



Report to: General Committee

Date Report Authored: May 29, 2013

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**SUBJECT:** National Brand Food & Beverage Franchise Service for  
Cornell Community Centre & Library and Pan Am Centre  
**PREPARED BY:** Joel Lustig, Treasurer, Ext. 4715  
Alex Moore Senior Manager, Purchasing & Accounts Payable  
Ext. 4711

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**RECOMMENDATION:**

- 1) THAT the report “National Brand Food & Beverage Franchise Service for Cornell Community Centre & Library and Pan Am Centre ” be received;
- 2) AND THAT Chief Administrative Officer and Treasurer be authorized to negotiate and finalize an agreement with Presse Café to operate and manage the concession areas at the Cornell Community Centre and Library and the Pan Am Centre in a form satisfactory to the City Solicitor;
- 3) AND THAT the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7.1 (f) where, for any reason, a call for tender does not result in the award of a contract;
- 4) AND THAT Staff report back to General Committee on the results of the negotiations;
- 5) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution.

**EXECUTIVE SUMMARY:**

Not Required

<u>1. Purpose</u>	<u>2. Background</u>	<u>3. Discussion</u>	<u>4. Financial</u>
<u>5. Others (Environmental, Accessibility, Engage 21st, Affected Units)</u>		<u>6. Attachment(s)</u>	

**PURPOSE:**

The purpose of this report is to recommend the Chief Administrative Officer and Treasurer be authorized to negotiate and finalize an agreement with Presse Café to operate and manage the concession area at Cornell Community Centre and Library and the Pan Am Centre.

**BACKGROUND:**

In 2013, the City issued a Request for Proposal (RFP) to the market to solicit bids for the food and beverage services at the Cornell Community Centre and Library. The RFP requested responses from a national brand franchise and during the process, Staff contacted Tim Horton's, Starbucks, Second Cup, Country Style, Subway, Quiznos, Wendy's, Timothy's, Booster Juice, McDonald's, with only Second Cup submitting a response.

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At Council's meeting dated June 17<sup>th</sup>, 2013, Council approved the contract to Second Cup for a period of ten (10) years with the following return to the City

Guaranteed annual rent	\$22,600.00/year
Exterior signage rent	\$1,800.00/year
Annual commission	Eight percent (8%) of sales up to and including \$700,000, Ten percent (10%) of sales in excess of \$700,000,

In addition, Second Cup intended to make a \$250,000 capital investment in the concession area.

After approval from Council, Staff issued an award letter; however, in late 2013, after numerous discussions, Second Cup withdrew from this agreement as the franchise partner was unable to secure the necessary financing.

#### **OPTIONS/ DISCUSSION:**

Over the past few months, Staff have been working to secure a national brand franchise to operate and manage the concessions kiosk at Cornell Community Centre.

Discussions are currently underway with a Quebec based firm, Presse Café. The company has been in operation since 1995 and has 118 locations around the world with 100 of these locations situated in Canada (89 in Quebec and 11 in Ontario). Presse Café has locations in London, Oakville, Mississauga, Niagara, and Hamilton with the newest location at 40 St Clair Avenue West in Toronto. Additionally, Press Café has six locations in Australia, nine in Europe and four in Africa.

While in discussions with Presse Café, City Staff identified a similar opportunity at the Pan Am Centre and the company is currently considering this opportunity in addition to the Cornell Community Centre and Library

The Presse Café menu includes a long list of healthy choices catering to consumers of all ages such as freshly baked products, soups and salads along with healthy sandwiches and panini. For the younger consumers, daily freshly squeezed juices, granolas and fresh baked cookies would be available. They also provide an extensive variety of coffees, espressos and cappuccinos.

There has been interest from various small concession operators similar to the arrangements at Thornhill CC, Centennial CC and Angus Glen CC; however, none of these interested parties are a national brand franchise.

#### **FINANCIAL CONSIDERATIONS:**

Staff will negotiate a contract that will be in the best interests to the City.

#### **ENVIRONMENTAL CONSIDERATIONS:**

Press Café have incorporated a Zero waste policy and choose effective solutions in regards of packaging products that are environment friendly.

**ACCESSIBILITY CONSIDERATIONS:**

None

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable

**RECOMMENDED  
BY:**

13/06/2014

X 

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Trinela Cane  
Commissioner, Corporate Services

6/13/2014

X 

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Brenda Librecz  
Commissioner, Community & Fire Services

**ATTACHMENTS:** None