



City of Santa Ana
20 Civic Center Plaza, Santa Ana, CA 92701
Staff Report
February 20, 2024

TOPIC: Food and Beverage Concession Services at the Santa Ana Zoo

AGENDA TITLE

Approve an Agreement with Bean Sprouts at the Santa Ana Zoo

RECOMMENDED ACTION

Authorize the City Manager to execute an agreement with Bean Sprouts, LLC dba Bean Sprouts to provide food and beverage concession services at the Santa Ana Zoo with a 6% revenue share to the City on the first \$300,000, 8% revenue share between \$300,001 - \$500,000, and 10% revenue share above \$500,000 in cumulative café net sales for a given contract year, March 18 to March 17 of the following year, for an initial term of three years, effective March 18, 2024, with two 2-year renewal options (Agreement No. A-2024-XXX).

GOVERNMENT CODE §84308 APPLIES: Yes

DISCUSSION

The Santa Ana Zoo at Prentice Park welcomes 250,000 visitors per year from all over Orange County and beyond. To enhance the visitor experience, the Zoo food concession provides a variety of hot and cold meals, beverages, and snack food items. Including alcohol beverage services in this new agreement will further enhance visitor satisfaction and stay time, promote local Santa Ana breweries, and provide a new revenue stream offsetting Zoo operational costs. Alcohol-based beverage offerings are now commonplace in zoos, aquariums, and museums with over 50% of Association of Zoos and Aquariums facilities offering alcohol-based beverages as part of their food concession program. The ABC license directly ties to the food licensee and must be the held by the same entity.

The existing Zoo concessionaire commenced services in 2018 and has an agreement in place through March 17, 2024. On May 25, 2023, a Request for Proposals (RFPs) was issued to solicit proposals for providing food and beverage concession services at the Santa Ana Zoo. An evaluation committee reviewed and rated the proposal.

The Request for Proposals (RFP) No. 23-040 was advertised on May 25, 2023, on the City's online bid and management publication system. A summary of the invitation for the bids and bids received is as follows:

79	Vendors notified
8	Santa Ana vendor notified
19	Vendors downloaded the bid packet
1	Bids received
0	Bids received from Santa Ana Vendors

The proposal was evaluated according to the criteria listed in the RFP, which includes vendor responsiveness, experience, the fee proposal, and references to ensure that the proposal met the standards of the zoo. While only one proposal was received, City staff is confident that Bean Sprouts will provide quality services and product to users of the Santa Ana Zoo.

Bean Sprouts' sole focus is serving family destinations and the importance of the visitor experience. They complement their environmentally responsible and sustainable efforts with high-quality ingredient guidelines that emphasize organic, hormone- and antibiotic-free offerings. With a menu that includes sandwiches, salads, pizzas, and organic espresso bar alongside the "Imaginibbles kids" menu, Santa Ana Zoo staff believes that their operational philosophy is in line with the mission and goals of the zoo. Additionally, the fresh, non-fried menu food options lend themselves to quicker service to customers.

Bean Sprouts has been well-received by visitors over the past five years and the new addition of alcohol sales will further enhance the services they provide.

The agreement will provide the City with a tiered revenue-share plan that includes a share of net sales (total sales amount before applicable taxes).

- 6% Revenue Share - Up to \$300,000
- 8% Revenue Share - \$300,001-500,000
- 10% Revenue Share - Over \$500,000

Additionally, Bean Sprouts will invest up to \$50,000 for install of improved service windows in the café area, purchase of a mobile cart, and expenses related to compliance with ABC and SAMC requirements for alcohol sales.

Bean Sprouts has already had initial conversations with City staff and the ABC about licensing. There are a number of compliance steps required for successful licensing and Bean Sprouts will immediately take further steps with approval of this agreement. There will be no downtime or lapse in service for zoo visitors as Bean Sprouts is currently providing food concession and will continue with approval of this agreement.

FISCAL IMPACT

Based on past performance and the addition of alcohol service, City staff conservatively projects annual net sales of approximately \$450,000 during the first contract year of the new agreement, which would result in \$30,000 revenue to the City. Revenue projections will be periodically reviewed and incorporated as part of the annual city-wide budget formulation process. The City's revenue share will be calculated monthly and funds will be deposited in the following account: PRCSA, Food Sale Concession revenue account (no. 01113002-53313).

EXHIBIT(S)

1. Agreement

Submitted By: Hawk Scott, Executive Dir. of Parks, Recreation and Community Services

Approved By: Tom Hatch, Interim City Manager