



Exhibition Place

Item No. 15

ACTION REQUIRED

December 15, 2014

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **Mobile Charging Stations - Sponsorship Agreement**

Summary:

This report recommends a four-year agreement with Dominion Enterprises International (DEI) to be the official and exclusive mobile charging station sponsor at Direct Energy Centre.

Recommendations:

It is recommended that:

- 1) The Board enter into an agreement with DEI for a period of four years to be the official and exclusive mobile charging station supplier to Direct Energy Centre in the public Galleria, on the terms and conditions set out in this report and such other terms and conditions as may be satisfactory to the Chief Executive Officer and in a form satisfactory to the City Solicitor; and**
- 2) Direct that the confidential information contained in Attachment 1 to this report not be released publicly in order to protect the competitive position and future economic interests of Exhibition Place and the City of Toronto.**

Financial Impact:

Financial implications of this sponsorship agreement will be a positive cash contribution as set out in the Confidential Attachment reflecting a minimum guarantee and commissions.

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.*

Issue Background:

An existing one year sponsorship agreement with Dan Teb Enterprises Inc. as official supplier of mobile charging stations expired on December 31, 2014.

Comments:

An RFP was issued by the Board's consultant, Wakeham & Associates Marketing, Inc. on behalf of the Board on November 14, 2014 inviting companies to bid on becoming the official and exclusive supplier of mobile charging stations for Direct Energy Centre in the public Galleria for a term of up to four years. Three companies responded to the RFP: Dan Teb Enterprises, Inc., Better Current Inc., and Dominion Enterprises International. The RFP that was issued also

contained a draft agreement that took into account the requirements of Exhibition Place and Direct Energy Centre.

After reviewing the bids, this report recommends DEI as the exclusive mobile charging station supplier offering the best financial return to the Board. This proposed agreement provides DEI with the right to be the sole supplier of mobile charging stations in Direct Energy Centre in exchange for a commission on advertising revenues generated by DEI, with a minimum annual guarantee to Exhibition Place. The substantive terms of the proposed agreement are listed below and in the Confidential Attachment.

- a. Term: 4 year term commencing on February 6, 2015.
- b. Exclusive Rights: DEI shall have the exclusive right to be the mobile charging station supplier to Direct Energy Centre in the public Galleria, but excluding the periods of the Toronto 2015 PanAm Games, 2016 NBA AllStar Jam Session (and both their associated events), Honda Indy, Royal Agricultural Winter Fair, CNEA and CHIN Picnic events.
- c. Locations for Mobile Charging Stations: The parties shall agree to allow DEI to place up to six mobile charging stations in the Galleria of Direct Energy Centre, subject to prior approval of the Board. Two of the four locations will be subject to relocation, in the case of event requirements, at the request of the Board and at the cost of DEI. DEI will be fully responsible for all costs associated with the installation, maintenance, repair, replacement, and removal of the mobile charging stations during the Term.
- d. Marketing Rights: The Board will designate the Official Mobile Charging Station Supplier of Direct Energy Centre. The Board will allocate two back-lit signs to DEI in the exhibit halls of Direct Energy Centre, and will allocate five seconds per six minute cycle for advertising on ten digital boards located throughout the Galleria of the Direct Energy Centre. DEI shall have exposure on the Board's website year round.
- e. Hospitality: The Board will provide an allocation of four passes to two consumer shows at Direct Energy Centre annually.
- f. Advertising: Official Supplier shall honour the Board's exclusivity commitments to sponsors of Direct Energy Centre and Exhibition Place, and will not sell any advertising on the mobile charging stations to competitors of such sponsors. The Board shall have the right to review and approve all advertisers in advance.
- g. Audited Year-End Reports: DEI shall provide the Board with an annual audited statement, in form and content satisfactory to the Chief Executive Officer, of all revenues earned and commissions owing under the agreement to be submitted with the payment of the percentage commission.
- h. Right of Audit: The Board, at its discretion, shall be entitled to audit the sales records to be kept in Toronto, of DEI operations at Exhibition Place at any time during the term of the agreement and up to three (3) years thereafter.
- i. Union Agreements: DEI shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.
- j. Assignment: The agreement between the Board and DEI shall not be assigned by either party without the consent of the other party, not to be unreasonably withheld.
- k. Taxes: DEI shall be responsible for the payment of any and all rates, taxes, or assessments with respect to the location and operation of the machines, which are imposed upon the Board or DEI by any taxing authority having jurisdiction.
- l. Insurance/Indemnity: DEI shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board of Governors of Exhibition Place and the City of Toronto, as additional insured with a cross liability/severability of interest clause of standard wording. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days' notice of any intention to cancel or not to renew the policy. DEI shall indemnify the Board of Governors of Exhibition Place and the City of Toronto, and their respective elected and appointed officials, directors, officers, employees and agents, with respect to any and all liability arising from any damage or injury as a result of the acts or omissions of DEI, or its employees or any other person for whom it is in law responsible, in the exercise of its rights under the agreement.

Contact:

Arlene Campbell, General Manager, SEM

Tel: 416-263-3030

Fax: 416-263-3640

Email: acampbell@explace.on.ca