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Beach residents question Tuggs' food contract



City council signed an exclusive deal with George Foulidis, owner of the Boardwalk Pub, to sell food along most of the beach.

Aaron Lynett, National Post

Natalie Alcoba, National Post · Tuesday, Jun. 1, 2010

There are growing calls for the city to take another look at a controversial decision to award a single Beach restaurateur potentially lucrative rights to sell along a stretch of the waterfront, without a public tender.

Residents in the area who have spoken out against the deal upped the ante yesterday, issuing a public letter that called on the auditor general to investigate how the sole source agreement came about.

Last month, City Council signed off on a deal that grants Tuggs Inc. exclusive rights to sell food and drinks along much of the beaches until 2028. Under the new terms, George Foulidis, the head of Tuggs and proprietor of the Boardwalk Pub in Woodbine Beach Park, grew his territory to also include the popular Ashbridges Bay, where only he can sell liquor, plus snacks from a vending truck, and souvenir and beach paraphernalia. He also operates concession stands at Kew Beach and D.D. Summerville pool.

The new contract, with a \$4.7-million rent that is \$1-million less than staff had been aiming for, is a result of 36 months of negotiations between the city and Mr. Foulidis, after council voted in 2007 not to take the contract to public tender. Back then, staff advised that the best way to ensure the city is getting a good deal is to open it up to competitive bidding. But local councillor Sandra Bussin (Beaches East York) argued that the city had found a "good fit" in the family-owned business that has been operating on the beach since 1986, and should focus on "retaining good relationships."

This time around, staff said that the new deal, in spite of falling short in certain areas, was the best they could do.

But a group of local residents say that is not good enough. A petition with 80 signatures is asking City Council to rescind its Tuggs decision, consult with the public, issue a request for proposal and allow for public input before signing off on a new deal.

Councillor Frances Nunziata, who regrets voting in favour of the deal in May, believes the contract needs to go for an RFP and will move a motion at a City Council meeting next week asking that the matter be reopened. She needs two-thirds support to pass a motion.

In an open letter, the group led by residents Chris Yaccato and Bruce Baker write they are "concerned that awarding this lease without community participation and a [request for proposals] is wrong."

Mr. Yaccato further states that "in no way do I feel anything Tuggs, itself, has done anything improper but rather the process in which the lease was awarded by the City of Toronto appears to be seriously flawed." He said only a full audit would "restore public trust" in the procurement policy. Mr. Foulidis did not return repeated calls for comment.

Meanwhile, Councillor Doug Holyday has asked the integrity commissioner to study the matter. He does not think it was appropriate for Ms. Bussin to take a position on the issue back in 2007.

"She interfered with a staff recommendation that had to do with city policy and I think we have to be fair to one and all. If a councillor happens to know the people in the operation isn't a good enough reason to step in," he said. Ms. Bussin, who did not vote on the matter in May, did not return a call to her office for comment.

The vote on May 12 passed on a 15-12 vote, with 17 members absent.

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