



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Item Number:** 3

**Agenda Date:** December 16, 2024

**In Control:** Audit Committee

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**DEPARTMENT:** Office of the City Auditor

**DEPARTMENT HEAD:** Baltazar Vargas

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Acceptance of the Office of the City Auditor Report AU24-006 Audit of CSF Alamodome Concessions Contract

**SUMMARY:**

Determine if the Alamodome concessions and catering process is effective, and the contract is adequately monitored and in compliance with key terms.

**BACKGROUND INFORMATION:**

Background

The Convention and Sports Facilities (CSF) department oversees the operations and maintenance of City-owned convention, sports, and entertainment facilities including the Alamodome. The City, through CSF, entered into an agreement with SAVOR Black Tie Joint Venture (SAVOR) by and through its majority partner SMG Food and Beverage LLC, to perform catering and

concessions services for a variety of events, including sporting events, concerts and family shows at the Alamodome.

As part of the contract agreement, SAVOR agrees to pay a commission to the City on sales based on percentages and the type of sale outlined in the contract. Sale types include concessions, bar, catering, suite, major events, subcontractor, and merchandise. The CSF Contract Coordinator monitors key contract requirements using a Contract Administration Plan (CAP). Additionally, CSF receives commission reports and payments for sales every month and reviews them monthly. CSF conducts a reconciliation of all catering and concessions to verify proper payment is received from the contractor. The City received nearly \$6.3 million in concessions and catering commissions revenue in fiscal year 2023. As of July, the City has received \$3.5 million for fiscal year 2024.

### Scope and Methodology

The audit scope included the accounting and monitoring of the concessions and catering contractor for the Alamodome from FY 2023 through August 2024. We verified background checks were completed as required by the contract. In addition, we reviewed key contractual terms to determine compliance. We tested SAVOR staff for appropriate training requirements. We also tested concessions and catering payments for accuracy and timeliness. We verified inventories were completed as required. Finally, we verified physical access by SAVOR to the Alamodome was appropriate.

### Conclusions

The Alamodome concessions and catering process is effective, and the contract is adequately monitored and in compliance with key terms. The CSF staff maintain a CAP to monitor key contractual terms of the contract. In addition, CSF staff monitor SAVOR's staff for adherence to the contractual background check requirements as well as the required staff food handling certifications. CSF also have effective procedures to review events revenue and confirms accuracy of commission payments received. Additionally, CSF works with SAVOR to adequately track and dispose of inventory. Finally, CSF has sufficient physical access measures to ensure SAVOR staff have appropriate access to the Alamodome.

However, the audit team identified an area of opportunity to improve contract monitoring. Currently, CSF staff is not executing established monitoring procedures to ensure adequate insurance coverage as required by the contract.

We made a recommendation to improve the opportunity. Management agreed with the recommendation and developed a positive corrective action plan.

### **ISSUE:**

The item is presented for acceptance by the Audit Committee.

### **FISCAL IMPACT:**

N/A

**ALTERNATIVES:**

N/A

**RECOMMENDATION:**

Staff recommends approval of this audit report.