

COMMITTEE OF THE WHOLE - JUNE 14, 2011

CONTRACT AWARD – RFP11-192 – VENDING EQUIPMENT AND CONCESSION SERVICES

Recommendation

The Commissioner of Community Services, in consultation with the Directors of Recreation and Culture and the Purchasing Services Department, recommends:

- 1) That Contract RFP11-192, Vending Equipment and Concession Services, Part A, for the provision of vending equipment and services at City recreation facilities be awarded to Imperial Vending Inc. in the total amount of \$316,250 for a three-year term effective September 1, 2011, with the option to renew on an annual basis for up to two one-year terms, at the discretion of the City; and
- 2) That Contract RFP11-192, Vending Equipment and Concession Services, Parts B and C, for the lease of space for concession operations and seasonal mobile concession operations at City recreation facilities be awarded to Ontario Concessions II in the total amount of \$162,349 for a three-year term effective September 1, 2011, with the option to renew on an annual basis for up to two one-year terms, at the discretion of the City; and
- 3) That the Mayor and City Clerk be authorized to execute all documentation necessary to complete the contract.

Contribution to Sustainability

This report is consistent with the priorities previously set by Council in the Green Directions Vaughan, Community Sustainability Environmental Master Plan, Goal 4, Objective 4.2:

- Ensure that the City of Vaughan attracts businesses and investment that will result in well-paying jobs for Vaughan citizens, a sustainable tax base and continuing prosperity into the 21st century.

Economic Impact

In line with the current contract, the implementation of RFP11-192 will generate approximately \$478,599 in revenue (excluding HST) over the period of the contract where \$286,386 is expected in the initial first 3 years of the contract and the remaining \$192,213 executable on the discretion of the City through the two option years.

Communications Plan

RFP11-192, Vending Equipment and Concession Services, was publicly advertised on the OPBA and Biddingo website on May 13, 2011 and on the City Page on May 19, 2011, with the closing date of May 31, 2011.

Purpose

The purpose of this report is to obtain Council's authorization to enter into a three-year contract with an option to renew on an annual basis for up to two one-year terms, with Imperial Vending Inc. for the operation of vending services, and to enter into a three-year contract with an option to renew on an annual basis for up to two one-year terms, with Ontario Concessions II for the operation of concession operations and seasonal mobile concession operations at City recreation facilities.

Background - Analysis and Options

The current contract for Vending Services and Concession Operations will expire on August 31, 2011. The City of Vaughan issued RFP11-192 on May 13, 2011, with the closing date of May 31, 2011. The RFP was publicly advertised on the City Page, and posted on OPBA and Biddingo website. The proponents had the option to bid in part or in whole, namely Part A for snack and drink vending equipment; Part B for the lease of space for concession operations; and Part C for seasonal mobile concession operations. Seven companies picked up the RFP documents and the following six proponents responded:

1. Naccarato Enterprises Limited
2. Snackland, a Division of 1763557 Ontario Inc.
3. Imperial Vending Services Inc.
4. Ontario Concessions II
5. Island Fork T/A The Pantry
6. Ishim Sushi Inc.

An evaluation team comprised of the Business Services Manager and Business Service Supervisor of Recreation and Culture, Facilities Manager of Building and Facilities and Purchasing Services departments was established and the evaluation and selection of the proposals received was based on the following criteria, by part, as laid down in the proposal documents:

Components rating:

Revenue: Proposed guaranteed payment to the City	(40%)
Overall Business/Operation Plan	(25%)
Community focus, Holistic approach, and Incentives	(20%)
Company Profiles and References	(10%)
Financial strength	(5%)

For vending services, Imperial Vending Inc. obtained the highest overall scores based on the evaluation criteria and is therefore recommended as the preferred supplier.

Imperial Vending Inc. is a full service vending company that has been in operation since 1974. They offer a tailored vending program through the innovative use of technology to reduce their carbon footprint, track inventories, and forecast sales. Through the use of state-of-the-art vending machines that include the ability to purchase items using credit cards, Imperial Vending Inc. will provide an added convenience to recreation community centre patrons.

Imperial Vending Inc. will provide access to real-time sales figures throughout the contract. This will help inform staff decisions on future vending operations as well as provide accurate tallies of sales by centre.

For concession operations and seasonal mobile concession operations, Ontario Concessions II obtained the highest overall scores based on the evaluation criteria and is therefore recommended as the preferred supplier.

Ontario Concessions II serves many Southern Ontario municipalities and has been in the food industry business since 1993. The company embraces a mission statement to "provide healthy quality food at competitive prices". The company is focused on providing a menu selection that includes healthy food choices and is strongly influenced by *Canada's Food Guide to Healthy Eating*.

This new Contractor would provide our recreation facilities with a positive atmosphere through their commitment to customer service, healthy choices, and fair prices. In addition, Ontario

Concessions II will revitalize some of the spaces to encourage interest and draw patrons to the concessions.

Ontario Concessions II will provide the City with extensive and innovative marketing plans, including but not limited to, surveying clients to determine the most suitable product lines, providing a suggestion box to obtain constructive feedback, running contests and offering membership cards and coupons to stimulate sales, and offering weekly menu specials to ensure variety. These added benefits will work to establish better customer service and forge customer retention and loyalty in the food services at recreation facilities. The products listed are priced in line with other proponents and meets the 25% healthy beverage and snack options component. Furthermore, mobile concessions will provide an innovative and convenient outdoor food service to patrons during scheduled recreational activities.

The products and associated pricing listed in both proposals are complimentary and indicate that both vendors can successfully operate in the same facility. Both vendors meet the 25% healthy beverage and snack requirement, and unflavoured bottled water, nut products, and beverages or energy drinks containing 28g of sugar or greater, will not be permitted for sale.

Relationship to Vaughan Vision 2020/Strategic Plan

In consideration of the strategic priorities related to Vaughan Vision 2020, this report will provide:

- **STRATEGIC GOAL:**
Service Excellence – Providing service excellence to Citizens.

- **STRATEGIC OBJECTIVE:**
Enhance and Ensure Community Safety, Health & Wellness.

Regional Implications

None.

Conclusion

Awarding Contract RFP11-192, Vending Equipment and Concession Services, to two separate bidders who specialize in vending or concessions, for a three-year contract with the option to renew on an annual basis for up to two one year terms, at the discretion of the City, will provide stable and proven vending services, concession operations and seasonal mobile concession operations at City recreation facilities. In addition, the offering of vending and concession services continues to support the Active Together Master Plan's emphasis on the benefits of multi-services at local community centres.

Attachments

None.

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Respectfully submitted,

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Commissioner of Community Services