Contract Award - RFP 0613-12-0252 for the Renovation, Finance and Operation of a Restaurant / Banquet Facility at the Centre Island Restaurant and the Centre Island Snack Bar

Date: April 24, 2013
To: Government Management Committee
From: General Manager, Parks, Forestry and Recreation Division
Director, Purchasing and Materials Management Division
Wards: Ward 28 Toronto Centre-Rosedale
Reason for Confidential Information: This report involves the security of property belonging to the City or one of its agencies, boards, and commissions.
Reference Number: P:\2013\Cluster A\PFR\GM22-051313-AFS#17200

SUMMARY

The purpose of this report is to provide information on the results of the Request for Proposal (RFP) No. 0613-12-0252 for the renovation, finance and operation of a Restaurant / Banquet Facility at the Centre Island Restaurant and the Centre Island Snack Bar and to request authority to negotiate and enter into a License Agreement with the recommended proponent, William Beasley Enterprises Limited (referred to in this report as "Beasley"), being the highest scoring proponent, for a ten (10) year term commencing July 1, 2013 to December 31, 2022, with the option to extend for an additional ten (10) years commencing January 1, 2023 and terminating on December 31, 2032.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation and the Director of Purchasing and Materials Management recommend that:
1. City Council grant authority to the General Manager of Parks, Forestry and Recreation to negotiate and enter into a License Agreement with William Beasley Enterprises Ltd., being the highest scoring proponent meeting the requirements of RFP No. 0613-12-0252 for the renovation, finance and operation of a Restaurant / Banquet Facility at the Centre Island Restaurant and the Centre Island Snack Bar located on Toronto Centre Island for a ten (10) year term commencing July 1, 2013 to December 31, 2022, with an option to extend at the sole discretion of the General Manager of Parks, Forestry and Recreation (the “General Manager”) for an additional ten (10) years commencing January 1st, 2023, and terminating on December 31, 2032 based on the terms and conditions set out in the Request For Proposal, and on such other terms and conditions satisfactory to the General Manager and in a form satisfactory to the City Solicitor.

2. City Council authorize the public release of the confidential information contained in the Confidential Attachment 1 of this report following execution of the license agreement to William Beasley Enterprises Limited (“Beasley”).

FINANCIAL IMPACT

The relevant financial information is addressed in the Confidential Attachment.

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

DECISION HISTORY

City Council at its meeting held on April 16, 17 and 18, 2002, adopted Clause No. 6 of Report No. 3 of the Economic Development and Parks Committee entitled, “Assignment of Lease Agreement for Toronto Island Food Concessions.” City Council granted authority for the assignment of the Lease agreement with C.I. Food Services Ltd. to William Beasley Enterprises Ltd. which authority was embodied in a Consent to Assignment Agreement dated the 1st day of May, 2002.


ISSUE BACKGROUND

The Toronto Islands are one of the City’s most treasured green spaces and popular recreational and tourist destination. Located a short ferry ride from downtown, the Islands boast picnic areas, an amusement area, the Franklin Children’s Garden, yacht clubs, a marina, restaurants, an Animal Display area and much more. The Toronto
Islands are some 325 hectares in size, about 230 hectares of which are maintained as public parkland.

The City's Parks, Forestry and Recreation Division has contracted the operation of the Centre Island Restaurant, catering services along with the Centre Island Snack Bar for many years. These Facilities associated with the Project have historically been open on a seasonal basis operating as (1) casual dining restaurant and one (1) concession along with exclusive food and beverage catering rights at Centre Island and Hanlan's Point. The contracts for all of these operations expired on December 31st, 2012.

To ensure continuity of the food and beverages services, and in keeping with Council direction, RFP No. 0613-12-0252 for the Renovation, Finance and Operation of a Restaurant / Banquet Facility at the Centre Island Restaurant and the Centre Island Snack Bar (the "RFP") was issued on December 20, 2012 through Purchasing and Materials Management Division ("PMMD") for this operation.

The RFP sought proposals from qualified firms and individuals to renovate, finance, and operate restaurant / banquet facility at the Centre Island Restaurant and the Centre Island Snack Bar, along with providing all catering on the Toronto Islands exclusive of Olympic Island. Proponents were requested to examine opportunities for capital investment and ongoing remuneration to the City through annual license fees, and improved service levels for the public patronizing Toronto Island Park. One of the opportunities included the ability to dock a private tender service at the dock wall adjacent to the restaurant. Historically, the restaurant's business potential was limited due to the inability to remain open and host events outside the ferry schedule, with the last boat leaving Centre Island at 11:45 pm, there was limited opportunity to host events such as weddings and other corporate functions that would typically end later in the evening.

COMMENTS

The Request for Proposal
RFP 0613-12-0252 was issued by the Purchasing and Materials Management Division (PMMD) on December 20, 2012 and made available for download on the City's internet website. The closing date for the submission was January 30, 2013. Eight (8) firms either downloaded the document from the PMMD website or purchased a hard copy of the RFP document. A total of four (4) addenda were issued in response to the questions sent to PMMD prior to the closing date. A site meeting was conducted on January 9, 2013 to provide proponents the opportunity to inspect the facilities and ascertain the full extent of the scope of work.

Evaluation of Request for Proposal:
A formal Selection Committee comprised of four (4) members (three (3) from the Parks, Forestry and Recreation Division, one (1) from Corporate Finance) evaluated the technical proposals in compliance with the criteria set out in the RFP as follows:

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

A total of three (3) proposal submissions were received:
1. 1861058 Ontario Ltd.
2. 1569483 Ontario Inc. (operating as York Bay Marine Corporation)
3. Beasley

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 (Proposal Content). All three (3) proposals met the mandatory submission requirements.

In Stage 1, proponents were evaluated on their Technical (Proposal Content) proposal and a minimum threshold score of 75% or 48.75 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, 1861058 Ontario Ltd. and 1569483 Ontario Inc. (operating as York Bay Marine Corporation) did not meet the minimum threshold in Stage 1 and did not advance to Stage 2 – Financial Proposal. Upon completion of the evaluation, the proposal submitted by William Beasley Enterprises Ltd. was ranked first having the highest overall technical score and providing the highest financial proposal.

As a result of the evaluations, staff is recommending that the City enter into a License Agreement with William Beasley Enterprises Ltd. being the highest scoring proponent, for a ten (10) year term commencing July 1, 2013 to December 31, 2022, with the option to extend for an additional ten (10) years commencing January 1, 2023 and terminating on December 31, 2032.

The Fair Wage Office has reported that Beasley indicated that it has reviewed and understands the Fair Wage Policy and Labour Trade union requirements and has agreed to fully comply.

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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Jim Hart                                      Michael Pacholok
General Manager                               Director
Parks, Forestry and Recreation Division       Purchasing and Materials Management Division

ATTACHMENTS

Confidential Attachment 1 - Contract Award - RFP 0613-12-0252 for the Renovation, Finance and Operation of a Restaurant / Banquet Facility at the Centre Island Restaurant and the Centre Island Snack Bar