



Exhibition Place

Item No. 19

January 27, 2015

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **Amendment to Agreement for Food & Beverage Services**

Summary:

At its May 30, 2013 meeting, the Board approved entering into an agreement with Ovations Food Services, LP (Ovations) to provide exclusive food and beverage to Direct Energy Centre and other buildings utilized for trade and consumer shows. The contract commenced on July 18, 2013 and expires November 30, 2024 (the "Agreement"). This report recommends the Board approve the amended terms and conditions to the Ovations Agreement.

Recommendations:

It is recommended that:

- 1) The Board approve the amended terms and conditions of the Agreement with Ovations as outlined in the Confidential Attachment 1; 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:

Approval of the amended terms and conditions of the Agreement will result in marginal financial impact to the Board over the term of the Agreement which impact is detailed in the Confidential Attachment 1.

Decision History:

The Exhibition Place 2014-2016 Strategic Plan has a Financial Goal to *maintain a positive operating financial performance across Exhibition Place and all of its businesses* and as a Strategy to support this Goal *we will seek marketplace proposals from third parties for services such as a Food & Beverage provider.*

At its meeting of May 25, 2012, the Board approved of issuing a public RFP for the provision of food and beverage services to DEC and other buildings utilized for trade and consumer show events. At its meeting of May 30, 2013, the Board approved of an agreement with Ovations which term is eleven (11) years, (4) months and fourteen (14) days commencing July 18, 2013, and expiring November 30, 2024. The Board report was subsequently approved by City Council at its meeting of July 16, 17 & 18, 2013.

Issue Background

At the end of the first contract year, Ovations requested some amendments to certain terms and conditions as detailed in the Confidential Attachment 1.

Comments:

From 1997 to July 2013, Centerplate, a division of Servomation Inc., was the exclusive caterer for Direct Energy Centre and other trade and consumer show facilities on the grounds. At the expiration of the first term of the Centerplate agreement, a Request for Proposals was issued by the Board, and only one bid, from Centerplate, was received. In 2012, the Board directed that another RFP be issued for this service and two bids were received, one from Centerplate and one from Ovations. Staff recommended to the Board approval of the Ovations proposal as it was the Preferred Proponent having achieved the highest score and being the overall best proposal received. Subsequently an Agreement was entered into by the Board and Ovations.

Ovations, a division of Comcast-Spectacor, operate in more than 120 venues in Canada and the United States servicing over 9 million guests and exceeding \$250M in sales. Comcast-Spectacor is the principal owner of Global Spectrum with almost 100 facilities throughout the United States and Canada.

Ovations, since taking on the role of exclusive caterer, has invested in updating and upgrading the point of sales system, digital menu boards, permanent concession presentation, and secured a number of diverse subcontractors, offering fresh and new concepts that have been well received by our clients and the public. Late in 2014, Ovations engaged a new general manager who has introduced improved practices for the operations and has recently engaged another full-time sales manager to market the venue for catered events.

As outlined in the Confidential Attachment I, Ovations has faced challenges in its operations in its first contract year and are requesting some amendments to the Agreement. Exhibition Place staff have been meeting with Ovations over the last two months and following a review and assessment of the Ovation requests, Exhibition Place staff are recommending approval of the amended terms and conditions to the Agreement as more specifically set out in the Confidential Attachment 1.

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