

City Of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 3, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 62 __: COST OF RFP FOR CONCESSIONS VENDORS AT CITY POOLS

This memo is in response to Councilman Krupicka's question about the cost of issuing an RFP to find a vendor to sell concessions as City pools during the summer and the potential revenues to be gained from selling concessions.

The cost of preparing an RFP would be in RPCA and Purchasing staff time. It would take a minimum of 60-90 days to complete the document preparation, bid solicitation, and awarding of a bid. The preparation work could be performed by staff during regular work hours as part of the normal course of business; no outside firms would need to be brought in to assist in preparing an RFP of this nature.

The potential revenue is unknown at this time as there is no supporting food sales data at City sites. However, given the attendance numbers at the Old Town pool (6,500) we do not anticipate that revenues would be significant. If each participant spent an average of \$5 and the City netted between 10%-15% in sales revenue from a vender, the range would be \$3,250- \$4,875 for the season. Data from The Water Mine Park, which is a Fairfax County Park Authority facility, shows that the food concession service contracted out to Papa Johns Pizza provides 15% of gross, for about \$27,000 per season. Attendance numbers at Water Mine (104,500 visitors in 2007) are significantly higher than all of the City-owned pools combined.

Based on the above assumptions, revenues from concessions at City pools would not be enough to pay for adding weekend hours to the neighborhood mini-pools. The cost of this additional weekend service is approximately \$20,000 per year (see Budget Memo #10).

One other issue to consider is the age and design of the City's pool facilities. The pools were built over 40 years ago and were never designed to be large, revenue producing facilities. None of the pools currently have the amenities to sell or serve food. Some expense would be necessary to retrofit a concession operation at the pools. In some cases there simply is not enough space to accommodate this service.