



STATE OF NEW YORK  
DEPARTMENT OF AGRICULTURE AND MARKETS  
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March 6, 2009

Cathy Smith  
Contract Management Specialist  
Office of the State Comptroller  
110 State Street  
Albany, New York 12236

RE: Entertainment for the NYS Fair  
Triangle Talent, Inc.

Dear Ms. Smith:

This is in response to the questions posed in your letter of March 2, 2009.

1. **Basis for Minimum Sale Requirement** -- The 5,000 ticket sales minimum is in the RFP, and since the RFP is part of the contract, this requirement still applies without repeating it in the contract. The basis for the minimum sales amount is the actual number of tickets sold for the entertainment provided at the 2008 Fair. Seven of the 11 performances were profitable for the Fair. Of the four concerts that showed a modest loss, two performances sold less than 3,000 tickets. The minimum sales' requirement of 5,000 tickets per show is an attempt to assure that the State Fair breaks even on the Entertainment through the booking of quality acts. In 2008, the average cost per show was \$273,000, and the average ticket price was \$52.15, which works out to 5,235 tickets that need to be sold to break even. It should be noted that the number of tickets sold is only one factor impacting profitability. Price point of tickets, headliner guarantee, and weather all effect profitability. The Grandstand is an open-air venue and a rained out concert creates a total loss for the Fair. There is no way to guarantee profitability.

**Fixed Cost per Ticket V. Fixed Cost per Event** -- In preparing the RFP, we worked from our experience from the 2008 Fair, for which we engaged the services of Live Nation on an emergency basis. That agreement called for a

fee-per-ticket to be paid to Live Nation. Therefore, we crafted the 2009 RFP on the same fee-per-ticket basis. Once we received the very low flat fee proposal from Triangle Talent, Inc., and contacted their references, it became clear to us that the flat fee bid is the more common pricing strategy for the State Fairs.

**Determination that Triangle is Responsive and Meets Requirements** -- We reached out to all the State Fairs that Triangle Talent, Inc. had worked for, beyond the references. Of the eight Fairs we spoke to, every one highly recommended Triangle.

Because Live Nation was the only other qualified bidder, and Live Nation was a "known quantity" since we had worked with them for the 2008 Fair, we met with the President and CEO of Triangle Talent, Inc. to get a better sense of their ability to provide the services we seek. Triangle demonstrated a thorough knowledge of the entertainment industry. Regarding their low bid, they said they want to "get their foot in the door" because they believe that we would be well satisfied with their service and would give them repeat business, as have several other State Fairs.

Triangle cites preserving their good reputation as the reason why they would provide us with the best possible service. Triangle is a booking agent only. Booking quality acts is their only means of maintaining that good reputation. Live Nation is both a booking agent and promoter of acts. Live Nation represents 13 out of the 14 acts they booked for us last year, including three of the four acts that lost money. Live Nation makes money from representing the acts they book for us, even if the acts don't provide the Fair with a profit from ticket sales.

**Effect on Cost Structure** – The effect of the change to the cost structure should have no impact on the bidding community and potential proposers. The bids are based on information provided in the RFP regarding the number of acts to be booked and the average number of ticket sales per show for 2008. The vendors are tasked with preparing a cost proposal that covers their costs plus a profit while remaining competitive based on these same statistics. While the RFP asked for a per ticket cost, there was nothing to preclude a proposal based on a cost per event.

2. **Hotel Accommodations** – The cost of hotel accommodations at the State-approved rate of \$94 per night plus \$44 per day for meals, for 12 days for two people for a total of \$3,312, plus round trip air fare from Kentucky of less than \$1,000 for two people.

The Fair benefits from having Triangle on site to help oversee the stage management, assure that the acts have everything they need, and to address any issues regarding the interpretation of the contracts for the acts. Because Triangle has no offices in New York State, it is necessary to transport staff to the

Fair. Triangle's presence on site will save the Fair approximately \$15,000 in fees for a production manager. Accordingly, the provision of the hotel accommodations will save the Fair more than \$10,000 in costs.

3. **Catering** – An act requests catering services as part of its cost of performance. At the Grandstand, our large venue acts are provided with full menu service meals (sit-down, hot and cold, breakfast, lunch and dinner), "bus food" and other required foods as needed through a caterer which the Fair obtains through the competitive bid process.

Chevy Court is our smaller venue and we only provide to the acts who perform there water, coffee, soda and one meal voucher for any vendor on the Fairground. The language you refer to in the contract was included so Triangle would be aware of our catering policy when negotiating for acts. Triangle staff do not themselves receive catering services.

4. **Notification of Live Nation** -- Live Nation was notified by phone that they had not been selected and they promptly submitted a FOIL request to us for a copy of Triangle's proposal. This was provided to Live Nation on January 30, 2009. A copy of the cover letter is attached.

Please do not hesitate to call me if you have any further questions.

Sincerely,



Cynthia L. Itzo  
Assistant Director, Fiscal Management