



STAFF REPORT ACTION REQUIRED

Request for Proposal (RFP) 0901-07-0031 Bicycle Rental Concession at Toronto Island Park Forestry & Recreation Division

Date:	March 23, 2007
To:	Government Management Committee
From:	General Manager, Parks, Forestry and Recreation Director, Purchasing and Materials Management Division
Wards:	Ward 28
Reference Number:	P:\2007\Internal Services\pmmd\gm07014pmmd (AFS #4241)

SUMMARY

The purpose of this report is to advise on the results of RFP 0901-07-0031, for the Bicycle Rental Concession at Toronto Island Park within the Parks, Forestry and Recreation Division, and to request authority to negotiate and enter into a five (5) year License Agreement with Toronto Island Bicycle Rental Ltd. for the period from May 1, 2007 to September 30, 2011 with the option to renew for a further five (5) year renewal option for the period from May 1, 2012 to September 30, 2016. The decision to exercise the option to renew the agreement will be at the sole discretion of the Parks, Forestry and Recreation Division's General Manager.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation, and the Director of Purchasing and Materials Management recommends that:

1. authority to be granted to enter into a five (5) year agreement with Toronto Island Bicycle Rental Ltd., being the highest overall scoring proponent meeting the requirements, for the Bicycle Rental Concession at Toronto Island Park, for

the period of May 1, 2007 to September 30, 2011, with guaranteed rent to the City in the amount of \$335,000.00 for the five (5) year term;

2. should the option to renew be exercised, then the General Manager of Parks, Forestry and Recreation is to instruct the Chief Purchasing Official to process the necessary contract renewals under the same terms and conditions to exercise the five (5) year renewal option License Agreement with the proponent under the same terms and conditions, save and except a further right of renewal and the renewal license fee, which shall be negotiated at the time of renewal, provided that the operation of the Bicycle Rental Concession was performed at a level satisfactory to the General Manager of Parks, Forestry and Recreation and in the form and content, consistent with the RFP and acceptable to the City Solicitor for the period from May 1, 2012 to September 30, 2016.

Financial Impact

Entering into a five (5) year License Agreement with a further five (5) year renewal option with the Toronto Island Bicycle Rental Ltd., for the Bicycle Rental Concession at Toronto Island Park. The guaranteed net revenues over the initial five (5) year term is \$335,000.00. The RFP terms included improved service levels, capital investment and improved financial return in improvements in net revenue to the City.

	2007	2008	2009	2010	2011	TOTAL
Proposed Rent to the City (Guaranteed)	\$ 65,000	\$ 65,000	\$ 65,000	\$ 70,000	\$ 70,000	\$ 335,000

OPTION RENEWAL	2012	2013	2014	2015	2016	TOTAL
Proposed Rent to the City (Guaranteed)	\$ 70,000	\$ 70,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 365,000

There are no anticipated future costs with the implementation of the proposed License Agreement. Toronto Island Bicycle Rental Ltd. shall be responsible for all operating costs, property taxes, capital costs and other related costs for the operation of the Bicycle Rental Concession at Toronto Island Park.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

Toronto Island Park is a large site, and the bicycle rental service provides an accessible means to travel to various points of interest within Toronto Island Park. Operating during the summer months, this service has the ability to play a significant role in educating the

visitors about Toronto Island Park and the many initiatives undertaken by the City to preserve and protect it.

In February 1992, the former Municipality of Metropolitan Toronto's Parks and Property Department issued RFP No. P-377-92 to enter into a License Agreement for the Bicycle Rental Concession at Toronto Island Park. The successful proponent of this RFP, R.A.O. Associates entered into a license agreement with the former Municipality of Metropolitan Toronto for the period from May 1, 1992 to September 30, 2006.

To ensure continuity of service and in keeping with Council direction, an RFP was issued on January 17, 2007 by the Purchasing and Materials Management Division for this service that is scheduled to start on May 1, 2007.

The RFP sought proposals from qualified firms and individuals to provide services for the operation of a bicycle rental concession at Toronto Island Park. Proponents were requested to examine opportunities for capital investment and ongoing remuneration through annual license fees, and improved service levels for the public patronizing Toronto Island Park.

Toronto Island Bicycle Rental Ltd. will obtain rights to undertake a business enterprise at Toronto Island Park to operate a bicycle rental concession in accordance with the terms and conditions of the RFP. In exchange for granting these rights, the Division would receive from Toronto Island Bicycle Rental Ltd., both the capital investment and remuneration in the form of an annual base rent. The Proponent will be responsible for the payment of all property taxes and costs associated with the operation of the bicycle rental concession.

COMMENTS

Thirty-eight (38) firms on the Bidders list were invited to submit proposals and the RFP was also advertised on the City's Internet Website. This resulted in a total of two (2) submissions being received on the closing date of February 6, 2007 from the following proponents:

- (1) Toronto Island Bicycle Rental Ltd.; and
- (2) Sights on Bikes Incorporated

Using the evaluation criteria specified in the RFP, an Evaluation Team comprised of staff from the Parks, Forestry and Recreation Division's, Enterprise Services, Strategic Services, and Corporate Finance Division evaluated the proposal submissions according to a set of pre-established criteria. The criteria included, experience and qualifications of the proponent, level of service to the public and financial viability. The proposal submitted by Toronto Island Bicycle Rental Ltd., achieved the highest overall score meeting all the requirements and is therefore being recommended by the Evaluation Team.

Toronto Island Bicycle Rental Ltd. (formerly RAO Associates) has the experience and track record in operating the bicycle rental concession for over 14 years. They have demonstrated capabilities and expertise in managing the operation with proven ability to increase revenue and maintain a high standard of service to the public visiting Toronto Island Park. The range of equipment includes bicycles in all sizes, tandems, and quadricycles which are provided in order to fully serve families with young children and seniors who are unable to ride two wheeled bicycles. Toronto Island Bicycle Rental Ltd., will continue to work with schools and other non-profit organizations to encourage children to enjoy the great outdoors on Centre Island and will continue to work with the Parks, Forestry and Recreation Division to promote services to summer camps and City sponsored events on the Toronto Islands.

Toronto Island Bicycle Rental Ltd. will continue to upgrade their equipment fleet and the facilities in order to maintain the highest standard of service level for the public and ensure long term viability of the bicycle rental concession. This will result in Toronto Island Bicycle Rental Ltd. investing \$15,000.00 in capital investment to renovate and enhance the existing building and will also include the development of guided bicycle tours at Toronto Island Park which will enhance the experience for the visiting public.

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

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SIGNATURES

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