



Agenda Item No. (3)

To: Building and Operating Committee/Committee of the Whole
April 21, 2022

From: James P. Swindler, Deputy General Manager, Ferry Division
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE EXECUTION OF A CONCESSION AGREEMENT
RELATIVE TO REQUEST FOR PROPOSALS NO. 2021-F-047,
CONCESSION SERVICES ONBOARD DISTRICT FERRIES WITH
NONPAREIL VENTURES LLC**

Recommendation

The Building and Operating Committee recommends that the Board of Directors authorize execution of a Concession Agreement relative to Request for Proposals (RFP) No. 2021-F-047, *Concession Services Onboard District Ferries*, with Nonpareil Ventures LLC of San Rafael, CA, to provide food, beverage and retail services for a three-year term, with two additional one-year options, exercisable at the Golden Gate Bridge, Highway and Transportation District's sole discretion.

This matter will be presented to the Board of Directors at its April 22, 2022, meeting for appropriate action.

Summary

Providing food and beverages onboard ferries is an amenity which is greatly appreciated by customers, and it helps grow and maintain loyal ridership. While ferry ridership is still well below pre-pandemic levels, fortunately, it is starting to rebound. Demonstrating this return of customers, ridership in March 2022 was 10 times higher than in March 2021. As such, there is rising demand for such amenities.

On July 2, 2021, the Golden Gate Bridge, Highway and Transportation District (District) issued RFP No. 2021-F-047, *Concession Services Onboard District Ferries*, to seek proposals from qualified firms to provide food, beverage and retail services to passengers.

The concessionaire will provide and serve a variety of hot and cold foods and beverages, including alcoholic beverages and sundries onboard the ferries. At the District's option, during the AM morning commute period, the concessionaire will also have a mobile stand within the Larkspur Terminal paid waiting area to serve hot and cold beverages. Concession services, including alcohol sales, will return gradually as ridership rebounds from pandemic levels.

The RFP was posted on the District's Bonfire Procurement Portal, and notification was sent to all registered firms that selected the relevant North American Industry Classification System codes. Nonpareil Ventures LLC's proposal was the only proposal submitted by the August 6, 2021 deadline, and the firm was invited to participate in an interview.

A Selection Committee comprised of District staff reviewed and evaluated the proposal based upon the following criteria that was specified in the RFP:

- Understanding and Approach to the Scope of Services – 0-35 Points
- Proposer's Qualifications and Experience – 0-35 Points
- Annual Concession Fee to be Paid to the District – 0-30 Points

After considering the written proposal, references, and conducting the interview, the Selection Committee determined that the Nonpareil Ventures LLC meets all the requirements for the services requested by the District and recommend Nonpareil Ventures LLC for contract award.

Nonpareil Ventures LLC has over 10 years of experience in bar operations, hotel and corporate concession stands, public transportation, sales and customer service, logistics and brand strategy. They understand the demands of day-to-day concessions and have fresh ideas on how to customize concession services to the ferry passenger's taste and choice. Nonpareil is a sales driven company that will modernize the product selection, promote ferry concessions, add touchless payment options and a mobile app to reduce wait time.

Staff, the District's Attorney, and the Disadvantaged Business Enterprise (DBE) Program Administrator reviewed the proposal and found the selected firm submitted all required documents, and its proposal is technically responsive to the specifications. In addition, staff has performed an analysis and has determined that the firm's revenue sharing for the retail opportunity is fair and reasonable. The revenue sharing is consistent with what any other entity would receive from similar retail opportunities.

This contract will provide amenities to improve the customer experience, and to a lesser extent generate revenue. Therefore, no contract-specific DBE or Small Business Enterprise goal was established. However, Proposers were encouraged to obtain DBE participation. Nonpareil Ventures LLC is a certified DBE firm.

Fiscal Impact

The District will receive revenue for Ferry Concessions based on an escalating percentage of the concessionaire's gross sales. For FY 22/23 it is estimated the District will receive approximately \$75,000 based on estimated, projected ridership. In future years, the revenue received based on percentage of gross sales escalates up to 20% and if pre-COVID ridership returns it is estimated the District could receive up to \$300,000 a year. Below is the table showing the percentage of gross sales that the District will receive. Future revenues will be budgeted in the Ferry Division Operating Budget accordingly for subsequent years.

YEAR	PERCENTAGE OF SALES BY TIME
Year 1- First 6 months	5% of gross sales
Year 1 – Second 6 months	7.5% of gross sales
Year 2	10% of gross sales
Year 3	15% of gross sales
Year 4	20% of gross sales
Year 5	20% of gross sales

THIS PAGE INTENTIONALLY LEFT BLANK