



City of Culver City

Mike Balkman Council
Chambers
9770 Culver Blvd.
Culver City, CA 90232

Staff Report

File #: 19-1375, **Version:** 1

Item #: C-4.

CC - Approval of an Amendment to the Existing Professional Services Agreement with Sustainable Management Services, LLC, for Farmers' Market Manager Services Extending the Agreement by Two Years in an Additional Amount Not-to-Exceed \$161,544.

Meeting Date: June 24, 2019

Contact Person/Dept: Glenn Heald/CDD
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Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☒ No ☐

Public Hearing: ☐

Action Item: ☒

Attachments: Yes ☐ No ☒

Commission Action Required: Yes ☐ No ☒

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/19/19)

Department Approval: Sol Blumenfeld, Community Development Director (06/13/19)

RECOMMENDATION

Staff recommends the City Council approve an amendment to the existing Professional Services Agreement (Agreement) with Sustainable Management Services, LLC, for Farmers' Market management services extending the agreement by two years (ending June 30, 2021) in an additional amount not-to-exceed \$161,544.

BACKGROUND AND DISCUSSION

In early 2017 staff issued a Request for Proposal (RFP) to secure a new manager for the Culver City Farmers' Market (Market). Sustainable Management Services, LLC (Manager) was selected and began managing the Market on October 3, 2017. Since that time, the Manager has improved the appearance and cleanliness of the Market, enhanced the Market's social media presence, introduced new vendors and removed underperforming or incompatible vendors, updated equipment, produced signs, introduced a seating area, hosted demonstrations and children's activities, added musicians and increased the presence of Market staff. The Manager is also working with City staff to identify

potential relocation sites for the Market. The potential relocation sites will be presented to the City Council for consideration during the next quarter.

Per the Agreement, the cost to improve the Market's social media presence, host demonstrations and children's activities, add musicians and increase the presence of Market staff are considered operating expenses, which are funded by the Manager. Because these items enhance the Market experience and contribute to increased Market revenue, staff recommends increasing the Manager's Contract amount to include these items as operating expenses in the Market's budget for Fiscal Years 2019/2020 and 2020/2021.

The Agreement expires on June 30, 2019. Due to the high volume of work involved in both the weekly operation of the Market and the specific skills and knowledge base required to perform these functions, staff recommends the current contract be renewed for an additional two years without the issuance of an RFP.

FISCAL ANALYSIS

The two-year professional services agreement with Sustainable Management Services, LLC, is for an amount not-to-exceed \$161,544. Sufficient funding for this contract is budgeted annually in Acct. No. 10150120.61985. The Manager pays all Market operating expenses and receives a monthly management fee plus twenty percent of net Market revenue after expenses (the City retains the remaining eighty percent of net Market revenue).

Currently, the Manager collects gross revenues from the Farmer's Market and deducts their fees and misc. cost and remits the eighty percent net revenues to the City on a monthly basis. In Fiscal Years 2017/2018 and 2018/2019 the City received net revenues of approximately \$50,000 a year.

ATTACHMENTS

1. Anticipated Market Revenue and Expenses for Fiscal Years 2019/2020 and 2020/2021.

RECOMMENDED MOTIONS

That the City Council:

1. Approve an amendment to the existing professional services agreement with Sustainable Management Services, LLC, for Farmers' Market management services extending the agreement by two years (ending June 30, 2021) in an additional amount not-to-exceed \$161,544; and,
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.