

For Information Only

Vending Machine Revenue Opportunities in Municipal Buildings

Presented To:	Community Services Committee
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Recommendation

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Background

City of Greater Sudbury Council requested a report on vending machines revenue opportunities during budget deliberations at the Finance and Administration Committee meeting of November 21, 2011.

In 2012 it was determined that the City did not have a consistent policy on the placement of vending machines and revenue sharing. Supplies and Services Section then developed the request for proposal initially identifying 18 facilities as candidates for these machines. This RFP was issued in December of 2012 and awarded in August of 2013.

This report will provide information on the location and the approximate budgeted revenue for 2014 that the installation of the vending machines are expected to provide.

The Community Development Department has prepared the report as the majority of machines are located in that department's buildings arenas, fitness centres, pools etc. A complete list of vending machines locations and budgeted revenue expectations has been provided in Table #1.

Prior to the issuance of the Request for Proposal (RFP) for vending machines installation had been negotiated on a building by building basis. In December 2012 an RFP (CPS12-9), was issued by the Supplies and Services Section for the placement of vending machines with a revenue sharing agreement with the City of Greater Sudbury. This contract was awarded in August 2013 for a 5 year non exclusive term to 3 vendors for; cold drinks, bulk candy, hot drinks, snacks, cold food and change machines.

Signed By

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Division Review

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Recommended by the Department

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Table #1

<u>Location</u>	<u>2014 Budgeted Revenue</u>
Pioneer Manor	\$ 12,000.00
Gerry McCrory Countryside Arena	\$ 4,610.00
TM Davies Arena	\$ 4,300.00
Dr. Edgar LeClair Arena	\$ 4,000.00
McClelland Arena	\$ 4,000.00
Chelmsford Arena	\$ 3,500.00
Howard Armstrong Recreation Centre	\$ 3,300.00
Capreol Arena	\$ 3,000.00
Carmichael Arena	\$ 3,600.00
Cambrian Arena	\$ 2,400.00
Centennial Arena	\$ 2,000.00
Garson Arena	\$ 2,000.00
Toe Blake Arena	\$ 1,500.00
Raymond Plourde Arena	\$ 1,200.00
IJ Coady Arena	\$ 1,000.00
Dowling Fitness Centre	\$ 1,000.00
Nickel District Pool	\$ 200.00
Tom Davies Square	\$ 5,000.00
Lionel E Lalonde Centre	\$ 10,000.00 *
Transit Terminal	\$ 76,000.00
Total	\$ 144,610.00

*\$10,000 is estimated revenue and not currently in budget as machines are not yet installed.

The machines have been installed or are being installed subject to termination of prior suppliers in the locations listed and the budgeted revenue is illustrated in Table #1 from all of the machines is approximately \$144,000. This is an increase of approximately \$12,000-\$15,000 over the 2012 actual revenues.

Specific locations not listed in Table#1, Sudbury Arena, Adanac Ski Hill, Moonlight Beach and Bell Park, have machines that are part of the concessions contract and the revenue they generate is not separately recorded (its contained in the concessions revenue). There are also a few machines in the City of Greater Sudbury buildings where revenue has historically gone to a non-profit community group that is based out of the building. These are located at Falconbridge Community Centre, Capreol Millenium Resource Centre and RG Dow Pool. The Community Development Department is placing an additional machine for the 2013-2014 ski season at the Lively Ski Hill. Revenue potential at this time is uncertain.

All Community Development Department locations that currently do not have machines have been evaluated and it has been determined by staff that the practicality of installing them at this time would be of little to no return to the City. However, the usage of the facilities will be monitored and should the usage of a building change whereby the installation of a machine would generate revenue the appropriate supplier will be contacted as per the RFP agreement.