



**SUBJECT: Concessions and vending services**

**TO: Environment, Infrastructure & Community Services Cttee.**

**FROM: Recreation Services Department**

Report Number: RS-10-20

Wards Affected: all

File Numbers: 925-09

Date to Committee: December 7, 2020

Date to Council: December 14, 2020

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### **Recommendation:**

Direct the Director of Recreation Services and the Manager of Procurement Services to issue an RFP for the concession operations at Mountainside outdoor pool and the Beach concession for the summer of 2021, with revised healthy food restrictions as outlined in recreation services department report RS-10-20; and

Direct the Director of Recreation Services to request quotes from healthy vending providers to pilot the provision of vending services in selected year-round facilities as outlined in recreation services department report RS-10-20.

### **PURPOSE:**

#### **Vision to Focus Alignment:**

- Increase economic prosperity and community responsive city growth
- Building more citizen engagement, community health and culture

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### **Background and Discussion:**

In October 2017, through report PR-05-17, Council approved the Healthy Supportive Food Environment policy. The report identified action plans to address physical activity and healthy eating interventions to help support sustainable eating behaviour changes. As part of this report, Council also approved the implementation of a concession and vending services adjustment, which included arenas, pools and community centre

concession and vending services city wide. This report and policy were in place to move towards 100% Healthy Food options served at our concessions and vending by 2020.

Through a competitive bid process in March 2018, a contract was awarded to a vendor for a five (5) year contract, expiring in 2023, with an option to renew for another 5 years. This contract was in place to provide high quality concession and vending food and beverage services at a variety of locations with a diverse customer base. Through an agreement with the City of Burlington, the vendor is required to ensure that the operation complies with all policies and procedures related to matters such as risk management, financial performance, health and safety standards, and includes the introduction of 100% Healthy Foods by 2020.

The agreement was to operate six (6) concession and seventeen (17) vending locations throughout the City of Burlington, both seasonal and annual operations.

Fall/Winter Concessions: September – April (seasonal)

- Appleby Ice Centre
- Central Community Centre
- Mainway Community Centre

Summer Concessions: May – September (seasonal)

- Mountainside Community Centre
- Beach Snack Shack

Annual Concessions:

- Tansley Woods Community Centre

Snack and Beverage Vending Services:

- Recreation Services – located in all Recreation facilities for public and staff use
- City Hall – located in staff lounge, services staff
- RPF – located in Harvester Road, services staff

Throughout 2018 and 2019, staff worked closely with the vendor to assist with the transition and listened to the challenges they were experiencing. The vendor expressed challenges with sales revenues, cost of goods, and the overall sustainability of the operation.

Despite staff's efforts to support the vendor, in August of 2019, the vendor provided the City with a "termination letter". At this time, staff provided Council with an update on this matter. Staff also anticipated that with the full implementation of 100% Healthy Foods by 2020, the vendor's struggles would continue to increase, resulting in them unable to meet their contractual obligations with the City.

Due to COVID the vendor terminated agreement of all concessions by and the removal of both beverage and snack vending services March 30,2020. Recreation staff have been working on developing a plan to review the services and policies that are in place.

### **Strategy/process**

Staff continue to believe that providing Healthy Food choices is important as related to our concessions and vending. We have looked at each location and determined a plan tailored on the needs identified. Staff are also working on a communication plan to move away from sugary drinks and make water the healthy choice.

Due to the COVID virus and the closure of the city facilities, there will be no concessions or vending services for the remainder of 2020.

Looking forward to 2021, staff have reviewed the food services operations throughout the city and are recommending the following changes.

### **Summer Concession Operations (Mountainside Outdoor Pool and Beach Snack Shack)**

- Mountainside outdoor pool and the Beach are highly utilized food service operations, with a fully functional concession space.
- A new boardwalk was installed at the Beachway Park that leads to the Snack Shack.
- These concessions compliment the outdoor experience by providing refreshing ice cream and an opportunity to enjoy more traditional summer foods.
- These summertime locations will also have healthy food options as part of the overall menu.

#### **Recommendation:**

- Issue an RFP for a concession vendor to operate both locations (Mountainside and Beachway) for a 5-year term including some healthy food option requirements. This recommendation is noted above in the recommendation section of this report.

### **Vending Services – snack and beverage pilot**

- All vending machines have been removed, including snack and beverage, from all facilities, including Recreation facilities, City Hall and Roads, Parks and Forestry (RPF).
- Vending machine sales vary between facilities depending on the location of the machines, the proximity to external food and beverage as well as the activities in a facility. Machines at locations such as RPF and City Hall have very low usage,

whereas machines at Tansley Woods Community Centre, Haber Community Centre, Appleby Ice Centre and Nelson Community Centre are highly utilized.

- Staff will develop promotional information at these locations to choose Regional tap water as their best option.

Recommendation:

- Explore alternative Healthy Vending providers to pilot healthy food options through vending services in selected year-round facilities as outlined in this report. This recommendation is noted above in the recommendation section of this report.

### **Tansley Woods concession – year round**

- Tansley Woods Community Centre is a highly utilized facility by people of all ages.
- Staff will look to develop and pilot a hybrid operating model, similar to the model at the Seniors' Centre Bistro, using a combination of staff and volunteers to support the operation and service the users of the facility. A more moderate menu which includes healthy food options will be created for this location.
- This operation will be developed when facilities and business operations normalize.

Recommendation:

- Post Pandemic - Future considerations for the operating model will be presented through the operating and capital budget process, possibly 2022 budget.

### **Central Community Centre, Mainway Community Centre & Appleby Ice Centre concession spaces**

- The sales in these arena concessions have decreased year over year.
- There are other food options available within walking distance.
- During large events or tournaments there is a desire to incorporate catering or food trucks to service the events.
- Any modifications to the arena concession locations outlined above will be requested through the 2021 capital budget process with anticipated capital costs required to convert these spaces.

Recommendation:

- Post Pandemic - staff will explore opportunities to repurpose arena concession spaces for alternate uses, including but not limited to; public lounge areas, community spaces, community organization spaces, etc.

### Options Considered

Staff have considered many options including; closing all locations and removing all vending services, to eliminating the requirement to provide healthy food options, and believe that the recommendations outlined provide a continued service in highly utilized areas, that also considers the benefits of healthy food options.

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### Financial Matters:

With the early termination of the agreement, the 2020 budget will be negatively impacted. The chart below represents the revenue impact for 2020 which has been reflected in the department's year end projection and outlines the Proposed 2021 Budget with anticipation of the RFP for Beachway and Mountainside concessions.

| Concession & Vending<br>Revenue Impact | 2020 Budget | 2020 YEP               | 2021<br>Proposed<br>Budget |
|--|-------------|------------------------|----------------------------|
| Rent                                   | \$52,000    | \$2,803<br>(Jan-March) | \$10,000<br>(New RFP)      |
| Total Revenue                          | \$52,000    | \$2,803                | \$10,000                   |

Through the 2021 Proposed Capital budget, funds have been requested to support modifications to the arena concession areas. Staff will work with the users and the community on the best use of the space moving forward.

### Total Financial Impact

Other budget requirements to complete the full transition outlined in this report will be identified through both the capital and operating budget process for 2022. Modifications to the locations outlined in this report will be requested through the 2022 budget process with anticipated expenses, revenues and capital costs required to convert these spaces.

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## **Climate Implications**

The outdoor concessions, such as Mountainside outdoor pool and Beach concession are impacted by the changing climate. In 2017 and 2019 the beach area was closed due to the high-water levels, which had a direct impact on the concession operations. Staff are connected with the operators to modify operating hours accordingly should this occur again in the future.

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## **Enterprise Risk:**

- Financial Sustainability
  - Climate Change
  - Growth & Affordability
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## **Engagement Matters:**

Staff engaged user groups throughout the process, including the initial RFP for concession and vending services in 2018.

Staff have also engaged community groups and partners to review future operating models, including the community kitchen initiative.

Ongoing communications, information and promotion during this transition period will be important to continue so the public is aware of the changes coming forward.

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## **Conclusion:**

The recommendations through this report will help staff make adjustments to the concession and vending service model which was contemplated in 2018. Adjusting the healthy food restriction on the summer operations at Mountainside outdoor pool and Beach concessions, as well as developing a community kitchen model in one of the recreation facilities concession spaces, directly aligns with the Recreation Framework. These services will help develop partnerships in the community, will be complementary to the recreation services in our facilities and our parks while encouraging a healthy and active lifestyle.

Recreation staff will work with Purchasing to release an RFP for the summer operation of both Mountainside outdoor pool and the Beach concession. Staff will also initiate a quote process to pilot healthy vending services in select year-round facilities.

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Respectfully submitted,

Rebecca Holmes

Planner – Recreation Services

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**Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Council. Final approval is by the City Manager.