



Exhibition Place

Item No. 20

ACTION REQUIRED

May 9, 2014

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Agreement for Commercial Naming Rights Consulting Services**

Summary:

This report recommends that the Board enter into an agreement with Wakeham & Associates Marketing Inc. (WAM) for a period of four (4) years upon execution of an Agreement with the Board for commercial naming rights consulting to act on behalf of the Board in support of future naming initiatives at Exhibition Place.

A Request for Proposals (RFP) process was issued through the City of Toronto, Finance Department, Purchasing and Material Management Division (PMMD) for qualified firms specializing in commercial naming rights consulting to act on behalf of the Board in support of future naming initiatives at Exhibition Place.

Recommendations:

It is recommended that the Board:

- (1) Approve WAM as being the Preferred Proponent for purposes of negotiating a Naming Rights Agreement for a period of four years upon execution, on the terms and conditions outlined in this report, and other such terms and conditions satisfactory to the CEO and City Solicitor.**
- (2) Direct that the confidential information contained in the Confidential Attachment to this report not be released publicly in order to protect the competitive position and future economic interests of Exhibition Place.**

Financial Impact:

The fees negotiated from the renewal of the existing naming or any new naming partner will provide an income stream to the Board over the term of the naming agreement.

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 additional revenue opportunities*.

In 2003, an RFP was issued through the PMMD for exclusive sponsorship services for The National Trade Centre and the Board and seven proposals were received and following an

evaluation, a recommendation to enter into a three-year agreement with Wakeham & Associates Marketing Inc. was recommended and approved by the Board at its meeting of July 25, 2003. This agreement expired on July 31, 2006.

On June 9, 2006, the Board approved of a further agreement with Wakeham & Associates Marketing Inc. for six months, commencing August 1, 2006 and expiring on January 31, 2007 for sponsorship consulting services for The National Trade Centre and Exhibition Place.

Issue Background:

The existing ten year naming agreement with Direct Energy Marketing Limited is set to expire on June 5, 2016, in order to determine next steps with respect to the naming of this facility, Exhibition Place staff need the assistance of a consultant.

On April 24, 2014, Exhibition Place through the services of the City of Toronto, Finance Department, Purchasing and Material Management Division issued a RFP to establish a new agreement for the provision of Commercial Naming Rights consulting services for Exhibition Place. The objectives of the RFP were to select a qualified Consultant in order to assess the market value of the naming opportunities; establish a naming rights agreement with a qualified company for a period of at least 10 years; and generate incremental income.

The RFP closed on April 28, 2014 with five submissions received from the following firms:

- a) Bell-Irving Grauer Enterprise Corporation
- b) Wakeham & Associates Marketing Inc.
- c) Judy Haber & Associates
- d) The Superlative Group
- e) Spectrum Marketing Corporation

Comments:

Once submissions were received, a Selection Committee reviewed and group scored all proposals in accordance with the RFP evaluation criteria, which placed emphasis on the Board's specific requirements, scope of services, and expected consultant qualifications. Proponents were required to respond to those technical requirements in detail as to their successful naming rights agreements equal in magnitude to those currently at Exhibition Place, provide references, the experience of the Proponents' staff who would handle the account, and the work plan in seeking a suitable naming sponsor. Proponents were also required to provide a percentage commission for this work that would cover all expenses, disbursements and any or all other operational costs associated with the Work Plan and Deliverables. Commission payments would be made to the Successful Proponent on the basis of a remuneration plan, subject to the requirements of this RFP and the provisions of the Agreement as negotiated.

In accordance with the RFP Selection Process, proposals were scored using an evaluation table consisting of a Technical Portion (75 points) and a Commission Fee Portion (25 points). For submissions to receive further consideration on the Commission Fee Portion, the Technical Portion must score a minimum of 70% (or 52.5) of the 75 points available.

The top two scoring Proponents Bell-Irving Grauer Enterprise Corporation and Wakeham & Associates Marketing Inc. were interviewed in order for the Selection Committee to revisit, revise, confirm, clarify and finalize the score. WAM is being recommended as the preferred proponent.

WAM was incorporated in early 1999 in Toronto as a full-service sponsorship marketing agency providing consulting, property valuation, sales strategy, venue naming execution, strategic planning, event development/management/execution and affinity program services to both corporations and properties. WAM has offices in Toronto and Palm Springs, California. The services by WAM will be conducted personally by Hugh Wakeham, in addition with three corporate staff in the Toronto office.

WAM has successfully negotiated naming rights for the Canon Theatre, Toronto; Ambassador Suites Rink, Kingston; Invista Centre, Kingston; Panasonic Theatre, Toronto; Rogers K-Rock Centre, Kingston; Scotia Bank Convention Centre, Niagara Falls and Sony Centre for the Performing Arts, Toronto to name a few. During WAM's past tenure with Exhibition Place they successfully negotiated naming rights for both the Allstream Centre and Direct Energy Centre.

WAM presented a very well-thought out written proposal and, during the interview confirmed clearly their understanding not only of the services required but also the culture of Exhibition Place and its challenges and limitations in the marketplace. WAM has in their proposal clearly stated a sponsorship process that will bring forward a relationship that conforms with and supports the Board's Strategic Plan. This process involves a research, valuation and sales strategy leading up to a strong sales campaign commencing in the fall of 2014.

Accordingly, the Selection Committee is recommending a four-year agreement with Wakeham & Associates Marketing Inc. The substantial terms and conditions of the agreement being recommended are outlined in the Confidential Attachment I.

The existing 10 year naming agreement with Direct Energy Marketing Limited is set to expire on June 5, 2016. The consultant will need approximately up to 20 months to conduct a review of valuation, opportunities and to negotiate a finalize arrangement which is either a renewal arrangement or to secure a new sponsor if warranted.

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Submitted by:

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