



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 23

Agenda Date: September 12, 2024

In Control: City Council A Session

DEPARTMENT: Convention and Sports Facilities

DEPARTMENT HEAD: Patricia Muzquiz Cantor

COUNCIL DISTRICTS IMPACTED: District 1

SUBJECT:

Renewal of the Audio Visual and Rigging Services agreement for the Henry B. Gonzalez Convention Center

SUMMARY:

This ordinance authorizes a five-year renewal term of the Audio Visual and Rigging Services agreement with Encore Group (USA) LLC d/b/a Encore-Venue Group ("Contractor") for services at the Henry B. Gonzalez Convention Center. This is a revenue agreement valued at an estimated \$3,000,000.00 in annual commissions to the City for an estimated total of \$15,000,000.00 over the five-year renewal term. Revenues generated from this agreement will be deposited in the Community and Visitor Facilities Fund.

BACKGROUND INFORMATION:

This contract provides preferred audio visual and exclusive rigging services at competitive pricing for events held at the Henry B. Gonzalez Convention Center. The vendor provides, maintains, and manages all activities associated with the sale, installation, operation, and removal of services and equipment as requested by the clients. Service areas include exhibit halls, ballrooms, meeting rooms, banquet rooms, lobbies, and registration areas of the Convention Center. The audio visual and rigging services contract at the Henry B. Gonzalez

Convention Center was approved by the City Council in August 2019 for a five-year term set to expire on September 30, 2024, with one five-year renewal option.

Since award of the original contract, this vendor has legally changed its corporate name to Encore Group (USA) LLC and presently conducts business as Encore-Venue Group.

This ordinance authorizes the five-year renewal of the Audio Visual and Rigging Services agreement with Contractor from October 1, 2024, to September 30, 2029.

ISSUE:

This ordinance will authorize a five-year renewal of the Audio Visual and Rigging Services agreement with Encore Group (USA) LLC ("Contractor").

Below is a table that reflects Encore and Convention Center revenues in FY 2023, estimated FY 2024 and estimated FY 2025.

Time Period	Total Revenue	Convention Center Commission
FY 2023 (Oct. 2022 to Sept. 2023 Actual)	\$7.02 M	\$2.05 M
FY 2024 (Oct. 2023 to July and estimated Aug/Sept. 2024)	\$7.87 M	\$2.36 M
FY 2025 (Oct. 2024 - Sept. 2025 Estimated)	\$10.43 M	\$3.13 M

Encore has been an excellent partner and has contributed to the success of the Convention Center. They are known in the convention center industry as being a quality service provider. This reputation has helped the Convention Center and San Antonio secure and successfully host major meetings and conventions.

ALTERNATIVES:

Should this agreement not be approved, the Convention Center would need to enter into multiple agreements with a provider based on their availability to handle audio visual and rigging services for events booked at the Convention Center. This would provide inconsistency in these services and would negatively impact events and revenue to the City.

FISCAL IMPACT:

This ordinance authorizes the five-year renewal of the Audio Visual and Rigging Services agreement with Contractor from October 1, 2024, to September 30, 2029. This is a revenue agreement valued at an estimated \$3,000,000.00 in annual commissions to the City for an estimated total of \$15,000,000.00 for the five-year renewal term. Revenues generated from this agreement will be deposited in the Community and Visitor Facilities Fund.

RECOMMENDATION:

Staff recommend authorizing a five-year renewal of the Audio Visual and Rigging Services agreement with Contractor from October 1, 2024, to September 30, 2029.