



May 9, 2016 (revised May 16/16)

TO: Park Board Chair and Commissioners
FROM: General Manager - Vancouver Board of Parks and Recreation
SUBJECT: Beach Chair & Umbrella Rental Service at English Bay Beach - Pilot Program Contract Award

RECOMMENDATION

THAT the Vancouver Park Board approve a two-year pilot program agreement for Blue Hole Investments to operate a beach chair and umbrella rental service at English Bay Beach, with an option to extend the agreement for a further two-year term, subject to the following terms and conditions:

- A. THAT the fee structure be set at 10% of gross revenues in Year 1 and 15% in Year 2;
- B. THAT all legal documentation 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;
- C. THAT the General Manager be authorized to execute and deliver such documentation on behalf of the Board; and
- D. THAT no legal rights shall arise and no consents, permissions, or licenses 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

Beach chair and umbrella rental services are commonly available at numerous beach and park destinations worldwide. They make beaches and parks more inviting and enhance visitor experiences by:

- Providing a valued service (particularly for seniors, tourists, and/or other individuals that are not able to bring or supply their own beach equipment);
- Enhancing convenience and overall customer satisfaction; and
- Delivering additional sun protection options.

Congruent with the Vancouver Park Board's interest in further activating its parks and beaches, providing value-added services for visitors, and pursuing strategic and mission-aligned new revenue streams to support Vancouver's vast and globally recognized park system, a beach chair and umbrella rental service pilot program provides an ideal opportunity for the Park Board to test this concept and determine its overall market appeal, perceived value, and viability for both the public and the Park Board.

Due to its popularity, proximity to the downtown core, and accessibility to Vancouver's tourism sector, English Bay Beach has been identified as an ideal pilot program location to deliver this new amenity and service for both residents and tourists alike.

DISCUSSION

RFEOI Process

A Request for Expressions of Interest (RFEOI) was developed and released on March 11, 2016, seeking proposals from qualified vendors interested in offering a seasonal service as part of a two-year pilot program at English Bay Beach. The RFEOI was directly distributed to 9 organizations, and notification of the opportunity was published on the City of Vancouver's website.

Two detailed and comprehensive proposals were received and reviewed by an interdisciplinary selection committee. Key evaluation criteria included:

- Proposed business concept (including methodology/approach, service delivery personnel, and innovative ideas);
- Proven company track record and relevant experience;
- Financial capability; and
- Ability to meet Park Board/City requirements and alignment with Park Board/City sustainability goals.

Successful Proponent

The selection committee identified Blue Hole Investments as the successful proponent. Blue Hole Investments is a Canadian-owned hotel management company operating two boutique hotels in Central America, one of which received the 2015 Hotel of the Year Award in Belize; the company is familiar with offering high quality and efficient beachside services and committed to expanding its network of service-based businesses in the hospitality industry. The company's previous experience, supplier relationships, and access to responsible and motivated seasonal staff (particularly local university students) provide a strong foundation for this pilot program.

Key Proposal Components

- Term - Recognizing that this is a pilot program, the term of the agreement will be for two years.
- Fee - Blue Hole Investments will pay the Vancouver Park Board 16-18% of gross annual revenues.
- Scope of Services - For the 2016 and 2017 Spring/Summer seasons, Blue Hole Investments will operate under the name "The Vancouver Shade Company" offering beach chair and umbrella rental services, as well as other related and value-added beach supply rentals and products.
- Delivery Model/Approach - In order to minimize the footprint of the service and preserve the natural setting of English Bay Beach, Blue Hole Investments will deliver its service using a 10' x 10' mobile tent that will be set-up and taken down each day (the exact location of the tent on English Bay Beach will be determined in collaboration with Park Board staff). When requested by customers, Blue Hole employees will transport and set-up beach chairs and umbrellas at random locations on the beach

selected by customers (the service will not have exclusive use to a designated area on the beach and/or limit public access to any beach areas). Special events/programming may be permitted on a time-limited and temporary basis with the approval of the General Manager of the Park Board.

- Pricing - Pricing for the service is still being finalized but will be competitive with similar services in other markets/jurisdictions. It is anticipated that customers will be able to select from hourly, half-day, full-day, and evening rates. Customers will also be able to choose from a-la-carte or package pricing options, whichever offers them the best value.

SUMMARY

The proposed pilot program will introduce a new and valued service, enhance customer convenience, and deliver additional sun protection at a popular Vancouver beach. Blue Hole Investments meets the key requirements necessary to operate the beach chair and umbrella rental service at English Bay Beach. Accordingly, staff recommend that the Board approve the terms as noted above and authorize the General Manager of the Park Board, in coordination with the City's Director of Legal Services, to enter into a formal operating agreement with Blue Hole Investments.

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