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## EXHIBITION PLACE

March 23, 2000

To: The Board of Governors of Exhibition Place

From: Kathryn Reed-Garrett  
Director of Business Development

Subject: RCM Technologies Engineering Services Canada

### Recommendations:

It is recommended that the Board of Governors of Exhibition Place enter into an one-year agreement with RCM Technologies Engineering Services Canada, ("RCM") (formerly Mu-Sigma Engineering Consultants Limited "MEC") for the provision of Safety Engineering Services on the terms and conditions contained in this report and such terms and conditions as are contained in the existing agreement with RCM and satisfactory to the City Solicitor.

### Background:

At its meeting of October, 1998, the Board adopted a recommendation to enter into an agreement with MEC for the provision of Safety Engineering Services on terms and conditions outlined in that report which agreement expired March 31, 2000.

### Discussion:

RCM (formerly MEC) has been providing engineering services to Exhibition Place on an ongoing basis since January 1987. As a result, RCM has acquired a great deal of expertise that is unique and relevant to Exhibition Place. RCM, which acquired MEC in 1999, is an international provider of professional services focusing on information technology and engineering.

Established in 1971, RCM Technologies Inc. is a publicly traded U.S. corporation with its head offices in Pennsauken, New Jersey. RCM Technologies Engineering Services Canada Co. is a subsidiary of RCM Technologies Inc. and is registered to carry on business in Canada. RCM holds a Certificate of Authorization, issued by the Professional Engineers of Ontario (PEO), licensing the firm to provide consulting engineering services in the Province of Ontario, and the Professional Engineers of Ontario have designated RCM's principals as consulting engineers. In the past, RCM has prepared a Safety Manual covering Fire Safety, Structural Integrity, Environmental Hazards and the Physical Acts of Others, Requirements for Safety: a Manual for Show Managers and Exhibitors, and an Amusement Ride Inspection Manual which also includes

check lists to formalize the daily inspections carried out during the CNE. In addition to providing safety engineering services and inspections to Exhibition Place and the CNE, RCM also provides services to the NTC on a “on-call” basis.

With respect to safety audits conducted on behalf of Exhibition Place at the NTC (that are not “on-call” services), and for events at Exhibition Place such as CHIN Picnic, Caribana, Molson INDY and the CNE, the following rates will apply:

Fee Schedule 1

PERSONNEL	CURRENT RATE	PROPOSED RATE
Senior Consulting P.Eng.	\$104.00 per hour	\$110.00 per hour
Project Manager	\$71.52 per hour	\$80.00 per hour
Professional Engineer	\$71.52 per hour	\$80.00 per hour
Junior Engineer	N/A	\$60.38 per hour
Senior Ride Specialist (*)	\$75.25 per hour	\$100.00 per hour
Ride Inspector	\$51.00 per hour	\$55.00 per hour

The Senior Ride Specialist proposed for 2000 replaces the position of Senior Safety Technician and carries additional certifications that are specific to ride inspections. Both the Senior Ride Specialist and the Ride Inspector will be made available during CNE peak periods only. The Junior Engineer is a new position proposed for 2000 and it is anticipated that the Junior Engineer will undertake audits of events and shows that are less complex in nature.

The fees in Schedule 1 above are subject to the following conditions:

- 1) RCM’s standard rates have been discounted due to the size and certainty of the scheduled portion of the work required versus the “on-call” portion of the work required. Furthermore, there will be no overtime charges for Exhibition Place events or the CNE;
- 2) RCM will not maintain an on-site office (except during the period of the CNE – specifically the month of August and the first week of September), therefore, on-site billing will be based on a minimum of four hours or actual service time plus travel time, whichever is greater;
- 3) Where the on-site visit is a full business day (eight hours) scheduled one business day prior, travel time shall not be included;
- 4) Every effort will be made to have the first available Safety Engineer/Technician respond to each request as soon as possible. It is estimated that the Project Manager will be available to respond to approximately 75% of all “on-call” requests. If the Project Manager is not available, RCM will select the next available engineer to respond to the call as soon as possible after receiving the call;
- 5) Services conducted from RCM offices (i.e.: responding to telephone inquiries, referencing codes and standards, preparing memos, etc.) shall be billed on an hourly basis.

The pricing structure proposed for the “on-call” audit and inspection work at the NTC varies from other services provided and is as follows:

Fee Schedule 2

PERSONNEL	CURRENT RATE	PROPOSED RATE
Senior Consulting P.Eng.	\$127.50 per hour	\$130.00 per hour
Project Manager	\$76.50 per hour	\$87.50 per hour
Professional Engineer	\$76.50 per hour	\$87.50 per hour
Junior Engineer	N/A	\$64.00 per hour

The fees in Schedule 2 above are subject to the following conditions:

- 1) The hourly rates for services to and audits of trade and consumer shows at the NTC which are conducted on a "on-call" basis are standard hourly rates for hourly contracted professional engineering services;
- 2) RCM will not maintain an on-site office (except during the period of the CNE – see above), therefore, on-site billing will be based on a minimum of four hours or actual service time plus travel time, whichever is greater;
- 3) Where the on-site visit is a full business day (eight hours) scheduled one business day prior, the fee for service will be based directly on the number of hours worked;
- 4) Every effort will be made to have the first available Safety Engineer/Technician respond to an "on-call" request as soon as possible. It is estimated that the Project Manager will be available to respond to approximately 75% of all "on-call" requests. If the Project Manager is not available, RCM will select the next available engineer to respond to the call as soon as possible after receiving the call;
- 5) As the nature of each call will be unique, the RCM staff member responding to the call may use his/her discretion to consult with/request the assistance of other Safety Engineering staff;
- 6) Services conducted by safety engineering staff from RCM offices of RCM (i.e.: responding to telephone inquiries, referencing codes and standards, preparing memos, etc.) shall be billed on an hourly basis.

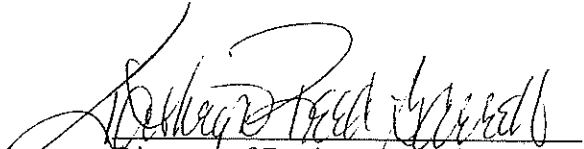
Finally, whenever an on-site visit is requested or scheduled by one of the user groups, every effort will be made to coordinate the needs of the other two user groups if time permits during the requested site visit. Once an on-site visit is scheduled for a specific user group, the RCM staff member responding will contact the other two groups to advise them of the date and time of the scheduled site visit. This will allow all three user groups to maximize economies and efficiencies whenever possible.

**Conclusion:**

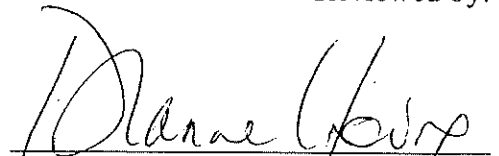
It is recommended that the Board enter into a one-year agreement ending March 31, 2001 with RCM for the provision of safety engineering on the terms and conditions set out in this report.

Mr. David Bednar has been consulted with respect to this report and is in agreement. While the RCM proposal contains slight increases in hourly rates, expenses are controlled by Exhibition Place staff who control the calls to RCM. Accordingly, staff are confident that anticipated expenditures on safety engineering in 2000 will fall within the funding for this program budgetted within the Exhibition Place and CNE Programs Operating budgets.

Submitted by:

  
Director of Business Development

Reviewed by:

  
Interim General Manager