



Corporate Report

NO: R097

COUNCIL DATE: May 12, 2003

REGULAR COUNCIL

TO: **Mayor &
Council** DATE: **May 6,
2003**

FROM: **General Manager,
Engineering** FILE: **0930-30/258**

SUBJECT: **Pondsides Caf   – Food Services Operating
Agreement (Map 72)**

RECOMMENDATION

That Council award the food services contract for the Pondsides Caf   to the highest bidder.

BACKGROUND

In 1992 the City took over the responsibility for the provision of food service operations at the Pondsides Caf   (Pondsides) from the British Columbia Buildings Corporation (BCBC). Since that time the City has had three different operators for the premises. The food services contract for the Pondsides has expired and the existing operator, Compass Group Canada Ltd., is now operating on a month-to-month contractual basis.

The Pondsides premises consist of a kitchen area, a $\pm 1,900$ ft.² cafeteria section, and a ± 670 ft.² meeting area. It is the intention of the City to retain the use of this meeting area for corporate purposes during working hours and let the operator utilize it in the evenings and on weekends. The City owns the majority of the restaurant equipment within the kitchen and provides maintenance to the building's mechanical and structural components.

DISCUSSION

In November 2002, the City advertised for Expressions of Interest for the food services operation at the Civic Centre. In order to maximize exposure, information brochures were sent to over 100 food service providers in the Lower Mainland. As of the closing date for submissions of February 27 2003, four expressions of interest had been submitted. Discussions with people within the food services industry suggest that the main reasons for the lack of interest in the operation of the Pondsides are because of its location, its proximity to other food & beverage locations, and the fact that it is, for the most part, reliant on the Civic Centre operations for its business.

City staff met with the two most qualified operators and requested further information outlining the financial details of their submissions. Both of the operators have experience in this type of cafeteria operation, however, only one submission provides the City with an opportunity to break even and possibly generate revenue from the operation of the Pondsides facility.

In order to maximize the revenue potential of the Pondsides, the highest bidder is proposing to market the facility as a banquet room in the evenings and on weekends for private functions, including wedding receptions. They are also proposing to provide branded coffee and increase awareness of the facility throughout the Civic Centre.

CONCLUSION

The existing contract for the food service operation at the Pondsides has expired and is now on a month-to-month basis. As a result of a request for Expressions of Interest for the operation of the premises, the City received four submissions. Only one of the submissions offers the City the opportunity to break even and potentially share in revenues from the operation of the Pondsides. The highest bidder has experience in the food services industry and is proposing to increase the use of the facility in the evening and on weekends. As such, it is recommended that Council award the food services contract at the Pondsides Caf   to the highest bidder.

Paul Ham, P.Eng.
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Appendices:

I. Site Map