

Commonwealth Stadium Concession Agreement Extension

Recommendation

That the amendment to the food services agreement between the City of Edmonton, Edmonton Football Club and Western Food Services, as outlined in Attachment 1 of the August 11, 2021, Citizen Services report CS00659, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

The City of Edmonton, the Edmonton Football Club and Western Food Services have a food service agreement in place that is set to expire at the end of 2021. Due to COVID-19 restrictions, there were no Canadian Football League, Canadian Premier League, or major events at Commonwealth or Clarke Stadium resulting in zero revenue opportunities for Western Food Service in 2020. With events returning to the stadium in summer 2021, this agreement is required to allow for revenue generation opportunities through the remainder of the year.

Report

The existing agreement between the City, Edmonton Football Club and Western Food Services to provide food and beverage concession services for all events at Commonwealth Stadium and Clarke Stadium, approved on January 18, 2016 (CR_3166) is set to expire at the end of 2021. In 2021, football and soccer games will return to Commonwealth and Clarke Stadiums with shortened seasons. An amendment to extend the current agreement will provide Administration time to demonstrate the revenue and earning potential as part of the concessions services at the stadium, in anticipation of an upcoming competitive procurement process for future services. Administration will develop the stadium concession tender and services contract agreement with the Edmonton Football Club at the start of 2023.

The Edmonton Football Club is also supportive of this two year agreement and supports the continuation of the existing terms of the agreement until the end of December 2023.

Budget/Financial Implications

Western Food Services will pay the City and/or the Edmonton Football Club, as applicable, commissions as a percentage of gross sales in accordance with the

agreement. The extension of the existing agreement will not impact the 2022 budget as it reflects the existing terms of the expiring agreement. The 2023 budget will reflect the extended terms of the agreement when prepared. Actual amounts received through the agreement in 2022 may be impacted by the rate of recovery from COVID 19.

Public Engagement

Public engagement was not conducted as the agreement was previously approved by Committee.

Corporate Outcomes and Performance Management

Corporate Outcome: The City of Edmonton has a resilient financial position.			
Outcome	Measure	Result	Target
Revenue generation from different sources for the City	Branch revenue variance	2020: \$539,000	Positive revenue variance
Corporate Outcome: Edmontonians are connected to the city in which they live, work and play.			
Outcome	Measure	Result	Target
Edmontonians have great experiences at Commonwealth Stadium	Customer Satisfaction Rating (according to the Edmonton Football Club engagement with attendees)	2020: 85 percent	90 percent

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
If recommendation is approved						
Commercial	Estimated revenues from the agreement are lower than anticipated.	2 - Unlikely	2 - Moderate	4 - Low	Work with the Edmonton Elks and Western Food Services on promotional opportunities to increase attendance at the event.	

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Commercial	Terms of the agreement negatively impact the City before the contract expires.	2 - Unlikely	2 - Moderate	4 - Low	Continuously meet with both stakeholders to ensure the contract terms are being met.	
If recommendation is not approved						
Commercial	Time and cost related to the procurement of another concession vendor.	4 - Likely	2 - Moderate	8 - Medium	Explore a shortlist of potential alternative businesses that could provide the services on short notice if need be	
Public Perception	Perception of the city if concession services are not available for events at Commonwealth Stadium.	4 - Likely	2 - Moderate	8 - Medium	Ensure that a concession vendor is in place through a timely procurement process	

Attachment

1. Commonwealth and Clarke Stadium Food Services Amending Agreement - Key Terms and Conditions

Others Reviewing this Report

- C. Owen, Deputy City Manager, Communications and Engagement
- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- K. Fallis-Howell, Acting City Solicitor