



# Exhibition Place

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**ACTION REQUIRED**

## **Item No. 17**

May 7, 2012

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **Food & Beverage RFP – Consultant**

### **Summary:**

This report seeks the Board's approval to proceed with a contract with fsSTRATEGY to assist with the Request for Proposal for Food & Beverage Services at Direct Energy Centre and other buildings utilized for trade and consumer shows to be released in the Fall 2012, with a recommendation to the Board in the Winter/Spring 2013 for a food and beverage services provider.

Following an RFP process, Exhibition Place staff engaged fsSTRATEGY in 2010 and 2011 to undertake an analysis on possible future directions for the delivery of food and beverage, generally in the industry and specifically in the Toronto marketplace and at Direct Energy Centre. This review included an analysis of the alternative of an "in-house" delivery of food services and a recommendation of the optimal delivery model for Exhibition Place. With the decision to proceed to an RFP for F&B, it is necessary to engage a consultant for this next phase of work.

### **Recommendations:**

**It is recommended that the Board direct staff to proceed with a contract with fsSTRATEGY to assist with the Request for Proposals for Food & Beverage Services at a cost of \$19,000.00.**

### **Financial Implications**

Approval of the recommendation to proceed with retaining fsSTRATEGY to assist with the development of the RFP will have no impact on the Board 2012 operating budget as costs for the consultant to assist with the F&B RFP have already been provided for.

### **Decision History:**

The Exhibition Place 2009 – 2012 Strategic Plan had a Financial Goal: *To seek additional revenue opportunities* and as a Strategy to support this Goal we will *foster long-term partnerships and alliances with public and private sector organizations.*

At its meeting of December 16, 2011 the Board approved that staff proceed with a RFP for Food & Beverage Services at Direct Energy Centre and other buildings utilized for trade and consumer shows.

At its meeting of August 5, 2011 the Board approved the extension of the current agreement with Servomation Inc. (“Servo”) to provide exclusive food and beverage services to Direct Energy Centre and other buildings utilized for trade and consumer shows for one additional year, expiring on June 30, 2013.

At its meeting of May 27, 2010 the Board approved of entering into an agreement with Servo for the provision of exclusive food and beverage services in Direct Energy Centre and other buildings on the grounds utilized for trade and consumer show venues for a term ending on June 30, 2012. In addition the Board received the information that staff would be engaging a consultant to undertake an analysis on possible future directions generally in the industry and specifically in the Toronto marketplace and at Direct Energy Centre.

At its meeting of October 25, 2002 the Board approved of entering into an agreement with Servo for the provision of exclusive food and beverage services in Direct Energy Centre and other buildings on the grounds utilized for trade and consumer show events for a term ending on June 30, 2010. This report was subsequently approved by City Council at its meeting of November 26, 27 and 28, 2002.

At its meeting of October 26, 2001, the Board approved of issuing a RFP for an exclusive food service provider and on April 9, 2002, the RFP was issued through the City of Toronto Purchasing Department with a closing date of May 31, 2002.

At its meeting of April 25, 1997 the Board approved of entering into an Agreement with Servo as the exclusive provider of food and beverage services within the Direct Energy Centre and other buildings on the grounds managed by Exhibition Place. The Agreement between the Board and Servo provided for an initial term of 5 years (January 1, 1998 to December 31, 2002) with an option for the Board to extend this Agreement for a further 5 years.

#### Issue Background:

The existing agreement with Servo is set to expire on June 30, 2013. Based on the review of the Food & Beverage Operations, the Board decided that it would be in the best interests of the Board to go to the marketplace with an RFP in the Fall of 2012 for a third party F&B provider and report back to the Board on the results of the RFP in Winter/Spring 2013. Staff wishes to retain fsSTRATEGY to assist with the RFP process.

#### Comments:

Following the Board meeting of May 27, 2010, Exhibition Place through a RFP process requested bids for consultant services; received bids from 3 companies; and determined fsSTRATEGY to be the successful consultant. This RFP requested bidders provide separate pricing for the three phases of this project. Phase 1 involved a review and recommendations on how to improve services with respect to the existing F&B provider. Phase 2 was a comprehensive review for Exhibition Place of the alternatives for food service delivery on the grounds. Phase 3 was for consulting services to assist Exhibition Place with an RFP for Food & Beverage Services at Direct Energy Centre, if the Board after Phase 2 decided to continue to outsource foodservice though the existing model of an agreement with the private sector.

Accordingly, Exhibition Place staff are recommending that fsSTRATEGY continue to be retained to assist with the following:

- a) Review and provides comments on the RFP prepared by Exhibition Place staff;
- b) Participate in the mandatory bidder's meeting;
- c) Assist with responses to all bidders' queries only as required by staff;
- d) Review all proponent submissions and prepare an overview of the merits of each submission;
- e) Provide advice to the Staff Evaluation Committee as required;
- f) Participate in the interviews with shortlisted proponents
- g) Assist Staff Evaluation Committee with final recommendation;
- h) Attend and respond to questions at Board meeting considering the RFP recommendation if required;
- i) Provide advice to Staff on contract negotiations as required.

The amount paid to fsSTRATEGY to date for Phase 1 and 2 is \$49,103.00 and with the additional \$19,000 will total \$68,103.00

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Submitted:

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Dianne Young, Chief Executive Officer