



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Provision of Show Display Services Agreement - GES

Date: October 9, 2019
To: The Board of Governors of Exhibition Place
From: Don Boyle, Chief Executive Officer
Wards: Ward 10

REASON FOR CONFIDENTIAL INFORMATION

This report involves the security of the property belonging to the Board.

SUMMARY

This report recommends approving an agreement with GES Canada Limited ("GES") for the non-exclusive provision of show display services for a four-year term commencing January 1, 2020. This recommendation follows the competitive Request for Proposal process undertaken by Exhibition Place considering one (1) submission from GES. Four companies experienced in the provision of these specialized services were invited to submit proposals.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. The Board of Governors approve an agreement with GES Canada Limited ("GES") for the non-exclusive provision of show display services for a four-year period commencing January 1, 2020 on the terms and conditions set out in this report, and such other terms and conditions required by the Chief Executive Officer and City Solicitor.
2. The Board of Governors direct that Confidential Attachment 1 to the report from the Chief Executive Officer, Exhibition Place remain confidential in its entirety and not be released publicly as it involves the security of the property belonging to the Board.

FINANCIAL IMPACT

Approval of the agreement between the Board and GES will result in a positive income stream to Exhibition Place as outlined in the Confidential Attachment 1 to this report.

DECISION HISTORY

The Exhibition Place 2017 – 2019 Strategic Plan has a Financial goal to seek additional revenue opportunities, and as a Strategy to support this goal we will seek new and/or expand tenancies, naming partners, third parties, existing operations, and develop oversight processes for each revenue stream.

At its meeting of December 2015 the Board approved of an agreement with GES as the official supplier of show display services. The current agreement with GES expires on December 31, 2019.

<https://www.explace.on.ca/files/file/58bd8567d1f81/Item-7-GES-Agreement.pdf>

At its meeting of December 16, 2011, the Board approved an agreement with GES as the Official supplier of display show services within the Enercare Centre (Formerly Direct Energy Centre) under the same terms and condition as the previous agreement. The term of that extension expires on December 31, 2015.

[https://www.explace.on.ca/files/file/58c6e5d4e62db/Item-34-GES\(1\).pdf](https://www.explace.on.ca/files/file/58c6e5d4e62db/Item-34-GES(1).pdf)

COMMENTS

The Request for Proposal for the non-exclusive provision of show display services was issued by Exhibition Place on September 10, 2019 and one (1) proposal was received from GES which meet specifications.

The RFP detailed the Board's specific requirements which included provision of modular exhibit rentals, floor plans, exhibitor order forms, booth and aisle carpet, meeting room equipment, event consulting, planning and design services, plants and flowers, pre and post-show reports, furnishings, and customs and logistics services.

GES Canada Limited commenced operations in 1966 as Panex Show Services and is a Canadian company wholly owned by Viad Corp. ("Viad") headquartered in the United States with operations in Banff, Calgary, Edmonton, Toronto, Montreal and Quebec City, and across the United States of America.

Viad is an S&P SmallCap 600 international experiential services company with operations in the United States, Canada, the United Kingdom, continental Europe and the United Arab Emirates. Viad generates revenue and shareholder value through two business units: GES and Pursuit.

GES is a global, full-service live events company offering a comprehensive range of services to the world's leading brands and event organizers. Pursuit is a collection of inspiring and unforgettable travel experiences in Alaska, Glacier National Park, Banff, Jasper and Vancouver that includes attractions, lodges and hotels, and sightseeing tours that connect guests with iconic places.

Viad strategy for GES is to be the preferred global full-service provider for live events, with further reach to corporate and consumer events, exhibitions, congresses, and conferences. We expect to do this through the acquisition of businesses that compete in industry sectors with higher profit margins, add new value-added services for our customers that complement and enhance our existing businesses, and further leverage our global capabilities.

Solid financial performance has allowed Viad to maintain a strong balance sheet, while also investing in the business and returning capital to shareholders. From 2014 - 2018 Viad have: Generated cumulative operating cash flow of \$421.5 million; returned \$102.5 million to shareholders in the form of dividends and share repurchases; reinvested \$571.8 million back into the business in the form of capital expenditures and acquisitions, net of divestitures of non-strategic real estate assets; maintained a strong balance sheet, with a 34.0% debt-to-capital ratio as of December 31, 2018. Viad is traded on the New York Stock Exchange under the symbol VVI.

Terms and Conditions:

The substantial terms and conditions of the agreement with GES are as follows:

- Term: Four years from January 1, 2020, on an as required non-exclusive basis.
- Rights: To be the Official Supplier-Non-Exclusive of show display services in the Enercare and Beanfield Centres including provision of modular exhibit rentals, floor plans, exhibitor order forms, booth and aisle carpet, meeting room equipment, event consulting, planning and design services, plants and flowers, pre and post-show reports, furnishings, and customs and logistics services.
- Fees: Per the submitted RFP response.
- Insurance: Proof of insurance shall be provided in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording.
- Taxes: GES shall be responsible for payment of all taxes, rates and assessments levied with respect to its activities and presence on the grounds.
- Union Obligations: GES shall comply with all trade union/association agreements affecting work done on the grounds.

CONTACT

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Show Display Services

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Confidential Attachment 1 - Financial Benefits Show Display Services