

Temporary Seating Agreement with Arena Event Services, Inc. for Temporary Seating Expansion at Toronto Stadium in Support of the FIFA World Cup 2026 Hosting.

Date: March 21, 2024

To: General Government Committee

From: Executive Director, World Cup Hosting 2026, and Chief Procurement Officer

Wards: 10 - Spadina-Fort York

SUMMARY

The purpose of this report is to advise of the results of negotiated Request for Proposals (nRFP) nRFP-0004 for design / build services, including the design integration, provision, delivery, installation, maintenance, dismantle and removal of temporary seating structures located at Toronto (BMO) Stadium, and request the authority to enter into an agreement with Arena Event Services Inc. in the amount of \$36,760,344.65 net of all taxes and charges (\$37,407,326.72 net of Harmonized Sale Tax recoveries). This includes a 15% contingency amount of \$5,514,051.70 net of all taxes and charges (\$5,611,099 net of Harmonized Sale Tax recoveries) made available to the Executive Director, World Cup Hosting 2026 for the project as may be required.

Adoption of the recommendations in this report at the March 26, 2024 meeting of General Government Committee is required in order to permit the work to proceed in accordance with critical project timelines.

In preparation for hosting the FIFA World Cup in 2026, Toronto (BMO) Stadium will undergo a series of renovations and temporary expansion. This includes the temporary addition of approximately 17,500 seats, temporary broadcast presentation studios, temporary circulation staircases, and a temporary elevator.

RECOMMENDATIONS

The Executive Director, World Cup Hosting 2026, and Chief Procurement Officer recommend that:

1. The General Governance Committee, in accordance with Section 195-8.4a of Toronto Municipal Code Chapter 195 (Purchasing By-Law), grant authority to the Executive Director, World Cup Hosting 2026 to negotiate and execute an agreement with Arena Event Services, Inc. or approved affiliate, being the highest scoring pre-qualified proponent, in the amount of \$36,760,344.65 net of all taxes and charges (\$37,407,326.72 net of Harmonized Sale Tax recoveries), and including a 15% contingency amount of \$5,514,051.70 net of all taxes and charges (\$5,611,099.00 net of Harmonized Sale Tax recoveries), for the design integration, provision, delivery, installation, maintenance, dismantle and removal of temporary seating structures located at Toronto (BMO) Stadium, all in accordance with the terms, conditions, and specifications contained in the Request for Proposals document, and such other and amended terms and conditions as may be satisfactory to the Executive Director, World Cup Hosting 2026, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

Funding for 2024 expenditures in the amount of \$9,190,086.16 net of HST recoveries is included in the Exhibition Place's 2024-2033 Capital Budget and Plan for the FIFA World Cup 2026 for the BMO Field Upgrades capital project. These costs will be fully funded by the Capital Financing Reserve (XQ0011) in 2024. The costs of the contract in 2025 and 2026 will be funded from the Capital Financing Reserve (XQ0011) as well as from funding expected to be received from the other levels of Government. The 2025 and 2026 funding requirements of \$12,866,120.63 net of HST recoveries in 2025 and \$14,704,137.86 net of HST recoveries in 2026 will be brought forward as part of future year capital budget submissions from Exhibition Place for the BMO Field Upgrades capital project required for hosting the FIFA World Cup 2026. Funding details are summarized in Table 1 as follows:

Table 1: Financial Impact Summary of Recommended Contract

FIFA World Cup 2026 – Exhibition Place Cost Centre/ WBS : CEX131-51 Commitment Item: 4220	Amount Net of HST Recoveries
2024 - Design and Seating Manifest Completion	\$ 9,190,086.16
2025 - Procurement Completion, Permitting, Installation Commencement	\$ 12,866,120.63
2026 - Installation Completion, Maintenance, Dismantle	\$ 14,704,137.86
Total (net of all taxes and charges)	\$ 36,760,344.65

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

On February 29, 2024, Executive Committee adopted as amended EX12.2, “Update on Hosting FIFA World Cup 2026” providing an update on hosting the FIFA World Cup 2026 in Toronto including: planning, financial status, economic and community benefits, and intergovernmental negotiations, which was considered by Council at its meeting on March 20, 2024.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX12.2>

On July 19, 2023, City Council adopted EX6.25, “Non-competitive Contract with Gensler Architecture & Design Canada Inc. for Architectural Services for the FIFA World Cup 2026 Toronto Capital Project at BMO Field”, which included a request to report back to City Council on key aspects and plans of FWC26.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX6.25>

On July 19, 2022 City Council adopted EX34.8, “Hosting FIFA World Cup 2026”, which directed staff to enter into negotiations on funding agreements and stadium construction and to collaborate with other City Divisions on implement the World Cup strategy and report back on community benefit opportunities, budget impacts, intergovernmental negotiations, financial strategy, community engagement and activation of the Secretariat and working groups, community benefits opportunities, and intergovernmental negotiations.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.8>

COMMENTS

Background

The subject of this report is the selection of the contractor for the provision of the temporary structures and seating required to meet FIFA’s hosting requirements. Approval of this selection is required in order to proceed to preliminary design and the preparation of a seat manifest as required by the FIFA schedule.

As per the Letter of Intent between the City of Toronto and Maple Leaf Sports & Entertainment (MLSE), the public procurement was undertaken by MLSE working as an agent of the City of Toronto, in consultation with the City’s Purchasing and Material Management Division and Legal Services, a Request for Qualification for Temporary Seating & Amenities Vendor Services (RFQ002) was issued on the MERX platform on August 30, 2023, and closed September 15, 2023. A total of six (6) submissions were received and evaluated by a panel consisting of MLSE, their project management team CAA ICON, and City staff, resulting in the identification of four prequalified vendors.

The four prequalified vendors were issued a Request for Proposal (RFP) on October 25, 2023, with a closing date of December 6, 2023. Unfortunately, the procurement resulted in no compliant bids, and this initial RFP was required to be cancelled. A revised call document was then prepared and issued in the form of a Negotiated Request for Proposal (nRFP) format to four prequalified vendors on January 24, 2024, with a closing date of February 14, 2024.

Two proposals were received and evaluated by a panel consisting of internal and external staff, with the Chief Procurement Officer, Purchasing and Materials Management as an observer.

The nRFP was structured as a "two-envelope" process. The submissions included a detailed Technical Proposal (Envelope 1) and a separate sealed envelope (Envelope 2) with a Price Form. The selection process stipulated that Envelope 2 would not be opened until the evaluation of the Technical Proposals had been completed.

A minimum threshold score of 60% percent was required for proponents to proceed to have their Price Form Envelope opened and evaluated.

Both proposals submitted passed the minimum threshold score of 60%, which allowed them to proceed to the Price Form evaluation. The highest-scoring proponent was Arena Event Services Inc., with an overall score of 94% (Technical Proposal Score + Price Form Score).

The recommended proponent, Arena Event Services Inc. (Arena), is a global supplier to multiple international sporting events, including multiple Olympic Games, Commonwealth Games, and FIFA World Cups. Arena has a dedicated Stadiums Solutions division specializing in stadium expansions and renovations. For this project, they have also partnered with local suppliers Tower Scaffolding for the provision of scaffolding and local labour who have many years of experience working at the Stadium and Egis Engineering, which has knowledge of local codes and requirements.

The final agreement to be negotiated with Arena will be based on the requirements of the nRFP and such other terms and conditions as may be satisfactory to staff.

Community Benefit and Legacy Plans

Toronto's Host City goals are driven by the positive benefits and legacies that FWC26 will bring to the city and its residents. Toronto's position as a diverse global city presents a unique platform to realize benefits and legacy goals sought by FIFA and government partners. Led by the FWC26 Toronto Secretariat, the City is developing strategies specific to targeted community benefit and legacy plans and will be reporting to Executive Committee on these plans this summer.

One foundational element of this approach is alignment with existing City of Toronto priorities and policies, including, but not limited to, the Community Benefits Framework, Social Procurement Policy (which includes supply chain diversity and workforce development components) and Fair Wage Policy.

Development of community benefit and legacy plans requires and depends on cooperation, coordination, and communication across a wide variety of partners, stakeholders and broader community input. An initial step by the Secretariat as it relates to procurement has included consultation with Purchasing and Materials Management Division (PMMD) and the Community Benefits Unit, within Social Development, Finance and Administration (SDFA) to ensure best practices and integration of policies related to fair wage and social procurement (supply chain diversity and workforce development) are used in Host City goods and services contracts.

The recommended proponent is required to participate in the City of Toronto's Social Procurement Program. As part of the program, Arena is to adopt a supplier diversity policy that outlines the means to improve supplier diversity.

As part of the procurement requirements, proponents' bids were required to confirm acceptance and compliance with existing Collective Agreement applicable to the work. The Fair Wage Office confirms the recommended proponent understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

CONTACT

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SIGNATURE

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