



STAFF REPORT ACTION REQUIRED

Award - Request for Proposal (RFP) 0613-12-0034 Operation and Maintenance of Food and Beverage Concessions at various Parks, Forestry and Recreation locations

Date:	March 28, 2012
To:	Government Management Committee
From:	General Manager, Parks, Forestry and Recreation Division Acting Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:\2012\Cluster A\PFR\GM13-042512-AFS#15475

SUMMARY

The purpose of this report is to advise on the results of Request for Proposal (RFP) 0613-12-0034 for the Operation and Maintenance of Food and Beverage Concessions at various Parks, Forestry and Recreation locations, and to request authority to negotiate and enter into a licence agreement with each of the recommended proponents, Donkey Kone Inc., and Global Brand Foods Inc.

RECOMMENDATIONS

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

1. City Council authorize the General Manager, Parks, Forestry and Recreation, to negotiate and enter into separate licence agreements with Donkey Kone Inc., and Global Brand Foods Inc., being the highest scoring proponents meeting the requirements of RFP 0613-12-0034, for the Operation and Maintenance of Food and Beverage Concessions at various Parks, Forestry and Recreation locations for a term of five (5) years commencing May 1, 2012 to April 30, 2017, with an

option to renew for an additional five (5) year term at the sole discretion of the General Manager, Parks, Forestry and Recreation, based on the terms and conditions set out in the RFP 0613-12-0034, and otherwise on terms and conditions satisfactory to the General Manager, Parks, Forestry and Recreation and in a form satisfactory to the City Solicitor;

2. City Council authorize the General Manager of Parks, Forestry and Recreation to enter into a renewable month-to-month licence agreement with Global Brand Foods Inc. for Centennial Park Ski Chalet agreeable by either party for a five (5) year period commencing May 1, 2012 to April 30, 2017, with an option to renew for an additional five (5) year term, based on the terms and conditions set out in the RFP 0613-12-0034, and otherwise on terms and conditions satisfactory to the General Manager, Parks, Forestry and Recreation and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

There is no financial implication beyond what has been approved in the current budget for Parks, Forestry and Recreation Division.

The recommended proponents, Donkey Kone Inc. and Global Brand Foods Inc. will provide guaranteed fixed license fee payments to the City which replaces previous agreements that contained a combination of fixed license fees and percentage of gross sales.

Donkey Kone Inc. will invest start up capital funds initially at Milliken Park and throughout the term of the licence agreement and will also provide the City with guaranteed licence fees of \$91,000.00 for the first five (5) year term and \$93,500.00 if the City exercises the additional five (5) year optional term. Global Brand Foods Inc. will provide the City with guaranteed licence fees of \$393,750.00 for the first five (5) year term and \$414,375.00 if the City exercises the additional five (5) year optional term.

The total guaranteed payments to the City is \$484,750.00 for the first five (5) year term and an additional \$507,875.00 if the City exercises the five (5) year optional term.

There are no current or additional costs that the City will incur with the implementation of the proposed licence agreements. Donkey Kone Inc. and Global Brand Foods Inc. shall be responsible for all operating costs and all other related costs for the operation of the food and beverage concessions.

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

DECISION HISTORY

At its meeting held on February 13, 14 and 15, 2002, City Council adopted Clause 3 of Report No. 1 of the Economic Development and Parks Committee and authorized the City to enter in a license agreement with Mr. Vending Inc. (now known as Ephiley

Foodservices Inc.) and Eastwood/Lejardin as the successful proponents of the RFP 0613-01-0203 for the Operation of Concession Services for the Parks and Recreation Division, for a five (5) year licence agreement commencing May 1, 2002 and ending on April 30, 2007, with the City having the option to renew for an additional five (5) years.

Following is a link to the decision document:

<http://www.toronto.ca/legdocs/2002/agendas/council/cc020213/edp1rpt/cl003.pdf>

At its meeting held on April 23 and 24, 2007, City Council adopted Item GM3.5 and authorized the City to exercise the renewal option with Ephiley Foodservices Inc. and Eastwood/Lejardin licence agreements for an additional five (5) years commencing May 1, 2007 and ending April 30, 2012. Following is a link to the decision document:

<http://www.toronto.ca/legdocs/mmis/2007/gm/reports/2007-04-12-gm03-cr.pdf>

ISSUE BACKGROUND

Since 2002, the Parks, Forestry and Recreation Division has offered its food and beverage concessions services to third party operators through an RFP process. Twenty-six (26) food and beverage concessions will be without a licence agreement as of May 1, 2012.

COMMENTS

On February 8, 2012, the City issued RFP 0613-12-0034 with a closing date of March 5, 2012 for the Operation and Maintenance of Food and Beverage Concessions at various Parks, Forestry and Recreation locations.

The RFP allowed for Proponents to submit proposals for one, several or for all twenty-six (26) locations. The RFP also stipulated that any resulting agreement at the Centennial Ski Chalet facility would be on a month to month term for a five (5) year period commencing May 1, 2012 to April 30, 2017, with an option to renew for an additional five (5) year term. No response was received for the Amesbury Sports Complex and Earls court Park locations.

The RFP was advertised on the City of Toronto's Internet website and eleven (11) firms downloaded the document from the PMMD website. The City received the following nine (9) proposal submissions:

- Donkey Kone Inc.
- Global Brand Foods

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- Snacks on the Run
- East York Skating Club
- Silver Café and Snacks
- International Food and Snacks
- Cittadelle Café
- Escar Entertainment
- Golden Spoon Snack Bar.

The proposals submitted by Silver Café and Snacks, International Food and Snacks, Cittadelle Café, Escar Entertainment and Golden Spoon Snack Bar were declared non-compliant as a result of their submissions not meeting the RFP's Mandatory Submission Requirements. The remaining four (4) proposals, Donkey Kone Inc., Global Brand Foods, Snacks on the Run and East York Skating Club, met the mandatory submission requirements and were evaluated based on the RFP's Evaluation Criteria.

The Selection Committee was comprised of two (2) members from the Parks, Forestry and Recreation Division and one (1) from Finance. The RFP had two (2) stages which required Proponents to meet a minimum technical score of 45.5 points in Stage 1 before they can advance to Stage 2 and have their financial proposal considered and evaluated

The proposals received from East York Skating Club and Snacks on the Run did not meet the minimum technical score of 45.5 points in Stage 1 and therefore did not advance to Stage 2 and was not considered further. The proposals submitted by Donkey Kone Inc. and Global Brand Foods Inc. met the minimum technical threshold and advanced to Stage 2.

Stage 2 evaluated the proponent's financial proposal and was worth a maximum of 35 points. It was a requirement of the Financial Proposal section that proponents must provide the City with a guaranteed basic licence fee and submit one financial proposal form for every location being bid on. Donkey Kone Inc. (who bid one location) and Global Brand Foods Inc. (who bid on twenty-three locations) received the maximum 35 points in Stage 2 for which they submitted a financial proposal.

Recommended Proponents

Donkey Kone Inc. is the highest scoring and recommended proponent for the Milliken Park location.

Global Brand Foods Inc. is the highest scoring and recommended proponent for the following locations:

- Agincourt RC/Arena
- Birchmount Arena
- Birchmount CC

- Birchmount Stadium
- Centennial Park Arena
- Centennial Park Stadium
- Centennial Park Ski Chalet
- Centennial RC/Arena
- Central Arena
- Chris Tonks Arena
- Commander Park Arena
- Don Montgomery Arena/CC
- East York Memorial Arena
- G. Ross Lord Park
- Heron Park RC
- Ken Morrish Baseball Complex at East Point Park
- Lambton Arena
- L'Amoreaux Sports Complex
- Malvern CC/Arena
- McGregor Park Arena and Pool
- Pine Point Arena
- Scarborough Village Arena/CC
- Sunnybrook Park

The Fair Wage Office has reported that both recommended proponents indicated that they have reviewed and understands the Fair Wage Policy and Labour Trades requirements and have 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.

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SIGNATURES

Jim Hart, General Manager
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Michael Pacholok, Acting Director
 Purchasing and Materials Management