

## Request for Decision

### Concession Operations at Arenas

Presented To:	Community Services Committee
Presented:	Monday, Jan 21, 2013
Report Date	Tuesday, Jan 08, 2013
Type:	Managers' Reports

### Recommendation

WHEREAS the current concession operator (Marco Concession and Catering) contract expires in July, 2013 to operate the Municipal concessions at Cambrian, Capreol, Carmichael, Chelmsford, McClelland, TM Davies, Garson, Dr. Edgar Leclair, Toe Blake, Jim Coady arenas and the Gerry McCrory Countryside Sports Complex;

AND WHEREAS privatizing the concession operations at the Municipal arenas is advantageous for the City;

THEREFORE BE IT RESOLVED THAT the City of Greater Sudbury issue a Request for Proposal (RFP) for the operation of the Municipal arena concessions which expire in 2013;

AND THAT the term of the RFP contract be for two (2) years with a three (3) year option for extension.

### Finance Implications

The lease revenues from privatizing the concessions at the Municipal arenas have been included in the 2013 Operational Budget.

## Background

At the October 23rd, 2012 Audit Committee meeting, Council briefly discussed the concession operations at the Municipal arenas. It was recommended that an information report be prepared and presented to the Community Services Standing Committee in order to provide background on privatization of the Municipal arena concessions.

This report provides background information related to the Municipal Arena concession operations since amalgamation. In addition, the report provides information on the concessions operated by the private operators including the contract expiry dates.

#### Signed By

**Report Prepared By**

Ray Mensour  
Manager of Arenas  
*Digitally Signed Jan 8, 13*

**Division Review**

Real Carre  
Director of Leisure Services  
*Digitally Signed Jan 8, 13*

**Recommended by the Department**

Catherine Matheson  
General Manager of Community Development  
*Digitally Signed Jan 8, 13*

**Recommended by the C.A.O.**

Doug Nadorozny  
Chief Administrative Officer  
*Digitally Signed Jan 9, 13*

At amalgamation, the Municipal Arenas were operated by the City with the exception of Jim Coady, Toe Blake, Centennial and Raymond Plourde arenas which continues to be privately operated as per agreements with the former Municipalities.

In 2007, the department conducted an operational and financial analysis of the City operated concessions. In reviewing the concession operations, it was concluded that the net revenues generated for directly operating the concessions was minimal. In addition, the Arena Section reduced by 1 full time non union Assistant Arena Manager position which would have resulted in an increase in responsibilities to the current compliment of 2 Assistant Arena Managers to manage the concessions.

In March, 2007, the department received Council's approval to issue a Request for Proposal (RFP) in order to contract the following arenas: Cambrian, Capreol, Carmichael, Chelmsford, McClelland, TM Davies, Garson, Dr. Edgar LeClair arenas and the Gerry McCrory Countryside Sports Complex. Jim Coady, Toe Blake, Centennial and Raymond Plourde arenas were previously allocated to private operators. The RFP was awarded to Marco Concession and Catering. As a condition of the RFP, the bid price was confirmed for the first three (3) years with an option to renew for an additional five (5) years subject to negotiations favorable to both parties. The City negotiated a three (3) year option which included adding Toe Blake and Jim Coady Arenas as part of the contract since the private operators had terminated their contract. The bid price negotiated and approved exceeded the net profits generated by the City when operating those concessions.

Marco Concession and Catering contract expires in July, 2013. In addition to Marco Concession and Catering contract expiring, the concession operations at Raymond Plourde and Centennial arenas operated by Time Out Catering, will expire in July, 2015.

### **Recommendation**

It is recommended that a Request for Proposal (RFP) to operate all Municipal concessions except Raymond Plourde and Centennial Arena concessions, be issued for two (2) years with a three (3) year option for extension.