

23

EXHIBITION PLACE

ACTION REQUIRED

December 3, 2008

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Agreement to Supply & Install AV Equipment – Allstream Centre Project**

Summary:

This report recommends that the Board enter into an Agreement with Allstream (The Enterprise Division of MTS Allstream Inc.) (“Allstream”) for the provision of an Audio Video (AV) system for the Allstream Conference Centre project.

In compliance with City Council approved Naming Sponsorship Agreement (“Agreement”) between the Board and Allstream, a Request for Quotation (RFQ) process was issued through the Exhibition Place Purchasing Department in accordance with the terms of that Agreement for the provision of an Audio Video (AV) system for the Allstream Conference Centre project. Staff are recommending award for the provision of an Audio Video (AV) system to Allstream on the basis of the favourable review of the Allstream bid completed by MHPM Project Managers Inc. and Engineering Harmonics, the Board’s consulting firm that specializes in the design of Audio/Video systems.

Recommendations:

It is recommended that the Board:

- 1. Approve an agreement between the Board and Allstream on the 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 and the City Solicitor;**
- 2. Direct staff to review the detailed pricing in order to negotiate with Allstream to obtain more favourable pricing ; 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 The Direct Energy Centre and Exhibition Place.**

Financial Impact:

Approval of the agreement by the Board will result in an expenditure no greater than as set out in the confidential Attachment 1 plus GST, which includes the General Contractor mark-up by Vanbots Construction which will be managing the installation. Funding for the entire cost will be from the Board's own cash flow amortized over a useful life of 10 years as a charge against the Conference Centre operations beginning in 2009 with the opening of the facility.

Decision History:

Board of Governors, November 3, 2006	Approval of business terms for an exclusive food services agreement between the Board and Centreplate and the National Hotel Corporation (the "FSP") related to the provision of food and beverage services within the proposed Conference Centre in the renovated Automotive Building.
Board of Governors, December 15, 2006	Approval of the terms and conditions of the full LOI between the Board and the FSP for food services within the renovated Conference Centre and the financial proposal for the proposed Conference Centre which included a loan from the National Hotel Corporation for part of the construction costs.
City Council, March 5 & 6, 2007	Approval of LOI between the Board and the FSP for exclusive food services in the proposed Conference Centre. In addition, approval of a recommendation which deleted the need for financing from the National Hotel Corporation and replaced this financing with a City loan of \$21.2M.
Board of Governors, May 4, 2007	Approval of the engagement of NORR as the design architect on the Conference Centre project at a total fee of \$968,000 (excluding GST) for Phases I & II and the project schedule.
Board of Governors November 7, 2007	Approved of the increase in the overall Conference Centre capital budget from \$29.0M to \$46.88M with request to City Council to increase its loan to the Board from \$21.2M to \$35.6M with an increase in the interest rate from 4.75 to 5.0 percent and an increase in the amortization period from 20 to 25 years; and request for the depletion of the full Exhibition Place Capital Reserve.
City Council, December 10, 11, 12, 13 & 14, 2007	Approval of the Board's recommendation as noted above and in addition, increase the term of the loan from twenty to twenty-five years and establish an obligatory reserve fund, called the "Exhibition Place Conference Centre Reserve Fund" to provide a source of funding for any shortfalls in loan payments to the City from Exhibition Place for a new conference centre and direct revenues from the Direct Energy Centre and the Conference Centre naming rights agreements into the fund along with any 2007 operating surplus for Exhibition Place.

Board of Governors, December 7, 2007	NORR Management Group presented a detailed power-point presentation with respect to the proposed design of the Conference Centre, which was unanimously received for information by the Board.
Board of Governors, January 25, 2008	Update of financial details, budget requirements and provide the explanation of the increase on costs for construction and professional services; also attaching to the update was the City Council Decision of December 2007 and supporting report of the Deputy City Manager and CFO. Report deferred to next meeting of the Board on March 6, 2008.
Board of Governors March 6, 2008	Update financial details, budget requirements and explain the increase costs for construction and professional services. Approval of amendment to the NORR Architectural fees; also attaching to the update was the City Council Decision of December 2007 and supporting report of the Deputy City Manager and CFO.
Board of Governors March 19, 2008	Award of main construction contract to Vanbots Construction Corporation at a cost of \$33,450,000, excluding GST.
Board of Governors May 2, 2008	Board extended the term of the agreement with MHPM Project Managers Inc. by 7.5 months at a total cost of \$115,000 to be drawn down from the project contingency.
Board of Governors September 19, 2008	Board approval of A. Buchanan Floor Coverings Ltd for the supply and installation of the carpet

Issue Background:

On July 7, 2008, the Board entered into an Agreement with Allstream for the conference centre. In accordance with this Agreement, during the construction phase, Exhibition Place is required to source products and services available through the Sponsor on an exclusive basis, subject to the conditions and sourcing processes of that Agreement. In compliance with sourcing processes of the Agreement, on October 8, 2008, Exhibition Place issued a Request for Quotation to Allstream to establish an agreement for the provision of an Audio Video (AV) system for Allstream Centre.

For this RFQ, the detailed scope of work, specifications and system design were developed by Engineering Harmonics Inc., the A/V consultant to the Board for this project. The RFQ was further structured to require the bidder to provide detailed itemization of supply with unit pricing. The scope and final design of this system was approved by Board staff and is consistent with industry standards for a facility of this calibre.

The RFQ closed on November 14, 2008 with a bid received from Allstream.

Comments:

Following receipt of the bid, both MHPM Project Managers Inc. and Engineering Harmonics Inc. reviewed this quotation in accordance with the specifications in the RFQ. Based on their

analysis, both are recommending acceptance of the Allstream bid as being a reasonable bid and that the overall submission was in keeping with competitively bid contracts of similarly complex AV systems. Allstream has teamed with Westbury National Show Systems Ltd. and McDowell Electric Ltd. to deliver the work. Westbury National Show Systems Ltd. has completed a sufficient number of A/V projects equal in scope to the Allstream Centre.

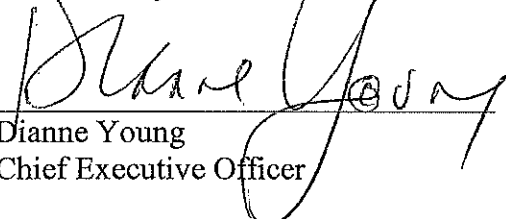
Therefore, staff are recommending an agreement with Allstream on the following terms and conditions:

- (a) **Assignment:** Allstream shall accept assignment of this agreement as outlined in the RFQ and will therefore comply with the General Contractor Vanbots on all general construction issues.
- (b) **Insurance/Indemnity:** Allstream shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording.
- (c) **Union Obligations:** Allstream shall comply with all trade union/association agreements affecting work done on the grounds.
- (d) **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.

Contact

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Submitted by:


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