



Exhibition Place

ACTION REQUIRED

Item No. 12

February 28, 2012

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **CNEA Sole Source Contracts for 2012**

Summary:

This report seeks approval of one-year Sole Source contracts for the 2012 Canadian National Exhibition.

Recommendations:

It is recommended that the Board:

- (1) Approve the Sole Source contracts listed in this report for the 2012 CNE; and**
- (2) Direct that the confidential information in Attachment 1 not be released publicly in order to protect the competitive position and the future economic interests of Exhibition Place and Canadian National Exhibition Association.**

Financial Impact:

All fees to be paid for the contracts listed in subject report are included in the approved CNEA Operating Budget for 2012.

Decision History:

This report was considered by the Board of Directors of the CNEA at its meeting of February 23, 2011 and is recommended to the Board for approval.

At its meeting of June 24, 2011, the Board approved a "Procurement & Sole Source" Policy for the Board including the CNEA Program.

Issue Background:

A review conducted last year by the Finance Department for Exhibition Place revealed several contracts issued to various parties that may not comply with purchasing policies of the Board of Governors and City of Toronto. The CNEA Program is now more vigilant in awarding contracts and several RFP's and RFQ's have been issued in preparation for the 2012 CNE. For various reasons, as outlined below, it is expected that some provision of goods and services fall within the sole source category.

Comments:

The CNEA Program has conducted a thorough review of the companies listed in this report and believe that each one represents a circumstance or situation which warrants the awarding of the contract without issuing an RFP/RFQ. CNEA Program staff has always been diligent in ensuring the companies they use are cost-effective, efficient and professional, even if suppliers may not have been procured through a competitive and public process. In most instances, no single purchase order or invoice for a given supplier is very large. However, in some cases there may be multiple orders.

The reason for contracting with the companies listed below is for the knowledge, experience and skills of the principal employee. In other words, if the CNEA were not being billed by the company in question, they would hire the individual in question on an employment contract.

Dept.	Company Name	Description
Casino	Casino Knights*	Gary Bostock
Casino	Jon Moore*	Jon Moore
Casino	Visual Software*	Ed Wheatley
Corp Sec	Calligraphy by Diane*	Diane Iannuzziello
Entertainment	Alain Couture Light*	Alain Couture
Horse Show	Douglas Palmer Consulting*	Barb Meyers
Horse Show	Ring Crew Consultants*	John Perry
Operations	Fairs Am I*	Steven Bolgiano
Operations	RHD Security*	Richard Soso
Operations	Stay Safe*	Security Training Services
Sports/Attractions	High Five*	Marvin Pearl

For the remaining contracts there are various ones that the CNEA Program and CNEA Board of Directors has recommended continuation of entering into a contract with these parties for reasons outlined below.

Dept.	Company Name	Description
Casino	Mobile Command Services	Radio rentals
Casino	Royal Flush Gaming	Table equipment repairs
Corp Sec	Ultra Innovations	CNEA Board medals
Horse Show	Jumps 'R Us	Jump Supplier
Marketing / GM	Experience Renewal Solutions	Research
Marketing	Mash Media Solutions	Website maintenance & service
Marketing	TelePartners Contact Centre	Telemarketing
Operations	Springboard	Camera Traffic Counter Supplier
Programs	Canadian Protection Agency	Pit crew security Bandshell

Mobile Command Services: Is the only supplier approved by the Alcohol and Gaming Commission of Ontario (AGCO) for casinos.

Royal Flush Gaming: This company is the only AGCO licensed supplier of new and used gaming equipment and table repairs available in this area.

Visual Software: In addition to providing the individual expertise and experience of Ed Wheatley, Visual Software is the only company that has been approved by the AGCO to provide the software needed in the CNE Casino.

Ultra Innovations: Ultra Innovations will supply medals and was the subject of a competitive bid process undertaken last year by the Corporate Secretary. It is a relatively small contract and CNEA Program staff do not see the need to go back to market so soon.

Horse Show: Horse Show suppliers listed are ones CNEA Program staff know and trust and which are recommended by the associations that participate in the show.

Experience Renewal Solutions (ERS): ERS has provided unique, “experience-based” interactive research for the CNE for 4 years. They were instrumental in formulating the “Family Fun Index” and have always provided research results that indicated a clear course of action for improvement of the CNE. CNEA Program staff have continued to rely on them and are recommending that they continue to perform the research for 2012 as this will be a “constant” during this year of transition. The CNEA will go to market in 2013 to see what other firms may be able to provide comparable service.

Mash Media: Mash Media (previously Empirical / C3 Online Marketing) provide web and domain hosting for use. They assisted the CNE in making the successful transition from its previous supplier – allowing CNEA Program staff the ability to shape and modify the website. This change has led to substantial cost savings which were re-invested in social media and other marketing initiatives. (The CNEA website is designed and operates on the Mash Media software, for which a licensing fee is paid).

Telepartners: Following a dedicated search for a telemarketing supplier for the Corporate Sales Campaign in 2006, Telepartners was the only supplier identified as a fit with the CNE’s project. Finding a supplier located in Toronto that could take on a short-term campaign proved more difficult than anticipated. Telepartners is a small firm, which enables them to provide personalized and responsive service to the CNE, and they are affiliated with AnswerNet, a larger firm, which provides access to the resources of a larger firm. Telepartners has not increased their fee since 2007.

Springboard: Springboard provides a unique “traffic-counting” service developed originally by the British Military. Their system uses cameras, computers, and bit-map technology to identify numbers and direction of pedestrian and vehicular traffic as viewed from a video camera.

Stay Safe: This firm provides training for the CNEA Program staff management team to cope with potential emergencies. This crisis management training was instituted shortly after the events of 9/11. Stay Safe also helps with on-site security. The CNEA turned to Stay Safe because the principals of this firm are retired police and fire professionals who are familiar with the CNE from years of on-duty assignments at the fair.

Canadian Protection Agency: This firm has a history of providing security for the Bandshell and specializes in providing this unique service, their clients include Air Canada Centre and Molson Amphitheatre.

All contracts will carry the standard clauses pertaining to satisfactory performance, insurance, and liability / indemnity. Contract fees listed in the Confidential Attachment are non-employee related and give an indication of the kinds of fees that are invoiced by these companies.

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Submitted by:

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