



Exhibition Place

ACTION REQUIRED

Item No. 11

March 2, 2012

To: The Board of Governors of Exhibition Place
From: Dianne Young, Chief Executive Officer
Subject: **CNEA Agreement – Printing Services**

Summary:

This report recommends the Board enter into an agreement with Annan and Sons Ltd. commencing for the 2012 Canadian National Exhibition (CNE), with an option to renew for an additional three-year periods, for non-exclusive supply of various printed materials and delivery of same to various locations for the CNEA.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Material Management Division (PMMD) for the non-exclusive supply of various printed materials and delivery of same for the Canadian National Exhibition.

Recommendation

Subject to the approval of the CNEA Board, it is recommended that the Board authorize a one year agreement for the 2012 CNE (with the option to extend for an additional three one-year periods) with Annan and Sons Ltd., based on the terms and conditions as outlined in this report and any such other terms and conditions satisfactory to the CEO and City Solicitor.

Financial Impact:

Funding for this agreement is provided for in the 2012 CNEA Operating Budget, and will be provided for in the 2013, 2014, and 2015 CNEA Operating Budgets.

Decision History:

The Exhibition Place 2009-2012 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*.

This report will be considered by the CNEA Board of Directors at its meeting being held on April 4, 2012, and the recommendation of the CNEA Board will be reported to the Board at its meeting of April 5, 2012.

Issue Background:

On November 21, 2011, Exhibition Place through the services of PMMD issued a Request for Quotation to establish a new agreement commencing with the 2012 CNE.

Comments:

The RFQ detailed (12) twelve of the largest print/distribution projects that the CNE undertakes annually. These projects represent the most significant, out of approximately 100 print requirements, both from a complexity and economic impact perspective. The project list included the CNE Guidebook, various types of passes, handouts, brochures and handbooks.

The RFQ was structured in a manner that required bidders to price each of the twelve projects separately taking into consideration the specific requirements for each one. As well the RFQ detailed the CNEA's service requirements and expectations of the successful bidder, which included dedicated staff, response time and flexibility to meet the demanding marketing requirements of the Fair.

To receive consideration, Bidders had to have proven experience in providing excellent customer service for venues and events equal in size and scope to the CNE. Accordingly, to support this requirement, Bidders had to submit with their bid a list of five clients for whom they had provided services in accordance with the CNE's stated service requirements within the past five years.

For comparison purposes, the costs of the twelve projects were tabulated resulting in Total Sum Prices. Firm prices were quoted for the first year with percentage increases for each of the three option years.

The RFQ closed on December 12, 2011 with nine quotations received. The results inclusive of payment discounts, excluding HST were as follows:

Bidder	2012	Percentage Increase Optional		
		Year 1	Year 2	Year 3
Data Direct Group	\$126,324.60	2%	2.5%	3%
Millenium Printing Inc.	\$131,101.25	5%	7%	10%
Annan & Sons Ltd.	\$138,931.81	3%	3%	3%
Maracle Press Ltd.	\$140,103.36	3%	3%	3%
St. Joseph Print Concord	\$142,357.40	3%	3%	3%
Transcontinental PLM	\$142,888.40	0%	1.5%	1.5%
Starwab Printing Ltd	\$149,944.50	2%	2%	2%
Focus Print Production	\$150,225.51	2.5%	2.75%	3%
Michael Graphics	\$166,962.99	1.5%	1.5%	1.5%

In the evaluation of the bids, CNE staff contacted the stated references of the four lowest bids received to confirm the Bidder's experience as it relates to the requirements of the CNEA. As a

follow-up to the reference checks, each of the four lowest Bidders were interviewed in order to confirm staff understanding of their capabilities and experience as reflected in the references.

Based on the reference checks and supported by interviews, staff is recommending that Annan & Sons Ltd. be awarded this agreement being the overall lowest acceptable bid received compliant with the CNEA's specifications and service requirements. Both Data Direct Group and Millenium Printing Inc., the two lower bidders, failed to demonstrate both during their interviews and with their references that they had provided services in accordance with the CNEA's stated service requirements.

Annan & Sons Ltd. is a family run business that has been supplying high quality print services in the Toronto area for more than 30 years. Owned and operated by the five Annan brothers, the company has in-house prepress, printing and bindery services. Conveniently located at the 427 & Queensway, the company comes highly recommended, has a printing facility that operates seven days a week, 24 hours a day, and therefore, is well positioned to meet the CNE's very demanding printing and time sensitive requirements.

The City of Toronto Fair Wage and Labour Trades Office confirms that Annan & Sons Ltd. is in compliance with the Fair Wage and Labour Trades requirements.

The CNEA is sole party to this agreement and given the direction for the CNEA to become independent as of April 1, 2013, the terms provided below allows the CNEA to withdraw from an extension of the agreement in Year 2.

The agreement with Annan & Sons Ltd. is based on the following terms and conditions:

- (a) Term: One year commencing with the 2012 CNE, on an as required basis, with the option to extend for three additional one-year periods subject to satisfactory performance review, PMMD market analysis, budget availability and the rights of the CNEA, as one party to the agreement, to not proceed with the option to extend.
- (b) Pricing: Pricing is to be fixed during the term of the Agreement in accordance with the terms of the RFQ
- (c) Assignment: The agreement shall not be assigned by Annan & Sons Ltd. without written consent of the Board.
- (d) Indemnity/Insurance: Annan & Sons. Ltd. 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.
- (e) Union Obligations: Annan & Sons Ltd. shall comply with all trade union/association agreements affecting work done on the grounds.
- (f) 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.

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