



Date: February 15, 2013

TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
**SUBJECT: Stand-Up Paddleboard Concession at Kitsilano Beach
– Award of Contract**

RECOMMENDATION

- A. THAT the Board approve a 3-year Operating Agreement for Vancouver Water Adventures to operate a stand-up paddleboard concession service at Kitsilano Beach, and subject to the approval of the General Manager of the Park Board, up to two additional 1-year renewal terms.*
- B. THAT the fee structure be set at the greater of a \$5,250 minimum annual base fee OR 7% of annual gross revenues up to \$100,000 and 8.5% of annual gross revenues above \$100,000.*
- C. THAT all legal documentation is to be in a form which is satisfactory to the Director of Legal Services for the City of Vancouver and the General Manager of the Park Board.*
- D. THAT the General Manager be authorized to execute and deliver such documentation on behalf of the Board.*
- E. THAT no legal rights shall arise and no consents, permissions or licences are granted hereby and none shall arise or be granted hereafter unless and until all contemplated legal documentation has been executed and delivered by all parties.*

BACKGROUND

Stand-up paddling is one of the fastest growing water sports in North America and is well positioned to become the water sport of choice in the coming years. As stewards of Vancouver's parks and beaches, the Vancouver Park Board wishes to support the development of this activity and provide additional opportunities for members of the public to participate and experience this form of recreation, thereby encouraging healthy and active living. Currently, there are only two stand-up paddle board service providers at Vancouver beaches (located at English Bay and Jericho). While several Vancouver beaches could provide a potential location for a new stand-up paddleboard operation, Kitsilano Beach, our second most visited beachfront location, provides the ideal opportunity to expand service to residents and tourists alike.

DISCUSSION

RFEOI Process

A Request for Expressions of Interest (RFEOI) was developed and released in August 2012, seeking proposals from experienced and qualified proponents interested in operating a seasonal stand-up paddleboard concession at unserved Vancouver beach locations. In order to minimize the footprint of the operation and minimize any disruptions to the natural setting of our beaches, only mobile structures were considered for concession operations, thus requiring the operator to remove all equipment and materials at the end of each business day. The RFEOI was directly distributed to 7 organizations and notifications of the opportunity were published on BC Bid and the City of Vancouver website.

Six detailed and comprehensive proposals were received in September 2012 in response to the RFEOI process. The majority of proposals identified Kitsilano Beach as the preferred location for a new concession operation. A multidisciplinary Selection Committee was established to review the proposals. Key evaluation criteria included:

- Business concept (including product and service approach, understanding of market trends);
- Operations/level of service (including safety considerations, range of services, and sustainable practices);
- Experience/qualifications;
- Financial capacity;
- Financial fee/offer; and
- Value added services.

Successful Proponent

Following a detailed proposal review, short listing process, interviews, and reference checks, the Selection Committee identified Vancouver Water Adventures Ltd. as the successful proponent.

Vancouver Water Adventures is a Vancouver-owned and operated company with a 4-year history of providing quality water sport operations with exceptional customer service and high levels of participant satisfaction. Vancouver Water Adventures is owned by sibling entrepreneurs Jessica Watson and Clayton Watson. Together they operate the Vancouver Water Adventures store front location at Granville Island providing paddleboard, water bike, and Jet Ski rentals and tours to members of the public, a business that has doubled its revenues each year since inception. Mr. Watson is also the owner of Vancouver Flower Company, responsible for a number of outdoor flower kiosks in the Downtown Vancouver Area. Vancouver Water Adventures places great importance on customer experience and satisfaction, focuses on hiring qualified and professional staff, and employs innovative marketing techniques to position themselves strongly in the marketplace. They will also leverage their two locations to encourage participation, meet market needs, and further grow the sport.

Key Proposal Components

Term: The initial term of the agreement will be for three (3) years with an opportunity to renew for two additional one (1) year terms.

Fee: For the first three (3) year term, Vancouver Water Adventures will pay the Park Board the greater of:

- \$5,250 minimum annual base fee; or
- 7% of annual gross revenues up to \$100,000 and 8.5% of annual gross revenues above \$100,000.

Range of Services/Operation: Vancouver Water Adventures will offer customers competitively-priced paddleboard rentals, stand-up paddling lessons, guided tours, and related sales from their seasonal operation at Kitsilano Beach, which will be set-up and removed from the premises each business day.

SUMMARY

Vancouver Water Adventures Ltd. meets the key requirements necessary to operate the stand-up paddle board operation at Kitsilano Beach. Accordingly, staff recommends that the Board approve the terms as noted above and authorize the General Manager, in coordination with the City's Director of Legal Services, to enter into a formal operating agreement with Vancouver Water Adventures Ltd.

Prepared by:
Vancouver Board of Parks and Recreation
Vancouver, BC

OS/os