



City of  
**Peterborough**

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**To:** **Members of the Committee of the Whole**

**From:** **Ken Doherty, Director of Community Services**

**Meeting Date:** **July 25, 2016**

**Subject:** **Report CSAD16-003  
Award of RFP P-21-16 for Exclusive Pouring Rights for Beer  
Sales at the Peterborough Memorial Centre**

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## **Purpose**

A report to award Request for Proposals (RFP) P-21-16 for Exclusive Pouring Rights for Beer Sales at the Peterborough Memorial Centre.

## **Recommendation**

That Council approve the recommendation outlined in Report CSAD16-003 dated July 25, 2016, of the Director of Community Services, as follows:

That RFP document P-21-16 for the Exclusive Pouring Rights for Beer Sales at the Peterborough Memorial Centre be awarded to Labatt Brewing Company, 207 Queen's Quay West, Suite 299, Toronto, Ontario, M5J 1A7 at a value of \$75,000 annually, plus an additional investment for equipment, for total revenues of \$375,000 over the five-year term of the agreement, with an option to extend for an additional term which shall not exceed five years.

## **Budget and Financial Implications**

The pricing of the bids was requested to be broken down to show separate values for Exclusivity Cash Allowance, Sponsorship and Advertising Payment and Marketing Engagement Fund. These values will be applied to the Operating Budget of the Peterborough Memorial Centre annually through the five-year term. Labatt Brewing Company has also committed to an annual Suite Lease within their financial commitment. The portion related specifically to advertising in the Peterborough Memorial Centre amounts to \$10,000 annually and this value will be included in the annual advertising shared under the City's Agreement with the Peterborough Petes.

## **Background**

### **Brief Description of the Work**

The City is seeking to retain the services of an established vendor as a means of securing Exclusive Pouring Rights for Beer Sales and associated equipment at the Peterborough Memorial Centre.

The current agreement with Molson Coors expires August 31, 2016. Molson Coors has held the Exclusive Pouring Rights for Beer Sales at the Peterborough Memorial Centre since the renovations were completed in 2003.

### **RFP Details, Closing, Prepared by, Reviewed by**

The RFP was prepared by City Staff and issued May 26, 2016 with a closing date of June 16, 2016. The Evaluation Committee was comprised of the Arena Division Manager, Facility Manager-Memorial Centre, Program and Promotions Coordinator and Financial Analyst-Special Projects.

### **RFP Statement**

This solicitation process was an RFP where a number of criteria were used to evaluate submissions. The criteria and their relative weighting were clearly set out in the RFP document. Part 6, Section 6.4.3.i. of the City's Purchasing By-law 14-127 states that "as price is only one of the criteria evaluated, the award report will show the rating summary for each proponent and the total points. The award report will disclose the price of the recommended Supplier but not the price submitted by other proponents."

## RFP Evaluation Chart

Chart 1 below provides a summary of the RFP results.

### Chart 1 - Bidder Submission Evaluation Chart

#### RFP P-21-16 Exclusive Pouring Rights for Beer Sales at the PMC

Evaluation Criteria	Maximum Score	Molson Coors	Labatt Brewing Company
Compliance with RFP Submission Requirements	5	3.8	2.5
Pricing: a) Exclusivity Cash Allowance (20) b) Sponsorship and Advertising Cash Allowance (20) c) Marketing Engagement Fund (20)	60	45.9	56.1
Marketing and Sales Initiative Plan	30	17.0	28.3
Relevant Experience and References	5	3.0	4.5
<b>Rating Total</b>	<b>100</b>	<b>69.7</b>	<b>91.4</b>
<b>Ranking</b>		<b>2</b>	<b>1</b>

## Recommended Bidder

Labatt Brewing Company is recommended as the successful bidder. Labatt Brewing Company took an aggressive approach with their offer of a large financial investment and their plan to build a strong partnership with the Peterborough Memorial Centre.

## Council Approval Required

Part 8, Section 8.2.1 of the Purchasing By-law 14-127 states Council must approve an award where the expenditure is greater than \$100,000 and is not a Request for Tenders awarded to the lowest bidder (exception under Section 8.2.2.b.). RFP P-21-16 for Exclusive Pouring Rights for Beer Sales at the Peterborough Memorial Centre meets this requirement and must be approved by Council.

## Timelines

If the recommendation is approved, an agreement will be prepared and is to be signed by the CAO and Clerk, under their delegated authority to do so before the work commences.

## Summary

RFP P-21-16 for Exclusive Pouring Rights for Beer Sales at the Peterborough Memorial Centre has been issued in accordance with the City's Purchasing By-law 14-127 and can be awarded within approved budgets as recommended in this report.

Submitted by,

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Director of Community Services

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