Exhibition Place

Item No. 17

ACTION REQUIRED

May 5, 2014

To: The Board of Governors of Exhibition Place

From: Dianne Young
            Chief Executive Officer

Subject: **2015 Rental and Services Price List**

Summary:

This report recommends approval of the Rentals and Services Pricing for 2015 as outlined in the Confidential Attachment I. A comprehensive review and update of the price list is done annually to factor in the increase in labour and material costs to assure a competitive return to the Board on services offered. Generally the increases that are being recommended either reflect directly the increase in labour rates associated with the supply of the service or increases that are in keeping with the market place surveys that were undertaken.

Recommendations:

It is recommended that the Board:

1) **Approve the Show Management Price List for third party Rentals and Services, outlined in the Confidential Attachment, effective January 1, 2015; and,**

2) **Direct that the confidential information contained in the Confidential Attachment not be released publicly, except to Show Management upon execution of a License Agreement, in order to protect the competitive position and the future economic interests of Allstream Centre, Direct Energy Centre, and Exhibition Place.**

Financial Impact:

There are no negative financial implications resulting from the adoption of this report which proposes a 2015 Rentals and Services cost that reflect market values and increases in labour and material costs that affect Exhibition Place.

Decision History:

The Exhibition Place 2014-2016 Strategic Plan had a Financial Goal to *Effectively Monitor Costs and Revenues* and as a Strategy to support this objective we will E*nsure Operating Budgets are met or Show a Positive Surplus to Budget.*

At its meeting of May 24, 2013 the Board approved the third-party rentals and services price list for 2014. The price list is adjusted on an annual basis to factor increases in labour and materials costs and market conditions and in keeping with the practice of competitive venues.

Issue Background:

A comprehensive review and update of the price list is done annually in conjunction with the commencement of the Operating Budget process as the price of services impact show revenues and ultimately the 2015 Operating Budget. In addition, the Sales & Marketing Department and Event Management Services Department are already providing quotes to shows for 2015 and therefore, need to have updated rates for these quotes.

Comments:

The Confidential Attachment 1 is the proposed Price List for Rentals and Services which staff are recommending be adopted effective January 1, 2015. The price list was compiled by a staff team and the prices being recommended have been compared to other service providers in the industry, (e.g. Showtech pricing for electrical, GES for rentals and Bell Canada for telecommunication services). It is intended that some of the pricing from this list will also be used, where applicable, to the Allstream Centre Program although given the unique events in Allstream, services are provided often as a package pricing to meetings/conferences.

The Confidential Attachment provides prices that have also been reviewed to factor in the increase in labour costs to assure a competitive return to the Board on services offered. On an ongoing basis the services and cost of services are monitored to evaluate their profitability and competitiveness in the market place. Generally the increases that are being recommended either reflect directly the increase in labour rates associated with the supply of the service or increases that are in keeping with the market place surveys that were undertaken. For the information of the Board where there is a price change for 2015 it is noted in the respective columns. If there is nothing noted in the "change" column then it means the price for 2015 is the same as in 2014.

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Submitted by:

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