

14

EXHIBITION PLACE

February 9, 2001

TO: The Board of Governors of Exhibition Place

FROM: Leo Lauro
Interim Director of Operations

SUBJECT: **Official Supplier Agreement for
Audio-Visual Technical Production Services and Equipment Rentals**

Recommendation:

It is recommended that the Board exercise its option to renew its agreement with Parallel Production Services ("Parallel") for a further two years as the official supplier for audio visual technical production services and audio visual equipment rentals at Exhibition Place.

Background:

At its meeting of January 18, 2000 the Board gave approval to enter into a one-year agreement with Parallel with an option to renew for two years.

Discussion:

The Parallel agreement was entered into to provide one stop shopping for clients within the NTC as well as attempting to achieve the following benefits:

- (a) Incremental revenue from technical equipment rental beyond existing in-house rentals and for production services provided to client;
- (b) Improved customer service to clients and increase the "one-stop" shopping menu provided at the NTC;
- (c) Access to new clients through marketing initiatives of the official supplier;
- (d) Access to expanded state-of-the-art technical equipment; and,
- (e) Access by NTC, CNEA and the Board to production and technical services and equipment at reduced rates.

Although the agreement with Parallel was entered into March 1, 2000, Parallel has only been in full operation for four months from September to December 2000, since there was some lead time necessary to establish a presence on the grounds and introduction to clients. In this four months of operation, Parallel has achieved gross revenues equivalent to the gross revenues achieved by the

THE BOARD OF GOVERNORS OF EXHIBITION PLACE

Exhibition Place, Toronto, Ontario M6K 3C3 Tel: (416) 263-3600

Board in the nine-month period from January to September, 1999. The commission received by the Board related to this four-month period was \$39,114.00. In addition to building positive relationships with clients booked, Parallel has also referred two events in 2000 that were contracted in 2000 and which resulted in net revenues to the NTC of \$73,401.00. Additional referrals from Parallel in 2001 include the Hebrew University, Israel Bonds and Canadian Olympic Association events which will generate estimated net revenue to the NTC of \$63,500.00. Staff have further determined that Parallel is meeting their clients needs with the one-stop shopping concept and that all items (a) through (e) above are being achieved.

Accordingly, staff are recommending that the agreement with Parallel as the official supplier of audio visual production services and audiovisual equipment rentals continue for a further two years on the same terms and conditions. Generally, the terms and conditions of that agreement are as follows:

- (a) Parallel is the "Official Supplier" (not exclusive supplier) of audio-visual technical production services and audio-visual equipment rentals at Exhibition Place;
- (b) Parallel pays the Board a 20% commission on all gross revenues earned on sales of production services;
- (c) Parallel pays the Board 80% commission on all gross revenues earned from rental of Board equipment; and,
- (d) Parallel provides 25% discount for A/V technical production services provided to Board and 30% discount for all Parallel equipment.

Conclusions:

This report recommends an extension of the Parallel agreement to February 28, 2003. It is the opinion of staff that the extension of this agreement will provide an opportunity for a more extensive and comprehensive evaluation of this agreement while supplying a strong corporate partner who will enhance and broaden services available.

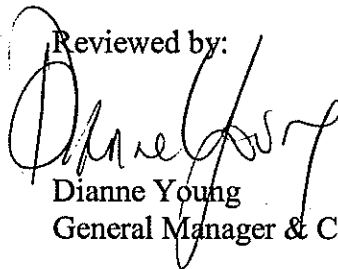
Mr. Ernest Vincent, General Manager, National Trade Centre, has provided input and reviewed this report and agrees with its content.

Submitted by:



Leo M. Lauro
Interim Director of Operations

Reviewed by:



Dianne Young
General Manager & CEO