



MIAMI BEACH

OFFICE OF THE CITY MANAGER

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NO. **334-2012**

CITY CLERK'S OFFICE

LETTER TO COMMISSION

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: Kathie G. Brooks, Interim City Manager

DATE: December 21, 2012

SUBJECT: Centerplate Termination Notice

This Letter to the Commission (LTC) is to advise you that on December 20, 2012, Centerplate, the City's food and beverage concessionaire for the Miami Beach Convention Center, notified the City that, as of March 31, 2013, it will no longer provide these services at the Convention Center.

As you know, at the September 12, 2012, City Commission meeting the City Commission adopted Resolution No. 2012-28006, which authorized the following:

- Reject bids pursuant to Request for Proposals (RFP) No. 39-11/12;
- Continue the current contract with Centerplate on a quarter-to-quarter basis, and under the same terms and conditions, with a 90-day Notice of Termination for convenience; and
- Refer the matter to the Finance and Citywide Projects Committee.

As a result of the aforementioned City Commission action, the Administration and City Attorney's Office prepared a contract amendment for Centerplate's review. This week, Centerplate advised the City that if the Agreement were mutually extended past March 31, 2013, Centerplate would require a fixed management fee contract structure. The Administration advised Centerplate that this new request was not only a substantive change from the terms of the current Concession Agreement, but was neither brought up, nor authorized by the City Commission, on September 12, 2012, when the Commission approved the extension of Centerplate's contract. The City does not agree to the change. As a result, Centerplate sent the City the attached letter.

The Invitation to Negotiate (ITN) approved by the City Commission at the December 12, 2012 City Commission meeting will be issued as soon as possible. However, the Administration will be developing a transition plan in conjunction with Global Spectrum to ensure food service is not interrupted in the event a new contract is not awarded before April 2013.

Please feel free to contact me with any questions.

KGB\MAS



GARY W. WATTIE
SENIOR VICE PRESIDENT, SALES

December 20, 2012

Mr. Max A. Sklar
Acting Assistant City Manager
City Manager's Office
1700 Convention Center Drive
Miami Beach, Florida 33139

Dear Max,

Attached for your review and consideration is the most recent version of the draft Second Amendment to the Catering and Concession Management at the Miami Beach Convention Center. As we discussed, the language relative to the change in financial terms during extension periods has been removed.

This letter also serves as notice that as of December 31, 2012, Centerplate exercises its right to terminate the agreement pursuant to Paragraph 3 of the Second Amendment so that its last day of service under the Second Amendment shall be March 31, 2013. We would be willing to continue to operate on a month to month basis after March 31, 2013, but the financial terms of the engagement would have to be modified.

Upon receipt of the executed amendment, funds due to the City will be released.

Sincerely,

Gary Wattie