



May 7, 2015

To: The Board of Governors of Exhibition Place

**ACTION REQUIRED**

From: Dianne Young  
Chief Executive Officer

Subject: **Agreement for the Provision of Electrical and Mechanical Services for Events and Exhibitions at Exhibition Place**

Summary:

This report recommends the Board enter an agreement with ShowTech Power & Lighting ("ShowTech") for a five (5) year term commencing September 15, 2015 with the option to extend for an additional two (2) year period, for the exclusive provision of temporary electrical and mechanical show services to events and exhibitions at Exhibition Place excluding the Allstream Centre and all existing or future tenanted properties. Notwithstanding the exclusion of Allstream Centre, the Board reserves the right to require, at its sole discretion, ShowTech to deliver electrical and mechanical services in Allstream in accordance with the negotiated terms and conditions of any agreement.

A Request for Proposal (RFP) was issued on February 11, 2015 through the City of Toronto, Purchasing and Materials Management Division (PMMD) for the exclusive provision of temporary electrical and mechanical services to events and exhibitions at Exhibition Place.

**Recommendations:**

**It is recommended that the Board:**

- 1) Approve an agreement with ShowTech for the exclusive provision of electrical and mechanical services to events and exhibitions at Exhibition Place for a five (5) year term commencing September 15, 2015, with the option to extend for an additional two (2) year period, on the terms and conditions outlined in Appendix A to this report and in Appendix B set out in the Confidential Attachment, and other such terms and conditions satisfactory to the Chief Executive Officer and the City Solicitor;
- 2) If requested by CNEA, enter into an agreement with terms and conditions on the specifics of the delivery of electrical and mechanical services to the 2016 CNE event that are in keeping with the Master Agreement and are satisfactory to the CEO and the City Solicitor; and,
- 3) Direct that the confidential report contained in Attachment 1 to this report not be released publicly in order to protect the competitive position, future economic and legal interests of the Board.

Financial Impact:

Approval of this agreement between the Board and Show Tech will result in a positive revenue stream over the term of the Agreement as outlined in the confidential attachment.

### Decision History:

The Exhibition Place 2014 – 2016 Strategic Plan had a Financial Goal to *effectively monitor costs and revenue*, and a strategy to support this goal *we will seek efficiencies with the public funds under our control and continue to evaluate our provision model to ensure that services offered are best provided either internally or externally.*

### Issue Background:

On February 11, 2015, Exhibition Place through the services of City PMMD issued a Request for Proposals to establish an agreement for the exclusive provision of temporary electrical and mechanical services to events and exhibitions at Exhibition Place. The RFP terms sought an experienced show services contractor with the demonstrated ability, financial and managerial resources to provide electrical and mechanical show services on an exclusive basis to all show / event managers across the grounds except in Allstream Centre and all existing or future tenanted properties. On February 18, 2015 a mandatory site meeting and tour was attended by five (5) interested firms. The RFP closed on March 6, 2015 with only one submission received from ShowTech. The City of Toronto Fair Wage and Labour Trades Office confirmed that ShowTech is in compliance with the Fair Wage and Labour Trades requirements for this work.

### Comments:

In accordance with the Strategic Plan the Board is continually reviewing its service delivery model and looking for alternative methods to provide the most efficient and effective service generating the greatest return to the Board. Many world-class exhibition centres deliver electrical and mechanical services through third party contractors and as part of its business model, the Board routinely considers its delivery model and assesses its options.

Up until October 1998, all electrical show services across Exhibition Place were delivered through a third party contractor who engaged IBEW electricians under the Provincial ICI collective agreement because “show services” are considered construction work in the industry. During this same period, Exhibition Place electricians delivered all base building maintenance services through the IBEW Collective Agreement with Exhibition Place. Commencing in 1998, Exhibition Place started to also deliver electrical show services directly with electricians called in under the Provincial ICI collective agreement.

In 2014, Exhibition Place staff undertook a review of the delivery of show services given its experience in the last 10 years; the changes in the nature of delivery of these services; the industry trends; and the past and future financial parameters of delivering this service. Following this assessment, a determination was made to issue a public call for delivery of show electrical and mechanical services.

Excluded from the bid was electrical maintenance services delivered pursuant to the IBEW Collective Agreement with Exhibition Place which has always been and will continue to be delivered by the Exhibition Place in-house electricians. Included in the bid was the requirement that any Proponent be a signatory to the IBEW Provincial ICI Agreement and provide services through those unionized workers.

Likewise, for mechanical services, the bid excluded maintenance mechanical work being performed by the Exhibition Place UA Plumbers and Pipefitters Local 46 and required any

Proponent to have its own collective agreement with UA Plumbers and Pipefitters Local 46 in order to supply the show mechanical services.

The RFP detailed the Board's current provision model for show services, which included operational information from 2010 to 2014; the 2015 Exhibition Place Show Management Price List; a breakdown of gross revenues for electrical and mechanical services provided to various events and exhibitions over the past 5 years; public information specific to the delivery model of electrical and mechanical services to the CNEA; and details of exemptions for small community events and City of Toronto meetings. Proponents were also provided with a complete list of show and events at Exhibition Place.

As part of their submission Proponents had to provide the following specific information:

- 2016 show rates, hourly rates, and mark-up over invoice charges using the Exhibition Place 2015 Show Management Rate Sheet as a base template;
- The commission payable to the Board based on a percentage of the Gross Revenues for electrical and mechanical services provided to all events and exhibitions;
- An offer for purchase (over the \$200,000 minimum) of the surplus Board owned electrical equipment;
- Qualifications and experience along with list of operating personnel, personnel policies and training programs;
- Approach to managing services; and
- The Proponent's environmental programs and how they will support of the Board's LEED certification requirements.

A Selection Committee comprised of senior Board staff, evaluated the ShowTech submission in accordance with the RFP evaluation process. On April 10, 2015, the Selection Committee interviewed ShowTech and based on the results of the evaluation and interview, the Selection Committee recommends ShowTech as the successful proponent as its submission complies with all requirements, enhances service to clients to a new level and provides a positive financial return to the Board.

#### Proponent's Qualifications

ShowTech is an industry leader in Canada in providing quality electrical, mechanical, production and staging services to over 3,000 trade and consumer shows, events and exhibitions annually, held in 15 facilities across Canada such as the International Centre, Metro Toronto Convention Centre, Northland Park, Toronto Congress Centre, Scotiabank Convention Centre and Place Bonaventure to name only a few. Events range in size from 400 square feet of meeting room space to one million square feet of exhibit space.

In 1998, ShowTech (formerly Ainsworth Electric – Show Division) became a division of GES Exposition Services (Canada) Ltd. which is a wholly owned subsidiary of Viad Corporation, a publicly traded company on the New York Stock Exchange with sound financial standing, annual revenues in excess of \$1.06B and assets over \$709M and operating worldwide including in the U.K. and Amsterdam. GES has a world-wide network and has 35 production centres serving major international tradeshow markets. They work with strategic partners around the globe to do business in 40 other countries.

## Benefits of an Agreement with ShowTech

- ShowTech has an international reputation and has worked with many of the Exhibition Place shows in other venues and its GES arm has also contracted with many of these same shows as the event decorator so that seamless “one-stop” service could be provided;
- ShowTech will continue delivering quality electrical services with IBEW workers through the Provincial ICI Agreement and mechanical services with Local 46 workers through the UA Plumbers and Pipefitters Agreement;
- Exhibition Place through its seniority unionized workforce will continue to supply base building and preventative maintenance work under its collective agreements with IBEW 353 and UA Local 506;
- ShowTech will be responsible for all occupational health and safety requirements for all its workers;
- ShowTech will be responsible for the provision of all equipment for the delivery of the services which on an annual basis is a cost to Exhibition Place in excess of \$200,000;
- ShowTech will also be responsible for the repair and maintenance of the electrical connections which relieves Exhibition Place of an annual operating cost of \$60,000;
- The ShowTech sales team are experienced and dedicated solely to the sale and provision of show services;
- ShowTech is prepared to work with Exhibition Place in attracting and marketing to events and organizations to secure new business to Exhibition Place;
- ShowTech has a Quality Control Program and is committed to on-going customer service; and,
- Additional financial benefits will flow to the Board.

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Appendix A  
Substantial Terms and Conditions of the Agreement with ShowTech

- a) Services: ShowTech shall supply full show related electrical and mechanical services on an exclusive basis for all shows, meetings, conferences and events at Exhibition Place, except for the following:
  - i. any Board property leased to third parties;
  - ii. the Allstream Centre and the Food Building, except for a requirement by ShowTech to provide electrical and mechanical services at ShowTech's prevailing rate if required by the Board;
  - iii. for the CNE Midway, Midway Concession set up and Kid's World provided directly by the CNEA third party operator at its own cost, North American Midway Entertainment (NAME) and for the CNEA;
  - iv. for the CNEA Special Feature Work exterior to the buildings such as Christmas tree lights, communication and security cameras wiring, pole lights, and spot lights which will be provided by the Board including any standby labour for these specific areas.
- b) Scope of Work: ShowTech shall be required to supply all manpower, permits, supervision, management and plant equipment necessary, for the provision of full show related electrical and mechanical services on an exclusive basis for all events and exhibitions at Exhibition Place. ShowTech will be responsible to maintain and repair at its own expense all Board owned connection points including but not limited to resetting breakers, replacing fuses in panels or disconnect switches which supply power to building floor ports, overhead buss ducts, disconnect switches.
- c) Board-Owned Equipment: ShowTech shall pay the Board \$250,000 plus HST for all of the Board's surplus electrical mechanical Show/Event equipment. Payments to the Board will be prorated equally over a period of the first three years of the Agreement.
- d) Term: The term of the Agreement will be for 5 years commencing on September 15, 2015 with the option for the Board to extend for a further two years.
- e) Equipment and Materials: ShowTech shall provide all equipment and materials necessary to provide the Services, including all communications and office equipment. The Board shall make available to ShowTech Board owned high-reach equipment on a rental basis, provided that the equipment is available.
- f) Rent for office space: ShowTech shall pay the Board for the use of office, storage and shop space a rental fee at the gross annual rate of \$1.00 per square foot, as well as the estimated cost of water, electricity and gas consumed.
- g) Taxes: ShowTech shall be responsible for the payment of all taxes, including realty taxes.
- h) Inventory Upgrade: ShowTech shall purchase certain of the Board's existing show and event equipment and will upgrade Exhibition Place's lighting products to new LED fixtures, tracks and stands.
- i) Pricing: For the period from September 15 to December 31, 2015, ShowTech shall provide all services in accordance with the Board's "2015 Exhibition Place Show Management Price List" and in each successive year of the Agreement ShowTech will provide for the approval of the Board, service pricing rates that are competitive in the marketplace.
- j) Collective Agreements: ShowTech shall comply with all collective agreements between the Board and its Labour Trades/Unions
- k) Termination: The Board shall have the right to terminate upon breach by ShowTech.
- l) Insurance: ShowTech shall obtain and maintain in force at all times during the Term, as a direct cost of its operation, insurance coverage as required by the Board and which is acceptable to the City Treasurer.
- m) Indemnity: provisions respecting indemnification as acceptable to the CEO and the City Solicitor.

- n) Environmental Initiatives: ShowTech has and will continue to undertake a number of initiatives with respect to reuse and recycling, energy conservation lighting and green initiatives. ShowTech agrees to support the Board's LEED initiative and objectives for sustainability.