

September 18, 2015

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young, Chief Executive Officer

Subject: **Starvend Vending Agreement**

Summary:

This report recommends that the Board approve a four (4) year agreement with Starvend Vending (Starvend) for the provision and service of hot/cold food, beverages and snack vending machines accessible for Exhibition Place employees only at a very low cost, without issuance of a formal Request for Quotations.

Recommendations:

It is recommended that the Board:

- 1) Enter into a four (4) year agreement with Starvend Vending for the provision and service of foodservice vending machines on the terms and conditions outlined in this report, and such other terms and conditions satisfactory to the City Solicitor and the Board's Chief Executive Officer; and**
- 2) Direct that the confidential information contained in Confidential Attachment 1 to this report not be released publicly in order to protect the competitive position and future economic interests of Exhibition Place.**

Financial Impact:

Approval of the agreement between the Board and Starvend will result in a positive income stream to Exhibition Place as outlined in the Confidential Attachment 1 to this report.

Decision History:

The Exhibition Place 2014 – 2016 Strategic Plan had a Financial Goal *"to maintain a positive operating financial performance across Exhibition Place and all its businesses"* and as a Strategy to support this Goal *"we will seek new and/or expand revenue opportunities within our existing operations"*.

At its meeting of December 16, 2011, the Board approved a four-year agreement with Starvend Vending which agreement is set to expire on December 31, 2015.

[http://www.explace.on.ca/database/rte/files/Starvend%20Vending%20Agreement\(1\).pdf](http://www.explace.on.ca/database/rte/files/Starvend%20Vending%20Agreement(1).pdf)

Issue Background:

Given the volume purchased from these machines by staff is relatively low, it is difficult to find a supplier to allocate machines at Exhibition Place and then keep them supplied. In light of this, staff did not seek out another supplier to provide this service and are recommending to continue with this existing supplier.

Comments:

Staff are recommending a four-year agreement with Starvend on the following terms and conditions:

- (a) Term – four years effective January 1, 2016 and expiring on December 31, 2019;
- (b) Cost of Products in all snack machines are priced under normal retail costs;
- (c) Cost of Products in hot/cold foodservice/beverage machine are priced under normal retail costs.
- (d) Services Provided – Starvend shall provide and service eight (6) snack vending machines and two (2) hot/cold vending machines at their expense, and at no expense to the Board. Starvend shall stock, service, and otherwise maintain said equipment for the duration of the agreement at no expense to the Board, save for Hydro. Starvend is responsible for the purchase of all products in said vending machines located in the following locations:
 - General Services – 1
 - Housekeeping Services - Coliseum – 3
 - Lunchroom – Enercare Centre – 2
 - Parking Services – Q.E. Bldg. - 1
 - Riding Academy – Coliseum - 1
- (e) Service & Maintenance - all service and maintenance costs will be the responsibility of Starvend;
- (f) Commission Payments - commission payments will be paid on amounts net of taxes, and any refunds reimbursed to users of vending machines will be deducted from gross sales to determine net sales. Commission payments to the Board will be submitted on a monthly basis with statements reflecting such sales.

Contact:

Fatima Scagnol

Corporate Secretary

Tel: 416-263-3620

Fax: 416-263-3690

Email: Fscagnol@explace.on.ca