



**STAFF REPORT  
ACTION REQUIRED  
with Confidential Attachment**

**Award – Request for Proposal (RFP) No. 0613-12-0125  
Operation of Year Round and Seasonal Food Services at the  
Concession Building at Nathan Phillips Square**

<b>Date:</b>	January 31, 2013
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer Director, Purchasing and Materials Management Division
<b>Wards:</b>	<b>27 Toronto Centre – Rosedale</b>
<b>Reason for Confidential Information:</b>	This report is about a proposed or pending disposition of land by the City or one of its agencies, boards and commissions.
<b>Reference Number:</b>	P:\ 2013\Internal Services\RE\Gm13005re (#16966)

**SUMMARY**

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The purpose of this report is to provide information on the results of Request for Proposal (RFP) No. 0613-12-0125 for the selection of qualified and experienced food service provider(s) to operate a Year Round Food Service Concession and a Seasonal Food Service Concession located in the newly designed concession building at Nathan Phillips Square. This report requests authority to enter into separate licence agreements with each of the recommended proponents, Angus Inc. (also referred to in this report as "Hero Certified Burgers") for the Year Round Food Service Concession and Cashew and Clive Catering Corporation (also referred to in this report as "Cashew and Clive") for the Seasonal Food Service Concession, each for a five (5) year term, with the option to extend for two (2) additional successive five (5) year terms, being the highest scoring proponents.

## **RECOMMENDATIONS**

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### **The Chief Corporate Officer and the Director of Purchasing and Materials Management Division, recommend that:**

1. City Council authorize the City to enter into a licence agreement with Angus Inc., operating as Hero Certified Burgers, being the highest scoring proponent meeting the requirements of RFP No. 0613-12-0125, for the operation of a Year-Round Food Service Concession at Nathan Phillips Square Concession Building, for a five (5) year term with the City having the option to offer to extend for two (2) additional successive five (5) year terms, substantially on the terms set out in Appendix "A1" and Confidential Attachment 1, and such other terms as may be acceptable to the Chief Corporate Officer, and in a form acceptable to the City Solicitor.
2. City Council authorize the City to enter into a licence agreement with Cashew and Clive Catering Corporation, being the highest scoring proponent meeting the requirements of RFP No. 0613-12-0125, for the operation of a Seasonal Food Service Concession at Nathan Phillips Square Concession Building, for seasonal periods during a five (5) year term, with the City having the option to offer to extend for two (2) additional successive five (5) year terms, substantially on the terms set out in Appendix "A2" and Confidential Attachment 1, and such other terms as may be acceptable to the Chief Corporate Officer, and in a form acceptable to the City Solicitor.
3. City Council authorize the Chief Corporate Officer or his or her designate to administer and manage the licence agreements, including the provision of any consents, approvals, notices and notices of termination, provided that the Chief Corporate Officer may, at any time, refer consideration of such matters (including their content) to City Council for its determination and direction.
4. City Council authorize the public release of the confidential information contained in Confidential Attachment 1 of this report following execution of the licence agreements with both Hero Certified Burgers and Cashew and Clive.

## **FINANCIAL IMPACT**

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The relevant financial information is addressed in the Confidential Attachment 1.

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

## **BACKGROUND**

As part of the Nathan Phillips Square Revitalization, the Concession Building on Nathan Phillips Square has been newly designed and built to provide improved space for concessions. The south east side of the building is currently licensed in the winter for skate rental service, and is available for three season use as a Food Service Concession. The space in the north east is now available to offer Year Round Food Services. The remainder of the building is used for elevator access, change room and service to support the ice cleaning operations.

## **COMMENTS**

### The Request for Proposal:

Request for Proposal (RFP) No. 0613-12-0125 to select a qualified and experienced food service provider to operate a Year Round Food Service Concession and to select a qualified and experienced food service provider to operate a Seasonal Food Service Concession at the newly designed Concession Building on Nathan Phillips Square, was issued by the Purchasing and Materials Management Division (PMMD) on August 9, 2012 and made available for download on the City's internet website. The closing date for the submission was October 10, 2012. Ten (10) firms either downloaded the document from the PMMD website or purchased a hard copy of the RFP document. A total of three (3) addenda were issued in response to the questions sent to PMMD prior to the closing date. A site meeting was conducted on August 21, 2012 to provide proponents the opportunity to inspect the property.

### Evaluation of Request for Proposal:

A formal Selection Committee comprised of four (4) members, three (3) members from Real Estate Services and one (1) member from Facilities Management, evaluated the technical proposals in compliance with the criteria set out in the RFP.

The RFP invited proponents to submit a separate proposal(s) to one (1) or more of the services. Proponents were advised that if they wished to submit a proposal to more than one (1) service, a separate submission was required and that failure to comply with this requirement would result in the proposal being declared non-compliant. Separate proposals would enable the City to evaluate the Year Round and Seasonal Food Service Concessions independently as follows:

- Initial Review: Mandatory Compliance
- Stage 1: Technical (Proposal Content)
- Stage 2: Financial Proposal

### Year Round Food Service Concession:

A total of four (4) proposal submissions were received for the Year Round Food Service Concession:

1. Angus Inc. (Hero Certified Burgers)
2. Cashew and Clive Catering Corporation
3. Lazy Daisy's Café
4. Marco Concessions (non-compliant)

The submissions were evaluated by the Selection Committee in accordance with the pre-established criteria in the RFP. In compliance with the RFP, a list of mandatory requirements had to be met in order to advance to Stage 1 evaluation. The proposal submitted by Marco Concessions was declared non-compliant as the proponent failed to submit two (2) separate proposals when bidding on both concessions. The remaining Proponents met the mandatory requirements and moved to Stage 1 of the evaluation.

In Stage 1, proponents were evaluated on their Technical (Proposal Content) proposal and a minimum threshold score of 75% or 56.25 points had to be met in order to advance to Stage 2 (Financial Proposal) and be considered further. Out of the three (3) proposals received, Lazy Daisy's Café did not meet the minimum threshold score and did not advance to Stage 2. Hero Certified Burgers and Cashew and Clive exceeded the minimum technical evaluation in Stage 1 and advanced to Stage 2 – Financial Proposal. Upon completion of the evaluation, the proposal submitted by Hero Certified Burgers was ranked first having the highest overall technical score and providing the highest financial proposal.

#### Seasonal Food Service Concession

A total of two (2) proposal submissions were received for the Seasonal Food Service Concession:

1. Cashew and Clive Catering Corporation
2. Marco Concessions (non-compliant)

The submissions were evaluated by the Selection Committee in accordance with the pre-established criteria in the RFP. In compliance with the RFP, a list of mandatory requirements had to be met in order to advance to Stage 1 evaluation. The proposal submitted by Marco Concessions was declared non-compliant as the proponent failed to submit two (2) separate proposals when bidding on both concessions. The remaining proponent met the mandatory requirements and moved to Stage 1 of the evaluation.

The proposal received from Cashew and Clive met the minimum threshold score of 56.25 in Stage 1 and advanced to Stage 2 – Financial Proposal. Upon completion of the evaluation, the proposal submitted by Cashew and Clive was the only remaining proposal and is the highest scoring proponent.

As a result of the evaluations, staff is recommending that the City enter into separate licence agreements with each of the following proponents: Hero Certified Burgers for the Year Round Food Service Concession and Cashew and Clive for the Seasonal Food Service Concession, each for a term of five (5) years, with the City having the option to offer to extend for two (2) additional successive five (5) year terms, being the highest scoring proponents and offering the highest financial proposal.

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

Proponents' scores by criteria, price comparison and a staff analysis of the evaluation results can be provided in an in-camera presentation, if requested by Committee Members.

## **CONTACT**

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## **SIGNATURES**

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Josie Scioli  
Chief Corporate Officer

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Michael Pacholok  
Director, Purchasing and Materials  
Management Division

## **ATTACHMENTS**

Appendix A1 – Major Terms of Licence Agreement for Year Round Food Service Concession  
Appendix A2 – Major Terms of Licence Agreement for Seasonal Food Service Concession  
Appendix B1 – Floor Plan - Year Round Food Service Concession  
Appendix B2 – Floor Plan – Seasonal Food Service Concession  
Attachment 1 – Confidential Information

## APPENDIX "A1"

### MAJOR TERMS OF YEAR ROUND LICENCE AGREEMENT

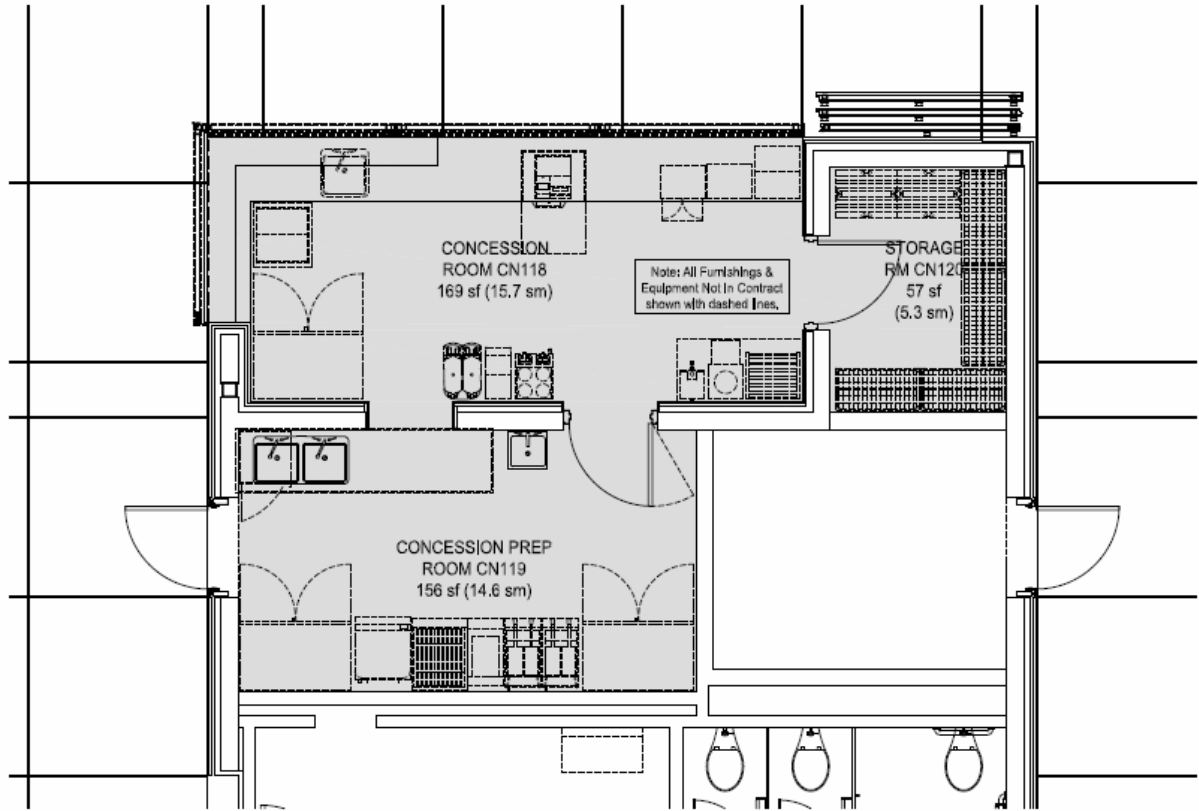
Licensors:	City of Toronto
Licensee:	Angus Inc., operating as Hero Certified Burgers
Property:	Ground floor space on the north-east side of two-storey concession building in Nathan Phillips Square
Licensed Area:	Approximately 407 square feet
Term:	Five years, commencing Spring 2013 and expiring Spring 2018
Options to Extend:	City shall have the option, at its sole discretion, to offer to extend the term for two additional successive five (5) year terms, on the same terms and conditions, except the Basic Fee, which is as set out in Confidential Attachment 1, and there shall be no further options to extend. Licensee shall have the option to accept or decline City's offers to extend.
Basic Fee:	Refer to Confidential Attachment 1
Percentage Fee:	Refer to Confidential Attachment 1
Early Termination:	City shall have the right to terminate the Licence Agreement at any time, without cause, upon not less than 30 days' prior written notice to Licensee

## APPENDIX "A2"

### MAJOR TERMS OF SEASONAL LICENCE AGREEMENT

Licensor:	City of Toronto
Licensee:	Cashew and Clive Catering Corporation
Property:	Ground floor space on south east side of two-storey concession building in Nathan Phillips Square
Licensed Area:	Approximately 152 square feet
Term:	Seasonal period from April 15 <sup>th</sup> to October 15 <sup>th</sup> each year, for five years, commencing April 15, 2013 and expiring October 15, 2017
Options to Extend:	City shall have the option, at its sole discretion, to offer to extend the term for two additional successive five year terms, on the same terms and conditions, except the Basic Fee, which is as set out in Confidential Attachment 1, and there shall be no further options to extend. Licensee shall have the option to accept or decline City's offers to extend.
Basic Fee:	Refer to Confidential Attachment 1
Percentage Fee:	Refer to Confidential Attachment 1
Early Termination:	City shall have the right to terminate the Licence Agreement at any time, without cause, upon not less than 30 days' prior written notice to Licensee

**Appendix "B1"**  
**Skate and Concession Building**  
**Nathan Phillips Square**  
**(Floor Plan – Year-Round Concession Space)**



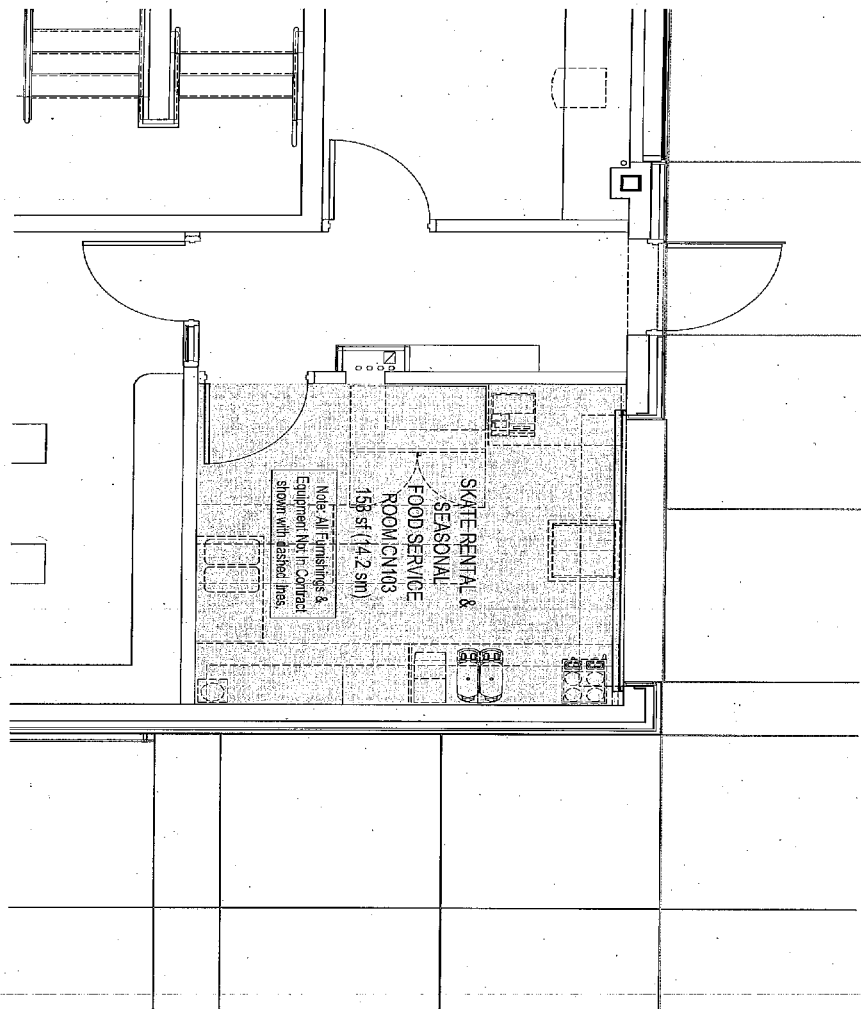
**SKATE AND CONCESSION BUILDING:**  
**FIRST FLOOR PLAN - ROOMS 118, 119, 120**

**1:50 SCALE**



**Appendix "B2"**  
**Skate and Concession Building**  
**Nathan Phillips Square**  
**(Floor Plan - Skate Rental/Seasonal Concession Space)**

**SKATE AND CONCESSION BUILDING:**  
**FIRST FLOOR PLAN - ROOM 103**



**1:50 SCALE**