



THE CORPORATION OF THE CITY OF VERNON

M E M O R A N D U M

TO: Patti Bridal, Chief Administrative Officer **FILE:** 7700-16
PC: Jason Blood, Director, Recreation Services **DATE:** March 26, 2024
FROM: Leah Walker, Manager, Customer Service - Recreation
SUBJECT: RECREATION SERVICES CONCESSION SERVICES UPDATE

In the Summer of 2023, Recreation Services changed the delivery of concession services from being an in-house operation to one that is a contracted service provided by a third party who leases space at Kal Tire Place.

In the Fall of 2023, through the Request for Proposal (RFP) process, an agreement was reached with a company to provide concession services at Kal Tire Place for a two-year term. The company withdrew from the contract days before the start of the 2023-2024 ice season.

In order to provide concession services at events, Recreation Services worked with three local food vendors to provide these services at all major events at Kal Tire Place through the end of May 2024. This has been successful and has provided an opportunity for a wide variety of food for spectators at these events.

It has always been the intention of Recreation Services to put out the RFP again in early 2024, to work with one provider for concession and beverage services at Kal Tire Place. The RFP closed on April 2, 2024. At this time, it is not known what the proposed revenue is from those who bid on this RFP, however, it is estimated that, between tenant payments and commissions, the revenue to the City would be around \$60,000 annually.

There are currently three food concession areas: the Crease Concession; the Penalty Box; and the Centre Ice Concession. The Crossbar is the sole liquor service outlet at Kal Tire Place. The Crossbar and two of the concession spaces (The Crease and Penalty Box) are original to the 23-year-old building. The third concession space is located in Kal Tire Place North, built in 2018.

With the aging infrastructure in two concessions and one liquor service area, upgrades are required to ensure current requirements are met through the Interior Health permitting process as well as increasing the standard of quality of the infrastructure in the spaces.

	Space to be Upgraded	Upgrades Required	Estimated Cost	Subtotal
1	Crease Concession	Stainless Steel Cabinets and Countertops Undercounter Refrigerators (2) Reach in Freezer Rapid Cook Oven Ice Machine Water Filtration Sheet Pan Rack Epoxy Flooring and Anti-Fatigue Mats	\$15,500 \$10,500 \$7,500 \$21,000 \$500 \$300 \$15,000	\$70,300
2	Penalty Box Concession	Stainless Steel Cabinets and Countertops Stainless Steel Shelving Condiment Cart Epoxy Flooring and Anti-Fatigue Mats	\$19,500 \$700 \$15,500 \$20,000	\$55,700
3	Crossbar Liquor Service	Stainless Steel Cabinets and Countertops Sink Cabinet	\$8,500 \$3,500	\$12,000
			Total: \$138,000	

In addition to the above itemized upgrades needed for the aging infrastructure, it is recommended to upgrade all concessions to have full temperature control through the addition of ductless split heat pumps at a cost of \$40,000.

Miscellaneous costs including electrical and plumbing work, permitting, freight, taxes, consulting, and other repairs are estimated at \$100,000.

RECOMMENDATION:

THAT Council receive the memorandum titled "Recreation Services Concession Services Update" dated March 26, 2024 and respectfully submitted by the Manager, Customer Service – Recreation;

AND FURTHER that Council endorse the provision of providing additional funding of up to \$278,000 to the Recreation Facility Major Maintenance Reserve, which has a current balance of \$845,241, towards the upgrades to Concessions at Kal Tire Place.

Respectfully Submitted:

Leah Walker

walker

Approved for the Agenda by the CAO 