

## **COUNCIL POLICY NO. M-4**

**TITLE:** DEVELOPMENT AND OPERATION OF CONCESSION IN CITY PARKS

**POLICY:** See attachment.

**REFERENCE:** Parks Staff Report dated 1/7/80, Agenda Item No. 5.c

## **DEVELOPMENT AND OPERATION OF CONCESSION IN CITY PARKS**

### **1. GOAL:**

The goal of the City of Salem Parks and Recreation Department's concession policy is to achieve and maintain a balanced program of commercial and noncommercial revenue producing concession services which are designed to: 1) supplement the Department's park and recreation services, 2) provide an opportunity for nonprofit organizations to generate funds to support their recognized leisure programs on public facilities, 3) contribute to the patron's total experience in sanctioned leisure programs, 4) aesthetically complement existing programming and facilities, 5) generate revenues to offset costs of providing leisure service facilities and services. Such operations provide needed services to the public and are considered to be an integral part of the overall park and recreation program.

### **2. DEFINITION OF CONCESSION:**

Whenever used in this policy, the term "concession" shall mean any operation performed on property under the jurisdiction and control of the Parks and Recreation Department which offers merchandise and/or services to the public for a fee and for which the operator is not a Department employee but is, in fact, a private citizen, organization or firm under an agreement or contract from the City of Salem. Current scope does not encompass carnivals or contract classes offered by the Department.

### **3. ROLE OF CITY COUNCIL AND DIRECTOR OF PARKS AND RECREATION:**

- A. The City council shall make all policy decisions relative to the establishment of new concessions, the substantial modification of existing concessions, the establishment of concession contracts requirements, the selection of concessionaires, and the establishment of controls necessary to administer concession contracts. The City Council approves all contracts to be let for concession operations.
- B. The Director shall be responsible for making recommendations concerning policy matters to the City Council, for establishing procedures to implement City Council policies; and for administering the policies of the City Council.

### **4. ESTABLISHMENT OF NEW CONCESSIONS:**

- A. Consideration for the establishment of a new concession shall be based on the following factors:
  - 1. The relation of the proposed concession to the community's overall concession demand;
  - 2. The relation of the proposed concession to existing programs, facilities, and services at, and near, the proposed site;
  - 3. The relation of the proposed concession to the Department's total park and recreation program;
  - 4. The economic feasibility of the proposed concession;

5. The probable response of prospective bidders;
  6. Probable public response to the proposed service.
- B. All new concession opportunities shall be placed out to bid unless they meet one of the following criteria for direct negotiation with qualified and experienced persons:
1. When only a minimal amount of interest concerning similar operations has been expressed by, or is anticipated from, qualified and experienced persons:
  2. When the anticipated amount to be guaranteed the City from the proposed operation is insufficient to justify the normal bidding procedure. Usually a minimum guarantee of five hundred dollars (\$500) is required to justify the bidding procedure; however, this amount could vary based upon the profit margin of the particular product or service offered.
  3. When there is a significant need to provide immediate concession services in order to meet public demand;
  4. When there is a need to test public response to the proposed concession services;
  5. When a private group is proposing to provide a service to its members at a City facility.
  6. When a nonprofit community service organization is proposing to provide a service to the community at a City facility.
- C. All concession sites will be in conformance to the site master plans as approved by the City Council.

**5. SELECTION OF CONCESSIONAIRE IN BIDDING PROCEDURE:**

- A. When a concession opportunity is placed out to bid, as many potential bidders as possible shall be contacted. This shall be accomplished as follows:
1. A listing shall be maintained of all interested parties who may, from time to time, contact the Department regarding concession opportunities. Each name shall be kept on the listing for a minimum of two years.
  2. A bid invitation shall be forwarded to each applicant who has expressed an interest in, and appears to be qualified for, the particular type of operation available.
  3. If deemed appropriate, additional measures may be taken.

- B. The factors to be analyzed in determining a recommended concessionaire shall be established in advance for each concession. These factors may include: estimated annual gross receipts, amount of investment and equipment required, operational experience record, financial responsibility, business reputation, character references, outline of operation, items and prices, percentage of gross and/or minimum guaranteed amount bid, layout and design, and length of contract.
- C. In order to avoid giving unfair advantage to any bidder, the findings concerning the above factors shall remain confidential and shall not become a matter of public record, except as required under ORS Chapter 192.
- D. At the date and time set for receiving bids, each bid shall be opened and declared. The name of the bidder, the percentage of gross bid, and the amount of the minimum guarantee bid are the only items to be announced at the opening. The final recommendation of a concessionaire shall remain confidential until presented to the City Council.
- E. If qualified bids are not received, the appropriateness of the concession shall be reevaluated to determine if new bids should be advertised on the same or different terms, or if direct negotiation with qualified and experienced persons would be appropriate.

**6. RENEWAL OF EXISTING CONCESSION PERMITS:**

- A. Except in the following instances, a concession contract may be renewed or reissued two times prior to its date of expiration without going to bid, in accordance with the criteria established under Section VIII of this document and the Standard Provisions:
  - 1. When the Department is not able to successfully negotiate the contract renewal or reissuance with the concessionaire;
  - 2. When considerable interest has been expressed in the operation by qualified and experienced persons;
  - 3. When a pattern of contract noncompliance or unsatisfactory operation has been noted by the Department that necessitated formal notification of the contractor. Examples of such contract deviations are as follows:
    - a. When the concessionaire has failed to complete required repairs and/or improvements;
    - b. When the Department has noted a number of written citizen or employee complaints.
    - c. When staff inspections have determined that the quality of service provided by the concessionaire is unsatisfactory;
    - d. When citations have been issued against the concessionaire or his operation by other governmental agencies.
    - e. When the concessionaire is behind in their payment to the City.

- B. Upon expiration of a concession contract, the concession operation shall be placed out to bid unless it meets one of the criteria for direct negotiation with qualified and experienced persons as outlined in Section IV, Paragraph B.

**7. CONTRACT TERMS:**

The terms of the contract will be dependent upon an evaluation of the concession potential and financial demands upon the concessionaire. The following criteria will be used as guidelines to establish this term of contract.

- A. A contract of up to, and including, one year may be established under any of the following conditions:
  - 1. When it is anticipated that within the term of the contract interest may be expressed in the operation by qualified and experienced persons;
  - 2. When the operation is interim by nature and has been established to avoid the interruption of services offered and/or revenue generated;
  - 3. When there is the need to provide immediate services to the public;
  - 4. When there is a need to test public response to the proposed concession services.
  
- B. A contract term of up to and including, three years may be established under any of the following conditions:
  - 1. When the past performance of the operation and concessionaire have been satisfactory;
  - 2. When only a minimal amount of interest in similar operations had been expressed by, or is anticipated from, qualified and experienced persons;
  - 3. When it is anticipated that the turnover in management may cause a fluctuation in the gross receipts upon which the fee paid to the City is based.
  
- C. A contract term in excess of three years may be established under any of the following conditions:
  - 1. When the operation required considerable investment on the part of the concessionaire;  
  
When the vendor provides a service (which may on its own be an unprofitable operation supported by other locations) primarily to accommodate the public and/or to provide a complete service area for the operation.

**8. ADMINISTRATION OF CONCESSION CONTRACTS:**

Although administration of concession contract is the direct responsibility of the Business and Administrative Services Division, the proper administration of concession permits is also the concern of all departmental employees whose program or facility interrelates with the concessionaire's operation. Insuring enforcement of any given contract regulation shall be made the responsibility of the department employee who is most able to observe and control that requirement (e.g., where applicable, leaders-in-charge of facilities will have the right to inspect concession operations for cleanliness, days/hours of operation, personnel, items and prices, etc.; and the Business and Administrative Services staff will schedule inspections of premises as necessary, will receive and review concession report forms and fee payments, and will enforce bond and insurance requirements, etc.). By exercising this right the City assumes no liability for the conditions and operations of the concession. Each department employee is responsible for reading and understanding the contract requirements which he/she is to monitor and control. Contract violations that are beyond the expertise or enforcement capabilities of the leader should be reported to the Business and Administrative Services Division.

**CITY OF SALEM  
PARKS AND RECREATION DEPARTMENT  
CONTRACT PROVISION AND REGULATION GUIDELINES  
FOR CONCESSION OPERATIONS**

**1. ACCESSORY STANDS (FIXED AND/OR MOBILE):**

No accessory stands or buildings, other than the structure provided for in the Special Provisions, shall be permitted without the written approval of the Director, and the contractor shall confine business strictly to that area which has been set aside for said purpose.

**2. ALTERATIONS OR ADDITIONS TO THE PREMISES:**

- A. No alterations, changes or additions of any character shall be made by the contractor on the premises assigned to the contractor until prior written consent is secured from the Director; such changes shall be at the sole cost and expense of the contractor.
- B. Any improvements made to premises provided by the City may, at the option of the Director, become the property of the City. All concession facilities must be compatible with planned or existing improvements and facilities in the area.
- C. Repairs to the area provided by the Parks and Recreation Department, necessitated by reasonable wear and tear will be at the City's expense. The cost of all other repairs necessitated by any other cause whatsoever except acts of God shall be borne by the contractor.

**3. ASSIGNMENT AND TRANSFER:**

- A. Said contractor shall not underlet or sublet the premises occupied by him or any part thereof or allow the same to be used or occupied by any other person or for any other use than that herein specified, nor assign said contract, without the written consent of the Director nor shall the contractor thereafter assign or in any manner convey any of the rights or privileges herein granted without said written consent of the Director. It is further provided that neither said contract nor the rights herein granted shall be assignable by attachment, execution, proceedings in insolvency or bankruptcy either voluntary or involuntary, or receivership proceedings; and in the event of the insolvency or bankruptcy, either voluntary or involuntary, of the contractor, the City may at its option terminate and cancel said contract, in which event, all rights of contractor thereunder shall immediately cease and terminate and he or his representatives shall immediately deliver up possession to the City.
- B. If the contractor is a corporation, the majority control of that corporation shall not be transferable in any way without the written consent of the City.
- C. The City, may at its option, cancel and terminate this contract in the event that the contractor is unable to perform the duties called for herein through death or personal incapacity. Or, if the contractor be a corporation, by the transfer of the majority control of the corporation without the written consent of the City.

**4. BOND, FAITHFUL PERFORMANCE**

Prior to the execution of the permit by the City the contractor may be required to provide a faithful performance bond of a satisfactory surety company, a check certified by a responsible bank, or a certificate of deposit payable to the City of Salem in an amount equal to the minimum annual guaranteed amount submitted in the proposal. In the event the contractor defaults in the performance of any of the terms of the contract, the sum guaranteed by his faithful performance bond, check or deposit shall be available to reimburse the City for any cost or loss occurred by reason of said default. Said bond, check or deposit shall be held by the City during the entire term of the contract. All faithful performance bonds and certificates of deposit shall provide the Parks and Recreation Department a thirty (30) day prior notification of cancellation clause and shall also indicate that the Parks and Recreation Department will be notified within fifteen (15) days of the renewal of such bond or certificate. (The faithful performance bond is not a proposal bond and should not be obtained until the proposer is notified that his proposal has been accepted and a bond is required.)

**5. BOOKKEEPING AND AUDITING:**

- A. The contractor shall be required to maintain a method of accounting of all the receipts and disbursements in connection with the concession granted hereunder which shall correctly and accurately reflect the gross receipts and disbursements received or made by said contractor from the operation of said concession. The method of accounting including bank accounts, established for concession contracted for hereunder, shall be separate from the accounting system used for any other business operated by the contractor or for recording the contractor's personal financial affairs.
- B. Such method shall include the keeping of the following documents:
  - 1. Regular books of accounting such as general ledgers.
  - 2. Journals including any supporting and underlying documents such as vouchers, checks, tickets, bank statements, etc.
  - 3. State and Federal income tax returns and checks and other documents proving payment of sums shown.
  - 4. The contractor may, at his sole cost and expense, be required to install and maintain such cash register equipment as may be deemed necessary by the Director. All cash register tapes and keys pertaining to resetting the grand total shall be conveyed to the Business and Administrative Services Division of the Department at such times as shall be requested.
  - 5. The contractor further agrees that the Director shall have the right to stipulate in writing any other accounting records that the Director deems necessary for the proper reporting of receipts.
- C. Said documents, books and accounting records shall be open for inspection and reinspection at any reasonable time during the term of this agreement and for a reasonable period, not to exceed one year, thereafter. Failure to keep any records



required to be maintained above, or failure to allow full inspection or reinspection of said records shall be considered a default of this contract entitling the Director to remedies described elsewhere in these provisions.

- D. In addition to the right of inspection, the Director shall have the right from time to time to conduct an audit and reaudit of the books and business conducted by the contractor and to observe operation of the business by the contractor so that accuracy of the above records can be confirmed. In the event that the report of gross receipts made by the contractor to the Parks and Recreation Department is found to be less than the amount of gross receipts disclosed by such audit and observation, contractor shall, within ten (10) days after billing therefore by the Parks and Recreation Department, pay any amount due the City as disclosed by said audit, any service charges that are due (see "PAYMENT"), and the costs of such audit. In the event that said discrepancy is two percent (2%) or more, and no reasonable explanation is given for such discrepancies, then, in addition to the above provisions, the Director shall have the right to declare the contractor in default as described elsewhere in these provisions.

**6. BURGLARY, THEFT AND VANDALISM:**

Contractor may, at the discretion of the Director, be held responsible for any damage or loss which may occur to the premises, equipment, merchandise or receipts; including, but not limited to, that damage or loss resulting from burglary, theft or vandalism.

**7. CLEANLINESS:**

The contractor shall keep the premises, and surrounding premises clean and sanitary at all times. In the event that the contractor fails to keep and perform the preceding, the Director shall have the right to order said work required by this agreement and charge the contractor the cost to perform said work. Cost to perform work shall be cost of direct labor and materials required plus an overhead cost figure. The contractor shall furnish all equipment and materials necessary therefore, including trash receptacles of a type and number approved by the Director for use by the public. The contractor shall be responsible for emptying trash receptacles as often as necessary.

**8. CONDUCT:**

The contractor shall at all times conduct his business of operating the concession in a quiet and orderly manner and to the satisfaction of the Director.

**9. CONTROL OF PREMISES:**

The Director shall have full control over the concession premises during the term of the contract and reserves the right to alter said premises at his discretion.

**10. DEFAULT:**

The acceptance by the Department of all or part of a monthly payment by the concessionaire for any period after a default in the faithful performance of any of the terms or conditions of the contract shall not act as a waiver of the right of the Parks and Recreation Department to cancel this contract on account of such default. Any waiver by the Parks and Recreation Department of a default by concessionaire shall not be construed as, or constitute a waiver of, any subsequent default of the same or any other term or condition to be performed by the concessionaire.



**13. DEPARTMENT RULES:**

The contractor and his employees shall at all times abide by all Rules and Regulations heretofore adopted or that may hereafter be adopted by the Parks and Recreation Department, and cooperate fully with Department employees in the performance of their duties. The Leader/Person In Charge of a Park and Recreation Department area or facility, or his equivalent (Ctr. Dir., Pool Manager, etc.) is specifically designated a Parks and Recreation Department agent and is empowered by Department to conduct inspections of the contracted premises, and to inform the Director fully as to contractor's operation of the concession.

**14. DISORDERLY PERSONS:**

The contractor shall permit no intoxicated person or persons, profane or indecent language, or boisterous or loud conduct in or about the premises, and will call upon the aid of peace officers to assist in maintaining peaceful conditions.

**15. EMPLOYEES:**

The contractor shall provide such employees as may be required to render good service to the entire satisfaction of the Parks and Recreation Department. Persons employed shall be satisfactory to the Parks and Recreation Department as to the personal conduct, honesty, courtesy health, ability, personal appearance and the willingness to cooperate with the Department employees. In the event such employees shall not be satisfactory to the Department, the Department shall have the right to direct the contractor to require the employee to correct the cause of said dissatisfaction.

**16. EXPIRATION, RENEWAL AND RESTORATION:**

This contract may be renewed upon the same terms and conditions if an application for renewal is filed a minimum of sixty (60) days prior to the expiration date of the contract. If upon the expiration of the permit, the City Council shall not renew the contract, the contractor shall have the right to remove his equipment and furnishings from said premises and shall be allowed a period of thirty (30) days from notification to make such removal and to restore the area to the condition existing at the time his occupancy thereof commenced to the satisfaction of the Director; if the contractor's equipment and furnishings are not removed within that period, they shall become the property of the City; OR at the option of the Director, he may cause the removal and restoration to be performed and to charge the contractor for the labor and materials required to perform the work plus any overhead costs.

**17. FOOD AND BEVERAGE PRODUCTS:**

All foods, drinks, beverages, confections, refreshments, etc., sold or kept for sale by the contractor shall be first class in quality, wholesome and pure, and shall conform to the Federal, State and Municipal food laws, ordinances and regulations in all respects. No imitation, adulterated, misbranded, or impure articles shall be sold or kept for sale by the contractor, and all merchandise kept on hand by said contractor shall be stored and handled with due regard for sanitation. All merchandise kept for sale by the contractor shall be kept subject to the approval or rejection of the Director and the contractor shall remove from the premises any articles which may be rejected and shall not again offer it for sale without the consent of the Director. The Director shall have the right to order the improvement of the quality of any merchandise kept or offered for sale. Failure to comply with such an order by the Director shall constitute a default of this contract.

**18. GARBAGE AND RUBBISH:**

No boxes, barrels, supplies or rubbish in any form shall be kept, piled or stored outside the concession

structure unless approved in writing by the Director. The contractor shall provide, in a place to be designated by the Director standard garbage receivers, and shall place therein all garbage and refuse and shall see that it is collected at least once a week. The contractor shall pay any charges which may be made for the removal of garbage and refuse.

**19. HOURS:**

The contractor shall keep the concession open during such days and hours as required by the Director to adequately serve public demand. Any deviation from such days and hours shall be subject to approval by the Director.

**20. INGRESS AND EGRESS:**

The Parks and Recreation Department, its authorized representatives; shall have the privilege to enter upon said premises at any and all reasonable times during the term of this contract for the purpose of inspection to determine whether or not the contractor is complying with the terms and conditions hereof, or for any other purpose incidental to the rights of the Recreation Department. Such visits by the Parks and Recreation Department, its authorized representatives, are not to hinder the normal operation of said concession.

**21. INSURANCE:**

A. Public Liability and Property Damage Insurance:

1. As one of the conditions of the contract, and as a term of its renewal, and in partial performance of the contractor's obligations hereunder, the contractor shall procure and maintain in full force and effect during the term of this contract, a policy of public liability insurance, and property damage insurance from a company authorized to do business in the State of Oregon with minimum coverages of:
  - a. Public liability insurance including (if appropriate) food products liability:
    1. Per schedule determined by the City for death or bodily injury or less sustained by any one person in any one occurrence. C (Minimum \$100,000)
  - b. Property damage insurance:
    1. Per schedule determined by the City for loss by damages or injury to property in any one occurrence. (Minimum \$50,000)
    2. The insurance policy shall either contain a provision for a broad form of contractual liability, including written agreements, or there shall be attached thereto an endorsement providing for such coverage. In lieu of such provision or endorsement, the contractor may have attached to his insurance policy the following endorsement:

"The contractor agrees to save, defend and hold harmless the City of Salem, its employees, agents or officers from any and all claims for personal injury or property damage arising from or alleged to have arisen from contractor's activities under this contract.

3. All of the foregoing insurance shall name the City and the City Council, their officers, agents and employees as additional insured with respect to claims arising out of or directly or indirectly relating to performance under the contract and shall be endorsed to stipulate that the insurance afforded the City and the City Council, officers, agents and employees shall be primary insurance and not contributing with any other insurance of the City.
4. The endorsement shall provide that liability assumed by contractor under this contract is covered by the policy; that the policy shall not be canceled until the director shall have received a written notice of such cancellation thirty (30) days prior to the effective date of such cancellation; and that said endorsement controls overall other provisions of the policy, or endorsements thereto, which are inconsistent therewith. Contractor shall, as one of the conditions of the contract, deliver said policy of insurance or a certified or photostatic copy thereof to the Director for approval as to sufficiency and the City Attorney as to form. In lieu of filing said policy with the City, the same will be returned to contractor when contractor files a certificate of insurance executed by the insurance carrier issuing said policy certifying that said insurance is in full force and effect and that all operations of contractor under this contract are covered by such policy. In the event contractor does not desire to present the original or a photostatic copy of said policy for approval as above provided, contractor may present for approval and filing a certificate of levels insurance to which is attached an endorsement in the form approved by the City Attorney of the City of Salem.
5. The procuring of such policy of insurance shall not be construed to be a limitation upon contractor's liability or as a full performance on his part of the indemnification provisions of the contract, contractor's obligations being, notwithstanding said policy of insurance, for the full and total amount of any damage, injury or loss caused by the negligence or neglect connected with or attributable to his operations under the contract.

B. Worker's Compensation Insurance:

Before the contractor shall employ any person or persons to aid or assist the contractor in the conducting or managing of business contemplated to be carried on hereunder, said contractor shall procure a policy of Workmen's Compensation Insurance. The contractor shall furnish to the City a certificate of insurance showing that the aforesaid insurance is in full force and effect. The relationship between the City and the contractor is that of contract to independent contractor. The contractor waives all rights to workers compensation under the City's workers compensation program.

**22. LAWS AND ORDINANCES:**

The contractor shall conduct his business in accordance with all the laws, ordinances, rules and regulations applicable to such business as set forth by the City of Salem, Counties of Marion or Polk, State of Oregon and the Federal government.

**23. MAINTENANCE OF EQUIPMENT:**

The contractor shall be required to provide all maintenance, repair and service required on all equipment used in the concession. Insofar as sanitation and appearance of concession is involved, the Director shall have the right to direct the contractor to perform necessary repairs and maintenance to contractor owned equipment and structure. In the event City owned equipment is used, the Director shall have the right to prescribe in detail the type and frequency of maintenance and repair to be performed by the contractor. Because of the City's interest in preserving its equipment and providing clean and sanitary conditions in the event the contractor fails to perform the work prescribed pursuant to the above on city or contractor owned equipment, the Director shall have the right after ten (10) days notice to correct has been given, to cause the prescribed work to be performed in an efficient manner and to charge the contractor for the cost thereof. Cost shall be equal to the sum of the cost of the direct labor and materials necessary to perform the work in an efficient manner plus overhead cost figure. No equipment provided by the City shall be removed or replaced by the contractor without prior written consent of the Director and if consent is secured such removal and replacement shall be to the sole cost and expense of the contractor.

**24. MAINTENANCE OF PREMISES:**

The contractor shall be responsible for maintenance and repair as set forth below of all areas and surfaces of the premises under his control. In particular but without limiting the generality thereof, the contractor's duties shall include all sweeping, washing, cleaning of the premises that may be required to properly maintain the premises in a manner appropriate to the activities carried on at said premises. The Director may require that buildings be painted annually, by the contractor, in a color acceptable to the Director. Contractor shall also be required to perform necessary repairs and maintenance, including painting and removal of markings and other defacements, on the concession structure. Because of its interest in protecting the premises and providing the public with clean, attractive, and well maintained facilities appropriate to the activities carried on by the contractor, the Director shall have the right to direct that certain maintenance or repairs be performed where such work is necessary to protect the premises or provide clean, attractive and well maintained premises. The City reserves the right to do any and all work of any nature for the preservation, maintenance and operation of the area; the performance of such work shall not affect any other section of this contract. If the contractor has failed to perform any of the above duties, the Director shall have the right upon ten (10) days notice to correct, to enter onto the premises and cause the required work to be performed and to charge

the contractor the cost of the direct labor and materials required to perform the work plus an overhead cost.

**25. OTHER CONTRACTS AND/OR CONTRACTORS:**

The contractor shall have the privilege of using the premises solely for the purpose set forth in these provisions and the contract agreement. The City Council shall have the right to grant additional contracts for different purposes in the vicinity of the premises permitted hereunder, and contractor shall cooperate fully with any other contractor or permittee in the vicinity.

**26. PAYMENT BY CONTRACTOR:**

The total payment due the City shall be the minimum amount or percentage of gross receipts as stipulated in the proposal of the contractor whichever is greater. Each payment, monthly or otherwise, shall be made on or before the 20th day of the month it is due unless noted otherwise in the special provision. The contractor, at the discretion of the Director shall also submit at the same time, a concessionaire report, and the inventory report form for that period of time for which the payment is submitted. A service charge in addition to the regular payment may be assessed by the Director for failure to meet the payment due date or any of the dates specified for submission of statements required for payment calculation. The service charge shall be one percent (1%) per month of the payment from the date statement and payments were due or \$25.00, whichever is greater. If a due date falls on a non-workday, the service charge will not apply until the end of the next work day.

**27. PERMISSIONS:**

Any permission required by these provisions shall be secured in writing by the contractor from the Director and any errors or omissions therefrom shall not relieve the contractor of his obligations to faithfully perform the conditions herein.

The contractor shall immediately comply with any written request or order submitted to him in writing by the Director.

**28. PERMITS AND LICENSES:**

The contractor shall be required to obtain any and all permits or licenses that may be required in connection with the operation of the concession.

**29. PRICES:**

- A. All rates for service and all prices charged for items by the contractor shall be subject to the approval of the Director. The standard used to approve or disapprove prices shall be the prevailing market price for the same grade of merchandise. Before commencing operation each year under the term of this agreement, or any renewal thereof, the contractor shall submit a list of all food prices and the prices of any other items and services to be offered or sold in writing to the Director.
- B. The contractor will be notified of the approval or disapproval of the items listed and the contractor shall not alter the list of approved prices without the prior written approval of the Director. The Director reserves the right to revoke his approval of any list price when it appears that the price is above the prevailing market price for the same grade and/or quantity of merchandise.

**30. RIGHT OF INSPECTION:**

A. The Director shall have the right to enter upon said premises at any and all reasonable times during the term of the contract for the purpose of inspection and observation of the contractor's operations. During these inspections, the Director shall have the right to utilize photographic devices and other instruments for recording conditions and events taking place upon the permitted premises. It is further agreed that the inspections may be made by City employees, or may be made by independent contractors engaged by the Director. The Director shall have the right to inspect for the purposes set forth below, however, the enumerations below shall not be construed to limit the Director's right of inspection for any purpose incidental to the rights of said Director:

1. To determine if the terms and conditions of this contract are being complied with.
2. To observe transactions between the contractor and patrons in order to evaluate the quality and quantities of food or drinks or other items sold or dispensed, the courtesy extended to and method of dealing with the public, the performance and caliber of the contractor's employees and the methods of recording receipts. It is understood the information gathered on these inspections will be used to evaluate the contractor to provide a basis for any action by the Director or the City Council for the renewal or denial of renewal of this contract.

Director's right to enter and inspect the premises shall not relieve concessionaire of his responsibility for the safety, cleanliness or healthful condition of the premises. Director shall not be responsible for any condition of the premise discovered or not discovered during an inspection.

**31. SAFETY:**

The contractor shall correct safety deficiencies and violations of safety practices immediately and shall cooperate fully with the Department in the investigation of accidents occurring on the permitted premises. In the event of injury to a person or customer, contractor shall ensure that the injured person received prompt and qualified medical attention. If contractor fails to correct hazardous conditions which have led or, in the opinion of the Director, could lead to injury, the Director may immediately exercise the default and cancellation clause contained in these Standard Provisions.

**32. SIGNS AND ADVERTISEMENTS:**

The contractor shall not advertise, in connection with his contracted operation, in any manner or form except by means acceptable to the Director. No signs of any kind shall be displayed unless prior written approval is obtained from the Director. The Director shall have the right to require removal or order refurbishment of any sign or advertisement previously approved. The contractor shall not permit vendors to display wares inside or outside the concession or on said property unless written permission is secured from the Director.



**33. STORAGE:**

The contractor shall not rent, sell, lease or offer any space for storing of any article or articles whatsoever within or on the premises occupied by the contractor other than his own equipment, without the written consent of the Director.

**34. TAXES:**

The contractor shall pay all taxes upon personal property and improvements belong to said contractor located on said premises, the premises herein contracted, and all sales and other taxes levied against the operation of said business or other taxes assessed to him.

**35. USE OF AREA:**

The contractor, in the conduct of the concession and exercise of the privileges herein granted, shall not in any manner whatsoever interfere with regular use of said properties for the purpose it was provided for, the enjoyment thereof by the public.

**36. UTILITIES:**

The contractor shall pay all charges for gas, water, electricity and telephone service necessary to carry on the operations of the contractor unless otherwise specified in the contract.

**37. VENDING MACHINES:**

The contractor shall first receive written approval from the Director before installing or permitting the installation of any and all vending machines. The Director reserves the right to order removal of any and all vending machines within ten (10) days after notice thereto.

References

Salem Revised Code Sections: 2.193, 2.194, 2.195, 2.196, 2.197

Ord. No. 204-70 (Policy)

City Purchasing Manual Chapters 1-5 Bid Procedures

Oregon Revised Statutes - Chapter 279

City Code - -

Food Establishment	32.050
	32.060
Food Handlers	32.072
	32.130