

July 25, 2016

“BEST PRACTICE”  
(Real Estate Department)

### Concession Bid Contractor Selection

#### **Preamble**

The following operational Best Practice is intended to confirm the process by which the City will select contractors for concessions located at City owned facilities and parks.

#### **Best Practice**

Property Management manages and administers all concession contracts in addition to the contractor selection process; the City offers two main categories of concessions - Activity/Service Concessions and Food Concessions.

#### Food Concessions

Food Concessions are typically located in either a park or recreation facility and are typically offered for a five (5) year term through an open bidding process.

For dedicated sporting facilities, the City has a practice of first offering the food concession operation to the major user of the recreation facility / park it is located in. This assumes they will meet service requirements of all facility users, provide a market rent, and meet the healthy food guidelines. For example: Lombardy Park is used almost exclusively by Kelowna Minor Baseball. The concession is thus offered to Kelowna Minor Baseball to operate under a non-market lease.

#### Activity Concessions

Activity concessions offer services, activities and experiences to Kelowna Citizens and tourists alike that may not otherwise be available (i.e. the WIBIT Activity Concession in City Park). The objective of activity concessions is to provide opportunities that promote healthy and active living in conjunction with the enhancement of City of Kelowna owned parks, public spaces and amenities.

(a sample bid package is attached as **Appendix A**).

The majority of activity concessions are located in a park where a food concession is located and thus are not permitted to offer food for sale. The activity concession may offer water for people participating in their activity, but not sell to members of the public who are not using their services.

Activity concessions are typically leased out for a term of five (5) years. The terms and conditions are set out in the bid package issued for the use of the space. Staff typically give direction as to the type of use they are looking for in a space; however, it is up to the public to bid on the space with a suitable idea.

Bid Process

1. Property Management puts together a detailed bid package containing all relevant information and bid requirements in addition to the healthy food choices requirements (attached as **Appendix C**) if applicable and will solicit open bids through advertising in local media and the City's website.

\* Note - the concession space may be a physical structure such as the Apple at Gyro Beach, or the concession stands at Hot Sands and Waterfront Park, or the concession space may be simply space to operate a mobile food cart or food truck.

2. All bids will be received in a sealed envelope including a performance deposit.
3. Bids will then be opened to ensure all of the mandatory requirements are met.
4. Three copies of each bid will be dispersed amongst an evaluation committee made up of members of either the Parks Services Department or the Sport & Events Services Department whom will evaluate each of the bids separately using the rating guide (attached as **Appendix B**).
5. Once the evaluations are completed they will be submitted to the Property Management Department who will consolidate all the evaluations and put together a report to the evaluation committee recommending the successful bidder receive the contract to operate.

Typical Bid Process Timeline for Food Concessions

Jan - March	Investigate potential new concession opportunities & prepare bid packages.
March	Advertise concession opportunities.
April	Meet with proponents and have a site meeting.
April	Review and select the successful proponent.
May	Review operations to ensure concession operator is working within the guidelines of the contract
May - Aug	Successful concession contractor operates per the contract; Property Management staff (summer student) monitors the concessions

\* NEW - Bid Process Timeline for Activity Concessions

Jan - Feb	Advertise concession opportunities.
March	Meet with proponents and have a site meeting.
March	Review and select the successful proponent.
May	Review operations to ensure concession operator is working within the guidelines of the contract
May - Aug	Successful concession contractor operates per the contract; Property Management staff (summer student) monitors the concessions

**Endorsements:**

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Director, Real Estate  
Estate

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Div. Director, Community Planning & Real

Appendix A



**GYRO & ROTARY BEACH  
WATER ACTIVITY CONCESSIONS  
(201\_ - 201\_)  
Bid Package**

For Any Additional Information Please Contact:

\_\_\_\_\_, Property Officer

[\\_\\_\\_\\_\\_@kelowna.ca](mailto:_____@kelowna.ca)

Direct Line: (250) 469-\_\_\_\_\_

Fax: (250) 862-\_\_\_\_\_

## City of Kelowna

### Gyro & Rotary Beach Water Activity Concessions

201\_ - 201\_

#### Informational Package

##### Overview

The City of Kelowna is seeking a contractor to operate a water activity concession from May 15 – September 15, for a term of three (3) years with an option to renew for two (2) additional one (1) year terms at the City's sole discretion. The activity concession is located at both Gyro and Rotary beaches as shown on the attached map.

An optional information meeting will be held on Tuesday, March 15, 201\_ at 1:30pm at City Hall, in the Knox Mountain Meeting Room located on the 4<sup>th</sup> floor.

Bids will be accepted until 3:00pm, Thursday, March 24, 201\_ at the office of the Property Manager, 4<sup>th</sup> floor of City Hall, 1435 Water Street, Kelowna, BC. The contract will be awarded subject to Council approval.

##### General Scope of Services of the Contractor

The Contractor will provide, equip and operate a water activity concession within the designated areas of Gyro and Rotary Beaches. Detailed maps of the locations are attached as Schedule A.

1. The Contractor will provide for use by the public watercraft propelled through the water by human power and can include but is not limited to paddleboards, canoes, kayaks, leg powered paddle boats etc. No inflatable structures will be permitted in the water lot. During the course of the contract any changes in the types or numbers of watercraft that are available or stored at the site must be approved by the City in advance.
2. The City will purchase and maintain one (1) beach wheelchair for the non-profit use of beach patrons with disabilities at each of Gyro and Rotary beaches. The Contractor will be required to store and secure the equipment for the term of the contract. There is to be no cost to the patron for the use of such beach wheelchairs.
3. The Contractor shall maintain all equipment to such standards as will ensure safety for operators.
4. The Contractor shall ensure that no persons too young to operate the boats are permitted to use them, and shall ensure that no persons operating boats do so in an unsafe manner or endanger persons swimming at Gyro & Rotary Park Beaches.
5. Any anchoring system proposed must be fully within the City of Kelowna water lot area as noted in the attached map and must be approved by authorities having jurisdiction.

6. The Contractor shall ensure that all participants wear personal floatation devices.
7. Operation of watercraft within the area delineated by swim buoys is prohibited under the Parks Bylaw. The Contractor will be responsible to inform patrons and gain their agreement that the watercraft must not be used in the swim buoy area. Patrons will only be allowed to enter and exit directly through the swim area as long as the watercraft is used responsibly and the area is clear of swimmers, but must not spend any length of time paddling within the swimming area.
8. The Contractor shall operate during the period of May 15<sup>th</sup> to September 15<sup>th</sup> of each year beginning May 15, 2016.
9. The park is open from 6 am to 11 pm each day and the contractor will provide service in the parks between 10 am and 8 pm (or dusk whichever is earlier), 7 days per week weather permitting, for the core season starting the last weekend of June until Labour Day in September. During the shoulder season the Contractor will supply concession service between the hours of 12:00pm to 4:00pm, 7 days per week, weather permitting.
10. The term of the contract will be for three (3) years with an option to renew for two (2) additional one (1) year terms at the City's sole discretion:
  - a. Any extension, if offered, will retain all of the terms and conditions of the original contract or subsequent extension;
  - b. such option period will be negotiated at the sole option of the City on the basis of the rental rate not being less than the rent bid for 2016.
11. The Contractor will pay permits, taxes and licenses.
12. The Contractor will clean and maintain the area surrounding the concession to the satisfaction of the City, including clean-up of litter from immediate area (a radius of 30 meters from the concession.)
13. The Contractor shall comply with all regulations regarding fire, traffic, safety and shall acquire all necessary permits.
14. The Contractor shall be allowed to display one professionally made sign at the space allotted. The sign is subject to City approval prior to posting.
15. No outside advertising will be permitted without the consent of the City.
16. The City leases a food concession in the same park therefore no food or beverage sales will be permitted.
17. The Contractor will be responsible to communicate with the City of Kelowna Outdoor Events Committee and review the Outdoor Events Calendar to determine the dates the park will be closed for special events, and as a result closed for the concession, unless agreement can be reached with the event organizer.
18. There is an existing structure at Gyro Beach which may remain in the current location. The structure may not be moved or enlarged. There is no structure provided at Rotary Beach. If the Contractor wishes to provide a structure the Contractor will be required to meet all regulations and Bylaws and the design must be approved by the City's Infrastructure Planning and the Parks Dept.
19. There will be no power available at Rotary Beach; however, the City is open to extending power from the building to the concession space at the vendor's expense and at the City's discretion. Power is available at Gyro Beach to the existing structure.

20. Prior to awarding the bid to the successful Proponent, the Proponent must prove to the City ownership of the activity equipment listed in the proposal.
21. The City will not provide on-site parking for the Contractor's vehicle and towing equipment.
22. The Contractor will be required to enter into a Prime Contractor Agreement with the City which is comprised of a Contractor Coordination Program Guide, Prime Contractor Designation Form and Application for Safety Pre-Qualification, as set out in Appendix C.
23. The Contractor will be required to follow Canadian Life Saving Society Standards for operation and supervision of the area.
24. The Contractor will be responsible for all additional swim/marker buoys to be installed in the lake to ensure a safe swimming area.
25. The Contractor must keep any promenades clear at all times.
26. On event days, the load in/load out of concession related equipment must be scheduled outside of event times so the promenade is clear and safe for participants.
27. The Contractor may not sublet, nor assign the contract without the written consent of the City. The minimum amount for such assignment shall be \$500.00.
28. The Contractor is required to supply a bid deposit in the form of a certified cheque payable to the City of Kelowna in the amount of \$1,000. The deposit of the successful Contractor will be retained as a "performance deposit".
29. The Contractor shall provide complete annual financial reports to the City within 45 days of the end of the season and no later than December 1<sup>st</sup> of each contract year. The statements will reflect the entire operating seasons, and a payment in the amount of 5% of the gross profits of the concession will accompany the statements by December 1<sup>st</sup> of each contract year.

#### Submission Requirements

1. The Contractor shall provide photographs or illustrations of all equipment to be offered for rental.
2. The Contractor shall provide a schedule of proposed rental rates with the tender submission.
3. The Contractor must specify on a map how much land they require for their proposal including areas for storage of equipment. Proposals that have a smaller footprint and reduce impacts on other park users may receive a higher score.
4. Prior to commencing work, the Contractor will be required to submit proof of a City of Kelowna Business License, Work Safe BC Coverage, and shall obtain the appropriate insurance coverage as listed in Appendix B by providing the City a Certificate of Insurance proving the coverage is in place within 10 days of the City awarding the contract.
5. Proposals will not be accepted after the final date and time for receipt of proposals, nor will they be accepted by facsimile or email. Bids will be accepted in person or by courier
6. Any one party may submit only one proposal. Any party submitting alternate proposals shall be disqualified. Conditional proposals will not be considered.
7. Proponents may not make alterations to their proposals after the closing date and time, except as may be allowed by the City during the negotiation process.

**MADATORY CRITERIA**

The following are mandatory requirements. Proposals not clearly demonstrating that they meet them will receive no further consideration during the evaluation process.

<b>Mandatory Criteria</b>
a) Proposal received prior to 3 pm, March 24, 2016
b) <b>CERTIFIED CHEQUE</b> made to the City of Kelowna in the amount of \$1,000
c) Value of Proposal (Bid Price \$)
d) Three (3) hard copies of the bid proposal must be submitted

**DESIRABLE CRITERIA**

Proposals meeting the mandatory requirements will be further assessed against the following criteria. The relative weighting for each criterion is also given.

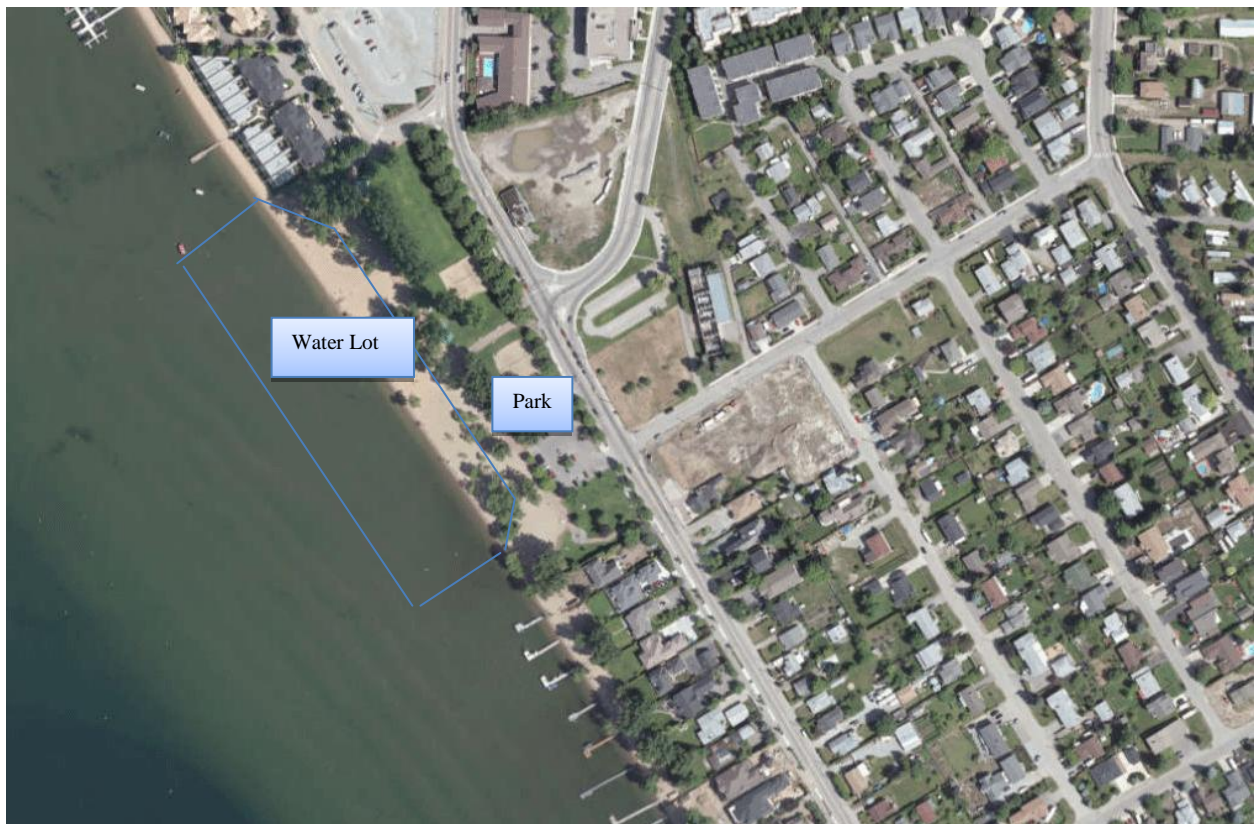
<b>Criteria</b>	<b>Weight</b>
Relevant experience, qualifications and successes.	30
Proposed rental items and proposed prices.	20
Potential impacts on the park space and other park users (e.g. the amount of space to be occupied for operations and storage).	20
Financial capability and stability	15
Value of proposal (Bid Price \$)	15
<b>TOTAL</b>	<b>100</b>



PREMISES

Gyro Beach

The premises are those lands legally described as that portion of land, located at 3400 Lakeshore Road, Kelowna, BC



The existing building will remain in place for the term of the new contract. The building may not be expanded or moved.

PREMISES

Rotary Beach

The premises are those lands legally described as that portion of land, located at 3696 - 3726 Lakeshore Road, Kelowna, BC





Rotary Beach

New location for the concession operation



New location for the water activity concession is the concrete  
pad located at the north end of the gazebo area

*(junipers and shrubs around this area will be removed to make the area more visible)*

INSURANCE REQUIREMENTS

**1. Contractor to Provide**

The Contractor shall procure and maintain, at its own expense and cost, the insurance policies listed in section 2, with limits no less than those shown in the respective items, unless in connection with this lease agreement, the City advises in writing that it has determined that the exposure to liability justifies less limits. The insurance policy or policies shall be maintained continuously from commencement of this lease agreement until the date of termination of the lease agreement or such longer period as may be specified by the City.

**2. Insurance**

As a minimum, the Contractor shall, without limiting its obligations or liabilities under any other contract with the City, procure and maintain, at its own expense and cost, the following insurance policies:

**2.1 Comprehensive General Liability Insurance**

- (i) providing for an inclusive limit of not less than \$5,000,000 for each occurrence or accident;
- (ii) providing for all sums which the Contractor shall become legally obligated to pay for damages because of bodily injury (including death at any time resulting therefrom) sustained by any person or persons or because of damage to or destruction of property caused by an occurrence or accident arising out of or related to this lease agreement;
- (iii) including coverage for Products/Completed Operations, Blanket Contractual, Contractor's Protective, Personal Injury, Contingent Employer's Liability, Broad Form Property Damage, and Non-Owned Automobile Liability.
- (iv) Including a Cross Liability clause providing that the inclusion of more than one Insured shall not in any way affect the rights of any other insured hereunder, in respect to any claim, demand, suit or judgment made against any other Insured.

**3. The City Named as Additional Insured**

The policies required by section 2.1 above shall provide that the City is named as an Additional Insured thereunder and that said policies are primary without any right of contribution from any insurance otherwise maintained by the City.

**4. Certificates of Insurance**

The Contractor agrees to submit a Certificate of Insurance, in the form of Schedule B-1, attached hereto and made a part hereof, to the Risk Management Department of the City prior to the commencement date of this lease agreement. Such a Certificate shall provide that 30 days' written notice shall be given to the Risk Management Department of the City, prior to any material changes or cancellation of any such policy or policies.

**5. Additional Insurance**

The Contractor may take out such additional insurance, as it may consider necessary and desirable. All such additional insurance shall be at no expense to the City.

**6. Insurance Companies**

All insurance, which the Contractor is required to obtain with respect to this lease agreement, shall be with insurance companies registered in and licensed to underwrite such insurance in the province of British Columbia.

**7. Failure to Provide**

If the Contractor fails to do all or anything which is required of it with regard to insurance, the City may do all that is necessary to effect and maintain such insurance, and any monies expended by the City shall be repayable by and recovered from the Contractor. The Contractor expressly authorizes the City to deduct from any monies owing the Contractor, any monies owing by the Contractor to the City.

**8. Nonpayment of Losses**

The failure or refusal to pay losses by any insurance company providing insurance on behalf of the Contractor shall not be held to waive or release the Contractor from any of the provisions of the Insurance Requirements or this lease agreement, with respect to the liability of the Contractor otherwise. Any insurance deductible maintained by the Contractor under any of the insurance policies is solely for their account and any such amount incurred by the City will be recovered from the Contractor as stated in section 7.

**9. Hold Harmless and Indemnification**

The Contractor shall be responsible for all loss, costs, damages, and expenses whatsoever incurred or suffered by the city, its elected officials, officers, employees and agents (the indemnities) including but not limited to or loss of property and loss of use thereof, and injury to, or death of a person or persons resulting from or in conjunction with the performance, purported performance, or non-performance of this contract, excepting only where such loss, cost, damages and expenses are as a result of the sole negligence of the indemnities.

The Contractor shall defend, indemnify and hold harmless the indemnities from and against all claims, demands, actions, proceedings, and liabilities whatsoever and all costs and expenses incurred in connection therewith and resulting from the performance, purported performance, or non-performance of this contract, excepting only where such claim, demand, action, proceeding or liability is based on the sole negligence of the indemnities.

City staff to complete prior to circulation

City Dept.: \_\_\_\_\_

Dept. Contact: \_\_\_\_\_

Project/Contract/Event: \_\_\_\_\_

**CERTIFICATE OF INSURANCE**

**This Certificate is issued to:**

**The City of Kelowna  
 1435 Water Street  
 Kelowna, BC V1Y 1J4**

**Insured**

Name:
Address:

**Broker**

Name:
Address:

**Location and nature of operation or contract to which this Certificate applies:**

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<i>Type of Insurance</i>	<b>Company &amp; Policy Number</b>	Policy Dates		Limits of Liability/Amounts
		<i>Effective</i>	<i>Expiry</i>	
<b>Section 1</b> Comprehensive General Liability including: <ul style="list-style-type: none"> <li>• Products/Completed Operations;</li> <li>• Blanket Contractual;</li> <li>• Contractor's Protective;</li> <li>• Personal Injury;</li> <li>• Contingent Employer's Liability;</li> <li>• Broad Form Property Damage;</li> <li>• Non-Owned Automobile;</li> <li>• Cross Liability Clause.</li> </ul>				Bodily Injury and Property Damage \$ <b>5,000,000</b> Inclusive \$ _____ Aggregate \$ _____ Deductible
<b>Section 2</b> Automobile Liability				Bodily Injury and Property Damage \$ <b>5,000,000</b> Inclusive

It is understood and agreed that the policy/policies noted above shall contain amendments to reflect the following:

1. **Any Deductible or Reimbursement Clause contained in the policy shall not apply to the City of Kelowna and shall be the sole responsibility of the Insured named above.**
2. **The City of Kelowna is named as an Additional Insured.**

3. 30 days prior written notice of material change and/or cancellation will be given to the City of Kelowna.

_____	_____	
_____	_____	_____
<b>Print Name</b>	<b>Title</b>	<b>Company (Insurer or Broker)</b>
_____		
_____		<b>Signature of Authorized Signatory</b>

PRIME CONTRACTOR COORDINATION PROGRAM GUIDE



**PRIME CONTRACTOR DESIGNATION FORM**

PRIME CONTRACTOR APPLICATION FOR SAFETY-PRE-QUALIFICATION

## Appendix B

### Rating Evaluation Key

Rating	Description
1.0	Exceeds Standards, Positive Variations, No Risk
.95	
.90	Exceeds Standards, Minor Positive Variations with very Minimal Risk
.85	
.80	Exceeds Standards, Minor Positive Variations with Minimal Risk
.75	
.70	Meets Standards, No Variations
.65	
.60	Meets Standards, Minor Variations, Minimal Risk
.55	
.50	Meets Standards, Moderate Variations, Moderate Risk
.45	
.40	Fails to meet Standards, Moderate Variations, Moderate Risk
.35	
.30	Fails to Meet Standards, Major Variations, High Risk
.25	
.20	Fails to Meet Standards, Unacceptable, High Risk
.15	
.10	Fails to Meet Standards, Incomplete Response
.05	
0	Fails to Meet Standards, No Response

### Rating Guide Matrix

Criteria	Weight
Relevant experience, qualifications and successes.	30
Proposed (food items or rental items) and proposed prices.	20
Overall proposal for operating a high quality, service oriented venture	30
Value (\$) for exclusive use of the vending location	20
<b>TOTAL</b>	<b>100</b>

## Appendix C

### Healthy Food Choices - Check mark system

Choose Most ∩∩	Choose Sometimes ∩	Choose Least	Not Recommended
Beverages 50% Foods 70% <sup>1</sup>		Beverages 50% Foods 30% <sup>2</sup>	
These items, including whole grain breads and fresh vegetables, tend to be the highest in nutrients, the lowest in unhealthy components, and the least processed.	These items include such things as fruit canned in light syrup, represent choices that are moderately salted, sweetened or processed.	These items including such things as fries tend to be low in key nutrients such as iron and calcium and highly salted, sweetened or processed.	These items, including candies and drinks where sugar is the first ingredient, or the second ingredient after water, tend to be highly processed, or have very high amounts of sweeteners, salt, fat, trans fat or calories relative to their nutritional value.

City of Kelowna staff will work closely with current concessionaires to achieve the above product proportions for packaged products as minimum standards. Percentages are based on BC School Guidelines for Healthy Food and Beverages and the Vancouver Coastal Health Policy.

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<sup>1</sup> 70% of product choices from these categories with no more than 35% from the Choose Sometimes category

<sup>2</sup> 30% of products choices from these categories with no more than 15% from the Not Recommended category