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EXHIBITION PLACE

February 12, 2001

To: The Board of Governors of Exhibition Place

From: Leo Lauro
Interim Director of Operations

Subject: RCM Technologies Engineering Services Canada

Recommendations:

It is recommended that the Board enter into an three-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 set out in this report and satisfactory to the City Solicitor.

Background:

At its meeting of March 23, 2000, the Board adopted a recommendation to enter into a one-year agreement with MEC for the provision of safety engineering services on terms and conditions outlined in that report which agreement will expire March 31, 2001.

Discussion:

With approximately 4.5 million visitors to Exhibition Place each year, Exhibition Place must ensure that safety standards on the grounds and within the NTC are met. In order to deliver this service effectively, Exhibition Place has contracted this service with an external consultant since 1987. Generally, the services provided by the consultant include the following:

- (a) Development of written policies and procedures including a Safety Manual covering fire safety, structural integrity, environmental hazards; a Safety Manual for show managers and exhibitors; and an Amusement Ride Inspection Manual;
- (b) Audit of specific trade and consumer show venues as determined by the Board;
- (c) Daily on-site consultation and inspections during the period of the CNE; and,
- (d) On-call services as required.

MEC has been providing engineering services to Exhibition Place on an ongoing basis and as a result, acquired a great deal of expertise that is unique and relevant to Exhibition Place, especially as related to the CNE. As one of the only companies providing this service ten years ago, MEC developed for the purposes of Exhibition Place and the CNEA the following specialized manuals: Safety Manual covering Fire Safety, Structural Integrity, Environmental Hazards; 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 1999, MEC was acquired by RCM an international provider of professional services focusing on information technology and engineering.

Exhibition Place and CNE staff have very pleased with the service provided by RCM over the years and as rates proposed by RCM for the services are at or below the standard rate sheet for professional engineers, staff are recommending that the Board enter an agreement with RCM on the following terms and conditions:

- (i) Term: March 31, 2001 to March 31, 2004
- (ii) RCM shall provide professional liability insurance in the amount of \$1 million per occurrence in the amount of \$2 million per occurrence, in a form satisfactory to the Board, and including the Board, City of Toronto, O&Y –SMG and the CNEA as additional insured.
- (iii) RCM shall indemnify the Board, City of Toronto, O&Y-SMG and the CNEA from and against all claims, losses, costs and expenses arising from the performance or rendering of the work under the Agreement, including a failure to perform the work or service as required.
- (iv) Rates: As set out in Appendix “A” to this report

Conclusion:

It is recommended that the Board enter into a three-year agreement ending March 31, 2004 with RCM for the provision of safety engineering on the terms and conditions set out in this report.

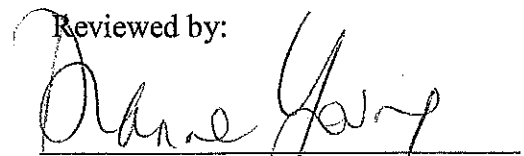
Mr. David Bednar has been consulted with respect to this report and is in agreement. While the RCM proposal contains slight increases in hourly rates, expenses are controlled by Exhibition Place staff who control the calls to RCM on an as needed basis as determined by the Board or CNE. Therefore, while this report recommends a three year agreement with RCM, it does not bind the Board or the CNE to any set number of hours to call or use their services. For the information of the Board, the 2001 Operation Budget for safety services has been set at \$115,000 for the CNE Program and \$50,000 for the Exhibition Place Program.

Submitted by:



Leo Lauro
Interim Director of Operations

Reviewed by:



Dianne Young
General Manager & CEO

Appendix "A"

Fee Schedule 1

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:

PERSONNEL	CURRENT RATE	PROPOSED RATE		
		April 2001 – Mar 2002	April 2002- Mar 2003	April 2003 – Mar 2004
Senior Consulting P.Eng.	\$110.00 per hour	\$114.40 per hour	\$116.67 per hour	\$119.00 per hour
Project Manager	\$80.00 per hour	\$82.40	\$84.05	\$85.73
Professional Engineer	\$80.00 per hour	\$82.40	\$84.05	\$85.73
Junior Engineer	\$60.38 per hour	\$67.04	\$68.38	\$69.75
Senior Ride Specialist (*)	\$100.00 per hour	\$104.00	\$106.08	\$108.20
Ride Inspector	\$55.00 per hour	\$59.13	\$60.31	\$61.52

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 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		
		April 2001 – Mar 2002	April 2002 – Mar 2003	April 2003 – Mar 2004
Senior Consulting P.Eng.	\$130.00 per hour	\$132.50 per hour	\$135.15 per hour	\$137.85 per hour
Project Manager	\$87.50 per hour	\$90.13	\$91.93	\$93.77
Professional Engineer	\$87.50 per hour	\$90.13	\$91.93	\$93.77
Junior Engineer	\$64.00 per hour	\$69.50	\$70.89	\$72.31

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; and are consistent with industry standards.
- 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; in consultation with Exhibition Place 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.

Fee Schedule 3

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.

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