



# CONCESSION STRATEGY UPDATE

## Report Reference

Regular Park Board Meeting  
Tuesday, November 21, 2017



# Purpose of Presentation

- Provide the Board with an update on the 'Serving up a Fresh Concession Strategy' initiative
- Inform the Board about concession improvements in 2017 and those proposed for 2018



# Agenda

1. Board Direction
2. Approach
3. Overview of Feedback & Input
4. Consultant Recommendations
5. Short Term Concession Improvements
6. Next Steps





The Board passed the following motion on November 2, 2015:

## THEREFORE BE IT RESOLVED:

- A. THAT the Vancouver Board of Parks and Recreation direct staff to explore other affordable concession operating models and report back to the Board by the end of May 2016; and
- B. FURTHER THAT such initiative be broad in scope, giving consideration to: diverse business models; the repurposing of existing locations, possibly with modular facilities that could include new benefits such as movability, inclusion of eco-friendly water dispensaries, washrooms; and the introduction of new locations/concepts.

# Current Concession Overview

- 13 locations operated by Park Board, with contracted service delivery by 10 operators;
- Park Board role/responsibilities includes setting menus, purchasing, warehousing, delivering product/supplies, facility maintenance, and day to day administrative/operational oversight;
- Core menu standardized across network, with selection of long standing comfort food choices; inconsistent product and service delivery;
- Buildings are aging and require upgrades.

- Consultant retained to support initiative (fsSTRATEGY);
- Comprehensive stakeholder engagement program (Q2 2016);
- Board engagement workshop and briefing (Q2 & Q3 2016);
- Operating model analysis by fsSTRATEGY (situation review, best practice assessment, initial recommendations, potential go forward approaches, and financial projections);
- Internal assessment of continued self-operation (feasibility, operational impacts, financial impacts, capital & maintenance requirements, etc.).

- Wide range of desired outcomes; many competing interests;
- Consultation and Commissioner feedback/input;
- Shift away from focus on operating model review only;
- More work required to ensure strategy reflects not only industry practices, but also 'made for Vancouver' solution;
- Short term improvements completed in 2017; additional improvements planned for 2018;
- Longer term recommendations require some additional work; will be presented to Board in Q1 2018.



## Overview of Feedback & Input



# Consultation Program

- Key components:
  - Online survey (over 4,600 responses)
  - Intercept interviews (roughly 200)
  - Focus groups (4)
- Participant overview:
  - 59% male
  - 37% female
  - 4% did not identify
- Age breakdown:
  - 68% between age 20 and 39
  - 84% between age 20 and 49



- Just over half of Vancouver residents visit parks/beaches at least once/week in the summer:
  - Greatest utilization is by respondents aged 20 to 39
  - Majority of respondents visit parks/beaches in the afternoon
  - 87% of respondents stay at parks/beaches between 1 and 4 hours
    - 1 to 2 hours for age 40 and over
    - 3 to 4 hours for age 39 and under

- Majority of respondents purchase snack/beverage every few visits:
  - 25% never purchase; 16% purchase snack/beverage at least once per visit
  - Respondents 19 and younger are most likely to purchase snack/beverage every other visit
- Small percentage purchase meals:
  - 41% of respondents never purchase a meal; 31% do so every few visits; only 7% purchase a meal at least once per visit
  - Respondents 19 and younger are most likely to purchase meal while at park

# Consultation Insights

- Satisfaction with food services offered is split and greater with youth:
  - 20% of respondents either satisfied or very satisfied; 34% of respondents are neither satisfied nor dissatisfied; 33% are either dissatisfied or very dissatisfied
  - Respondents 19 and younger reported the greatest satisfaction with food service offered at parks/ beaches





## ■ Likes:

- Convenient/accessible – 25%
- Basic needs met – 7%
- Fish & chips – 6%
- Variety – 6%
- Nostalgia – 6%
- 19 other responses with evenly distributed results

## ■ Dislikes/Opportunities:

- Increase healthy options – 27%
- Serve alcohol – 22%
- Increase variety – 20%
- Lower prices – 14%
- Improve quality – 13%
- 27 other responses with evenly distributed results

# Consultation Insights

- We are losing more than half of respondents who buy their food elsewhere:
  - 67% of respondents typically leave parks/beaches to buy food/beverage from other locations
  - Respondents aged 19 to 39 were most likely to leave; respondents aged 60 and over were more likely to stay and purchase from park/beach concessions



- There is interest in sale of alcohol:
  - 79% of respondents agree or strongly agree with the sale of alcoholic beverages at concessions; a further 5% neither agree or disagree
  - Only 16% disagree or strongly disagree






- There is support for conversion of concessions to cafés:
  - 54% of respondents agree or strongly agree with the conversion of one or more concessions to café





- Concession operators appear to have a wide range of abilities;
- Menu boards dated and not consistent with industry standards; menu engineering not practiced;
- Many great stories about concession operations not being communicated to Vancouverites;
- Current model encourages concession operators to focus on revenues and payroll; no incentive to focus on controlling other expenses or profitability;
- All operational risks are borne by the Park Board.

- Park Board operating model differs from general industry approach/ best practice which typically involves:
  - Third party licence/lease agreements;
  - Flat licensing fee or percentage of gross revenue;
  - Branded concepts/locations;
- Facility renewal is one of the biggest opportunity areas for improvement.

- 
- Increase variety of product offerings while ensuring traditional beach concession favorites remain
  - Introduce new menu items, including potentially pizza, sandwiches (wraps/deli-style options), frozen beverages, poutine, barbeque, salad, seafood and ethnic choices (particularly Thai, Mexican, Japanese, Mediterranean & Greek)
  - Use unique product offerings to create concession destinations within the parks

- Consider new operating model founded on long-term third party leases to secure required capital investment to upgrade concessions and public washrooms;
  - Park Board to receive commission on gross revenue;
  - Operators responsible for setting menus and prices; assume majority of risk.





# Concession Improvements



# 2017 Improvements Implemented

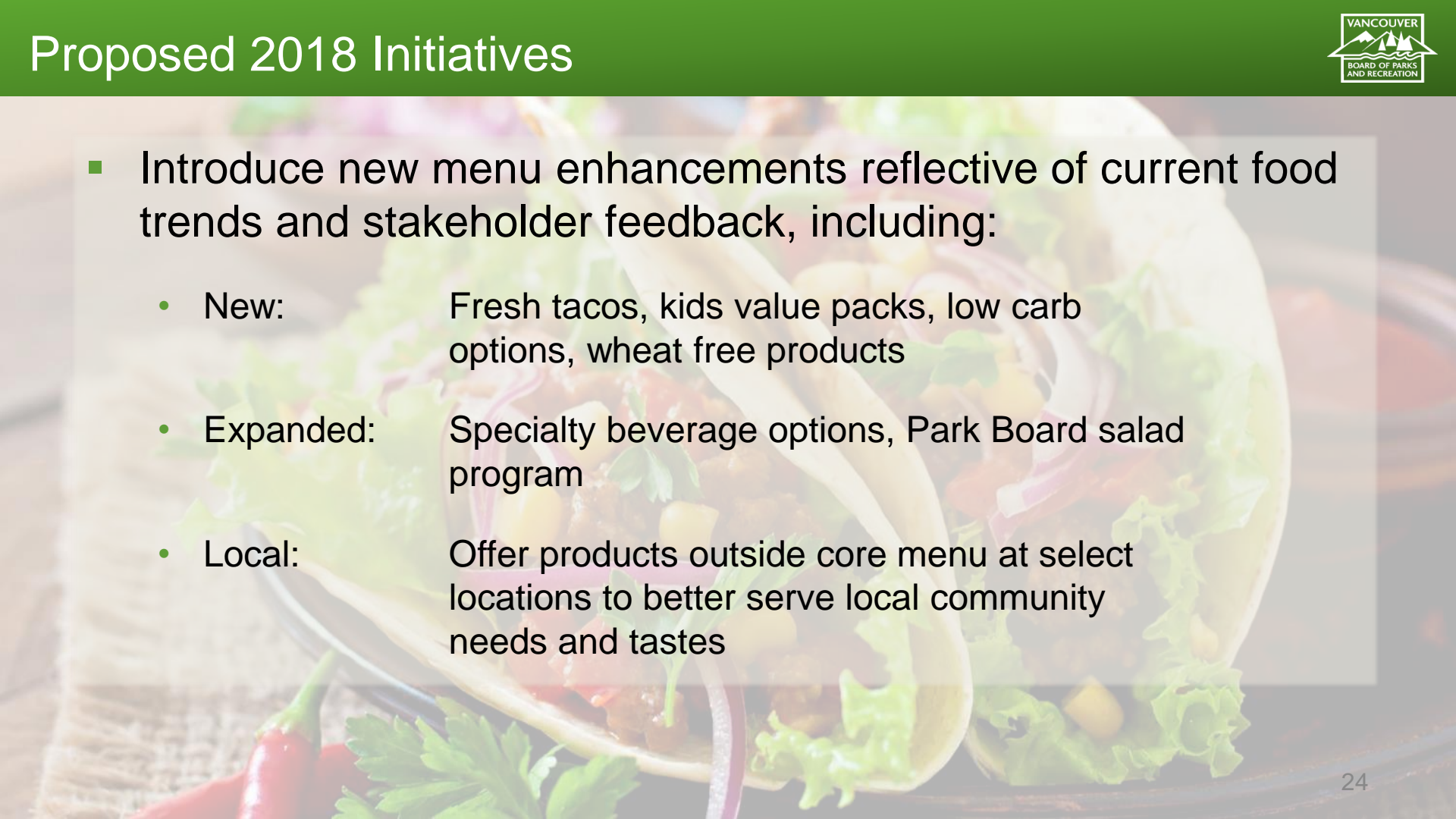
- Clubhouse food & beverage lead and professional chef now overseeing concession operations;
- Partnered with social enterprise operator on pilot program to operate concessions at Trout Lake, West Bank & Kitsilano (North Shore Culinary Institute);
- Menus modified to better align with local target markets and tastes (fresh squeezed lemonade at Second Beach, fish tacos at Spanish Banks East, Second Beach, and Kitsilano);

# 2017 Improvements Implemented

- New menu items piloted at several locations (informed by consultation findings):
  - Golf course grown salads at Jericho, Kitsilano, Second Beach, and Lumberman's;
  - Pulled pork sandwiches at New Brighton, Second Beach, Lumberman's, Locarno, and Jericho;
  - Local gelato expanded to Third Beach;





- 
- Introduce new menu enhancements reflective of current food trends and stakeholder feedback, including:
    - New: Fresh tacos, kids value packs, low carb options, wheat free products
    - Expanded: Specialty beverage options, Park Board salad program
    - Local: Offer products outside core menu at select locations to better serve local community needs and tastes



# Proposed 2018 Initiatives

- Begin work with the BC Liquor Control & Licensing Branch, City of Vancouver, and operating partners to introduce alcohol service at English Bay and Third Beach on a pilot program basis:
  - Implementation targeted for Summer 2018;
  - Would be subject to future Board approval.



- Launch customer facing service improvements:
  - New menu boards;
  - New staff attire which reinforces Park Board brand;
  - Improve overall aesthetic of front counter experience;
  - Implement service quality monitoring program (led by clubhouse food & beverage lead and professional chef);
  - Continue to review and implement best practices across concession locations;

- Introduce program to better tell ‘the Park Board story’:
  - Explain how proceeds support broader parks and recreation system
  - Promote Local Food Action Plan initiatives (including local sourcing of coffee, fruit, vegetables, gelato & ice cream)
  - Promote social enterprise partnerships (relationship with North Shore Culinary Institute)
- Improve management oversight and support for concession operators

- Complete detailed analysis of continued self-operation model:
  - Financial performance/projections
  - Capital and maintenance requirements/impacts
  - Net present value analysis
- Implement identified concession improvements for 2018
- Finalize development of medium and longer term recommendations for Board review in Q1 2018



