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ACTION REQUIRED

August 28, 2008

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Freight Forwarding & Customs Brokerage Services - RFP No. 9141-08-7192**

Summary:

This report recommends the Board enter into a three year agreement with Livingston Event Logistics ("Livingston") as the "Official Freight Forwarding & Customs Brokerage Service" to Exhibition Place including Direct Energy Centre and the Allstream Centre for a three (3) year period expiring on September 30, 2011. Livingston is a major service provider in this industry and the approval of the agreement between the Board and Livingston will result in a positive income stream to Exhibition Place and the Allstream Centre in accordance with the 2009 operating budget.

Recommendations:

It is recommended that the Board:

- 1) **Approve of an agreement between Livingston and the Board for a period of three (3) years expiring on September 30, 2011, 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 and the City Solicitor; and,**
- 2) **The confidential information in Attachment 1 not be released publicly in order to protect the competitive position and the future economic interests of The Direct Energy Centre and Exhibition Place and the Allstream Centre**

Financial Impact:

Approval of the agreement between the Board and Livingston will result in a positive income stream to Direct Energy Centre and the Allstream Centre in accordance with the 2009 operating budget and as outlined in the confidential Attachment 1 to this report.

Decision History:

At the December 10, 2004 meeting of the Board, approval was given to enter into a three-year agreement with Livingstone for the provision of freight forwarding and custom brokerage services which agreement expired on December 31, 2007. At the September 24, 2007 meeting of the Board, approval was given to enter into a six month extension with Livingston under the same terms and conditions as the previous agreement while staff was awaiting confirmation of the Conference Centre construction before going out to the marketplace to explore potential options. The term of the extension expired on June 30, 2008.

Issue Background:

The designation of "Official Supplier" is an accepted industry practice and is utilized by other trade and consumer show venues, such as the Metro Toronto Convention Centre. The designation has been very beneficial for the DEC and allowed it to (i) earn an incremental revenue stream; (ii) participate in cooperative marketing and sales initiatives; and (iii) provide clients with an opportunity to utilize the benefits associated with "one-stop shopping".

A Request for Proposal (RFP) was issued through the City of Toronto Purchasing Department for Freight Forwarding & Custom Brokerage Services. The RFP was for the Exhibition Place, The Direct Energy Centre and the Allstream Centre but did not apply to the CNE, the RAWF, Ricoh Coliseum or the Grand Prix.

Only one submission was received from Livingston Event Logistics which is a major provider of this service in the industry and has been providing these services to Exhibition Place clients for the last 3½ years.

Comments:

It is recommended that the Board enter an agreement with Livingston as the "Official Supplier" of Freight Forwarding & Custom Brokerage Services. The commission to be received from Livingston is outlined in the confidential attachment to this report

The substantial terms and conditions of this agreement are as follows:

- (a) Term: Three (3) years, commencing October 1, 2008 and expiring on September 30, 2011.
- (b) Rights: To be an Official Supplier providing top quality Freight Forwarding & Custom Brokerage services, including the transportation planning, shipping, special packaging needs, customs clearance and insurance to ensure that exhibitor goods move efficiently around the world.
- (c) Fees: Per the submitted RFP response.
- (d) Reporting/Auditing Requirements: As required to allow the Board to determine and confirm amounts payable under the agreement.
- (e) Taxes: Livingston shall be responsible for payment of all taxes, rates and assessments levied with respect to its activities and presence on the grounds.

- (f) Office Space: Livingston shall be given the right to occupy office space within the Direct Energy Centre for the sole purpose of providing the services permitted under the agreement, subject to such terms and conditions as may be required.
- (g) Equipment/Expenses: Livingston shall provide and maintain all equipment and furnishings required for its purposes and be solely responsible for the payment of all expenses and costs associated with its operations, including utility costs.
- (h) Rates: All rates to be charged to exhibitors or other persons shall be as set out in the agreement.
- (i) Joint Marketing Initiatives to be mutually agreed by the parties
- (j) Indemnity/Insurance: Livingston shall indemnify the Board, and the City of Toronto and with respect to any and all expenses, costs or claims as a result of Livingston's exercise of its rights under the agreement or use of the grounds. Livingston shall provide sufficient insurance in such form and amount as required by the Chief Executive Officer, in consultation with the City's Insurance & Risk Management Group.
- (k) Union Obligations: Livingston shall comply with all trade union/association agreements affecting work done on the grounds.
- (l) Other Commercial Terms: The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the Chief Executive Officer and the City Solicitor.

Contact

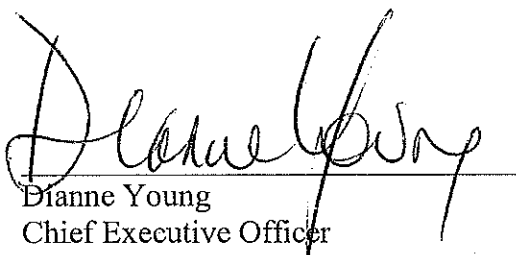
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Submitted by:



Dianne Young
Chief Executive Officer

Attachments 1 – Confidential Information

