



Notice of Special Meeting
California Exposition & State Fair
Meeting of the Board of Directors
To Be Held

AMENDED 11-10-2022

Thursday, November 17, 2022 3:00 p.m.- Closed Session
3:20 p.m. – Public Meeting

The meeting will be held via teleconference

Register in advance for this meeting:

<https://us02web.zoom.us/j/82370370046?pwd=d1ZVaVh0SHROQnNGZGZNMGkxdnpHdz09>

After registering, you will receive a confirmation email containing information about joining the meeting.

PLEASE MUTE YOUR PHONE IF NOT SPEAKING (*6)

Call In Number: 669-900-6833

Meeting ID: 823 7037 0046

Password: 983916

PUBLIC PARTICIPATION INSTRUCTIONS:

If you are joining the meeting via zoom and wish to make a comment on an item, please enter your name and the item number in the "Chat Box" and the Board Chair will call on you at the appropriate time. If you are joining the meeting by phone, press *9 to indicate a desire to make a comment. The clerk will call you by the last three digits of your phone number when it is your turn to comment. Speakers will be limited to 3 minutes. By participating in this meeting, you acknowledge that you are being recorded.

Jess Durfee, Chair
Rex Hime, Vice Chair

Rima Barkett, Director
Erin Choi, Director
Sonney Chong, Director
Rina DiMare, Director

Hannah Gbeh, Director
David Mallel, Director
Brian May, Director
Che Salinas, Director

EX OFFICIO MEMBERS

Governor Gavin Newsom

Senator Dr. Richard Pan
Senator Andreas Borgeas

Assembly Member Kevin McCarty
Assembly Member Robert Rivas

This notice is also available on the Internet at: www.CalExpoStateFair.com

Mission Statement

The California Exposition & State Fair mission is to create a State Fair experience reflecting California including its industries, agriculture, and diversity of its people, traditions and trends shaping its future supported by year-round events.

Policy Statement

The Board shall serve as the policy-making body for the California Exposition & State Fair and shall have full responsibility for the year-round management and operation of all facilities of the California Exposition & State Fair.

Public Comment

Any member of the public wishing to address the Board on any matter listed for consideration on this agenda should review the Public Participation Instructions on the front page of this agenda. All speakers will be recognized by the Chair and be allowed a maximum of three minutes to address the Board at the time the agenda item is being considered by the Board. If you wish to address the Board on a matter not listed on the agenda, you have that right. If you wish to exercise that right, please review the Public Participation Instructions on the front

page of this agenda. You will be allowed a maximum of three minutes to address the Board during the Public Comment item on the agenda.

AGENDA

1. CALL TO ORDER – Public Meeting

All matters noticed on this agenda, in any category, may be considered for action as listed. Any items not so noticed may not be considered. Items listed on this agenda may be considered in any order, at the discretion of the Chair.

2. ROLL CALL

3. CLOSED SESSION

The Board will convene in closed session for purposes of discussing personnel matters as authorized by Government Code Section 11126(a)(1), (2).

4. RESUME PUBLIC MEETING

- a. Report out of Closed Session if needed.

5. UNFINISHED BUSINESS

- a. Report from Scoring Committee re: Master Food and Beverage Concessionaire Services RFP No. CSF-22-1186 for Boards discussion and approval.

6. MATTERS OF INFORMATION

- a. Palace Entertainment aka Raging Waters
- b. Next Board Meeting **December 9, 2022**

7. ADJOURNMENT

Date of Notice: November 7, 2022

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in any Cal Expo Board, Committee or any Advisory meetings, or in connection with other Cal Expo Activities, may request assistance at the Cal Expo Administration Building Offices, 1600 Exposition Boulevard, or by calling 916-263-3247, during normal business hours. Requests should be made one week in advance whenever possible.

UNFINISHED BUSINESS

MEMORANDUM

Date: November 15, 2022
To: Board of Directors, California Exposition & State Fair
Via: Tom Martinez, Interim Chief Executive Officer
From: Diana Barrios, Finance Manager
Subject: **Recommendation for Year-round Sale of Food, Beverage and Alcohol at Cal Expo, Request for Proposal CSF-22-1186**

Cal Expo's current Master Food and Beverage (F&B) Concessionaire Agreement (Agreement No. 12-0281) is set to expire December 31, 2022. As directed by the Board of Directors at its September 23, 2022 meeting, the Contracts & Procurement Unit prepared and issued a Request for Proposal (RFP) to solicit concessionaires for a new Master F&B Concessionaire Agreement commencing on January 1, 2023 through December 31, 2027 with an option to exercise an extension of the agreement for two (2) additional two (2) year terms. The RFP was published on October 10, 2022. The submission deadline for proposers was November 7, 2022. The week of November 14, 2022, is reserved to bring forward to the Board of Directors an intent to award and a recommendation for a new Master F&B concessionaire.

GENERAL OVERVIEW

Cal Expo issued a formal Request for Proposal (RFP) in October of 2022.

The RFP contained the following changes from the prior agreement:

- Non-exclusivity of concessionaire
- Customer Complaint Resolution Plan
- Innovation in the delivery of services
- Requirement for both vendor and Cal Expo to meet quarterly to review and resolve any outstanding matters
- Flexibility to submit a proposal on all or some of the options:
 - Option 1 – Food and Beverage with Alcohol
 - Option 2 – Food and Beverage (no alcohol)
 - Option 3 – Alcohol Only (no food and beverage)
- Higher minimum commission percentages
- Updated composting requirements

The following are the key dates associated with this RFP:

- **RFP Published** October 10, 2022
- **Question Period** October 10 – October 24, 2022
- **Mandatory Pre-Proposal Conference/Walk-Through** October 18, 2022, 10:00 AM
- **Answers Provided** October 28, 2022; 5:00 PM
- **Final Date for Proposal Submission** November 7, 2022, 2:00 PM
- **Review of Proposals by Cal Expo**
- **Scoring Committee** Week of November 7, 2022
- **Oral Interviews (if necessary)** November 10 and/or 11, 2022
(Proposers should hold these dates for possible Zoom interviews)
- **Notice of Intent to Award (tentative)** Week of November 14, 2022
- **Cal Expo Board of Directors Meeting** Week of November 14, 2022
- **(Request for Board approval of Agreement)**
- **Proposed Award Date (tentative)** TBD

An evaluation and scoring committee was established which consisted of contracts and program staffs (total of five evaluators). The Interim CEO was not part of the evaluation team. Each proposer was first evaluated based on whether they met minimum qualifications as set forth in the RFP.

Each response to the RFP was further evaluated and scored on how well they met the criteria outlined below:

RELEVANT EXPERIENCE/DEMONSTRATED RESULTS OF FIRM (Maximum points 25)

- Experience of firm with related services
 - Including, among other experience, the following:
 - Working relationship(s) with ethnic food vendors who may be required to provide food services for culturally diverse festivals and events
 - Themed food and entertainment venues that are part of the proposer's operation at fair time
- Experience of on-site team
 - Including, among other experience, the following:
 - Training program for employees serving alcoholic beverages

CUSTOMER SERVICE (Maximum points 10)

- Value provided to the customer and Cal Expo based on menu pricing
- Customer service training plan

FINANCIAL STABILITY (Maximum points 15)

- Financial stability of firm based on financial statements provided
- No history of bankruptcy or default (if yes, please explain)

PROMOTIONAL PLAN (Maximum points 15)

- Creativity in promotional plans to generate new business on a year-round basis

- Creativity of creating signature food and beverage items that were used by a fair for promotional purposes

COST EFFECTIVENESS (Maximum points 30)

- Commission percentage paid to Cal Expo

OTHER (Maximum points 5)

- Innovation and implementation in delivery of services

On November 7, 2022 Cal Expo received two proposals from responsive and responsible proposers. Proposals were received from Oak View Group Hospitality (Ovations Fanfare, L.P. dba OVG Hospitality) and F&B of the Pacific, Inc. ("Rock and Brews"). Although each responsive and responsible responder had their unique attributes, the evaluators found one responder to be ahead of the other. Additionally, the Levy Restaurants, opted not to submit a proposal at this time.

The following are a few highlights of each proposal response:

Oak View Group Hospitality

- Experienced national team
- Plan for inclusion of ethnic foods and catering for ethnic cultural events
- Innovative themed food with marketing offerings in mind
- Collaborative marketing plan with Cal Expo and other partners
- Value provided to the customer on menu offerings
- Plant based menu items
- Commitment to sustainability and reduced impact to the environment through packaging and other innovative and collaborative means
- Grab and Go stations
- Waste tracking technology
- Higher/increased upfront contribution of an additional \$300,000 to be used for food and beverage service stand upgrades, menu boards, and a commitment to long-term upgrades over the life of the agreement
- Higher/increased Facility Investment Fund contribution amount
- Plan for outreach and employment of local diverse community for large scale events

F&B of the Pacific, Inc. ("Rock and Brews")

- Experienced national and local team
- Plan for inclusion of ethnic foods
- Innovative themed food with marketing offerings in mind
- Slightly higher cost provided to customer on menu offerings
- Grab and Go stations
- Innovative culinary and alcoholic beverage items
- Thorough customer service training and customer complaint resolution process
- Plan for renovation of one concession trailer and upgrades to menu boards
- Commitment towards working with Cal Expo's marketing team before and during events

COMMISSIONS PAID BASED on FINANCIAL PROPOSAL WORKSHEET

The Master F&B RFP outlined minimum commission requirements for three options. These options were intended to provide Cal Expo with the flexibility to choose based on further studies of possibly bringing onboard in-house food and beverage services. A cursory study of potential costs, national, state, and local economic conditions, and the local job market. It was inconclusive, at this time, whether it would be advantageous for Cal Expo to invest in time, talent, and monetary resources to continue our research into this endeavor.

Below are the three options and their minimum commission percentage outlined in the Master F&B RFP:

- Option 1 – Food and Beverage with Alcohol
 - Minimum 33% F&B
 - Minimum 35% Alcohol
 - Marketing Fund Minimum of 3%
 - Facility Investment Fund Minimum of 3%
- Option 2 – Food and Beverage (no alcohol)
 - Minimum 12% F&B Only
 - Marketing Fund Minimum of 3%
 - Facility Investment Fund Minimum of 3%
- Option 3 – Alcohol Only (no food and beverage)
 - Minimum 35% Alcohol Only
 - Marketing Fund Minimum of 3%
 - Facility Investment Fund Minimum of 3%

Both responsive and responsible proposers provided their Financial Proposal Worksheets which the scoring committee evaluated according to the criteria outlined above. It is worth noting that the Oak View Group Hospitality did not submit a response for Option 2.

The scoring committee was impressed with both proposers and felt they each presented a fair overview of their capabilities in the Master F&B Concessionaire space. However, there was one proposer that offered more in the overall best value for Cal Expo, its customers, and their overall experience at our venue.

RECOMMENDATION FOR BOARD'S CONSIDERATION

We recognize the Board of Directors has a variety of options for consideration as it seeks to both maximize revenue for Cal Expo and provide quality customer service experiences in the area of food, beverage and alcohol sales. After careful review of the

proposals, we feel that one of the proposers has the ability to deliver on the quality of food and beverage service while being truly cutting edge, relevant, and environmentally sustainable in their approach of delivering exciting experiences to our customers.

Therefore, we would like to recommend that we enter into an Agreement with Oak View Group Hospitality (Ovations Fanfare, L.P. dba OVG Hospitality) for Master Food and Beverage Concessionaire commencing on January 1, 2023 for the full term along with the option to exercise available extensions as outlined in the RFP.

Negotiations are currently underway between Cal Expo and Oak View Group Hospitality and will continue up to the execution of the agreement.

MATTERS OF INFORMATION

State of California

California Exposition & State Fair
1600 Exposition Boulevard
Sacramento, CA 95815
Tel: (916) 263-3040
Fax: (916) 274-2901
E-mail: mdshell@calexpo.com

MEMORANDUM

Date: November 15, 2022

To: Board of Directors
California Exposition & State Fair

Via: Tom Martinez, Interim General Manager/CEO
California Exposition & State Fair

From: Marcia Shell, Assistant General Manager
California Exposition & State Fair

Subject: Palace Entertainment – Exercise of Buy-Out Provision

In January 2006, Premier Waterworld Sacramento, Inc. notified Cal Expo they were exercising their option to terminate their agreement for the water park effective at the end of their 2006 operating season. Festival Fun Parks, LLC ("Palace Entertainment") entered into an agreement whereby Palace Entertainment would assume all of Premier's rights, interest, and obligations in the Premier Agreement with Cal Expo and purchased all or substantially all of Premier's personal property. Palace Entertainments contract terms with Cal Expo began in December 2006 with a termination date of December 31, 2015. There were two options to extend the contract. Palace Entertainment exercised the option to extend the contract by 10 years with a termination date of December 31, 2025.

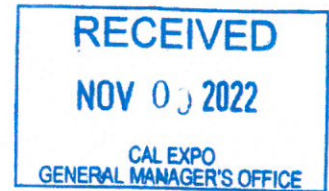
On November 7, 2022, pursuant to the terms of the buy-out provision, Palace Entertainment elected to exercise the buy-out provision and to terminate their agreement prior to the current expiration date. Pursuant to the terms of the buy-out provision, Palace Entertainment authorized Cal Expo to retain the \$100,000.00 which is the amount of their security deposit currently held by Cal Expo and enclosed a payment of \$142,235.33 to cover the remaining balance of the Buy-Out Payment.

Attached is a copy of the formal letter of termination from Palace Entertainment. The attached letter along with the contract provisions have been reviewed by the California Attorney General's office and are considered compliant with the contract terms. Staff will provide further information to the Board at the December meeting.



285 E. Waterfront Drive, Suite 150 Homestead, PA 15120

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED (letter only)
VIA FEDERAL EXPRESS (check included)



November 7, 2022

California Exposition & State Fair
1600 Exposition Boulevard
Sacramento, CA 95815
ATTN: General Manager

Re: Amended and Restated Agreement No. 06-0102 (the "Agreement") between Festival Fun Parks, LLC ("Palace Entertainment") and California Exposition & State Fair ("Cal Expo") – Exercise of Buy-Out Provision

Dear Cal Expo:

Please allow this letter to serve as Palace Entertainment's election, under section 23(B)(1) of the Agreement, of Palace Entertainment's intent to exercise the buy-out provision and to terminate the Agreement prior to the current expiration date.

Pursuant to the terms of the buy-out provision, Palace Entertainment hereby acknowledges its obligation to pay to Cal Expo 2 times its annual rent averaged over the last 3 years of operation (the "Buy-Out Payment"), totaling \$242,235.33. As such, Palace Entertainment hereby authorizes Cal Expo to retain the full \$100,000.00 amount of Palace Entertainment's Security Deposit currently held by Cal Expo pursuant to section 14(A) of the Agreement and to apply that amount to the Buy-out Payment. Further, enclosed please find Palace Entertainment's check in the amount of \$142,235.33 to cover the remaining balance of the Buy-Out Payment.

Palace Entertainment intends to vacate the premises by the end of the month, and will of course no longer operate the Raging Waters Sacramento water park facility on the site. In addition, notwithstanding this early termination, at the end of this calendar year, Palace Entertainment plans to follow the process the parties have used in the past with respect to the true-up of 2022 rent, including the application of any parking revenue credits from Cal Expo.

Please let me know if you have any questions regarding this matter or if you would prefer the parties sign additional documentation effectuating the termination of Agreement. Otherwise, we will consider this notice and the remittance of the Buy-Out Payment sufficient to terminate the Agreement in full. Thank you so much to Cal Expo for supporting Raging Water Sacramento over the years.

Sincerely,

John Reilly
Chief Operating Officer
Festival Fun Parks, LLC