

## **Agreement for St. Lawrence Market Grocery Delivery Service**

**Date:** October 21, 2020

**To:** City Council

**From:** Executive Director, Corporate Real Estate Management

**Wards:** Ward 13 - Toronto Centre

### **SUMMARY**

---

The purpose of this report is to seek City Council authority for Corporate Real Estate Management staff to negotiate and enter into an agreement with Inabuggy Inc. ("Inabuggy"), an online grocery delivery service, for the purpose of creating and hosting online shopping and delivery services for participating tenants of the St. Lawrence Market South Market, at no cost to the City of Toronto ("City"). The agreement would also authorize Inabuggy to use the name and logo of St. Lawrence Market ("Market"), which are official marks of the City, on its online platform.

Over the past year, the Market management team within Corporate Real Estate Management has been researching possible delivery and online ordering services for the Market. The service would benefit the St. Lawrence South Market tenants by providing an additional sales channel and enhance the Market's customer experience through enhanced service and better access to Market products. Knowing that consumer behavior continues to shift to alternative shopping methods such as online ordering and delivery, this service would allow the Market to better serve customers, especially during the COVID-19 pandemic.

After considering a number of service providers and consulting with Market tenants, the St. Lawrence Market Precinct Advisory Committee and other internal stakeholders, staff are recommending that the City of Toronto (the "City") negotiate and enter into an agreement with Inabuggy to facilitate online ordering and delivery services. The agreement would enable Inabuggy to operate and maintain an online store with the St. Lawrence Market brand to make it easy for customers to find and identify St. Lawrence Market merchants in one place. The agreement would permit Inabuggy's non-exclusive use of the City's official marks related to St. Lawrence Market and in exchange the City would receive access to sales data (volume, vendors, spend, etc.) for City analysis and use. Given that the transactions occur between Inabuggy and the participating vendors within the Market, there is no financial impact to the City from this proposed agreement.

Given the immense growth of online ordering and delivery service demand during the COVID-19 pandemic, the prospects of a second wave emerging and the anticipated additional challenge of securing food when the inclement winter weather season begins, staff are requesting authority to negotiate and execute an agreement with Inabuggy.

## **RECOMMENDATIONS**

---

The Executive Director, Corporate Real Estate Management, recommends that:

1. City Council authorize the Executive Director, Corporate Real Estate Management, to negotiate and enter into an agreement with Inabuggy Inc. to permit the use of the City's official marks related to St. Lawrence Market and the operation of an online grocery shopping and delivery service for the St. Lawrence Market, at no cost to the City, on terms acceptable to the Executive Director, Corporate Real Estate Management and in a form satisfactory to the City Solicitor.

## **FINANCIAL IMPACT**

---

Inabuggy will be contracting directly with St. Lawrence Market merchants who choose to participate on the Inabuggy online platform, therefore there is no financial impact to the City from this proposed agreement.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

## **DECISION HISTORY**

---

This report presents a new initiative for consideration by City Council.

## **COMMENTS**

---

Many of the small businesses in the Market have experienced a negative financial impact resulting from the COVID-19 pandemic, driven by decreased sales and in-person customer traffic in 2020, some of which can be attributed to Market customer migration to online shopping and delivery services from local competitors. The proposed online store and delivery service to be operated by Inabuggy will help to diversify sales channels and support the Market's small business tenants allowing them to be competitive and modernize the Market's brand within the local community.

St. Lawrence Market management has researched and conducted competitive analysis of a number of service providers. Many similar companies were identified as potential providers and analysis of their benefits was conducted. Three top providers were further investigated and evaluated through a Strengths-Weaknesses-Opportunities-Threats

analysis and in consultation with tenants and St. Lawrence Market Precinct Advisory Committee members. The analysis identified Inabuggy as the top provider.

Strategic Communications and Legal Services were consulted on this report and will be further consulted in any negotiations touching on the use of the City's official marks. The form of agreement will be developed with Legal Services.

The proposed agreement would enable Inabuggy to operate and maintain an online store with the St. Lawrence Market brand to make it easy for customers to find and identify participating St. Lawrence Market merchants all in one place. In exchange, the City will be provided access to sales data that may be further used by the City for analysis and reporting. Inabuggy will be contracting directly with St. Lawrence Market merchants who choose to participate on the Inabuggy online platform.

A number of emerging and anticipated challenges, such as the pandemic's second wave and securing food amid the arrival of inclement winter weather, provide the rationale for expediting the execution of an agreement with Inabuggy.

## **CONTACT**

---

Graham Leah, Director, Property Management, Corporate Real Estate Management, 416-338-0234, [graham.leah@toronto.ca](mailto:graham.leah@toronto.ca)

Daniel Picheca, Acting Manager, St. Lawrence Market Complex, Corporate Real Estate Management, 416-392-7221, [daniel.picheca@toronto.ca](mailto:daniel.picheca@toronto.ca)

## **SIGNATURE**

---

Patrick Matozzo  
Executive Director, Corporate Real Estate Management