



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Provision of Audio Visual & Computer Equipment Rental Services

Date: January 28, 2020
To: The Board of Governors of Exhibition Place
From: Don Boyle, Chief Executive Officer
Wards: All

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains financial information that belongs to the Board of Governors of Exhibition Place and has monetary value or potential monetary value.

SUMMARY

This report recommends approving an agreement with FREEMAN Audio Visual Services Canada Inc. ("FREEMAN") for the non-exclusive provision of audio visual services & computer equipment rental services for a four-year term commencing on March 1, 2020 and expiring on February 28, 2025. This recommendation follows the competitive Request for Proposal process undertaken by Exhibition Place considering one (1) submission from FREEMAN who would be a strong corporate partner. Five companies experienced in the provision of these specialized services were invited to submit proposals.

This is non-exclusive arrangement and therefore all clients on the grounds would be able to work with other companies if they wish.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. The Board approve an agreement with FREEMAN Audio Visual Services Canada Inc. for the non-exclusive provision of audio visual services and computer equipment rental services for a four-year period commencing on March 1, 2020 and ending on

February 28, 2025 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. Direct that the confidential information contained in Confidential Attachment 1 to this report remain confidential and not be released publicly as it contains financial information that belongs to the Board of Governors of Exhibition Place and has monetary value or potential monetary value.

FINANCIAL IMPACT

Approval of the agreement between the Board and FREEMAN will result in a positive income stream to Exhibition Place as outlined in 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 on January 18, 2000 the Board approved of an agreement with Parallel Production Services ("Parallel") for the provision of Audio Visual Production Services and Equipment Rental on an Official / Preferred Supplier basis for a one (1) year term commencing on March 1, 2000.

<https://www.explace.on.ca/files/file/5cffc496eb814/Item-10---Official-Supplier-Agreement-for-Audio-Visual-Technical-Production-Services-and-Equipment-Rentals.pdf>

Further, at its meeting on February 9, 2001 the Board exercised its option to renew its agreement with Parallel for an additional two (2) years as the official supplier of audio visual production services and equipment rentals.

<https://www.explace.on.ca/files/file/5cffd34bb30b6/Item-14---Official-Supplier-Agreement-for-Audio-Visual-Technical-Production-Services-and-Equipment-Rentals.pdf>

COMMENTS

Since the expiration of the agreement with Parallel in 2003 the Board has been unsuccessful in obtaining an Official / Preferred supplier for audio visual services. In November of 2018 the Board was able to negotiate a revised collective agreement with the union that provides the technical labour (IATSE Local 58) necessary to install, run, and dismantle audio visual services at events on the grounds at Exhibition Place.

It is with this new collective agreement staff from Finance, Facilities, and Event Services went back to the marketplace to see if there was a renewed interest in the "Official /

Preferred" within the industry suppliers of these technical services to provide a "one-stop shopping" for clients. The official supplier would be required to supply all equipment, supervision, and materials to provide audio/visual services and computer equipment rental services at the Enercare Centre, Better Living Centre, Queen Elizabeth Exhibit Hall, and the Grounds of Exhibition Place.

The Request for Proposal for the non-exclusive provision of audio visual services and computer equipment rental service was issued by Exhibition Place on December 4, 2019 and one (1) proposal was received from FREEMAN which meet specifications. Five companies experienced in the provision of these specialized services were invited to submit proposals.

The RFP detailed the Board's specific requirements which included provision of a full spectrum of audio visual equipment from small public address systems up to large AV production equipment for large events such as a major social function, large concert, conference or symposium, and trade and consumer shows.

Generally, the benefits to be achieved by entering an agreement with an official supplier for A/V services are as follows:

- Incremental revenue from technical equipment rental for AV production services provided to clients.
- Improved customer service to clients and increase the "one stop" shopping feeling.
- Access to new clients from a global service provider through marketing initiatives of the official supplier.
- Familiarity of on-site supplier's staff to clients and Exhibition Place stakeholders.
- Official service supplier to have on-site offices and equipment which will create efficiencies and support reduced delivery costs to clients.
- Rental equipment that is maintained to manufacturers standards at no cost to the Board.
- Access to an unlimited inventory of state-of-the-art equipment and technology.
- The Board will receive production and technical services and equipment at reduced rates.
- Technical expertise available at no cost to Exhibition Place.

Technical production services involve the creative use of AV equipment and lighting to achieve the client's desired presentation within budget. Management staff do not have the same wide expertise as the official supplier or is necessary dedicated full-time to providing such advice. Therefore, there is a gap when working with and trying to advise new clients, and there is also a missed opportunity as shows will often source these services through an outside provider. Allowing a client to work with the official supplier that knows the grounds, the terms of the collective agreements and the venue and the equipment available would put Exhibition Place in a better position to secure this business.

Presently, the Board has an in-house Technical Services Shop with very limited equipment as over the last 20 years there has been no purchases/investment on new AV equipment. The Board has a collective agreement with IATSE, Local 58, and all AV

services are provided by IATSE labor typically through calls to the union hall for manpower requirements, although there is core staff of two IATSE workers who have seniority on the grounds.

FREEMAN Audio Visual Canada, incorporated in Canada as 3627730 Canada Inc., is a wholly owned subsidiary of PSAV. Based in Schiller Park, IL, PSAV is a global leader in event experiences.

FREEMAN Audio Visual Canada has offices in every major city in Canada and are the recommended or official audio visual supplier to 13 Convention Centres across the country.

The PSAV family of companies serves as a global leader in event experiences, providing creative, production, advanced technology and staging services to help meeting professionals deliver more dynamic and impactful experiences at their meetings, trade shows and events. The team consists of approximately 14,000 professionals across 2,100 on-site venue locations and more than 50 branch offices. The company operates in more than 20 countries across North America, Europe, the Middle East, Australia and Asia. It is the trusted partner and exclusive on-site provider of choice at leading venues worldwide. PSAV was recently named to the Forbes 2018 and 2019 America's Best Employer list.

Terms and Conditions:

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

- **Term:** Four years from March 1, 2020 to February 28, 2025, on an as required non-exclusive basis.
- **Rights/Status:** To be the Official/Preferred Supplier-Non-Exclusive of audio visual services & computer equipment rental services at Exhibition Place excluding Beanfield Centre to including provision of a full spectrum of audio visual equipment.
- **Fees:** Payable monthly within 15 days of month end period in a form mutually agreed upon by the parties. Fees per the submitted RFP response, see Confidential Attachment 1.
- **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:** FREEMAN shall be responsible for payment of all taxes, rates and assessments levied with respect to its business activities and presence on the grounds.
- **Union Obligations:** FREEMAN shall comply with all trade union/association agreements affecting work done on the grounds.
- **Personnel:** FREEMAN will provide on site an experienced Director of Event Technology, other technical support at no cost to the Board, dedicated support/sales and operational supervision, make contractual arrangements and liaise with facility personnel.

- Price Lists: Pricing was provided with the RFP submission. Pricing is subject to annual review in consultation with Exhibition Place.
- Right to Audit: FREEMAN must submit audited statements verifying sales and commission's payable by March 31 (30 days) of the following year.
- Board Use of Equipment: FREEMAN will provide complimentary equipment from on-site inventory for non-revenue producing use.

CONTACT

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Confidential Attachment 1 - Financial Analysis and Financial Terms