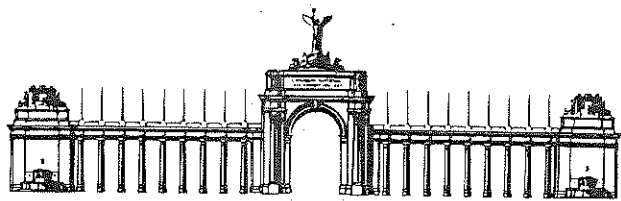


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May 8, 2003

EXHIBITION PLACE

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: 2003 – 2005 Security Services Agreements

Recommendation:

It is recommended that the Board of Governors concur with the recommendation of the Board of Directors of the CNEA with respect to entering into three-year agreements (2003, 2004 and 2005 CNEs) with ASP Incorporated, Eastlea Security & Show Services, and Primary Response based on the terms and conditions outlined in the attached report from the General Manager of the CNEA dated May 5, 2003.

Background:

The attached report will be considered by the Board of Directors of the CNEA at its meeting of May 22, 2003. Should the above recommendation change, the Corporate Secretary will report any changes to the Board on May 30th.

Discussion:

In accordance with By-law no. 2-99, Section 29, all CNEA agreements over a one-year term requires approval of the Board of Governors.

Conclusion:

This report recommends that the Board authorize three-year agreements between the CNEA and ASP Incorporated, Eastlea Security & Show Services, and Primary Response.

Contact:

Fatima Scagnol
Corporate Secretary
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Submitted by:

Dianne Young
General Manager & CEO

THE BOARD OF GOVERNORS OF EXHIBITION PLACE

Exhibition Place, Toronto, Ontario M6K 3C3 Tel: (416) 263-3600 www.explace.on.ca





May 5, 2003

To: The Executive and Board of Directors
Canadian National Exhibition Association

From: David Bednar
General Manager

Subject: 2003 – 2005 Security Services

Recommendation:

This report is submitted for the approval of the Executive Committee and the Board of Directors.

It is recommended that the CNEA enter into agreements with the following companies for the provision of Security Services for the 2003 CNE, with the option to renew for the 2004 and 2005 CNE's.

- **Grounds A – (Grounds West) Primary Response Inc.**
- **Grounds B – (Grounds East) ASP Incorporated**
- **Grounds C – (Bandshell) Eastlea Security & Show Services Inc.**

Background:

An RFQ was issued through the City of Toronto Purchasing Department for the provision of Security Services for the 2003 CNE, with an option to renew for the 2004 and 2005 CNE's.

Discussions:

During the 2001 CNE staff reviewed the way in which security services were provided to the CNE and identified a number problems. These included:

- Inability of one company to provide all security coverage required for an event the size of the CNE
- Inexperience of staff
- Due the size of the site, poor supervision of security staff

As a result of this review it was recommended and approved by the Executive Committee and the Board in June 2002 that security services for the 2002 CNE be divided into three components. The CNE grounds were divided into three areas, Grounds East which included all

of the National Trade Centre and Horse Palace, Grounds West that included all of the remaining buildings and grounds, and the Bandshell which included all activities at the Bandshell.

For each of these areas staff identified specific requirements with respect to the past experience of the security provider. The Grounds East proponents had to demonstrate that they had experience in consumer show security for venues equal in size or scope. The Grounds West proponents had to demonstrate experience in special events and show security for venues equal in size and scope. Bandshell proponents had to have security experience at concert venues and large ethnic community events.

This new approach resulted in the following improvements to security coverage at the 2002 CNE:

- The geographic area that had to be covered by each form was smaller and thus making it easier and more efficient to supervise staff.
- The requirement for relevant experience specific to the program area resulted in improvements in the quality of staff provided.
- The quality of security guard provided was also improved due to the fact that security companies could provide coverage using their existing complement of staff. This greatly reduced the need to hire new staff who were not familiar with each company's operation and lacked the required experience.
- The number of shifts that were not filled in 2001 to 2002 drastically reduced given that each company's resources were not exceeded and the companies had the ability to fill in when staff were not able to work due to illness or other reasons.
- Any problems with guards could be addressed immediately and replacements found again due to the fact that company resources were not completely saturated. In the past this was a problem because quite often the security company would not have any other staff available to fill if a replacement guard was required.
- Overall the quality of service provided to the CNE in 2002 was greatly improved.

For the 2003, 2004 and 2005 CNE the grounds have been divided into the three areas previously described (see attached map). A Request for quotation (RFQ) was issued through the City of Toronto's Finance Department, Purchasing and Materials management Division. In the RFQ, bidders were instructed to submit prices on any or all three areas, with the proviso that only one area would be awarded to any one bidder. Bidders were required to also indicate their preferences in order of area bid.

Bids were received from the following five firms: ASP Inc., Eastlea Security & Show Services, Ontario Guard Services Inc., Primary Response Inc., and X-Tra Security Services Inc.

A thorough evaluation was undertaken of the submissions received in response to the RFQ based on the following criteria:

- Rates
- Experience specific to each of the three program areas outlined in Parts A,B,C
- Training

- References
- Completeness of bid
- Interview (if required)

The bid submitted by Ontario Guard Services Inc. did not meet the detailed submission criteria for experience specific to the program area of the RFQ and was disqualified.

The following chart attached as Appendix "A", illustrates the prices submitted by each of the remaining four bidders for each of the three areas. For the purpose of equal comparison, the total shown are based on the 2002 actual hours required.

It should be noted that ASP Inc., Eastlea Security & Show Services Inc., and Primary Response Inc. have all provided security services previously at the CNE and have experience in the areas they are being recommended for in 2003. Staff was satisfied with the level of service rendered by all three firms.

Each of the proponents are required to meet the following conditions:

- All security guards must be in an identifiable security uniform which meets the standards of the Ontario Security Guard Act
- All security guards must possess a valid security guard license
- All bidders must have an in-house training program and must submit an outline of it
- All security guards must be of good and just character, capable of communicating effectively, both orally and in writing in the English language. Proven ability to work positively within a diverse environment
- Successful bidders must provide their own radio communications system and abide by the Radio Communications Act. Supervisory staff must have cellular phones and pagers.
- When available on-site office space will be provided. If suitable space is not available then the successful bidder will be required to provide their own trailer at their cost. The CNE will pay for all hook-ups of the trailers
- Bidders will be responsible for providing a golf cart to their staff to move staff around the grounds
- All security personnel will be required to complete the CNE staff orientation and training session. The successful bidder is responsible for all staff wages during the training sessions.
- Successful proponents will provide and maintain comprehensive public liability and property damage insurance covering all operations and liability assumed in the contract for not less than \$5,000,000.00 inclusive coverage, for each occurrence. In addition they shall provide proof of Automobile Liability Insurance and Comprehensive General Liability Insurance each in the amount of \$5,000,000.00 inclusive.

Conclusion:-

Based on the evaluation of the bids, it is recommended that agreements be entered into with Primary Response for the provision of security services Grounds A (West), ASP Inc. for the provision of security services Grounds B (East) and Eastlea Security & Show Services Inc. for the provision of security services Grounds C (Bandshell Park) for the 2003 CNE with an option to renew for 2004, 2005 based on the information contained in this report. All contracts will provide for immediate termination of services not provided in a satisfactory manner.

Respectfully submitted,



David Bednar
General Manager

Contact: *Virginia Ludy*
Operations Manager
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Appendix A

Area	ASP Inc.	Eastlea Security & Show Services Inc.	Ontario Guard Services Inc.	Primary Response Inc.	X-Tra Security Services Inc.
2003 Grounds A (West)	\$68,508.75	\$58,881.00	Did not bid	\$62,824.65	\$79,365.00
2004 Grounds A (West)	\$68,508.75	\$60,942.74	Did not bid	\$64,012.50	\$83,333.25
2005 Grounds A (West)	\$68,508.75	\$63,004.50	Did not bid	\$65,786.25	\$87,502.55
Sub-Total A (3 years)	\$205,526.25	\$182,828.25	Did not bid	\$192,623.40	\$250,200.80
2003 Grounds B (East)	\$61,811.00	\$53,192.00	Did not bid	\$56,773.00	\$71,679.20
2004 Grounds B (East)	\$61,811.00	\$55,057.00	Did not bid	\$57,840.00	\$75,263.16
2005 Grounds B (East)	\$61,811.00	\$56,922.00	Did not bid	\$59,462.00	\$79,035.15
Sub-Total B (3 years)	\$185,433.00	\$165,171.00	Did not bid	\$174,075.00	\$225,997.51
2003 Grounds C (Bandshell)	\$14,413.00	\$12,520.00	\$13,872.00	Did not bid	\$16,885.60
2004 Grounds C (Bandshell)	\$14,413.00	\$12,957.00	\$13,872.00	Did not bid	\$17,729.88
2005 Grounds C (Bandshell)	\$14,413.00	\$13,394.00	\$13,872.00	Did not bid	\$18,619.05
Sub-Total C (3 years)	\$43,239.00	\$38,871.00	\$41,616.00	Did not bid	\$53,234.53
Grand Total	\$434,198.25	\$386,870.25	\$41,616.00	\$366,698.40	\$529,412.84