



## **REQUEST FOR PROPOSALS**

**Title:** Coffee Shop Operator –Surrey Sports & Leisure Complex

**Reference No.:** 1220-030-2017-020

**FOR PROFESSIONAL SERVICES (CONTRACTOR – GOODS AND SERVICES)**

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## REQUEST FOR PROPOSALS

### 1. INTRODUCTION

#### 1.1 Purpose

The City of Surrey (the "**City**") invites proponents to provide a proposal in response to this Request for Proposals (the "**RFP**") on the form attached as Schedule C (the "**Proposal**") for the supply of the goods (if any) and services described in Schedule A (the "**Goods and Services**"). The description of the Goods and Services sets out the minimum requirements of the City. A person that submits a Proposal (the "**Proponent**") should prepare a Proposal that meets the minimum requirements, and may as it may choose, in addition; also include goods, services or terms that exceed the minimum requirements.

By submitting a Proposal, the Proponent acknowledges that it understands this RFP and has full knowledge of the scope, nature, quality and quantity of the Services to be performed, the detailed requirements of the Services to be provided, and the conditions under which such Services are to be performed.

#### 1.2 Definitions

In this RFP the following definitions shall apply:

- (a) "**BC Bid Website**" means [www.bcbid.gov.bc.ca](http://www.bcbid.gov.bc.ca);
- (b) "**City**" means the City of Surrey;
- (c) "**City Representative**" has the meaning set out in section 2.5;
- (d) "**City Website**" means [www.surrey.ca](http://www.surrey.ca);
- (e) "**Closing Time**" has the meaning set out in section 2.1;
- (f) "**Contract**" means a formal written contract between the City and a Preferred Proponent to undertake the Services, the preferred form of which is attached as Schedule B;
- (g) "**Evaluation Team**" means the team appointed by the City;
- (h) "**Goods**" has the meaning set out in Schedule A;
- (i) "**Information Meeting**" has the meaning set out in section 2.2;
- (j) "**Preferred Proponent(s)**" means the Proponent(s) selected by the Evaluation Team to enter into negotiations for a Contract;
- (k) "**Proponent**" means an entity that submits a Proposal;
- (l) "**Proposal**" means a proposal submitted in response to this RFP;
- (m) "**RFP**" means this Request for Proposals;

- (n) “**Services**” has the meaning set out in Schedule A;
- (o) “**Site**” means the place or places where the Goods are to be delivered and the Services are to be performed; and
- (p) “**Statement of Departures**” means Schedule C-1 to the form of Proposal attached as Schedule C.

## **2. INSTRUCTIONS TO PROPONENTS**

### **2.1 Closing Time and Address for Proposal Delivery**

A Proposal should be labelled with the Proponent’s name, RFP title and number. A Proposal should be submitted in the form attached to this RFP as Schedule C – Form of Proposal.

The Proponent may submit a Proposal either by email or in a hard copy, as follows:

#### **(a) Email**

If the Proponent chooses to submit by email, the Proponent must submit the Proposal electronically in a single pdf file to the City by email at: [purchasing@surrey.ca](mailto:purchasing@surrey.ca)

**on or before the following date and time**

**Time: 3:00 p.m., local time**  
**Date: October 19, 2017**

**(the “Closing Time”).**

**PDF emailed Proposals are preferred** and the City will confirm receipt of emails. Note that the maximum file size the City can receive is 10Mb. If sending large email attachments, Proponents should phone to confirm receipt. A Proponent bears all risk that the City’s equipment functions properly so that the Proposal is submitted on time.

#### **(b) Hard Copy**

If the Proponent chooses NOT to submit by email, the Proponent should submit one original unbound Proposal and 1 (one) copies (two (2) in total) which must be delivered to the City at the office of:

**Name:** Richard D. Oppelt, Purchasing Manager  
at the following location:

**Address:** Surrey City Hall  
Finance & Technology Department – Purchasing Section  
Reception Counter, 5<sup>th</sup> Floor West  
13450 – 104 Avenue, Surrey, B.C., V3T 1V8, Canada

**on or before the Closing Time.**

## 2.2 Information Meeting

An information meeting may be hosted by the City Representative to discuss the City's requirements under this RFP (the "Information Meeting"). While attendance is at the discretion of Proponents, Proponents who do not attend will be deemed to have attended the Information Meeting and to have received all of the information given at the Information Meeting. At the time of issuance of this RFP a meeting has not been scheduled.

## 2.3 Late Proposals

Proposals submitted after the Closing Time will not be accepted or considered. Delays caused by any delivery, courier or mail service(s) may not be grounds for an extension of the Closing Time.

## 2.4 Amendments to Proposals

Proposals may be revised by written amendment, delivered to the location set out in Section 2.1, at any time before the Closing Time but not after. An amendment should be signed by an authorized signatory of the Proponent in the same manner as provided by section 3.3. E-mailed amendments are permitted, but such amendment should show only the change to the proposal price(s) and should not disclose the actual proposal price(s). A Proponent bears all risk that the City's equipment functions properly so as to facilitate timely delivery of any amendment.

## 2.5 Inquiries

All inquiries related to this RFP should be directed in writing to the person named below (the "**City Representative**"). Information obtained from any person or source other than the City Representative may not be relied upon.

Name: Richard D. Oppelt, Purchasing Manager  
E-mail: [purchasing@surrey.ca](mailto:purchasing@surrey.ca)

Reference: 1220-030-2017-020

Inquiries should be made no later than 7 business days before Closing Time. The City reserves the right not to respond to inquiries made within 7 business days of the Closing Time. Inquiries and responses will be recorded and may be distributed to all Proponents at the discretion of the City.

Proponents finding discrepancies or omissions in the Contract or RFP, or having doubts as to the meaning or intent of any provision, should immediately notify the City Representative. If the City determines that an amendment is required to this RFP, the City Representative will issue an addendum in accordance with section 2.6. No oral conversation will affect or modify the terms of this RFP or may be relied upon by any Proponent.

## 2.6 Addenda

If the City determines that an amendment is required to this RFP, the City Representative will issue a written addendum by posting it on the BC Bid Website at [www.bcbid.gov.bc.ca](http://www.bcbid.gov.bc.ca) (the "**BC Bid Website**") and the City Website at [www.surrey.ca](http://www.surrey.ca) (the "**City Website**") that will form part of this RFP. It is the responsibility of Proponents to check the BC Bid Website and the City Website for addenda. The only way this RFP may be added to, or amended in any way, is by a formal written addendum. No other communication, whether written or oral, from any person will affect or modify

the terms of this RFP or may be relied upon by any Proponent. By delivery of a Proposal, Proponent is deemed to have received, accepted and understood the entire RFP, including any and all addenda.

## **2.7 Examination of Contract Documents and Site**

Proponents will be deemed to have carefully examined the RFP, including all attached Schedules, the Contract and the Site (as applicable) prior to preparing and submitting a Proposal with respect to any and all facts which may influence a Proposal.

## **2.8 Opening of Proposals**

The City intends to open Proposals in private but reserves the right to open Proposals in public at its sole discretion.

## **2.9 Status Inquiries**

All inquiries related to the status of this RFP, including whether or not a Contract has been awarded, should be directed to the City Website and not to the City Representative.

# **3. PROPOSAL SUBMISSION FORM AND CONTENTS**

## **3.1 Package (Hard Copy)**

If the Proponent chooses NOT to submit by email, the Proponent should submit a Proposal in a particular submittal format, to reduce paper, encourage our recycled product expectations, and reduce package bulk. Bulk from binders and large packages are unwanted. Vinyl plastic products are unwanted. The City also has an environmentally-preferable purchasing commitment, and seeks a package format to support the green expectations and initiatives of the City.

Please do not use any plastic or vinyl binders or folders. The City prefers simple, stapled paper copies. If a binder or folder is essential due to the size of your Proposal, they should be fully 100% recycled stock.

The City seeks and prefers submittals on 100% Post Consumer Fibre (PCF) paper, consistent with the City's policy and the City environmental practices.

Please double-side your Proposal.

## **3.2 Form of Proposal**

Proponents should complete the form of Proposal attached as Schedule C, including Schedules C-1 to C-5. Proponents are encouraged to respond to the items listed in Schedules C-1 to C-5 in the order listed. Proponents are encouraged to use the forms provided and attach additional pages as necessary.

## **3.3 Signature**

The legal name of the person or firm submitting the Proposal should be inserted in Schedule C. The Proposal should be signed by a person authorized to sign on behalf of the Proponent and include the following:

- (a) If the Proponent is a corporation then the full name of the corporation should be included, together with the names of authorized signatories. The Proposal should be executed by all of the authorized signatories or by one or more of them provided that a copy of the corporate resolution authorizing those persons to execute the Proposal on behalf of the corporation is submitted;
- (b) If the Proponent is a partnership or joint venture then the name of the partnership or joint venture and the name of each partner or joint venturer should be included, and each partner or joint venturer should sign personally (or, if one or more person(s) have signing authority for the partnership or joint venture, the partnership or joint venture should provide evidence to the satisfaction of the City that the person(s) signing have signing authority for the partnership or joint venture). If a partner or joint venturer is a corporation then such corporation should sign as indicated in subsection (a) above; or
- (c) If the Proponent is an individual, including a sole proprietorship, the name of the individual should be included.

#### **4. EVALUATION AND SELECTION**

##### **4.1 Evaluation Team**

The evaluation of Proposals will be undertaken on behalf of the City by the Evaluation Team. The Evaluation Team may consult with others including City staff members, third party contractors and references, as the Evaluation Team may in its discretion decide is required. The Evaluation Team will give a written recommendation for the selection of a Preferred Proponent or Preferred Proponents to the City.

##### **4.2 Evaluation Criteria**

The Evaluation Team will compare and evaluate all Proposals to determine the Proponent's strength and ability to provide the Goods and Services in order to determine the Proposal which is most advantageous to the City, generally using the following criteria:

- (a) Experience, Reputation and Resources**  
The Evaluation Team will consider the Proponent's responses to items (a) to (j) in Schedule C-2.
- (b) Technical**  
The Evaluation Team will consider the Proponent's responses to Schedule C-4 and items (a) to (h) in Schedule C-3.
- (c) Financial**  
The Evaluation Team will consider the Proponent's response to Schedule C-5.
- (d) Statement of Departures**  
The Evaluation Team will consider the Proponent's response to Schedule C-1.

The Evaluation Team will not be limited to the criteria referred to above, and the Evaluation Team may consider other criteria that the team identifies as relevant during the evaluation process. The Evaluation Team may apply the evaluation criteria on a comparative basis, evaluating the

Proposals by comparing one Proponent's Proposal to another Proponent's Proposal. All criteria considered will be applied evenly and fairly to all Proposals.

#### **4.3 Discrepancies in Proponent's Financial Proposal**

If there are any obvious discrepancies, errors or omissions in Schedule C-5 of a Proposal (Proponent's Financial Proposal), then the City shall be entitled to make obvious corrections, but only if, and to the extent, the corrections are apparent from the Proposal as submitted, and in particular:

- (a) if there is a discrepancy between a unit price and the extended total, then the unit prices shall be deemed to be correct, and corresponding corrections will be made to the extended totals;
- (b) if a unit price has been given but the corresponding extended total has been omitted, then the extended total will be calculated from the unit price and the estimated quantity;
- (c) if an extended total has been given but the corresponding unit price has been omitted, then the unit price will be calculated from the extended total and the estimated quantity.

#### **4.4 Litigation**

In addition to any other provision of this RFP, the City may, in its absolute discretion, reject a Proposal if the Proponent, or any officer or director of the Proponent submitting the Proposal, is or has been engaged directly or indirectly in a legal action against the City, its elected or appointed officers, representatives or employees in relation to any matter, or if the City has initiated legal action against any officers or directors of the Proponent.

In determining whether or not to reject a Proposal under this section, the City will consider whether the litigation is likely to affect the Proponent's ability to work with the City, its contractors and representatives and whether the City's experience with the Proponent indicates that there is a risk the City will incur increased staff and legal costs in the administration of the Contract if it is awarded to the Proponent.

#### **4.5 Additional Information**

The Evaluation Team may, at its discretion, request clarifications or additional information from a Proponent with respect to any Proposal, and the Evaluation Team may make such requests to only selected Proponents. The Evaluation Team may consider such clarifications or additional information in evaluating a Proposal.

#### **4.6 Interviews**

The Evaluation Team may, at its discretion, invite some or all of the Proponents to appear before the Evaluation Team to provide clarifications of their Proposals. In such event, the Evaluation Team will be entitled to consider the answers received in evaluating Proposals.

#### **4.7 Negotiation of Contract and Award**

If the City selects a Preferred Proponent or Preferred Proponents, then it may:



- (a) enter into a Contract with the Preferred Proponent(s); or
- (b) enter into discussions with the Preferred Proponent(s) to attempt to finalize the terms of the Contract(s) including financial terms, and such discussions may include:
  - (1) clarification of any outstanding issues arising from the Preferred Proponent's Proposal;
  - (2) negotiation of amendments to the departures to the draft Contract, if any, proposed by the Preferred Proponent as set in Schedule C-1 to the Preferred Proponent's Proposal; and
  - (3) negotiation of amendments to the Preferred Proponent's price(s) as set out in Schedule C-5 to the Preferred Proponent's Proposal and/or scope of Services if:
    - (A) the Preferred Proponent's financial Proposal exceeds the City's approved budget, or
    - (B) the City reasonably concludes the Preferred Proponent's financial proposal includes a price(s) that is unbalanced, or
    - (C) a knowledgeable third party would judge that the Preferred Proponent's price(s) materially exceed a fair market price(s) for services similar to the Goods and Services offered by the Preferred Proponent as described in the Preferred Proponent's Proposal; or
- (c) if at any time the City reasonably forms the opinion that a mutually acceptable agreement is not likely to be reached within a reasonable time, give the Preferred Proponent(s) written notice to terminate discussions, in which event the City may then either open discussions with another Proponent or terminate this RFP and retain or obtain the Goods and Services in some other manner.

## **5. GENERAL CONDITIONS**

### **5.1 No City Obligation**

This RFP is not a tender and does not commit the City in any way to select a Preferred Proponent, or to proceed to negotiations for a Contract, or to award any Contract and the City reserves the complete right to at any time reject all Proposals, and to terminate this RFP process.

### **5.2 Proponent's Expenses**

Proponents are solely responsible for their own expenses in preparing, and submitting Proposals, and for any meetings, negotiations or discussions with the City or its representatives and contractors, relating to or arising from this RFP. The City and its representatives, agents, contractors and advisors will not be liable to any Proponent for any claims, whether for costs, expenses, losses or damages, or loss of anticipated profits, or for any other matter whatsoever, incurred by the Proponent in preparing and submitting a Proposal, or participating in negotiations for a Contract, or other activity related to or arising out of this RFP.

### **5.3 No Contract**

By submitting a Proposal and participating in the process as outlined in this RFP, Proponents expressly agree that no contract of any kind is formed under, or arises from, this RFP, prior to the signing of a formal written Contract.

#### **5.4 Conflict of Interest**

A Proponent shall disclose in its Proposal any actual or potential conflicts of interest and existing business relationships it may have with the City, its elected or appointed officials or employees. The City may rely on such disclosure.

#### **5.5 Solicitation of Council Members, City Staff and City Contractors**

Proponents and their agents will not contact any member of the City Council, City staff or City contractors with respect to this RFP, other than the City Representative named in section 2.5, at any time prior to the award of a contract or the cancellation of this RFP.

#### **5.6 Confidentiality**

All submissions become the property of the City and will not be returned to the Proponent. All submissions will be held in confidence by the City unless otherwise required by law. Proponents should be aware the City is a “public body” defined by and subject to the *Freedom of Information and Protection of Privacy Act* of British Columbia.

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## **SCHEDULE A – SCOPE OF SERVICES**

### **PROJECT TITLE: COFFEE SHOP OPERATOR – SURREY SPORT & LEISURE COMPLEX**

### **PROJECT REFERENCE: 1220-030-2017-020**

#### **1. PURPOSE**

The City of Surrey (the “**City**”) is seeking the services of an experienced and innovative food and beverage service provider (the “**Contractor**”) to act as Tenant and vendor to manage the daily services and operation of the coffee shop at the Surrey Sports & Leisure Complex (SSLC) located at 16555 Fraser Highway #100 Surrey, BC V4N 0E9.

#### **2. GENERAL SERVICE REQUIREMENTS**

The Contractor shall provide Services that include but not limited to:

- offer excellent food service and customer satisfaction;
- offer quality, affordable and nutritious food with attention to healthy eating as set in the Canadian Food Guide;
- offer a variety of in-season fresh fruits and vegetables;
- provide meal content (ingredients and preparation methods) information to address needs such as diabetes, allergies, or food intolerances upon request and if information is available;
- deliver prompt and efficient food and beverage services;
- provide certified organic food products;
- use locally BC grown organic food products;
- provide dietary menu requests (i.e. Vegetarian, gluten free, etc.);
- provide POS equipment to allow payment options of cash, debit and credit card transactions;
- provide all janitorial services as required within the coffee shop;
- Proponent(s) must be fully licensed to operate a coffee shop; and,
- Proponents(s) are required to meet all laws, regulations, and requirements related to food service operations.

On occasion, the City may host meetings, conferences or special events, such as sports competitions. There may be an opportunity for the successful Proponent to provide catering services on an “as and when required” basis for special events, meetings, performances, and other similar functions.

The license awarded to the Contractor(s) would also include non-exclusive access to the lobby seating areas where customers can sit and consume their beverages or food purchase. Chairs and tables will be provided by the City if available.

Any required structural changes will be the responsibility of the Contractor and must be reviewed and approved by the City prior to the execution of such changes. The Contractor is to supply all leasehold improvement plans signed and sealed by professional engineers or architects to be approved by the City.

### 3. BACKGROUND

The area available for lease is ±195 ft.<sup>2</sup> including a storage area located in the main foyer area of the building adjacent to the front desk and main entrance of the aquatic area of the complex. The customer seating area is located directly adjacent to the kiosk area.

The Surrey Sports & Leisure Complex



Location: 16555 Fraser Highway #100 Surrey, BC V4N 0E9

The Surrey Sports & Leisure Complex (SSLC) is a fully accessible facility offering registered and drop-in programs for everyone in the community. The SSLC is open seven days a week and offers free parking, an Olympic-size swimming pool with lane swimming, leisure and tots pools, hot tub, sauna, and waterslide. There is also a weight room. The arena at SSLC offers a variety of registered programs on three rinks and multi-purpose rooms. Also included within the Complex is Orion Health who provides extensive range of services and programs, including fitness testing, sports medicine, and physiotherapy. Orion Health has approximately 70 full and part time staff at the Surrey location.

The existing coffee kiosk has been in operation since the opening of the SSLC. The current coffee lease has expired and is now on a month-to-month basis. Although some leasehold improvement work is anticipated it is the intent of the City to have a seamless as possible transition from the current operator to the successful Proponent to minimize any inconvenience to the visitors and the staff at the SSLC.

### HOURS OF OPERATION

The preference is for the coffee shop to operate year round within the facility's planned hours of operation:

Monday to Friday      6:00am – 10:00pm  
Saturday to Sunday    6:00am – 10:00pm

#### **4. SCOPE OF SERVICES**

The Contractor shall furnish everything needed to perform all of the requirements of this Contract including without limitation any and all material, all labour, equipment, and services required to faithfully perform and provide the Services at the SSLC as required for and to the satisfaction of the City.

The Contractor will provide Services of the highest standard prevailing in the industry as to quality of service, with the intent that the Services should meet or exceed all reasonable requirements of users and City facilities on an efficient, courteous and competitive basis.

Responsibilities of the Contractor may include but not limited to:

- (a) speed and efficiency of service. Note: Throughout the day and during the noon hour, it is expected to be exceptionally busy with staff and visitors. Therefore, it is essential that the Contractor offer quick service to meet customer demand and efficiently. Options for processing orders and payment (with a credit/debit card) via phone, fax, or on-line submission or other express service mechanism(s) are highly desirable;
- (b) maintain and repair their own equipment;
- (c) sanitation - Maintain cleanliness and orderliness in facility in accordance with provincial health regulations or requirements. Note: The City reserves the right, at its sole discretion to conduct quarterly inspections of the coffee shop premises (in addition to provincial health authority inspections. Tenant will be responsible for the costs to correct any deficiencies);
- (d) new products and menu development;
- (e) work with the City to provide a sustainable food and beverage service;
- (f) deliver, pick-up and general cleanup for special events; and,
- (g) provide all related equipment and accessories to provide these services.

#### **5. LEASE TERM AVAILABLE**

The City is open to consider varying the term of the lease with the minimum term being five (5) years. The exact term of the lease will be negotiable depending on the nature of interest brought forward and by the Proponent.

#### **6. LEASEHOLD IMPROVEMENTS**

The Contractor will need to provide improvements/changes to the facility. Leasehold Improvements may include but not limited to the following:

- (a) Outfitting, painting, installing retail counters, partitioning, and replacing flooring;
- (b) Expected to supply all equipment needed to sufficiently run the coffee shop including, but not limited to, coffee machines, refrigerator, shelving, signage,

microwave, display coolers, etc. tables and chairs, in compliance with City standards;

- (c) Ensure that any plans for Leasehold Improvements are coordinated with the City's representative(s);
- (d) Obtain and maintain throughout the Term of the agreement food permits necessary to carry on the business of coffee shop operations; and,
- (e) In addition to its monthly rent, tenant is responsible for paying for utilities (electric, gas, and water), as additional rent on a monthly basis.

## **7. PREFERRED QUALIFICATION REQUIREMENTS**

The Proponent should possess:

- (a) More than five (5) years of successful operations experience in food service management, multi-outlet management, or related hospitality industry experience;
- (b) Competent management services with proven capability to operate and respond effectively in the City's operational needs and can provide a dedicated and stable work force with the necessary characteristics, knowledge, skills and ability for the service required and experience in the duties assigned to them, including Food Safe certification as issued by the Provincial Health Authority and registered with the British Columbia Centre for Disease Control;
- (c) A proven ability in the provision of food and beverage services, including full service catering, concession services, vending services and non-alcoholic beverage services;
- (d) Qualified food service employees with proper and sufficient training in the area of food and beverages services and meet appropriate certifications; and,
- (e) Will be a financially viable company and be able to provide evidence of adequate financial resources and investment to provide the services when requested.

Additional Preferred Qualifications include;

- (a) Currently operating a successful multi-outlet franchise
- (b) Formal education in hospitality management such as a certification or diploma
- (c) Experience with merchandising and marketing

## **8. CONTRACTOR'S RESPONSIBILITIES**

The Contractor shall:

- (a) Conform to the *Food Safety Act* of the Province of British Columbia and the food preparations premises and equipment should comply with Food Premises Regulations of the *BC Public Health Act*;
- (b) Compliance with Food Safe Program, Service it Right program, and all WorkSafeBC and applicable health and safety regulations, permits, licensing, and legal requirements; and,

- (c) Compliance with the City's established security and identification rules and regulations.

## **9. PRODUCT OFFERINGS**

### **9.1 MENU**

The Contractor is to provide:

- a) a proposed menu for the retail food service establishment, along with retail prices of proposed menu items;
- b) innovative variety of high quality, appetizing and nutritious foods;
- c) a menu mix responsive to City's needs and evolving trends;
- d) a variety of healthy options every day for breakfast, lunch and catering services; and
- e) nutritional information that should be clearly written and easily accessible to consumers. Information shall include, but not limited to, calories, total fat, saturated fat, sodium potassium, fibre and carbs.

All menu items are subject to approval by the City. At a minimum, the menu must include:

- Espresso
- Coffee drinks
- Teas
- Sodas
- Juices
- Bottled water
- Pre-packaged foods
- Sandwiches
- Salads

### **9.2 RETAIL ITEMS**

A list of non-food, retail products to be held for sale at the coffee shop should be included in your submission. All such items are subject to approval by the City.

## **10. UTILITIES AND GENERAL MAINTENANCE**

### **10.1 UTILITIES AND SERVICES**

- (a) The Contractor will pay directly to the supplier when due all charges for all utilities separately metered and invoiced (electric, gas, and water) on a monthly basis.
- (b) For all utilities not so separately metered and invoiced, the Contractor will pay its share of all costs for them as allocated by the City and determined by the City's sole discretion.
- (c) The Contractor will pay when due all costs for all other utilities and services provided, including window cleaning and janitorial service (if any).



## **10.2 MAINTENANCE**

The Contractor shall:

- (a) perform and contract for its own cleaning and janitorial maintenance services for the premises, including eating area, spot cleaning of tables and chairs as well as clean-up of spills that occur in these areas.
- (b) be responsible to maintain high standard of sanitation, routine cleaning and housekeeping in food prep and service areas. These areas will include but not limited to the following:
  - (d) Storage area;
  - (e) Food preparation area and serving counters;
  - (f) All food service and coffee equipment;
  - (g) Display coolers, refrigerators and freezer;
  - (h) Exhaust hoods and filters;
  - (i) Disposal of garbage and composting containers.
- (c) provide all cleaning equipment and supplies – preferably eco-friendly and/or eco-certified - and must comply with the Workplace Hazardous Materials Information System (WHMIS) legislation by labeling of containers of WHMIS “controlled products”, the provision of material safety data sheets (MSDS) and employees’ education and training programs. Occupational Health and Safety (OH&S) plan.
- (d) Remove all garbage and food waste from the premises by the end of the day to the City’s waste collection area. The Tenant shall participate in food waste composting and recycling programs as directed by the City. This also involves the collection of grease, food waste and all food packaging (glass, metal and plastic) containers for pick up by City’s contracted waste disposal firms.
- (e) For waste disposal, the Contractor will provide their own waste receptacles and related disposable items used for waste collection and pay its share of all costs for waste collection services as allocated by the City and determined by the City’s sole discretion

## **11. BROKER REPRESENTATION**

The City will not be held responsible for any fees, commission, or any other expenses related to any Proponent’s brokers or other agents. Any broker representation or relationship on a Respondent’s behalf during the RFEI/SOQ process should be disclosed to the City.

## **12. PERSONNEL AND SUBCONTRACTORS**

The Contractor will provide only personnel who have the qualifications, experience and capabilities to provide the Goods and perform the Services.

The Contractor will ensure that:

- (a) all personnel performing the Services conduct themselves in a courteous and respectful manner that is conducive to positive public relations;



- (b) all personnel will wear a uniform provided by the Contractor in a form satisfactory to the City and that abides by all clothing requirements under the *Workers Compensation Act* and Regulations pursuant thereto; and
- (c) all personnel will at all times carry on their person, personal photographic identification.

The Contractor is responsible for managing its employees in terms of training, work duties, scheduling and performance issues. It must ensure there are sufficient trained employees with appropriate certifications as required to meet the objective of the contract.

The Contractor must ensure that all food services personnel are trained in proper sanitation procedures and meet all requirements of the Provincial Health, FoodSafe Handling.

### **13. SECURITY**

The Contractor shall:

- (a) be responsible for the security of the coffee shop, its inventory, cash and d terminals;
- (b) maintain adequate security for the premises during periods when Contractor's staff are scheduled to work for its equipment, supplies and products and will follow any site-security guidelines provided by the City;
- (c) as directed by the City, at the end of each work period, the Contractor shall secure doors, openings and storage areas with the coffee shop; and
- (d) be exclusively responsible for the theft or loss of any equipment, monies, supplies or products, whether owned by the Contractor or the City, which occur as a result of the Contractor's failure to maintain adequate security where physically capable of securing the premises.

### **14. NON-EXCLUSIVITY**

The City intends to contract with food and beverage Contractor, on a non-exclusive basis. The City reserves the right, depending on the requirements, availability and/or special needs, to utilize alternative Contractor(s) to meet its operational requirements.

**-END OF PAGE-**

## **SCHEDULE B**



## **DRAFT LEASE AGREEMENT**

**Title:** Coffee Shop Operator – Surrey Sports & Leisure Complex

**Reference No.:** 1220-030-2017-020

**DRAFT LEASE AGREEMENT**



**LEASE OF COFFEE SHOP PREMISES**

**LOCATED AT**

**SURREY SPORTS & LEISURE COMPLEX**

**BETWEEN**

**CITY OF SURREY**

**AND**

-----  
*(NAME OF CONTRACTOR)*

## LEASE OF COFFEE SHOP PREMISES

THIS LEASE dated \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, is

### BETWEEN:

**CITY OF SURREY**, having a business address at  
13450 – 104 Avenue, Surrey, BC V3T 1V8

(the “**Landlord**”)

### AND:

\_\_\_\_\_, a company  
incorporated pursuant to the British Columbia *Business  
Corporations Act* (Reg. No. \_\_\_\_\_), having a business  
address at \_\_\_\_\_, \_\_\_\_\_, B.C.  
V \_\_\_\_\_

(the “**Tenant**”)

### BACKGROUND

- A. The Landlord is the registered owner of the lands situate in the City of Surrey on which the Landlord has constructed a Civic Facility.
- B. The Landlord has agreed to lease a portion of the Civic Facility to the Tenant on the terms and conditions set out below.

### AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties covenant and agree as follows:

#### 1. DEFINITIONS/APPENDICES

##### 1.1 Defined Terms

In this Lease:

- (a) “**Additional Rent**” means all sums of money to be paid by the Tenant, whether to the Landlord or otherwise, under this Lease except Minimum Rent and Percentage Rent.
- (b) “**Architect**” means the architect from time to time named by the Landlord.

- (c) **“Building”** means the building and other improvements erected, or to be erected, on the Land, and includes any other buildings, structures, facilities, and improvements constituting an expansion of the Civic Facility.
- (d) **“Capital Tax”** means the tax or excise imposed upon the Landlord on account of the capital of the Landlord as such amount is allocated by the Landlord to the Land and the Building.
- (e) **“Civic Facility”** means the Land, the Building, and the Common Areas and Facilities.
- (f) **“Commencement Date”** means the earlier of:
  - (i) the day immediately following the day on which the Fixturing Period expires; and
  - (ii) the day on which the Tenant carries on business in or from the Premises.
- (g) **“Common Areas and Facilities”** means any areas, facilities, utilities, improvements, equipment and installations designated for common or shared use in the Building or on the Lands;
- (h) **“Fixturing Period”** means the period commencing on the day that is 30 days following the date the Landlord or the Architect notifies the Tenant in writing that the Premises are or will be ready for occupancy by the Tenant for the purpose of the Tenant completing the Tenant’s Work and ending on the earlier of 30 days following such notice from the Landlord and the date upon which the Premises are opened for business.
- (i) **“Goods and Service Tax”** or “GST” means the tax presently levied under Part IX of the *Excise Tax Act* (Canada) or as may be amended or substituted from time to time.
- (j) **“Gross Sales”** means the aggregate (without duplication) of all revenues, whether in cash, accounts receivable, or other consideration from all business conducted on or from the Premises by the Tenant or any other party without reserve or deduction for uncollected or uncollectible accounts with the full selling price or charge being considered to be received when a sale or lease is made or services are rendered, and, without limitation, includes:
  - (i) the selling price of all goods sold;
  - (ii) the charges for all services rendered;
  - (iii) charges to customers in the nature of carrying charges, finance charges, or interest; and
  - (iv) the revenue from all orders placed by means of electronic, telephone, video, computer, or other technology-based systems, including the Internet, whether existing now or developed in the future.

- (k) **“Hazardous Substance”** means any substance that, when released into the Civic Facility or any part thereof, or into the natural environment, is likely to cause, at any time, material harm or degradation to the Civic Facility or any part thereof, or to the natural environment or material risk to human health, and includes, without limitation, any flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls, chlorofluorocarbons, hydro chlorofluorocarbons, urea formaldehyde foam insulation, radon gas, chemicals known to cause cancer or other toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, or any substance declared to be hazardous or toxic under any laws now or hereafter enacted, which affect or apply to the Civic Facility, the Landlord, the Tenant, or any of them.
- (l) **“Land”** means the land legally described in Appendix 2.
- (m) **“Landlord”** means the City of Surrey.
- (n) **“Lease”** means this Lease and all its Appendices, as amended from time to time.
- (o) **“Lease Year”** means, in the case of the first Lease Year, the period beginning on the Commencement Date and terminating 12 months from the last day of the calendar month in which the Commencement Date occurs (except that if the Commencement Date occurs on the first day of a calendar month, the first Lease Year shall terminate on the day prior to the first anniversary of the Commencement Date) and, in the case of each subsequent Lease Year, means each 12-month period after the first Lease Year;
- (p) **“Leasehold Improvements”** means all fixtures, trade fixtures, improvements, installations, alterations, and additions from time to time made, erected, or installed by, or on behalf of, the Tenant in the Premises, with the exception of furniture and equipment not of the nature of fixtures, but includes all partitions however fixed (including floor-to-ceiling moveable partitions) and includes all wall-to-wall carpeting with the exception of carpeting laid over vinyl tile or other finished floor and affixed so as to be readily removable without damage.
- (q) **“Minimum Rent”** means the minimum rent specified in paragraph 4.2(a) (i).
- (r) **“Percentage Rent”** means the percentage rent specified in paragraph 4.2(a) (ii).
- (s) **“Permitted Business”** means the permitted business described in clause 6.1.
- (t) **“Premises”** means the premises forming part of the Civic Facility shown in bold black outline on Appendix 1.
- (u) **“Prime Rate”** means the annual rate of interest announced at the relevant time by the *[name of bank]* as a reference rate in effect for determining interest rates on Canadian dollar commercial loans made by it in Canada.
- (v) **“Rent”** means Minimum Rent, Percentage Rent (if any), and Additional Rent.
- (w) **Taxes”** means all taxes, rates, duties, levies, and assessments whatsoever, whether municipal, regional district, federal, provincial, or otherwise, levied, imposed

or assessed by any competent authority against the Civic Facility or any part of it or upon the Landlord in respect of the Premises or in respect of the use and occupation of it.

(x) “**Term**” means the period of time specified in clause 3.2.

(y) “**Unavoidable Delay**” means a delay in performance of an act or compliance with a covenant caused by any event beyond the reasonable control of the party obligated to perform or comply, except a delay caused by lack of funds or other financial reason.

## **1.2 Appendices**

The following Appendices form part of this Lease:

Appendix 1—Plan of Premises  
Appendix 2—Legal Description of the Land  
Appendix 3—Rules and Regulations

## **2. INTENT**

### **2.1 Net Lease**

The Tenant will pay to the Landlord duly and punctually all Rent without any deduction, abatement, or set-off whatsoever, so that this Lease is to be a completely carefree net lease to the Landlord. All expenses, costs, payments, and outgoings incurred in respect of, or relating to, the Premises whether or not referred to in this Lease, and whether or not within the present contemplation of the Landlord or the Tenant, will be borne by the Tenant so that Rent will be absolutely net to the Landlord except as otherwise specifically provided in this Lease.

## **3. PREMISES AND TERM**

### **3.1 Demise**

The Landlord leases the Premises to the Tenant for the Term, and the Tenant leases the Premises from the Landlord, on and subject to the covenants and agreements contained in this Lease.

### **3.2 Length and Commencement of Term**

The Term of this Lease is for 5 years and will commence on the Commencement Date.

### **3.3 Extension of Term**

If the Term commences on a day other than the first day of a month, the Term will be extended by the period from the Commencement Date of this Lease to and including the last day of the month in which the Commencement Date occurs.

### **3.4 Conditions Precedent**

The obligation of the Landlord to complete the lease of the Premises is subject to the senior management or the Council of the Landlord approving the lease of the Premises on or before December 7, 2017. \_\_\_\_\_

#### **4. RENT AND ADDITIONAL RENT**

##### **4.1 Covenants to Pay Rent**

The Tenant covenants to pay when due Rent and all other costs and charges payable by it under this Lease.

##### **4.2 Minimum Rent and Percentage Rent**

- (a) During the Term, the Tenant will pay to the Landlord, at the office of the Landlord or at such other place in Canada as the Landlord designates from time to time in writing, in lawful money of Canada and without deduction, set-off, or abatement, the aggregate of:
  - (i) Minimum Rent of \$ \_\_\_\_\_ per year payable in equal consecutive monthly installments of \$ \_\_\_\_\_ each in advance on the first day of each calendar month;
  - (ii) a Percentage Rent equal to the amount by which \_\_\_\_\_% of the Gross Sales for the relevant Lease Year exceeds the Minimum Rent paid during that Lease Year. The Percentage Rent will be payable (on a cumulative basis) in consecutive monthly installments in arrears within 15 days after the end of each month of the Term, equal to:
    - A. the amount by which \_\_\_\_\_% of the Gross Sales for the period from the beginning of the Lease Year to the end of the immediately preceding month exceeds the Minimum Rent paid for the same period; less
    - B. an amount equal to the installments of Percentage Rent already paid or payable for the same period;
  - (iii) Additional Rent as specified in clause 4.4; and
  - (iv) all GST assessed upon or as a direct result of the payment of Rent under this Lease and such GST will not be considered to be Rent, but the Landlord will have the same rights and remedies for non-payment of GST as it has for non-payment of Rent.

##### **4.3 Reports of Gross Sales**

- (a) The Tenant will deliver to the Landlord statements in the form and containing the detail required from time to time by the Landlord, as follows:
  - (i) not later than the 5th day of each calendar month of the Term, a statement signed by the Tenant, or by the auditor of the Tenant, certifying the Gross Sales for the last preceding calendar month; and



- (ii) not later than 60 days after the end of each Lease Year and after the expiration or termination of this Lease a written statement of Gross Sales for the last preceding Lease Year signed by the Tenant together with a written certification opinion of an independent Chartered Accountant or other licensed accountant acceptable to the Landlord.
- (b) If the Tenant fails to deliver a statement referred to in subclause 4.3(a) within the stated time, the Landlord, in addition to any other rights and on not less than 10 days' prior written notice to the Tenant, may employ an independent Chartered Accountant qualified to practice and practicing in the Province of British Columbia, to examine the books and records of the Tenant and others necessary to enable him or her to report on and certify the amount of Gross Sales for the applicable period, and the Tenant promptly will pay to the Landlord the cost of that examination and report as Additional Rent.
- (c) Within 60 days after:
  - (i) delivery of each statement of Gross Sales referred to in paragraph 4.3(a)(ii); or
  - (ii) the date upon which the Landlord receives a report from a Chartered Accountant appointed under subclause 4.3(b),

the Landlord will establish the amount of Percentage Rent or installment of it, as the case may be, required to be paid by the Tenant for the applicable period under clause 4.2, and if that amount is more than the amount of Percentage Rent already paid by the Tenant, the Tenant will immediately pay the deficiency to the Landlord without interest, but if that amount is less than the amount of Percentage Rent already paid by the Tenant, the excess will, at the option of the Landlord, be credited to the next installment of Percentage Rent or refunded by the Landlord without interest.

#### **4.4 Additional Rent**

- (a) In each Lease Year, the Tenant will pay to the Landlord as Additional Rent, in addition to the Minimum Rent and Percentage Rent and other sums due hereunder:
  - (i) the amount of all real property, municipal and other property taxes and rates, whether general or special, of any nature whatsoever, including school or local improvement taxes and rates, levied or assessed by any lawful authority against the Premises, or against the Landlord on account of its ownership thereof. The tax year of any lawful authority commencing during any Lease Year shall be deemed to correspond to such Lease Year. The Additional Rent provided for in this subclause shall be paid within 20 days after demand therefor by the Landlord. The copy of the tax bill submitted by the Landlord to the Tenant shall be sufficient evidence of the amount of taxes assessed or levied against the Premises to which such bill relates;

- (ii) all taxes, rates, duties and assessments and other charges that may be levied, rated, charged or assessed against or in respect of all improvements, equipment and facilities of the Tenant on the Lands, and every tax and license fee in respect of every activity carried on thereat or in respect of the use or occupancy thereof by the Tenant (and any and every sub-tenant or licensee), [other than such taxes as corporate, income, profits or excess profits taxes assessed upon the income of the Landlord,] and any and all taxes, rates, duties, assessments, license fees and other charges which may in future be levied in lieu of the same;
  - (iii) the amount of Two Hundred (\$200) Dollars plus GST per month in advance on the first day of each calendar month of the Term and renewals thereof to cover all charges for all utilities provided to the Premises, with the exception of telephone, cable and internet; and
  - (iii) all other sums of money required under this Lease to be paid to the Landlord by the Tenant whether or not designated as Additional Rent, other than Minimum Rent and Percentage Rent.
- (b) If any of the amounts referred to in subclause 4.4(a) is not paid at the time required under this Lease, it will be collectible as Additional Rent with the next installment of Rent falling due, but nothing in this Lease suspends or delays the payment of any amount of money when it becomes payable, or limits any other remedy of the Landlord.
  - (c) The Tenant will pay to the Landlord applicable GST either at the same time and in the same manner as monthly payments of Rent are payable, or at the time the taxing authority in respect of GST requires them to be paid by the Landlord or the Tenant, whichever is earlier.

#### **4.5 Pre-authorized Payment Plan**

The Tenant, at the request of the Landlord, will authorize the financial institution at which the Tenant maintains an account to pay the Landlord and debit the account of the Tenant amounts equal to the monthly payments for Minimum Rent and Additional Rent, as estimated by the Landlord, such payments to be made on the dates that they accrue due under this Lease.

#### **4.6 Partial and Full Closure of Civic Facility for Maintenance**

On average, every two years, the Landlord will close the aquatic facilities portion of the Civic Facility for a period of 4-6 weeks for scheduled maintenance. The Landlord may also from time to time close the entire Civic Facility for maintenance and/or facility upgrades. During the closure period the Minimum Rent and utility rent will be adjusted to reflect the percentage reduction of patrons using the Civic Facility during the closure period.

### **5. RECORDS, BOOKS OF ACCOUNT, AND AUDITS**

#### **5.1 Tenant's Records**

- (a) For the purpose of ascertaining the amount payable as Percentage Rent and permitting verification by the Landlord, the Tenant will keep on the Premises, or

at its principal office in Canada, for a period of not less than three complete calendar years following the end of each Lease Year, original or duplicate books and records showing all information required to properly ascertain and verify Gross Sales for the Lease Year, including but not limited to, inventory records and receipts of merchandise at the Premises and all sales and other transactions on or from the Premises by the Tenant and any other person conducting business on or from the Premises.

- (b) The Landlord and the Landlord's authorized representatives may examine the records of the Tenant and all other persons conducting business on or from the Premises during business hours at the Premises or at the Tenant's principal office in Canada to check, ascertain, tabulate, and verify Gross Sales, but the foregoing will not unreasonably interfere with the conduct of the Tenant's business or cause embarrassment to the Tenant's customers.

## **6. USE OF PREMISES**

### **6.1 Permitted Business**

- (g) The Tenant will use the Premises solely for the purpose of conducting the business of retail sale of those items sold by the majority of Coffee stores and providing seating area for the use of the Tenant's customers and the Tenant will not use the Premises or permit them to be used for any other purpose without the Landlord's prior written consent.
- (h) The tenant agrees to provide food and beverages, for special events and functions as requested by the Landlord acting reasonably.

### **6.2 Conduct of Business**

- (a) the Tenant will conduct its business in, and use the whole of the Premises, continuously throughout the Term in an up-to-date, first-class, and reputable manner befitting the Civic Facility and on the days and during the hours that the Landlord from time to time designates;
- (b) at the request of the Landlord, the Tenant will immediately discontinue any business practice by the Tenant whether through advertising, selling procedures, or otherwise that, in the opinion of the Landlord, may harm the business or reputation of the Landlord or reflect unfavourably on the Civic Facility, the Landlord or other tenants of premises in the Civic Facility, or that may confuse, mislead, or deceive the public;
- (c) All articles, and the arrangement, style, colour, and general appearances of them, in the interior of the Premises including, without limitation, window displays, advertising matter, signs, merchandise, and store fixtures will be in keeping with the character and standards of the improvements within the Civic Facility, as determined by the Landlord. The Landlord reserves the right to require the Tenant to correct any non-conformity. The Tenant will keep the display windows and signs (if any) on or in the Premises well-lit during the hours that the Landlord from time to time designates.

### **6.3 Storage and Office Space**

The Tenant will warehouse, store, or stock on the Premises only merchandise that the Tenant intends to offer for sale on or from the Premises. This does not preclude occasional emergency transfers of merchandise to or from other stores of the Tenant. The Tenant will not use any part of the Premises for storage or office purposes other than is reasonably required to carry on the Permitted Business in the Premises.

### **6.4 Name of Business**

The Tenant will conduct the Permitted Business on or from the Premises only under the name of \_\_\_\_\_ and will not change the advertised name of the Permitted Business without the prior written consent of the Landlord. The Tenant covenants that it has the exclusive right to use the name set out above.

### **6.5 Outside Display of Goods**

The Tenant will not display merchandise outside the Premises without the prior written consent of the Landlord, which may be arbitrarily withheld.

### **6.6 Operations by Tenant**

- (a) Without limiting the generality of its other obligations under this Lease, the Tenant will operate the Premises in a good, efficient, and business-like manner and will keep the Premises neat, clean, and sanitary.
- (b) The Tenant will comply with all laws, ordinances, rules, and regulations of government authorities concerning or related to the Civic Facility or the Premises, or both, including without limitation, those dealing with any Hazardous Substance, and the construction, repair, maintenance, operation, use, and occupancy of the Premises, and the Tenant will comply with all rules and regulations and policies established by the Landlord from time to time that will apply generally to all retail tenants in the Civic Facility.
- (c) The Tenant will refrain and cause all those under its control to refrain from any business or activity that, in the Landlord's opinion, is in breach of the provisions of any of the leases or agreements of any other tenants or occupants of the Civic Facility or any part of it.

## **7. USE OF COMMON AREAS AND FACILITIES**

### **7.1 Non-exclusive Use**

The Tenant and its officers, employees, customers, and other invitees, in common with others designated by the Landlord, or otherwise entitled, will have the non-exclusive license to use the Common Areas and Facilities for the purposes from time to time permitted or designated by the Landlord, acting reasonably, but subject to the exclusive management and control of the Common Areas and Facilities by the Landlord.

## **7.2 Management and Control by Landlord**

The Landlord has the exclusive right to manage and control the Civic Facility, and from time to time to establish, modify, and enforce reasonable rules and regulations regarding the use, maintenance, and operation of the Civic Facility generally, and the Common Areas and Facilities specifically, and the Tenant, its officers, employees, customers, and other invitees will observe the rules and regulations in all respects.

## **7.3 Parking**

- (a) The Landlord may impose reasonable charges for the use by anyone of parking facilities in the Civic Facility.

## **8. REPAIR**

### **8.1 Landlord's Repair**

The Landlord will, subject to the Tenant's compliance with this Lease, receipt by the Landlord of insurance proceeds under its various policies of insurance in respect of the Civic Facility, and the provisions of clause 8.4, at all times during the Term, keep the Common Areas and Facilities in a reasonable state of repair, as a prudent owner of a reasonably similar commercial development would do, having regard to the size, age, and location of the Civic Facility, including but not limited to foundations, roofs, exterior walls (excluding fronts of premises and glass in premises set aside by the Landlord for leases to tenants of the Civic Facility), structural sub-floors, bearing walls, columns, beams, and other structural elements of the Civic Facility, and the systems provided for bringing utilities to the Premises (to the extent not located within the Premises or other tenant premises).

### **8.2 Tenant's Repair**

The Tenant will at its cost, subject to clause 8.4:

- (a) keep the Premises in good and substantial state of repair to the standards of first-class premises, including all Leasehold Improvements, furniture, equipment, and other facilities (including, without limitation, wiring, piping, lighting and plumbing fixtures and operating equipment) located on, in, under, above, or which directly serve the Premises, the front of the Premises, all glass and utilities in the Premises, but with the exception of structural elements of the Premises;
- (b) permit the Landlord to enter and view the state of repair, and repair as required above, according to notice in writing, and leave the Premises in a good and substantial state of repair as required above; and
- (c) if any part of the Civic Facility, including, without limitation, structural elements of it and any part of the Common Areas and Facilities, becomes damaged or destroyed through the willful act, negligence, or omission of the Tenant or any of its officers, employees, customers, or other invitees, reimburse the Landlord for the cost of repairs or replacement promptly upon demand.

### **8.3 Abatement of Rent**

If there is damage to the Premises, or the Building, that prevents use of or access to the Premises or the supply of services essential to the Premises and if the damage is such that the Premises, or a part of the Premises, is rendered not reasonably capable of use by the Tenant for the conduct of its business for a period exceeding five consecutive days, unless the damage was caused by the negligence of the Tenant or an assignee, subtenant, concessionaire, licensee, or an officer, employee, customer, or other invitee of any of them, the Minimum Rent for the period beginning on the occurrence of the damage until at least a substantial part of the Premises is again reasonably capable of use and occupancy for the stated purpose will abate in the proportion that the area of the part of the Premises rendered not reasonably capable of use by the Tenant for the conduct of its business bears to the whole of the Premises but not exceeding the amount of rental income insurance proceeds received by the Landlord for the period.

#### **8.4 Termination in Event of Damage**

- (a) The Landlord, by written notice to the Tenant given within 60 days of the occurrence of damage to the Building, may terminate this Lease:
  - (i) if the Building is damaged by any cause and in the reasonable opinion of the Landlord either cannot be repaired or rebuilt with reasonable diligence within 6 months after the occurrence of the damage or the cost of repairing or rebuilding it would exceed by more than \$75,000 the proceeds of the Landlord's insurance available for that purpose; or
  - (ii) if the Premises are damaged by any cause and the damage is such that the Premises or a substantial part of the Premises are rendered not reasonably capable of use by the Tenant for the conduct of its business and in the reasonable opinion of the Landlord cannot be repaired or rebuilt with reasonable diligence by four months before the end of the Term.
- (b) If this Lease is terminated under subclause 8.4(a) above, neither the Landlord nor the Tenant will be bound to repair as provided in clauses 8.1 and 8.2, and the Tenant will deliver up possession of the Premises to the Landlord with reasonable speed.

#### **8.5 Certificate of Architect**

If the Premises or the Building are damaged and there is a dispute as to the length of time required to repair or rebuild the Building or the Premises, or as to the cost of repairing or rebuilding the Building, or as to whether the Premises or a substantial part of the Premises are rendered not reasonably capable of use by the Tenant for the conduct of its business or have once again become capable of such use, the dispute will be settled, at the cost of the Tenant, by the Architect and his or her certificate will be conclusive.

#### **8.6 Landlord's Approval**

Before commencing any repairs, replacements, maintenance, alteration, decoration, or improvements set out above, or elsewhere referred to in this Lease, that are reasonably estimated by the Tenant to cost in excess of \$5,000, the Tenant will obtain the Landlord's written approval and will, if reasonably required by the Landlord to do so, submit plans and

specifications for the Landlord's review. The Tenant will pay to the Landlord a charge for review of its plans and specifications.

### **8.7 Landlord's Right to Do Tenant's Repair**

If the Tenant refuses or neglects to repair properly as required under this Lease and to the reasonable satisfaction of the Landlord, the Landlord may make such repairs without liability to the Tenant (including the Landlord's negligence and the negligence of other parties for whom the Landlord is responsible in law) for any loss or damage that may accrue to the Tenant's merchandise, fixtures, or other property or to the Tenant's business by reason of the repairs, and upon completion of the repairs, the Tenant will pay the Landlord's actual reasonable costs in the circumstances plus 15% of such costs, for making such repairs, immediately upon presentation of an invoice for such costs.

## **9. UTILITIES AND SERVICES—PREMISES**

### **9.1 Utility and Service Charges**

- (a) The Tenant will pay all property taxes applicable to the operation of the Coffee Shop as they become due annually;
- (b) The Tenant will pay when due all costs for all other utilities and services provided to the Premises, including window cleaning and janitorial service (if any).

### **9.2 Limitation of Liability**

The Landlord will not be liable to the Tenant in damages or otherwise for an interruption or failure in the supply of utilities or services to the Premises but the Landlord will use diligent efforts to secure the re-supply of that utility or service.

### **9.3 Tenant Not to Overload Utility and Service Facilities**

The Tenant will not install equipment that will exceed or overload the capacity of utility or service facilities, and if, in the opinion of the Landlord, equipment installed by the Tenant requires additional facilities, they will be installed at the Tenant's expense in accordance with plans and specifications approved by the Landlord prior to installation. The Landlord reserves the right to install such additional equipment at the Tenant's expense, which will not exceed 15% of the cost of the additional equipment.

## **10. STATUS STATEMENT BY TENANT**

### **10.1 Status Statement**

When requested by the Landlord, the Tenant will promptly provide a certificate in writing as to the status of the Lease, including whether it is in full force and effect, is modified or unmodified, confirming the rental payable and the state of accounts between the Landlord and the Tenant, the existence or non-existence of default, and any other matters pertaining to this Lease as may be reasonably required.



## **11. INSURANCE AND INDEMNITY**

### **11.1 Landlord's Insurance**

The Landlord will take out and keep in force all risks, property insurance on the Building, and such other forms of insurance as the Landlord reasonably considers necessary. The Tenant is relieved of any liability arising from its acts, fault, negligence, or omissions, to the extent losses are covered by such insurance. The Tenant does not have the right to receive any proceeds under the policies.

### **11.2 Tenant's Insurance**

The Tenant at its expense will provide and maintain in force during the Term the following insurance:

- (a) commercial general liability insurance concerning the Premises and the Tenant's business of not less than \$5,000,000 or in such other amount as may be reasonably required by the Landlord; the insurance will include, without limitation, liability for personal injury or death, contractual liability, property damage, and contingent employer's liability and will name the Landlord as additional insured;
- (b) all risks (including flood, sewer, and drain back-up) property insurance on insurable property including merchandise, furniture, fixtures, and Leasehold Improvements, to the full replacement value, on a stated amount coinsurance basis, with a deductible approved by the Landlord;
- (c) insurance for all glass and plate glass on the Premises, whether installed by the Landlord or the Tenant;
- (d) all risks tenant's legal liability insurance in an amount not less than \$1,000,000;
- (e) business interruption insurance providing coverage for 12 months' loss of insurable gross earning or profit; and
- (f) any other form of insurance and with whatever higher limits that the Landlord or its Mortgagee may reasonably require.

### **11.3 Insurance Terms**

Any policy of insurance under clause 11.2 shall be endorsed to add the Landlord as an additional insured and shall include a cross liability provision such that the Landlord and Tenant are each insured as if each had purchased the policy of insurance. Property policies will contain a waiver of subrogation against the Landlord and its elected and appointed officials, servants, agents, successors, and assigns. Liability policies will contain a cross-liability clause and severability of interest endorsement in favour of the Landlord where it is named. All insurance policies will be in a form and with insurers satisfactory to the Landlord, and contain a clause requiring the insurer not to cancel or change the insurance without first giving the Landlord 15 days' prior written notice. The Tenant hereby waives its right of subrogation against the Landlord and the Landlord's elected and appointed officials, servants, agents, successors, and assigns, and further provides the Landlord with copies of the insurance policies required by this Lease.



#### **11.4 Tenant's Contractor's Insurance**

The Tenant will require any contractor performing work on the Premises to carry and maintain, at no expense to the Landlord, commercial general liability insurance and other insurance in amounts and on terms reasonably determined by the Landlord, and to provide the Landlord with satisfactory proof of that insurance from time to time.

#### **11.5 Landlord's Right to Insure**

If the Tenant does not provide or maintain in force the insurance required under this Lease or provide proof of the insurance when requested by the Landlord, the Landlord may take out the necessary insurance and pay the premiums, and the Tenant will pay to the Landlord as Additional Rent the amount of such premium on the next succeeding rental payment date.

#### **11.6 Acts Conflicting with Insurance**

The Tenant will not do or permit to be done any act or thing that may render void or conflict with any policy of insurance, including any applicable regulations of fire insurance underwriters, by which the Premises or the Building are insured. If any such policies are cancelled or reduced, or threatened to be cancelled or reduced, by reason of any act or omission of the Tenant, the Landlord will have the right at its option to place such insurance at the expense of the Tenant and to remedy the circumstances that may prevent the issuance of the insurance. If the premium paid in respect of any policy is increased by any act or omission of the Tenant, the Tenant will pay to the Landlord at the Landlord's option on the next succeeding rental payment date the amount by which the premium has been increased as Additional Rent. All of the remedies of the Landlord in this Article 12 may be taken without limiting or affecting any other right or remedy in this Lease.

#### **11.7 Indemnity**

The Tenant will indemnify the Landlord and save it harmless from and against all claims, actions, damages, liabilities, costs, and expenses in connection with loss of life, personal injury, or damage to property arising from any occurrence on the Premises, or occupancy or use of the Premises, or occasioned wholly or in part by an act or omission of the Tenant, its officers, employees, agents, customers, contractors, or other invitees. The provisions of this clause will survive the expiry or sooner termination of this Lease.

### **12. WORKERS' COMPENSATION BOARD COVERAGE**

The Tenant will, at its own expense, procure and carry full Workers' Compensation Board coverage for itself and all workers, employees, servants and others engaged in the Tenant's occupancy or use of the Premises.

- (a) The Tenant will provide the Landlord with the Tenant's Workers' Compensation Board registration number and a letter from the Worker's Compensation Board confirming that the Tenant is registered in good standing with the Workers' Compensation Board.
- (b) The Tenant agrees that it is the prime contractor for the purposes of the Workers Compensation Act. The Tenant will have a safety program in place that meets

the requirements of the Workers' Compensation Board Occupational Health and Safety Regulation and the Workers Compensation Act. As prime contractor, the Tenant will be responsible for appointing a qualified coordinator for insuring the health and safety activities for the location of the Services. The qualified coordinator is:

Name: \_\_\_\_\_  
Contact No. \_\_\_\_\_

The Tenant will advise the Landlord immediately in writing if the name or contact number of the qualified coordinator changes.

- (c) Without limiting the generality of any other indemnities granted by the Tenant in this Lease, the Tenant will indemnify and save harmless the Landlord from and against all claims, demands, causes of action, suits, losses, damages, costs, liabilities, expenses, judgments, penalties and proceedings (including all actual legal costs) which the Landlord incurs, suffers or is put to arising out of or in any way related to unpaid Workers' Compensation Board assessments owing from any person or corporation engaged in the performance of this Lease or arising out of or in any way related to the failure to observe safety rules, regulations and practices of the Workers' Compensation Board, including penalties levied by the Workers' Compensation Board.
- (d) The Tenant will ensure compliance with and conform to all health and safety laws, by laws or regulations of the Province of British Columbia, including without limitation the Workers Compensation Act and Regulations pursuant thereto.
- (e) The Landlord may, on twenty four (24) hours written notice to the Tenant, install devices or rectify any conditions creating an immediate hazard existing that would be likely to result in injury to any person. However, in no case will the Landlord be responsible for ascertaining or discovering, through inspections or review of the operations of the Tenant or otherwise, any deficiency or immediate hazard.
- (f) The Tenant understands and undertakes to comply with all the Workers' Compensation Board Occupational Health and Safety Regulations for hazardous materials and substances, and in particular with the "Workplace Hazardous Materials Information System (WHIMS)" Regulations.

### **13. BUSINESS LICENSE**

The Tenant will obtain and maintain throughout the Term of this Agreement a valid City of Surrey business license.

### **14. ACCEPTANCE OF PREMISES**

#### **14.1 Acceptance of Premises**

The Tenant will notify the Landlord of any defects in the Premises, including environmental hazards, that prevent or diminish their use, within 10 days after the date when the Tenant is

given occupancy by the Landlord, and failing the giving of notice, the Tenant will be considered for all purposes to have accepted the Premises in their then existing condition.

## **15. LEASEHOLD IMPROVEMENTS AND TRADE FIXTURES**

### **15.1 Installation and Changes by Tenant**

- (a) The Tenant will, during the Fixturing Period, complete all of the Tenant's Work in compliance with the provisions of Appendix 5.
- (b) All Leasehold Improvements, including without limitation, trade fixtures installed by, or on behalf of, the Tenant will be of first-class quality. The Tenant will not make or cause to be made any Leasehold Improvement, without first obtaining the Landlord's written approval.

### **15.2 Removal of Installations and Restoration by Tenant**

- (a) All Leasehold Improvements when installed become the property of the Landlord, without compensation to the Tenant, but the Landlord will have no responsibility for the repair, replacement, operation, maintenance, or insurance of the Leasehold Improvements, which will remain the responsibility of the Tenant.
- (b) At the end of the Term, the Tenant will, at its expense, remove the Leasehold Improvements to the extent requested by the Landlord and all furniture, furnishings, equipment, and trade fixtures and make good any damage caused to the Premises or the Civic Facility by such installation or removal, and restore the Premises to a condition of good and substantial repair, as required in clause 8.2. If the Tenant does not remove any Leasehold Improvements, or its furnishings, furniture, or equipment as required by the Landlord, the Landlord may, without liability on its part, without notice to the Tenant, enter the Premises and remove such items at the Tenant's expense, plus an administration charge of [e.g., 15%] of such amount, which will be paid by the Tenant to the Landlord as Additional Rent, on demand.

### **15.3 Tenant to Discharge All Liens**

The Tenant will promptly pay all its contractors, subcontractors, and material suppliers and do all things necessary to ensure that no lien is claimed against the Premises or the Land or any other part of the Civic Facility, and should a claim of lien be filed, the Tenant will cause it to be discharged or vacated at the Tenant's expense within seven days after it is brought to the attention of the Tenant or provide adequate security for it to the extent approved by the Landlord.

### **15.4 Tenant's Signs, Awnings, and Canopies**

The Tenant will not place or permit to be placed or maintained on the roof or on any exterior or interior door, wall or window of the Premises, or elsewhere in the Civic Facility any sign, awning, canopy, decoration, lettering, advertising matter, or other thing of any kind and will not place or maintain any decoration, lettering, or advertising matter on the glass of any window or door of the Premises without first obtaining the Landlord's written consent, which will not be unreasonably withheld.

## **16. DEFAULT OF TENANT**

### **16.1 Tenant's Default**

If:

- (a) the Tenant fails to pay any Rent or any other amount owing under this Lease when due, whether or not demanded by the Landlord;
- (b) the Tenant fails to observe or perform any of its other obligations under this Lease and the Tenant has not, within seven days after notice from the Landlord specifying the default, cured the default, or, if the cure reasonably requires a longer period, the Tenant has not commenced to cure the default within the seven-day period and thereafter does not diligently pursue the cure of such default;
- (c) re-entry is permitted under other terms of this Lease; or
- (d) without the consent of the Landlord the Premises are vacant for 10 days or more;

The Landlord, in addition to any other right or remedy, may do any or all of the following:

- (e) re-enter and remove all persons and property from the Premises, and the property may be removed and stored elsewhere at the cost of and for the account of the Tenant, all without service of notice and without the Landlord being guilty of trespass or being liable for loss; and
- (f) terminate this Lease and all of the Tenant's rights under it.

### **16.2 Bankruptcy**

If:

- (a) any of the goods and chattels of the Tenant on the Premises during the Term are seized by a creditor or the Tenant receives a notice from a creditor that the creditor intends to realize on security located on the Premises;
- (b) a receiver is appointed to control the conduct of the business of the Tenant on or from the Premises;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any legislation in force for bankrupt or insolvent debtors;
- (d) proceedings are instituted for the winding-up or termination of the corporate existence of the Tenant;
- (e) without the consent of the Landlord the Tenant abandons or attempts to abandon the Premises or disposes of the bulk of its goods and chattels on the Premises; or
- (f) the Lease or the Tenant's assets are taken under a writ of execution or security instrument;

then the Landlord may re-enter and take possession of the Premises as though the Tenant or other occupant was holding over after the expiration of the Term and this Lease may, at the Landlord's option, be immediately terminated by notice left at the Premises.

### **16.3 Acceleration of Rent**

If any of the events in clause 16.2 occurs, the then-current month's Rent and the Rent for the next three months, including Additional Rent, will immediately become due and payable as Rent in arrears, and the Landlord may recover it in the same manner as Rent in arrears including taking distress action.

### **16.4 Right to Relet**

- (a) If the Landlord re-enters, it may at its option, without terminating the Tenant's rights, make alterations and repairs to facilitate reletting, and relet the Premises, or any part, as the Tenant's agent for such period of time and at such Rent and on such other terms as the Landlord wishes.
- (b) Upon reletting, all Rent and monies received by the Landlord will be applied, first to the payment of indebtedness other than Rent due from the Tenant to the Landlord, second to the payment of costs and expenses of the reletting including brokerage, legal, and repair expenses, and third to the payment of Rent due and unpaid under this Lease. The residue, if any, will be applied to the payment of future Rent as it becomes due and payable.
- (c) If at any time the Rent received from the reletting is less than the Rent to be paid under this Lease, the Tenant will pay the deficiency to the Landlord to be calculated and paid monthly.

### **16.5 Re-entry**

No re-entry or entry will be construed as an election by the Landlord to terminate this Lease unless a written notice of intention to terminate is given to the Tenant. Despite a reletting without termination, the Landlord may elect at any time to terminate this Lease for a previous breach.

### **16.6 Landlord Performs Tenant's Covenants**

If the Tenant fails to perform an obligation under this Lease, the Landlord may perform the obligation and may enter the Premises without notice and do everything the Landlord considers necessary. The Tenant will pay as Additional Rent all costs and expenses incurred by the Landlord plus 15% overhead upon presentation of a bill. The Landlord will not be liable for any loss or damages resulting from negligence or otherwise resulting from such action.

### **16.7 Damages**

If the Landlord terminates this Lease, then in addition to other remedies, it may recover from the Tenant all costs incurred and damages suffered, including the cost of recovering the Premises, professional fees and disbursements paid, the unamortized portion of any allowance or inducement, and the worth at the time of termination of the excess, if any, of the amount of Rent and charges equivalent to Rent for the remainder of the term over the then reasonable rental

value of the Premises for the remainder of the Term calculated on a present value basis, all of which amounts will be immediately due and payable.

## **16.8 Distress**

None of the property of the Tenant is exempt from levy by distress. This clause may be pleaded as estoppel against the Tenant in an action brought to claim exemption.

## **17. REMEDIES OF LANDLORD AND WAIVER**

### **17.1 Remedies Cumulative**

No exercise of a specific right or remedy by the Landlord or by the Tenant precludes it from, or prejudices it in, exercising another right or pursuing another remedy or maintaining an action to which it may otherwise be entitled either at law or in equity.

### **17.2 No Waiver**

The waiver by the Landlord or the Tenant of a breach of an obligation in this Lease will not be considered to be a waiver of a subsequent breach of that obligation or another obligation.

## **18. ACCESS BY LANDLORD**

### **18.1 Right of Entry**

- (a) The Landlord and its agents may enter the Premises at all reasonable times to examine them and to show them to a prospective purchaser, lessee, or mortgagee.
- (b) The Landlord may make alterations, additions, and adjustments to and changes of location of the pipes, conduits, wiring, ducts, and other installations of any kind in the Premises where necessary to serve another party of the Civic Facility, but the Landlord will take commercially reasonable steps to minimize any disruption of the Tenant's business.
- (c) If after reasonable notice to the Tenant (except in the case of an emergency when no prior notice is required), the Tenant is not present to open and permit entry into the Premises when the Landlord requires entry, the Landlord or its agents may enter by a master key or may forcibly enter without rendering the Landlord or its agents liable for any damage or trespass and without affecting this Lease.

## **19. RULES AND REGULATIONS**

### **19.1 Landlord May Make**

The Landlord from time to time may establish, modify, and enforce reasonable rules and regulations regarding the use and occupancy of the Common Areas and Facilities of the Civic Facility and of the premises set aside by the Landlord for leasing to tenants of the Civic Facility. A set of the most recent rules and regulations are annexed to this Lease as Appendix 3.

## **20. LANDLORD'S COVENANTS AND OBLIGATIONS**

### **20.1 Quiet Enjoyment**

Subject to the observance and performance by the Tenant of all of its obligations under this Lease, the Tenant may use and possess the Premises, in accordance with the provisions of this Lease, for the Term without interference by the Landlord, or any other party claiming by, through or under the Landlord, except as otherwise provided in this Lease.

## **21. OVERHOLDING**

### **21.1 No Tacit Renewal**

If the Tenant remains in possession of the Premises after the end of the Term and without the execution and delivery of a new lease or written renewal or extension of this Lease, there is no tacit or other renewal of this Lease, and the Tenant will be considered to be occupying the Premises as a Tenant from month to month at a monthly rental payable in advance on the first day of each month equal to the sum of:

- (a) twice the monthly installment of Minimum Rent payable for the last month of the Term; and
- (b) 1/6 of the Percentage Rent, if any, for the Lease Year immediately preceding the last Lease Year of this Lease; and
- (c) 1/6 of the amount of Additional Rent payable by the Tenant for the Lease Year immediately preceding the last Lease Year of this Lease,

and otherwise upon the terms and conditions set out in this Lease, so far as applicable.

## **22. MISCELLANEOUS**

### **22.1 No Partnership**

The Landlord does not in any way or for any purpose become a partner of, or joint venturer or a member of a joint enterprise with, the Tenant. No provision of this Lease is intended to create a relationship between the parties other than that of landlord and tenant.

### **22.2 Interpretation**

Where the context requires, the singular includes the plural and vice versa, and the masculine, feminine, and neuter include each other. If two or more individuals or entities comprise the Tenant, the liability of each of them under this Lease is joint and several.

### **22.3 Registration**

This Lease will not be registered in the land title office and the Landlord will not be required to deliver it in registrable form.



## **22.4 Interest**

All overdue monies payable to the Landlord by the Tenant on any account will bear interest at the rate equal to the annual rate of interest announced by the Royal Bank of Canada as a reference rate for its Canadian commercial loans, plus 6%, from the due date until paid in full.

## **22.5 Notices**

Any notice to be given under this Lease will be considered to be given to the Tenant if delivered by hand to the Tenant or a responsible representative of the Tenant at the Premises, or if two attempts to deliver at reasonable times have been unsuccessful, if tacked in a prominent place at the Premises. Any notice to be given under this Lease will be considered to be given to the Landlord if delivered by hand to the Landlord or a responsible representative of the Landlord at [address], or if mailed by prepaid registered post to [address]. Notices will be considered to have been received if delivered by hand upon delivery, if tacked at the Premises upon tacking, or if mailed upon the fifth business day following posting.

## **22.6 Time of Essence**

Time is of the essence in this Lease.

## **22.7 Severance**

If any provision of this Lease or the application to any person of any provision is held to be invalid or unenforceable, the remainder of this Lease or its application will not be affected.

## **22.8 No Modification**

No representation, understanding, or agreement has been made or relied upon except as expressly set out in this Lease. This Lease may only be modified in writing signed by each party against whom the modification is enforceable.

## **22.9 Successors**

This Lease binds and benefits the parties and their respective heirs, administrators, successors, and permitted assigns. No rights benefit an assignee of the Tenant unless the Landlord has consented to the assignment under Article 7 of this Lease. If the Landlord sells or transfers the Lands, the Building or both, the Tenant will at the option of the transferee either attorn to the purchaser or enter into a new lease of the Premises on the same terms and conditions.

## **22.10 Peaceful Surrender**

The Tenant will at the expiration or sooner determination of the Term, immediately surrender the Premises in a peaceable way and in the state of repair specified in Article 6.

## **22.11 Entire Agreement**

This Lease contains all the representations, warranties, covenants, agreements, conditions, and understandings between the Landlord and the Tenant concerning the Premises or the subject matter of this Lease.



## 22.12 Governing Law

This Lease will be interpreted under and is governed by the laws of the Province of British Columbia.

**TO EVIDENCE THEIR AGREEMENT** each of the parties has executed this Offer on the date appearing below.

The Tenant has executed this Lease on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

\_\_\_\_\_  
[tenant name]

BY: \_\_\_\_\_  
Authorized Signatory

BY: \_\_\_\_\_  
Authorized Signatory

The Landlord has executed this Lease on the \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_.

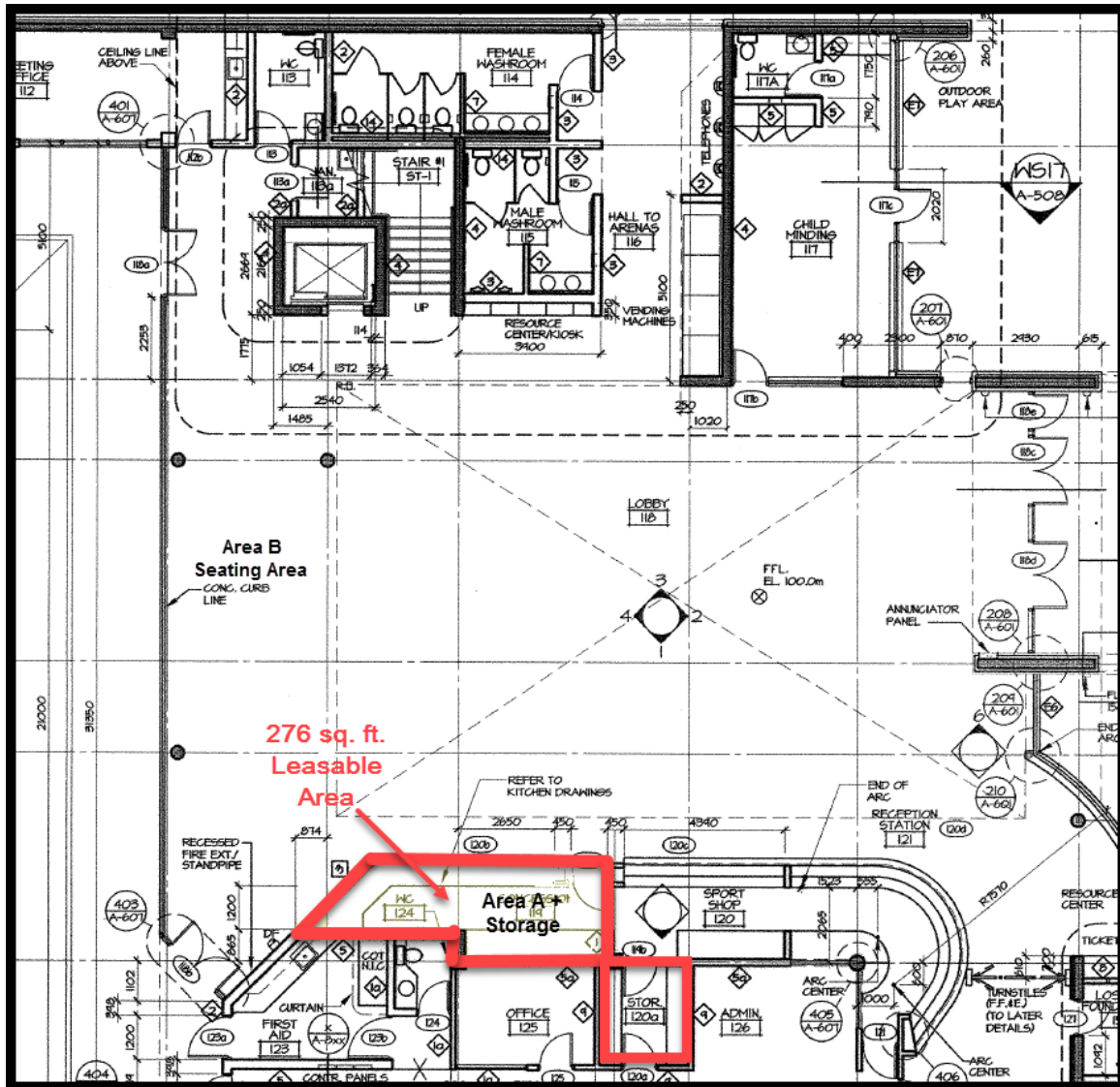
## CITY OF SURREY

BY: \_\_\_\_\_  
Authorized Signatory

## APPENDIX 1 – PLAN OF PREMISES

**Area A:** Coffee Shop and Storage Room (“Lease Area A”) which area is approximately 276 ft<sup>2</sup>.

Collectively the “Leasable Area”



## **APPENDIX 2 – LEGAL DESCRIPTION OF THE LAND**

**Parcel Identifier: 024-161-845**

**Legal Description: Lot 1 Section 25 Township 2 Plan LMP38186 New Westminster District  
(the “Land”)**

## **APPENDIX 3 – RULES AND REGULATIONS**

### **RULES AND REGULATIONS**

The Tenant will observe the following Rules and Regulations (as amended, modified, or supplemented from time to time by the Landlord as provided in the Lease):

#### **1. Refuse**

If the Tenant's garbage is of a deteriorating nature, creating offensive odours, the Tenant will utilize and maintain at its cost and expense refrigerated facilities as required by the Landlord.

#### **2. Overloading, Suspension**

- (a) The Tenant will not overload any floor of the Premises in excess of 100 pounds per square foot.
- (b) The Tenant will not hang or suspend from any wall or ceiling or roof, or any other part of the Civic Facility, any equipment, fixtures, signs, or displays that are not first authorized by the Landlord.

#### **3. Electrical Equipment**

If the Tenant requires any electrical equipment that might overload the electrical facilities in the Premises, the Tenant will submit to the Landlord plans and specifications for works required to install and supply additional electrical facilities or equipment to prevent such overloading and will obtain the Landlord's prior written approval to perform the works, which will meet all applicable regulations and codes, including without limitation, the requirements of the Landlord's insurers, and will be installed at the Tenant's sole expense. The Landlord reserves the right to install such additional equipment at the Tenant's expense, which will not exceed 15% of the cost of the additional equipment.

#### **4. Plumbing**

No plumbing facilities will be used for any purpose other than that for which they were designed, and no foreign substance of any kind will be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision by the Tenant or by any person for whom the Tenant is responsible will be borne by the Tenant.

#### **5. HVAC Operation**

The Tenant will not leave open any doors or windows to the exterior of the Civic Facility that would adversely affect the performance of any HVAC equipment in the Civic Facility.

#### **6. Pests**

Should the Premises become infested with rodents, vermin, or other pests, the Tenant will immediately remedy the same and will use such pest-extermination contractor as the Landlord may direct.

**7. Notice of Accident, Defects**

The Tenant will give immediate notice to the landlord in case of fire or accident in the Premises or of defects in the Premises or to any fixtures or equipment in them.

**8. Emergency Contacts**

The Tenant will provide the Landlord with the names, addresses, and telephone numbers of two authorized employees of the Tenant who may be contacted by the Landlord if an emergency relative to the Premises arises.

**9. Further Rules and Regulations**

For the general benefit and welfare of the Civic Facility and its tenants, the Landlord may amend these rules and regulations, by alteration or addition, and such amended rules and regulations will be binding on the Tenant.

**-END OF PAGE-**

## SCHEDULE C – FORM OF PROPOSAL

**RFP Project Title:** Coffee Shop Operator – Surrey Sports & Leisure Complex

**RFP Reference No.:** 1220-030-2017-020

**Legal Name of Proponent:** \_\_\_\_\_

**Contact Person and Title:** \_\_\_\_\_

**Business Address:** \_\_\_\_\_

**Business Telephone:** \_\_\_\_\_

**Business Fax:** \_\_\_\_\_

**Business E-Mail Address:** \_\_\_\_\_

TO:

City Representative: Richard D. Oppelt, Purchasing Manager

Address: Surrey City Hall  
Finance & Technology Department – Purchasing Section  
Reception Counter, 5<sup>th</sup> Floor West  
13450 – 104 Avenue, Surrey, B.C., V3T 1V8, Canada

Email for PDF Files: [purchasing@surrey.ca](mailto:purchasing@surrey.ca)

Dear Sir:

- 1.0** I/We, the undersigned duly authorized representative of the Proponent, having received and carefully reviewed all of the Proposal documents, including the RFP and any issued addenda posted on the City Website and BC Bid Website, and having full knowledge of the Goods and Services required, and having fully informed ourselves as to the intent, difficulties, facilities and local conditions attendant to performing the Goods and Services, submit this Proposal in response to the RFP.
- 2.0** **I/We confirm** having full knowledge that the City reserves the right to divide up the Goods and Services by type of work, or other basis as the City may decide, and to select one or more Preferred Proponents to enter into discussions with the City for one or more agreements to perform a portion or portions of the Goods and Services.
- 3.0** **I/We confirm** that the following schedules are attached to and form a part of this Proposal:

Schedule C-1 – Statement of Departures;

Schedule C-2 – Proponent's Experience, Reputation and Resources;  
Schedule C-3 – Proponent's Technical Proposal (Services);  
Schedule C-4 – Proponent's Technical Proposal (Time Schedule); and  
Schedule C-5 – Proponent's Financial Proposal.

**4.0 I/We confirm** that this proposal is accurate and true to best of my/our knowledge.

**5.0** I/We confirm that, if I/we am/are awarded the agreement, I/we will at all times be the "prime contractor" as provided by the Worker's Compensation Act (British Columbia) with respect to the Goods and Services. I/we further confirm that if I/we become aware that another contractor at the place(s) of the Goods and Services has been designated as the "prime contractor", I/we will notify the City immediately, and I/we will indemnify and hold the City harmless against any claims, demands, losses, damages, costs, liabilities or expenses suffered by the City in connection with any failure to so notify the City.

**This Proposal** is submitted by this **[day]** day of **[month], [year]**.

**I/We have the authority to bind the Proponent.**

---

(Legal Name of Proponent)

---

(Signature of Authorized Signatory)

---

(Signature of Authorized Signatory)

---

(Print Name and Position of Authorized Signatory)

---

(Print Name and Position of Authorized Signatory)

### **SCHEDULE C-1 - STATEMENT OF DEPARTURES**

1. I/We have reviewed the proposed agreement attached to the RFP as Schedule "B". If requested by the City, I/we would be prepared to enter into that agreement, amended by the following departures (list, if any):

**Section**

**Requested Departure(s) / Alternative(s)**

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2. The City of Surrey requires that the successful Proponent have the following in place **before commencing the Services**:

- (a) Workers' Compensation Board coverage in good standing and further, if an "Owner Operator" is involved, personal operator protection (P.O.P.) will be provided,  
Workers' Compensation Registration Number \_\_\_\_\_;
- (b) Prime Contractor qualified coordinator is Name: \_\_\_\_\_ and Contact Number: \_\_\_\_\_;
- (c) Insurance coverage for the amounts required in the proposed agreement as a minimum, naming the City as additional insured and generally in compliance with the City's sample insurance certificate form available on the City's Website at [www.surrey.ca](http://www.surrey.ca) search [Standard Certificate of Insurance](#);
- (d) City of Surrey or Intermunicipal business license Number: \_\_\_\_\_;
- (e) If the Proponent's Goods and Services are subject to GST, the Proponent's GST Number is \_\_\_\_\_; and
- (f) If the Proponent is a company, the company name indicated above is registered with the Registrar of Companies in the Province of British Columbia, Canada, Incorporation Number \_\_\_\_\_.

As of the date of this Proposal, we advise that we have the ability to meet all of the above requirements **except as follows** (list, if any):

**Section**

**Requested Departure(s) / Alternative(s)**

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3. I/We offer the following alternates to improve the Services described in the RFP (list, if any):

**Section**

**Requested Departure(s) / Alternative(s)**

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4. The Proponent acknowledges that the departures it has requested in Sections 1, 2 and 3 of this Schedule C-1 will not form part of the agreement unless and until the City agrees to them in writing by initialling or otherwise specifically consenting in writing to be bound by any of them.

## **SCHEDULE C-2 - PROPONENT'S EXPERIENCE, REPUTATION AND RESOURCES**

Proponents should provide information on the following (use the spaces provided and/or attach additional pages, if necessary):

- (a) Location of primary business, branch locations, background, stability, structure of the Proponent and number of years business has been operational;
- (b) Proponent's relevant experience and qualifications in delivering Goods and Services similar to those required by the RFP;
- (c) Proponent's demonstrated ability to provide the Goods and Services;
- (d) Proponent's equipment resources, capability and capacity, as relevant (including equipment resources under the Proponent's control, equipment resources to be rented, and equipment resources to be purchased);
- (e) Proponent's references (name and telephone number). The City's preference is to have a minimum of three references;
- (f) Proponent's financial strength (with evidence such as financial statements, bank references);
- (g) Provide a brief summary as to why your company would be well suited for this project, including a portfolio of comparable project(s). For each project listed include:
  - partnership arrangements;
  - gross value of project;
  - briefly describe the public consultation process if any undertaken;
  - build-out timing;
  - marketing strategy;
  - pricing strategy and related sales statistics;
  - health and safety plan; and,
  - a description of the project's success in relation to its original objectives.
- (h) Provide a summary on catering and special events management experience that would be relevant pertaining to the needs of the City and recreation centres.
- (i) Proponents should provide information on the background and experience of all key personnel proposed to undertake the Services (use the spaces provided and/or attach additional pages, if necessary):

### **Key Personnel**

Name: \_\_\_\_\_

Experience: \_\_\_\_\_

Dates: \_\_\_\_\_

Project Name: \_\_\_\_\_

Responsibility: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dates: \_\_\_\_\_  
Project Name: \_\_\_\_\_  
Responsibility: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dates: \_\_\_\_\_  
Project Name: \_\_\_\_\_  
Responsibility: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

### **Sub-Contractors**

- (j) Proponents should provide the following information on the background and experience of all sub-contractors proposed to undertake a portion of the Goods and Services (use the spaces provided and/or attach additional pages, if necessary):

DESCRIPTION OF SERVICES	SUB-CONTRACTORS NAME	YEARS OF WORKING WITH PROPONENT	TELEPHONE NUMBER AND EMAIL

**SCHEDULE C-2 - PROPONENT'S EXPERIENCE, REPUTATION AND RESOURCES**  
**(CONTINUATION)**

**A. SIMILAR FOOD SERVICE CONTRACTS COMPLETED IN THE PAST FIVE YEARS:**

**Company:** \_\_\_\_\_  
**Location:** \_\_\_\_\_  
**Scope:** \_\_\_\_\_  
**Contract Value (\$):** \_\_\_\_\_  
**Completion Date:** \_\_\_\_\_  
**Refer To (Contact):** \_\_\_\_\_  
**Telephone/Fax Numbers:** Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
**E-Mail of Project Reference:** \_\_\_\_\_

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**Company:** \_\_\_\_\_  
**Location:** \_\_\_\_\_  
**Scope:** \_\_\_\_\_  
**Contract Value (\$):** \_\_\_\_\_  
**Completion Date:** \_\_\_\_\_  
**Refer To (Contact):** \_\_\_\_\_  
**Telephone/Fax Numbers:** Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
**E-Mail of Project Reference:** \_\_\_\_\_

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**Company:** \_\_\_\_\_  
**Location:** \_\_\_\_\_  
**Scope :** \_\_\_\_\_  
**Contract Value (\$):** \_\_\_\_\_  
**Completion Date:** \_\_\_\_\_  
**Refer To (Contact):** \_\_\_\_\_  
**Telephone/Fax Numbers:** Phone: \_\_\_\_\_ Fax: \_\_\_\_\_  
**E-Mail of Project Reference:** \_\_\_\_\_

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**B. MAJOR FOOD SERVICE CONTRACTS UNDERWAY AS OF THE DATE OF SUBMISSION:**

**Company:** \_\_\_\_\_  
**Location:** \_\_\_\_\_  
**Scope :** \_\_\_\_\_

Contract Value (\$): \_\_\_\_\_

Completion Date: \_\_\_\_\_

Refer To (Contact): \_\_\_\_\_

Telephone/Fax Numbers:      Phone: \_\_\_\_\_      Fax: \_\_\_\_\_

E-Mail of Project Reference: \_\_\_\_\_

**Company:** \_\_\_\_\_

Location: \_\_\_\_\_

Scope : \_\_\_\_\_

Contract Value (\$): \_\_\_\_\_

Completion Date: \_\_\_\_\_

Refer To (Contact): \_\_\_\_\_

Telephone/Fax Numbers:      Phone: \_\_\_\_\_      Fax: \_\_\_\_\_

E-Mail of Project Reference: \_\_\_\_\_

**Company:** \_\_\_\_\_

Location: \_\_\_\_\_

Scope : \_\_\_\_\_

Contract Value (\$): \_\_\_\_\_

Completion Date: \_\_\_\_\_

Refer To (Contact): \_\_\_\_\_

Telephone/Fax Numbers:      Phone: \_\_\_\_\_      Fax: \_\_\_\_\_

E-Mail of Project Reference: \_\_\_\_\_

### **SCHEDULE C-3 - PROPONENT'S TECHNICAL PROPOSAL (SERVICES)**

Proponents should provide the following (use the spaces provided and/or attach additional pages, if necessary):

- (a) a narrative that illustrates an understanding of the City's requirements for Goods and Services.
- (b) a description of the general approach and methodology that the Proponent would take in providing the Goods and Services including specifications and requirements.
- (c) information related to ideas for a concept and design theme, the approximate price range of items available and the shop's visual. Provide two possible examples of business concepts that may be viable within the sites that you would be interested in operating.
- (d) a description of how it meets the minimum requirement for the RFP. Details related to the Proponent's relevant experience in managing and operating a food establishment will be important. Any experiences working with public bodies will be of particular interest to the City.
- (e) provide considerable experience related to the operation of food and beverage services. This experience should include involvement in marketing, product development, customer service and operations. The Proponent should be able to demonstrate a strong understanding of the current and future food and beverage sales in the City's recreational centres.
- (f) **Proponent's Business Plan**
  - (i) Proposed Business Plan
    - provide a description on your proposed business plan.
    - address how Services will be provided after City's normal business hours.
    - describe strategies for catering services outside of regular business hours.
  - (ii) Start Up Plan

Provide a description of your proposed transition plan. Provide a detailed start-up including proposed time frames and resources. The start-up plan must ensure smooth transition with minimal disruption to City's operations.
  - (iii) Exit Plan

Provide a description of your proposed exit plan. Exit plan must ensure continuation of service levels and minimal disruption to the City until the end of the contract. The City expects the Tenant to remain professional in its dealing with the City at all time during the transition period.
- (g) **Menu Planning/Food Choices**
  - (i) Describe Proponent's ability to:
    - Provide variety of food menus (organic, etc.).
    - Offer creative healthy choices at reasonable prices.

- Ability to adjust to customer choices/suggestions for menu. How many times do they change their menu?
- Provide a sample regular menu and pricing. Provide sample catering menu.

(ii) Include a one (1) week menu plan for breakfast, lunch, and coffee breaks based on the aforementioned. The menu plan should include ingredients by types of products, portion size and pricing (GST included).

(iii) Provide your proposed pricing per 100 grams for fresh salad.

(iv) List items that are made daily on-site from fresh ingredients and items that are convenience/institutional, frozen and/or pre-made.

**(h) Sustainability:**

Describe Proponent's sustainability practices, including:

- (i) Practices for food left overs;
- (ii) Initiative to purchase locally grown, organic foods; and,
- (iii) Describe if Proponent is engaged in practices that minimize land impact, reduce energy use and eliminate the generation of pollutants, toxins, and other hazardous materials.

**-END OF PAGE-**

**SCHEDULE C-4 - PROPONENT'S TECHNICAL PROPOSAL (TIME SCHEDULE)**

MILESTONE DATES \_\_\_\_\_

[illegible]



**SCHEDULE C-5 - PROPONENT'S FINANCIAL PROPOSAL**

1. Describe your proposed financial model (base rent or base rent plus profit share).
2. Indicate your proposed rental fee (excluding applicable taxes), as described in Appendix A - Sample Lease Agreement, Section 4.2 and the basis of calculation as follows (as applicable):

**a) Minimum Rent and Percentage Rent**

- (i) Minimum Rent of \$ \_\_\_\_\_ per year payable in equal consecutive monthly installments of \$ \_\_\_\_\_ each in advance on the first day of each calendar month;
- (ii) a Percentage Rent equal to the amount by which \_\_\_\_\_% of the Gross Sales for the relevant Lease Year exceeds the Minimum Rent paid during that Lease Year. The Percentage Rent will be payable (on a cumulative basis) in consecutive monthly installments in arrears within 15 days after the end of each month of the Term, equal to:
  - a. the amount by which \_\_\_\_\_% of the Gross Sales for the period from the beginning of the Lease Year to the end of the immediately preceding month exceeds the Minimum Rent paid for the same period; less
  - b. an amount equal to the installments of Percentage Rent already paid or payable for the same period;

**3. Leasehold Improvements**

The Proponent should list and provide an estimated cost breakdown for your proposed leasehold improvements, knowing you will be fully responsible for such costs.

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