



To: Board of Management

From: Robin D. Hale
Chief Operating Officer

Subject: **PANDA TRANSPORTATION PARTNER/SPONSOR RFP**

Date: 2012-09-15

Summary:

This report outlines results of a Request for Proposal (RFP) for a Transportation Partner/Sponsor for the giant pandas. The proposal from Federal Express Canada (FedEx) is recommended for consideration to facilitate the delivery of the pandas in 2013 and the shipment of the food supply for the pandas for a five year period during their stay at the Toronto Zoo. FedEx is a global brand and has shipped pandas recently from China to the Edinburgh Zoo in Scotland and to ZooParc de Beauval in France.

Recommendation:

It is recommended that:

- 1. The partnership / sponsorship proposed by Federal Express Canada at a total estimated value of \$3,727.6 thousand in response to RFP #47 (2012-08) consisting of \$500.0 thousand in in-kind services for the Transportation of the Pandas from China, \$2,247.6 thousand in discounted services for the shipment of bamboo, and \$980.0 thousand in in-kind services for marketing of the Panda Partnership / Sponsorship be approved; and further**
- 2. The transportation of the bamboo for a five (5) year period at the significantly discounted price of \$157.7 thousand per annum as outlined in the Proposal, be approved.**

Financial Impact:

The actual cost outlay for the transportation services for bamboo shipments amounts to \$788.6 thousand over the five years of 2013-2018. This is below the estimated costs forecasted in the Panda plan.

Background:

In August 2012, the Toronto Zoo issued RFP #47 (2012-08) for a Sponsor/Partner of Transportation Services to help support our Giant Panda Exhibit. The responsibilities of the Sponsor/Partner include providing safe transportation for the giant pandas from Chengdu to Toronto and transporting nutritional components such as bamboo to the pandas, which is essential to the maintenance of their health and survival during their stay at the Toronto Zoo.

Bamboo would be transported via ground and air travel from a source in the United States or Canada. The Zoo requires regular shipments of bamboo throughout the duration of the pandas five year stay at the Toronto Zoo.

Federal Express Canada submitted a proposal on 2012-08-31, expressing interest in the Transportation Services Sponsorship/Partnership opportunity. The partnership level outlined in the Request for Proposal was a Premium Partnership, (the provision of services, valued at \$500,000-\$1,000,000). The services provided by Federal Express Canada would include giant panda transportation, bamboo shipping and promotional services.

Comments/Discussion:

- **Term:** The Transportation Partner/Sponsorship will be in effect for a 5-year period, (the duration of the pandas stay).
- **FedEx Sponsorship:** Federal Express Canada, acting as the Sponsor/Partner of Transportation Services has agreed to provide transportation for the giant pandas. This includes air transportation of the two pandas, supplies and handlers from Shuangliu Airport, Chengdu, China to Toronto Pearson International Airport. Federal Express Canada will also provide all handling and regulatory clearance requirements and ground transportation of the pandas from Pearson to the Toronto Zoo. In addition, Federal Express Canada will provide air services for the pandas to transport them from Toronto to Calgary in 2018 when the Toronto Zoo exhibit closes, (this also includes ground transportation of the pandas from the Toronto Zoo to Pearson). The value of these services is estimated to be \$500.0 thousand.

Federal Express Canada will also provide promotional services for the Giant Panda Exhibit, (while recognizing its role as a partner/sponsor), utilizing methods such as billboard advertising on fedex.ca, promotional stickers on all FedEx Express packaging delivered to homes and businesses in the GTA, e-newsletter promotions, social media and Fed Ex Express Canada's nation-wide internal television network. They would also coordinate a major aircraft arrival event for the pandas when they land at Pearson. The approximate value of these services is \$980.0 thousand for the 5-year term.

Bamboo shipping is another important component of Federal Express Canada's sponsorship/partnership. Federal Express Canada will offer three shipments of bamboo per week at a 74% discount off published Canadian import FedEx International Priority Freight transportation rates, (in Canadian dollars), at the time of the shipment. For a more detailed valuation, please see the Discounted Shipments Section Below.

- **Discounted shipments:** The valuation of the discounted services provided to the Toronto Zoo for the shipment of bamboo is estimated at \$2,247.6 thousand over the 5-year period. This valuation was determined utilizing the estimated weight of 850 lbs of bamboo, (based on bamboo shipments sent to the Memphis Zoo when they hosted giant pandas), at a rate of \$4.58 per pound of bamboo. This would amount to approximately \$449.5 thousand in savings per year.

- **Recognition and Promotion:** As a Premium Status Partner of the Giant Panda Exhibit, the Sponsor of Transportation Services, Federal Express Canada will receive a substantial and competitive benefit package. The benefits outlined in our Request for Proposal will provide a solid return on investment, measured in terms of brand building, consumer awareness, consumer favour and heightened interest in Federal Express Canada's services and sales. These benefits include the unlimited use of the Panda Partner designation logo, the right to use the Toronto Zoo intellectual property and markings in partner marketing and category exclusivity at the Premium Partner designation. Federal Express Canada will also receive the ability to have a presence at the Zoo with the ability to distribute items to Zoo guests and initiate on-site activations for the purposes of customer engagement. Additionally, there are a number of marketing, media related (both external and internal) and hospitality related benefits at this partnership level.

We will also be providing recognition for sponsors/partners of this exhibit at all events related to the Giant Panda Exhibit.

In summary, approval of the Panda Transportation Partnership / Sponsorship will result in significant in-kind and cash benefits to the Toronto Zoo in executing the plans for the exhibit and care of giant pandas from 2013-2018.

R. D. Hale
Chief Operating Officer