

The Board of Governors on April 17, 2009 approved the recommendations embodied in this report.

April 6, 2009

ACTION REQUIRED

To: The Board of Governors of Exhibition Place
From: Dianne Young
Chief Executive Officer
Subject: **Agreement to Supply Meeting Room Chairs– Allstream Centre Project**

Summary:

This report recommends that the Board enter into an Agreement with Renaissance Business Interiors Inc. (Renaissance) for the supply including the delivery of meeting room chairs to Exhibition Place for the Allstream Centre project.

A Request for Quotation (RFQ) process was issued through the City of Toronto Purchasing Department for the supply and delivery of conference room chairs to the Allstream Centre. Staff are recommending award to the lowest acceptable supplier, Renaissance, on the basis of a favourable review of the bid completed by NORR, the Board's Architect for the project.

Recommendations:

It is recommended that the Board approve an agreement between the Board and Renaissance on the terms and conditions outlined in this report and other such terms and conditions satisfactory to the Chief Executive Officer of the Board and the City Solicitor.

Financial Impact:

Approval of the agreement by the Board will result in an expenditure of \$193,934.52 plus GST. Funding for the entire cost will be from the Board's own cash flow amortized over a useful life of 10 years as a charge against the Conference Centre operations beginning in 2009 with the opening of the facility. This cost is within budget for Furniture, Fixtures and Equipment established for this project.

Decision History:

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| Board of Governors, November 3, 2006 | Approval of business terms for an exclusive food services agreement between the Board and Centreplate and the National Hotel Corporation (the "FSP") related to the provision of food and beverage services within the proposed Conference Centre in the renovated Automotive Building. |
| Board of Governors, December 15, 2006 | Approval of the terms and conditions of the full LOI between the Board and the FSP for food services within the renovated Conference Centre and the financial proposal for the proposed Conference Centre which included a loan from the National Hotel Corporation for part of the construction costs. |
| City Council, March 5 & 6, 2007 | Approval of LOI between the Board and the FSP for exclusive food services in the proposed Conference Centre. In addition, approval of a recommendation which deleted the need for financing from the National Hotel Corporation and replaced this financing with a City loan of \$21.2M. |
| Board of Governors, May 4, 2007 | Approval of the engagement of NORR as the design architect on the Conference Centre project at a total fee of \$968,000 (excluding GST) for Phases I & II and the project schedule. |
| Board of Governors November 7, 2007 | Approved of the increase in the overall Conference Centre capital budget from \$29.0M to \$46.88M with request to City Council to increase its loan to the Board from \$21.2M to \$35.6M with an increase in the interest rate from 4.75 to 5.0 percent and an increase in the amortization period from 20 to 25 years; and request for the depletion of the full Exhibition Place Capital Reserve. |
| City Council, December 10, 11, 12, 13 & 14, 2007 | Approval of the Board's recommendation as noted above and in addition, increase the term of the loan from twenty to twenty-five years and establish an obligatory reserve fund, called the "Exhibition Place Conference Centre Reserve |

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| | Fund” to provide a source of funding for any shortfalls in loan payments to the City from Exhibition Place for a new conference centre and direct revenues from the Direct Energy Centre and the Conference Centre naming rights agreements into the fund along with any 2007 operating surplus for Exhibition Place. |
| Board of Governors, December 7, 2007 | NORR Management Group presented a detailed power-point presentation with respect to the proposed design of the Conference Centre, which was unanimously received for information by the Board. |
| Board of Governors, January 25, 2008 | Update of financial details, budget requirements and provide the explanation of the increase on costs for construction and professional services; also attaching to the update was the City Council Decision of December 2007 and supporting report of the Deputy City Manager and CFO. Report deferred to next meeting of the Board on March 6, 2008. |
| Board of Governors March 6, 2008 | Update financial details, budget requirements and explain the increase costs for construction and professional services. Approval of amendment to the NORR Architectural fees; also attaching to the update was the City Council Decision of December 2007 and supporting report of the Deputy City Manager and CFO. |
| Board of Governors March 19, 2008 | Award of main construction contract to Vanbots Construction Corporation at a cost of \$33,450,000, excluding GST. |
| Board of Governors May 2, 2008 | Board extended the term of the agreement with MHPM Project Managers Inc. by 7.5 months at a total cost of \$115,000 to be drawn down from the project contingency. |
| Board of Governors September 19, 2008 | Board approval of A. Buchanan Floor Coverings Ltd for the supply and installation of the carpet |

Issue Background:

On February 19, 2009, Exhibition Place through the services of the City of Toronto issued a Request for Quotation 1004-09-3044 to establish an agreement for the supply and delivery of approximately 2000 conference room chairs along with chair dollies to the Allstream Centre. For this RFQ, the detailed minimum specifications were developed by NORR.

Prior to the release of the RFQ, criteria for furnishings were developed with advice from the Board’s Architect, NORR Ltd. and Enermodal the LEED Consultant on the project. Part of this process includes the selection of chairs which were Greenguard Certified in order to meet the LEED standard. The RFQ required that bidders submit pricing for a Teknion “Volume” chair, or approved equivalent meeting certain minimum specifications to receive consideration.

The RFQ closed on March 6, 2009 with seven bids received. The results excluding GST were as follows:

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| Brodart Canada | \$145,116.90 |
| Melnik Resources Ltd. | \$157,954.86 |
| Renaissance Business Interiors Inc. | \$193,934.52 |
| Borgo Upholstery Ltd | \$198,180.00 |
| CTI Working Environments | \$204,077.34 |
| Tusch Seating Inc. | \$348,192.00 |
| Mayhew | \$425,217.60 |

Comments:

Once the bids were received, NORR along with Exhibition Place staff reviewed all quotations in accordance with the specifications called for. Based on this analysis, the alternative chairs offered by both Brodart Canada and Melnik Resources Ltd., the two lowest bidders, were deemed to be not suitable as acceptable equivalents to the chair

specified. While some of the alternate chairs offered by these two companies clearly aimed to meet the minimum specifications, they did not conform to the broader specifications of the Teknion Volume chair.

Therefore, staff are recommending an agreement with Renaissance as being the overall lowest acceptable bid received in compliance with specifications on the following terms and conditions:

- (a) Renaissance shall supply and deliver Teknion Volume Chairs as determined by the Board in quantities sufficient to complete the project.
- (b) Supply prices shall be firm and shall include freight and unloading costs, FOB Exhibition Place.
- (c) Insurance/Indemnity: Renaissance shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording.
- (d) Union Obligations: Renaissance shall comply with all trade union/association agreements affecting work done on the grounds.
- (e) Other Commercial Terms: The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the City Solicitor and the CEO.