



PARKS AND RECREATION BOARD
October 24, 2022 – 6:00 PM
City Hall Chambers, Room 1001
301 W. Second Street, Austin, Texas 78701

Questions and Answers Report

PARKS AND RECREATION BOARD MEMBERS:

Laura Cottam Sajbel (D-9), Chair
Sarah Faust (D-5), Vice-Chair
Nina Rinaldi (D-1)
Anna Di Carlo (D-2)

Patrick Moore (D-3)
Kathryn Flowers (D-4)
Lisa Hugman (D-6)
Nancy Barnard (D-7)

Kim Taylor (D-8)
Dawn Lewis (D-10)
Richard DePalma (Mayor)

Item 4: Staff briefing on procurement policies, procedures, and practices for the City of Austin.

Chair Cottam Sajbel

- 1) *What is the process to determine the portion of proceeds the city earns from a vendor? Is there a best-practices formula, used in comparable cities?*

Depending on type of concession, the revenue share is determined based on similar newer concessions. Most recently, Various factors are considered:

- Will the vendor have to invest in infrastructure? If so, what will those costs be? Any permanent fixtures on City property are automatically City property and do not revert back to the vendor.
- If there was a previous vendor at the site, what was that revenue-sharing structure?
- PARD now includes a minimum amount for revenue-sharing in the RFP's issued.
- Services provided by park concessions need to be affordable for all citizens.
- Any amenity of this type must align with PARD's mission and programming, and most importantly, must be a benefit to the public.

- 2) *How are rental rates set for vendors operating on parkland, and how do they compare to other retail rental rates in the vicinity?*

The City's purpose in offering services to citizens at its parks and facilities is not to make a profit. It's to enhance citizens' experiences at PARD facilities. Citizens already pay taxes to maintain parks and other facilities, thus rates are maintained at an affordable cost for all citizens.

Per COA legal, for home rule municipalities, if a fee bears a reasonable relationship to the cost of providing the service or regulating the behavior being regulated, and there is no legal prohibition against charging the fee, generally, the city can charge the fee.

- 3) *Is the amount a vendor pays the city affected by comparable retail costs in different parts of the city?*

The City's purpose in offering services to citizens at its parks and facilities is not to make a profit. It's to enhance citizens' experiences at PARD facilities. Citizens already pay city taxes to maintain parks and other facilities, thus rates are maintained at an affordable cost for all citizens.

If PARD were to require a monthly payment from concessionaires that is comparable to the current market, more than likely the fee for the amenity would rise substantially due to the additional cost being passed on to the consumer. The higher cost would limit the public benefit due to the lack of affordability.

4) *What are the rules governing what the city can earn from a vendor?*

Pending legal response.

5) *How do we determine the appropriate and equitable location of vendors around the city? Around the lake?*

It is the policy of the Parks and Recreation Department that staff plan, develop, solicit, administer, manage and ensure compliance of concessions in the City's Park System in accordance with City Code Title 8, Park Rules and concession policy.

- Title 8, Article 5 regulates concessions on Lady Bird Lake.
 - § 8-1-71 - CONCESSIONS AUTHORIZED.
 - (A) If authorized by the director, a person may operate a food or beverage, rental, or service concession in Lady Bird Lake Park.
 - (B) A person under the age of 18 engaging in the occasional sale of nonalcoholic beverages may not be required to obtain authorization under this section.
- Vision planning, with citizen engagement, informs the need for additional concessions throughout the park system. Currently, PARD in collaboration with Huston-Tillotson University (HTU) is conducting a lake capacity study that will provide guidance on current and future watercraft concessions.
- The Office of Special Events deals with temporary concessions and receives proposals from interested vendors for temporary concessions. Based on need, the vendors are assigned to various locations within the park system. The duration of the assignment is six months, and a permit fee is required based on the type of park.
- City Council, via resolutions, directs PARD to enter into concessions agreements such as
 - EPIC SUP via The Trail Foundation, Expedition School, Zilker Train via The Austin Parks Foundation
 - Extending contracts for existing vendors rather than issuing new solicitations (Austin Rowing Club; Rowing Dock, EpicSUP)

6) *How do we determine the need for new vendors, and what is the process if residents request a service in their park area?*

This is determined during the vision planning and engagement process. The Special Events Office issues an RFA (Request for Application) to solicit vendors for various services at park locations. Based on need, the vendors are assigned to various locations within the park system. They are required to pay a fee, which is based on the type of park. For instance, a metropolitan park permit fee is \$1500 for six months. For long-term concession contracts, an RFP is issued to solicit new vendors when the current contract is scheduled to terminate, or it is determined that an additional watercraft vendor is needed. Vendors, who are interested in providing this type of service, often contact the Contracts Unit, and they are encouraged to register as COA vendors to ensure they receive notification of upcoming solicitations.

- 7) *Does adding alcohol sales for a vendor significantly affect the percentage the city earns back—and does that percentage cover additional emergency response costs, should the need arise.*

Alcohol sales do increase the amount of money a vendor can make. Thus, increasing the revenue share with PARD and the City. The money collected from PARD revenue share contracts is placed into the City's general fund.

- 8) *How do we monitor contract compliance? For example, if a vendor is allowed to hold four events per year, who is overseeing that they stick to that number? Who enforces the contracts?*

Each contract is assigned a contract administrator, who deals with the day-to-day activities of the concession, monthly reports, accompanied by payments, are required from each vendor. Additionally, a representative from the Contracts Unit meets on a quarterly basis with each Town Lake vendor to discuss compliance issues and vendor needs and concerns.

In addition, PARD performs annual contract monitoring by contract management staff on concession/revenue contracts and verifies the vendor is meeting reporting/deliverable requirements based on the terms and conditions of the contract.