



Exhibition Place

Item No. 33

April 28, 2011

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young
Chief Executive Officer

Subject: **Automated Teller Machines within Direct Energy Centre
and for the Canadian National Exhibition Association**

Summary:

This report recommends the Board enter into a four-year agreement with Direct Cash Management (Direct Cash), commencing June 1, 2011 as the “Official Supplier” for the provision of Automated Teller Machines within the Direct Energy Centre (“DEC”) and for the Canadian National Exhibition Association (“CNEA”). Approval of the agreement between the Board and Direct Cash will result in a positive income stream annually for both the DEC and CNEA programs.

ATM availability is an essential service for the DEC and the CNEA and is a source of incremental revenue. A Request for Proposal (RFP) process was issued through the City of Toronto Purchasing Department for the Provision of Automated Teller Machines Services. The RFP was for both the DEC and CNEA operations, and did not apply to the Ricoh Coliseum, Royal Agricultural Winter Fair, BMO Field, tenanted buildings nor the Honda Indy. Four bids were received with Direct Cash scoring highest on the basis of the criteria provided in the RFP.

Recommendations:

It is recommended that the Board:

- 1. Award RFP No. 9155-11-7046 Automated Teller Machine Services to Direct Cash to be the “Official Supplier” of Automated Teller Machine Services for Direct Energy Centre and the Canadian National Exhibition Association;**
- 2. Approve an agreement with Direct Cash for a period of four (4) years on the same terms and conditions outlined in this report and the Confidential Attachment 1 to this report and other such terms and conditions satisfactory to the Chief Executive Officer of the Board, the General Manager of the CNEA, and the City Solicitor; and**
- 3. 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:

Approval of the agreement between the Board and Direct Cash will result in a positive income stream annually for both the DEC and CNEA programs. There are no negative financial implications as the revenue streams are provided for in the 2011 Operating Budget. Financial information is contained on Attachment 1 – Confidential information.

Decision History:

In January 2008, a RFP was awarded by the Board to Gab-Ezee ATM for provision of ATM services for Direct Energy Centre and the Canadian National Exhibition for a term of three years commencing February 1, 2008 and expiring January 31, 2011.

In November 2010, the Board approved extending the agreement with Gab Ezee ATM, commencing February 1, 2011, on a month-to-month basis as the “Official Supplier” for the provision of Automated Teller Machines at Exhibition Place in order to allow staff to explore sponsorship opportunities.

On February 22, 2011, Exhibition Place through the services of the City of Toronto issued an RFP to establish a new agreement for the provision of ATM services commencing June 1, 2011. The RFP closed on March 14, 2011 with four submissions received.

Issue Background:

At the November 25, 2010 meeting of the Board, approval was given to extend the existing agreement on a month-to-month, commencing February 1, 2011 and expiring no later than July 31, 2011, with a 30-day notice of cancellation.

Comments:

Senior staff from Exhibition Place, and the Canadian National Exhibition Association, reviewed all four proposals received in accordance with the RFP evaluation criteria which placed emphasis on experience, service levels, pricing and incremental revenue to the Board / CNEA. The top three scoring proponents were invited to attend an interview session by the evaluation committee.

The Direct Cash proposal received the highest overall score based on their experience and financial return to the Board / CNEA. From its inception in 1997, Direct Cash has grown into Canada’s largest branded network of ABMs – with over 7,000 active ATM sites as of December 2010. In the fall of 2004 Direct Cash became a widely held public traded entity on the TSX (DCI:UN). Their list of clients include the Toronto Congress Centre, Winnipeg Convention Centre, Western Fair, PNE, Calgary Stampede, Alberta Saddledome and Ricoh Coliseum, to name a few.

Staff are recommending an agreement with Direct Cash on the following terms and conditions:

- (a) Term: Four (4) years, commencing June 1, 2011 and expiring on May 31, 2015.
Rights: To be the Official Supplier of ATM Services providing top quality ATM services.
- (b) Fees: The Board will receive fees based on monthly transactions volume.
- (c) Reporting /Auditing Requirements: As required to allow the Board to determine and confirm amounts payable under the agreement.
- (d) Taxes: Direct shall be responsible for payment of all taxes, rates and assessments levied with respect to its activities and presence on the grounds.
- (e) Equipment/Expenses: Direct shall provide and maintain all equipment and materials required for its purposes and are solely responsible for the payment of all expenses and costs associated with its operations, including telecom costs.

- (f) Rates: The per transaction service fee rate for machines in the DEC will be \$2.00, or a higher negotiated surcharge. For machines across the grounds during the CNE period the per transaction service fee will be also \$2.00 and the CNE Casino at \$2.00, or a higher negotiated surcharge.
- (g) Assignment: The agreement shall not be assigned by Direct without written consent of the Board.
- (h) Indemnity/Insurance: Direct shall indemnify the Board and the City of Toronto with respect to any and all expenses, costs or claims as a result of Direct exercise of its rights under the agreement of use of the grounds. Direct shall provide sufficient insurance in such for and amount as required by the CEO, in consultation with the City's Insurance & Risk Management Group.
- (i) Union Obligations: Direct shall comply with all trade union/association agreements affecting work done on the grounds.
- (j) Staffing: Direct will be required to have on-site personnel during high volume events at the DEC as determined in conjunction with DEC Show Management and during the CNE as outlined in the operational requirements of the RFP.
- (k) Other Commercial Terms: The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the City Solicitor and the CEO.

For the information of the Board, Mr. Bednar has reviewed with staff the recommended proponent and concurs with the evaluation team selection and will be presenting a similar report to the CNEA Board of Directors to enter into an agreement with Direct Cash as the Official Supplier of ATM services to the CNEA.

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