



**Canadian Beverage Association**  
Formerly Refreshments Canada

**City of Toronto**

**Beverage Vending Request For Proposal**

## Who We Are

- The Canadian Beverage Association is the national trade association representing the broad spectrum of brands and companies that manufacture and distribute the majority of non-alcoholic liquid refreshment beverages consumed in Canada.
- The Canadian Beverage Association represents more than 40 brands of juices, juice drinks, bottled waters, sports drinks, ready-to-serve iced teas and coffees, new-alternative beverages, carbonated soft drinks, energy drinks and other non-alcoholic beverages.

## **CBA Concerns**

- The criteria used to determine what will be allowable either as a percentage of available products or in total (by 2014) are the most stringent anywhere in the world, and do not appear to be based on any logical or scientific basis.
- This coupled with the impending restriction on bottled water, severely and inexplicably limits consumer choice and eliminates several low and no-calorie options for consumers.
- By 2014, when fully rolled out, the choices will be limited to 100% juice, vegetable juice, soy milk and milk.

## **Lack of Choice for Adults/ Parents**

- When last considered by council in 2010, the ban on soft drinks was widely regarded as being intrusive for multi-use facilities by members of the public and the city trying to assume the role of parent.
- As demonstrated by the city's own pilots on healthy vending, when product selection and consumer choice are overly restricted, consumers will simply choose to go elsewhere to purchase the products they wish.
- **The city's trial of "healthy" snack food in 20 venues resulted in decreased sales of 60%, not the 25% anticipated by city staff.**

## **Lower Revenues for the City**

- Altering product mix and plummeting sales fundamentally changes the economics of operating vending machines, and as a consequence negatively impacts the likely number and terms of any responses to a proposed RFP. Possible implications could include:
  - Significant reduction or elimination of the Rights Fees (\$260,000 per staff report)
  - Significant reduction in anticipated volume sold and commissions paid (\$70,000 per staff report)
  - Limited, if any, response to the RFP as a result of the dramatic impact on supplier volume and profitability
  - Potential fee charged to have vending on-site at City facilities given capital costs of vending equipment



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## Industry Innovation

- Clear on Calories – Announced in February 2011, this voluntary, national industry initiative will put caloric information at consumer fingertips at every point of purchase: on all packages, on **vending machines** and on company fountain dispensers.
- The industry will be placing the Clear on Calorie (CoC) tablets on the front of all beverage products – this will let consumers know the calorie count of their beverages choices, quickly and easily.
- Through the introduction of new no-and-low calorie beverages, Canada's beverage manufacturers have reduced the caloric content of the beverage portfolio by 20 - 25%. The industry estimates that 33% of the beverage choices made are no-and-low calorie and as a result this has removed billions of calories from Canadian's diet each year.



## **Recommendation**

We request that The Government Management Committee send the RFP back to Parks and Recreation staff and that they work with industry partners to produce a realistic RFP which provides a balanced ranged of products for consumers in multi-use facilities across the City of Toronto.