

TORONTO STAFF REPORT

August 12, 2004

To: Economic Development and Parks Committee

From: Joe Halstead, Commissioner Economic Development, Culture and Tourism
Joseph P. Pennachetti, Chief Financial Officer & Treasurer

Subject: Request for Proposal No. 0613-04-0196 – Operating Food and Beverage Services at Historic Fort York for the Culture Division, Trinity Spadina Ward 19

Purpose:

The purpose of this report is to recommend for award of the Request For Proposal (RFP) for operating food and beverage services at Historic Fort York for the period from the award date to October 31, 2011 for the Culture Division of the Economic Development Culture and Tourism Department.

Financial Implications and Impact Statement:

The RFP terms included continued service levels, diverse and healthy food choices (including historically authentic food choices), a capital investment in the Fort York facility, and remuneration to the City in the form of rent and a per capita facility use fee of \$2.50 (including G.S.T.), Facility Rental Surcharge (FRS). Based on the submission being recommended, the proponent's proposed capital investment is \$30,000 - \$40,000 over the seven year contract, and projected annual rent and FRS payable to the City is estimated to be \$71,210 in the first year, \$81,383 in the second year, \$91,558 in the third year, \$101,730 in the fourth year, \$111,903 in the fifth year, \$122,075 in the sixth year and \$132,250 in the final year. The projected net revenues over a seven-year period are estimated at \$712,109 (\$577,500 in rent and \$134,609 FRS.) Further returns can be expected as the public experience the improved standards of products and service offered. In addition, the proponent will be responsible for utilities, estimated at 1 percent of gross revenue including all taxes (\$35,000 over the seven-year period).

Recommendations:

- (1) the proposal submitted by en Ville Event Design & Catering, be accepted from the award date to October 31, 2011, with projected net revenues to the City over the seven-year period estimated at \$712,109.00;
- (2) the Commissioner of Economic Development, Culture and Tourism be directed to negotiate a contract with en Ville Event Design & Catering in form and content consistent with the RFP and acceptable to the City Solicitor; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

In November of 1998, Toronto City Council approved Clause No. 26 of Report No. 17 of the Corporate Services Committee, Historic Food Service of Fort York, allowing for the Toronto Historical Board to enter into an agreement with Jessup Food and Heritage Limited to provide food services at Fort York. The agreement was entered into for four years, commencing on April 1, 1999 and ending on March 31, 2003. Subsequent to Council's approval of Report No. 6 of The Economic Development Committee in April of 1999, Implementation of Council Decisions on Heritage Governance, the operation of Fort York and related agreements became the responsibility of the City of Toronto Culture Division. In April 2003, Council approved Clause No. 8 of Report No. 3 of the Economic Development and Parks Committee, allowing an extension of the contract with Jessup Food and Heritage Limited until March 31, 2004 or until such time as a new agreement is in place to allow time for the Request for Proposal (RFP) process to be completed, reviewed and approved.

On April 8, 2003 an RFP was issued and Council adopted Clause No. 10, Report No. 7 of the Economic Development and Parks Committee, awarding the RFP to Jessup Food and Heritage Limited on September 22, 23, 24 and 25, 2003. However, due to a series of business drawbacks, Jessup Food and Heritage Limited informed the Culture Division in October 2003 that it would not be entering into a food services agreement with the City of Toronto subsequent to RFP 0613-03-0046. Legal services advised the Culture Division to re-issue a new RFP and to report back to Council on the new recommendations. On June 8, 2004 a new RFP document was issued for operating food and beverage services at Historic Fort York.

Comments:

Seventeen (17) firms on the City's bidder's list were invited to submit proposals and an additional ten (10) catering companies were recommended by the Culture Division to call and advise that the City of Toronto, Purchasing and Materials Management Division was issuing a RFP for operating food and beverage services at Historic Fort York. The RFP was also advertised on the City of Toronto Internet Web Site. The RFP provided for the operation of food and beverage services at Historic Fort York for public events, fund raising dinners and pre-booked catering

functions. The RFP required that proponents provide a range of product offerings including historically authentic food as well as healthy menu choices.

Eight firms expressed interest and attended the information session held for proponents on Wednesday June 23, 2003 at Fort York. The purpose of the information session was to conduct a briefing of the RFP and provide a tour of Fort York and its facilities. Three proponents submitted proposals; Berkley Hospitality, en Ville Event Design & Catering, and Catering and Event Management, Opulence.

Catering and Event Management, Opulence was judged to be informal proposal as the proposal submission form was not included in the proposal and was not signed by the Signing Officer. A committee comprised of staff from the Culture Division, Tourism Division and the Friends of Fort York evaluated the proposals and determined the proposal submitted by en Ville Event Design & Catering was judged to be the highest scoring proponent by the evaluation committee.

The City of Toronto intends to secure a contract with the successful proponent granting them the rights to undertake a food and beverage business enterprise at Historic Fort York. In exchange for granting these rights, the Culture Division will receive from the successful proponent remuneration in the form of percentage of gross revenue and a \$2.50 (including G.S.T.) per capita Facility Rental Surcharge (FRS), and capital investment over the seven-year term. The estimated net revenues over the seven year period is \$712,109.00 The proponent will be responsible for the payment of all property taxes, utilities assessed estimated at 1 percent of gross revenue, and other related operating costs.

The proposal received from en Ville Event Design & Catering has been reviewed by Economic Development, Culture and Tourism, and was found to be acceptable.

En Ville Event Design & Catering has over 25 years experience and is one of the largest event design and catering companies in Toronto. The company has also worked with other City owned facilities and has been a reliable contractor, fulfilling all obligations.

Staff who evaluated the proposal for the Operation of Food and Beverage Services at Fort York are satisfied that the recommended proponent and the terms and conditions of the RFP will ensure continuation of the quality food and beverage service that has been built up since 1999. The proponent being recommended is an experienced catering company with a proven track record of expertise to manage a financially viable hospitality operation in a variety of venues, including historic sites.

The Fair Wage has reported that the recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Conclusions :

This report requests authority from the Economic Development and Parks Committee and Council to recommend the award of the contract for operating food and beverage services at Historic Fort York to the highest scoring proponent, en Ville Design & Catering and for the Commissioner of Economic Development Culture & Tourism to negotiate and execute a contract in the form and content consistent with the RFP and acceptable to the City Solicitor for Culture Division, for the period from the executed contract award date to October 31, 2011.

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