a food and beverage concession at William P. Hobby Airport (HOU) for the Houston Airport System.

The Request for Proposals (RFP) was advertised in accordance with the requirements of the State of Texas bid laws. As a result, proposals were received from seven (7) firms: Air Star-LTS Marquis HOU, LLC, Areas HOU JV, LLC, HMS Host International, Inc., LaTrelle's Galley, LP, OTG Management HTX, LLC, Paradies Lagardere @ HOU 2022 (F&B), LLC, and SSP America. The Evaluation Committee (EC) consisted of City employees from the Administration and Regulatory Affairs and General Services Departments, and the Houston Airport System. The evaluation was based on the following criteria:

1. Customer Service/Management and Operations Plan
2. Local Participation
3. Concept Development and Menu
4. Design, Material and Sustainability
5. Background and Experience
6. Transition Plan
7. Compensation to the City

The EC's findings, based on the evaluation of proposals' responses to the Technical Competencies and the Compensation to the City, resulted in the following:

LaTrelle's Galley, LP was deemed the most qualified as it received the highest overall score based on the evaluation criteria. Therefore, the EC is recommending LaTrelle's Galley, LP for Package Two. The RFP comprised Package One and Package Two. LaTrelle's chose Package Two as its preferred package. Package One was cancelled and is being re-procured.

The Term of the Agreement shall commence on the effective date, and unless sooner terminated in accordance with Article XIV of the agreement, shall expire in ten (10) years.

The Concessionaire will deliver to the City on or before the Effective Date a surety bond in an amount equal to \$3,205,950 conditioned on the faithful performance of all terms, conditions, and covenants of the Agreement

The following Percentage Fee Rate by category of product sold at the Facilities shall be applied to Gross Sales per month beginning on the Effective Date:

Category of Product Sold	Percentage Fee Rate
Food and Non-Alcoholic Beverages	21%
Alcoholic Beverages	25%
Merchandise	25%

ACDBE Participation:

The RFP was advertised with a 30% goal for ACDBE participation. **LaTrelle's Galley, LP** submitted a participation plan of 97.25% and has designated the below-named companies as its certified ACDBE prime concessionaire and subcontractors.

Name	Participation	Role	Percentage (%)
LaTrelle's Galley, LP	Prime Concessionaire	Operate six locations	67.27%

LaTrelle's Flight Kitchen, LP	Subcontractor	Operate one location	10.63%
Chancellor's Ballroom, LLC	Subcontractor	Operate two locations	12.52%
AYG Food Services, LLC	Subcontractor	Operate one location	5.83%

Pay or Play:

The proposed contract requires compliance with the City's Pay or Play ordinance regarding health benefits for employees of City contractors. In this case, the contractor provides health benefits to eligible employees in compliance with City policy.

Hire Houston First:

The proposed contract requires compliance with the City's Hire Houston First (HHF) ordinance that promotes opportunity for Houston businesses and supports job creation. In this case LaTrelle's Galley, LP does not meet the requirements for HHF designation; no HHF firms were within three percent.

Fiscal Note:

Revenue for this item will be included in the FY2023 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

12/9/2022

DocuSigned by:

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Jedediah Greenfield,
Chief Procurement Officer
Finance/Strategic Procurement Division

Mario Diaz
Director of Houston Airport System

Estimated Revenue

DEPARTMENT	FY2023	OUT YEARS	TOTAL
Houston Airport System	\$782,884.00	\$73,505,248.00	\$74,288,132.00

Amount and Source of Funding:

REVENUE CONTRACT

HAS-Revenue Fund
Fund 8001

Contact Information:

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ATTACHMENTS:

Description	Type
Form B	Backup Material
City of Houston Ownership Form	Backup Material
Delinquent Tax Report	Backup Material
Award Recommendation Letter	Backup Material
Financial Proforma	Financial Information
HAA-OBO Review and Evaluation of ACDBE Participation Plan	Backup Material
ACDBE Participation Plan	Backup Material
Drug Policy Compliance Agreement	Backup Material
Pay or Play Forms	Backup Material
Form 1295	Backup Material
Certificate of Insurance	Backup Material
COI Endorsements	Backup Material