



Exhibition Place

13

June 1, 2016

To: Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young, Chief Executive Officer

Subject: **Ricoh Canada Inc. Sponsorship Agreement**

Summary:

Ricoh Canada Inc. has been a preferred supplier and sponsor of Exhibition Place since January 2003 and the most recent agreement expired on February 28, 2015. Equipment lease agreements are not set to expire until July 1, 2016. A Request for Proposals (RFP) was issued on March 1, 2016, inviting ten companies to bid on becoming the Official Supplier of Copiers to Exhibition Place, with associated equipment leases, for a four year term commencing on July 1, 2016. The deadline for submissions was March 31, 2016. Of the ten companies invited to bid, one officially withdrew, and eight chose not to submit a bid. The one submission received was from the incumbent, Ricoh Canada, Inc.

Recommendations:

It is recommended that the Board:

- 1) Approve a four-year (2016 to 2020) sponsorship agreement with Ricoh Canada Inc. on the terms and conditions outlined in this report and any such other terms and conditions satisfactory to the Chief Executive Officer and City Solicitor; and**
- 2) Direct that the confidential report contained in Attachment 1 to this report not be released publicly in order to protect the competitive position and future economic interests of the Board.**

Financial Impact:

The agreement recommended in this report provides revenue to the Board over a four-year period in the form of savings on equipment leases and other associated costs.

Decision History:

The Exhibition Place 2014-2016 Strategic Plan had a Financial Goal to *maintain a positive operating financial performance across Exhibition Place and all its businesses* and as a Strategy to support this Goal *we will seek new or expand revenue opportunities within our existing operations and ensure operating budgets are met or show a positive surplus to budget.*

At its meeting of January 6th, 2011 the Board approved a four-year agreement with Ricoh Canada Inc. which commenced on March 1, 2011 and expired on February 28, 2015. The lease was then extended to July 31, 2016 at the same 2011 lease rates given the move of staff from the Q.E. Offices to Enercare Centre with the requirement for additional copiers.

<http://www.explace.on.ca/database/rte/files/Ricoh%20Sponsorship%20-%20EOL.pdf>

Issue Background:

The existing sponsorship agreement with Ricoh Canada Inc. which includes exclusive use of copiers in the office areas of Exhibition Place expires on July 1, 2016.

Comments:

With the expiry of the agreement on July 1, 2016, an RFP for Official Supplier of Copiers was issued to ten copier companies. The result of this RFP was one submission from the incumbent supplier, Ricoh Canada Inc.

The sponsorship relationship with Ricoh Canada Inc. has been a very positive one for Exhibition Place. As part of the sponsorship agreement, Exhibition Place leases photocopiers from Ricoh Canada Inc. and both service and pricing by Ricoh Canada Inc. has been excellent and competitive. Ricoh Canada Inc. is also a leader in environmental initiatives taken by its company which fits well with the directions taken by the Board.

The proposed terms and conditions of an agreement between the Board and Ricoh Canada Inc. are very similar to the previous agreement and are as follows:

- a) Term: Four years commencing July 1, 2016.
- b) Entitlements: The Board will provide the following sponsor benefits to Ricoh at Exhibition Place:
 - i. Exposure.
 - Official Office Equipment Sponsor for Exhibition Place and the Facility.
 - Right to use the Facility names, logos and marks.
 - First opportunity for introduction to Facility events, promotions and activities.
 - Product display locations at the Exhibitor Support Centre at the Facility.
 - Overhead signage logo integration, branded order forms, and product literature display stands at the Exhibitor Support Centre.
 - A banner to be located in the Galleria adjacent to the Exhibitor Support Centre (having the same specifications as the banner currently in place).
 - Logo exposure on Exhibition Place website.
 - The Sponsor will be responsible for all costs related to design, fabrication and initial installation of any and all signage at the Facility.
 - ii. Supplier Status.
 - Exclusive Document Solutions supplier in the Exhibitor Support Centre
 - Exclusive supplier of Document Solutions for the Facility and the administrative offices
- c) Union Agreements: The Sponsor shall conform with and abide by all covenants contained in agreements that are in force and effect from time to time between the Owner and any union or association
- d) Assignment: Neither party to this Agreement may assign or transfer its interest herein except with the prior written consent of the other party which consent may not be unreasonably withheld, provided that where the Agreement is in good standing (a) the Owner may assign and transfer its interests hereunder to the City of Toronto or to any purchaser who acquires the Owner's interest in and to the Facility except to the extent such purchaser is a competitor of Sponsor, and (b) the Sponsor may assign and transfer its interests hereunder to any Affiliate or otherwise as part of an internal reorganization or to a purchaser of all or substantially all of Sponsor's assets. In the case of any assignment, with or without the consent of the non-assigning party, the assigning party and the proposed assignee shall enter into an agreement with the non-assigning party agreeing to assume the rights and obligations and comply with the terms and conditions of this Agreement.
- e) Taxes: Ricoh Canada Inc. shall be responsible for the payment of any and all rates, taxes or assessments that are imposed upon the Board or Ricoh by any taxing authority having jurisdiction.
- f) Insurance/Indemnity: The Sponsor will carry and maintain liability insurance sufficient to fund its indemnity obligations herein and shall provide the Owner with a certificate of insurance evidencing commercial general liability insurance in amounts of no less than five-million dollars (\$5,000,000) per occurrence and statutory requirements for workers compensation insurance in the Province of Ontario. An undertaking by the insurer that it

shall provide with Owner with thirty (30) days written notice of any intention to cancel or materially amend the insurance coverage is required.

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