

Bill No. 132
2016

By-law No. A.- _____

A by-law to repeal Council Policy 16(29) entitled "Corporate Sponsorship Program" and Council Policy 17(9) entitled "Sale of Advertising and Sponsorship of Parks and Recreation Publications and Services" and to replace those policies with a new policy entitled "Corporate Sponsorship and Advertising Policy."

WHEREAS subsection 5(3) of the *Municipal Act, 2001* provides that a municipal power shall be exercised by by-law;

AND WHEREAS the Municipal Council wishes to ensure its policies pertaining to corporate sponsorship and sale of advertising and sponsorship of parks and recreation publications and services are consistent with the City of London's Procurement of Goods and Services Policy and maximize the City of London's revenue opportunities;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. Council Policy 16(29) entitled "Corporate Sponsorship Program" is hereby repealed.
2. Council Policy 17(9) entitled "Sale of Advertising and Sponsorship of Parks and Recreation Publications and Services" is hereby repealed.
3. A new Council Policy entitled "Corporate Sponsorship and Advertising Policy" attached hereto as Schedule "A" is hereby enacted.
4. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council April 5, 2016.

Paul Hubert
Deputy Mayor

Catharine Saunders
City Clerk

First Reading – April 5, 2016
Second Reading – April 5, 2016
Third Reading – April 5, 2016

SCHEDULE "A"

CORPORATE SPONSORSHIP AND ADVERTISING POLICY

PURPOSE OF THIS POLICY

The purpose of this Policy is to set out Council's direction and guidelines with respect to the corporate sponsorship and advertising of City programs, services, and facilities.

Civic Administration shall make available for external use marketing documentation on the City's Corporate Sponsorship and Advertising Program.

DEFINITIONS:

Advertising – The selling or leasing of advertising space on corporate materials (printed and electronic), and signage on City-owned assets and properties; whereby the advertiser is not entitled to any additional benefits beyond access to the space purchased. Advertising is a straightforward purchase of space based on pre-established base rates and a defined time period.

Asset – This is a physical or non-physical City-owned element, material, equipment, facility, building, or structure that has value to sponsors or advertisers in order to achieve their business objectives. Examples of assets are: playgrounds, programs, events, arenas, parks, pools, advertisement placements, services, and speaking engagements.

City – The term "City" refers to The Corporation of the City of London.

Donation(s) – A cash and/or in-kind contribution made to the City with no reciprocal commercial benefit expected or required from the City. Donations do not involve a business relationship and are distinct from sponsorship and/or advertising initiatives.

Sponsorship – A marketing-oriented, contracted arrangement that involves the payment of a fee or payment in-kind by a company in return for the rights to a public association with an activity, item, or property for commercial benefit. Sponsorships may be in the form of financial assistance, non-cash goods, naming rights, or a contribution of skills or resources. Examples of sponsorships are: the Lowes arena renovation at Oakridge Arena, Tim Horton skates and swims, and the Siskinds playground in Piccadilly Park.

SCOPE OF THIS POLICY

This Policy shall apply to all business relationships between The Corporation of the City of London and businesses which contribute either financially or in-kind to City programs, services, or facilities in return for recognitions, public acknowledgement, or other promotional considerations. This Policy is subject to the restrictions in the *Municipal Act, 2001* on bonusing and shall not apply to the following circumstances:

- (a) Gifts, unsolicited donations or advice to the City where no business relationship is required and where no reciprocal consideration is being sought;
- (b) Funding obtained from other levels of government through formal grant programs;
- (c) Business partnerships between the City and its local boards and commissions;
- (d) Neighbourhood groups, service clubs, non-profit community organizations, or agencies that provide continuous support and leadership to City programs, services, or facilities;
- (e) Facilities that have been contracted to a third party for operation and/or management.

CRITERIA FOR SPONSORSHIPS AND ADVERTISING RELATIONSHIPS

The following criteria must be satisfied before a sponsorship and advertising relationship is formalized between the City and a business:

- (a) The relationships must be beneficial for both parties;
- (b) The sponsorship or advertising must enhance the development, delivery, awareness, or continuance of one or more City programs, services, or facilities;
- (c) Any costs to the City associated with the relationship must be within an approved budget;
- (d) The City program, service, or facility for which sponsorship or advertising is being sought must

- a. Not directly compete with charitable organizations or with existing private businesses in close proximity to the City program, service or facility; and
- b. Be consistent with City plans and priorities;
- (e) All publicity, advertising, acknowledgement and recognition of the sponsorship or advertising arrangement by either the City or the sponsor must comply with all federal and provincial statutes and all municipal By-laws;
- (f) The value of the proposed sponsorship or advertising is consistent with the proposed recognition or acknowledgement of the sponsorship or advertising; and
- (g) The relationship must not cause a City employee or agent to receive any product, service, or assets for personal gain or use.

SPONSORSHIP AND ADVERTISING AGREEMENTS

All sponsorship and advertising relationships shall be confirmed in the form of a written agreement between the sponsor and the City. All such agreements must clearly indicate and address:

- (a) What the sponsor is contributing and what the value of the contribution represents;
- (b) The obligations of both the sponsor and the City;
- (c) The disposition and ownership of any assets resulting from the sponsorship or advertising;
- (d) Responsibility for the maintenance, insurance, and taxes of all assets associated with or resulting from the sponsorship or advertising;
- (e) The duration of the sponsorship or advertising;
- (f) The licensing and use of the City's and the sponsor's name, trade and service marks, and other intellectual property, and any payment for such licensing and use; and
- (g) A termination provision and the remedies available to both parties upon termination.

SOURCING AUTHORITY

Sponsorship and advertising shall be offered by the City or its agent on a first come, first served basis which meets established valuation criteria.

The City reserves the right to reject any and all unsolicited sponsorship or advertising proposals that have been offered to the City and to reject any and all proposals for sponsorship or advertising that have been openly solicited by the City.

APPROVAL AUTHORITY

All potential sponsorship and advertising opportunities and all proposed sponsorship and advertising opportunities shall be reviewed in accordance with this Policy.

The City may enter into a sponsorship and advertising sales contractual relationship with an external contracted organization, provided all provisions of this Policy are met and provided the value of the sponsorship, or advertising (either direct funding or in-kind service, or a combination of both) is authorized by by-law or by an official, employee, or agent of the City who has been delegated authority by by-law or contract to enter into such a relationship on behalf of the City. In all cases, all necessary sponsorship and advertising agreements shall be executed on behalf of the City by the Mayor and the City Clerk where authorized by by-law or by the delegated official, employee, or agent of the City where authorized by by-law or contract.

EXCEPTIONS TO THIS POLICY

Elected Officials and Civic Administration are encouraged to advise Municipal Council of all sponsorship and advertising proposals that would contribute towards the cost of a particular program, service, or facility but do not comply with one or more provisions of this Policy. Municipal Council reserves the right to consider and accept such proposals.

1.0 GUIDING PRINCIPLES

The following principles will guide the decision-making and operational processes related to sponsorship and/or advertising relationships with an external party:

- 1.1 All sponsorship and advertising agreements must comply with federal and provincial acts, statutes and regulations, and municipal by-laws and must not interfere with existing contractual obligations of the City.
- 1.2 All sponsorship and advertising agreements must be consistent with the mandate, policies, and objectives of the City.
- 1.3 Sponsorship agreements must benefit the City, and should also benefit the community, and the sponsor or advertiser.
- 1.4 Sponsorships should enhance the development, delivery, awareness, or continuance of one or more City facilities, programs, services, and/or events or provide for the delivery of programs, services, or events by a third party.
- 1.5 The sponsorship and/or advertising opportunity should be appropriate to the identified target audience.
- 1.6 Advertising devices must not impact the quality and integrity of the City's assets and provide no added risk to safety. This will be determined by the City.
- 1.7 Agreements shall not in any way invoke future considerations, influence, or be perceived to influence the day-to-day business of the City.
- 1.8 The City will maintain control over the planning and delivery of all sponsorship and advertising opportunities and activities in accordance with this Policy.
- 1.9 Sponsorships and advertising must be valued at fair market value and be in accordance with the industry practices, using recognized valuation models and standard practices.
- 1.10 The term of all agreements shall not exceed ten years unless authorized by City Council.
- 1.11 City employees or anyone with permission to act on behalf of staff, shall not receive any product, service, or asset for personal use or gain as a result of a sponsorship or advertising agreement as per the Code of Conduct Policy.
- 1.12 Advertisement of a product or service does not act as the City's endorsement of any product or service.

2.0 RESTRICTIONS:

In keeping with the principle that all sponsorship and/or advertising initiatives must be consistent with the City's vision, mission, and values, the following restrictions apply:

- 2.1 The City reserves the right to restrict sponsorships and/or advertising to certain services and to exclude any products and industries at its discretion.
- 2.2 Sponsorships and/or advertising will not be accepted from any party that portrays, promotes, or condones the stereotyping of any group or discrimination as defined in the Ontario Human Rights Code or which is contrary to the Canadian Charter of Rights and Freedoms.
- 2.3 Sponsorship rights and/or advertisements will not be accepted if they unnecessarily promote the commercialization of public space.

3.0 SPONSORSHIP AND ADVERTISING AGREEMENTS:

- 3.1 All sponsorship and advertising agreements must be confirmed in writing and all details must be finalized at the time of signing by authorized representatives of both the City and the sponsor or advertiser.
- 3.2 Sponsorship and advertising agreement templates shall be reviewed by the City Solicitor to ensure protection from risk and compliance with legislation.
- 3.3 All agreements must outline the following:
- Any contribution by the sponsor or advertiser and the value of the contribution including any donations or advertising provided without charge to the City;
 - The obligations of both the sponsor and the City;
 - The duration of the sponsorship;
 - The dispositions and ownership of any assets resulting from the sponsorship;
 - The licensing and use of the City's and sponsor's name, trade, service marks, and other intellectual property, and any costs associated with such licensing or use;
 - A termination provision and the remedies available to both parties upon termination;
 - Details of the exchange of marketing benefits, including both what the City will receive from the sponsor, and what benefits are to be provided to the sponsor; and
 - Insurance coverage/indemnification clauses

4.0 SPONSORSHIP AND ADVERTISING SOLICITATION

- 4.1 For City-identified sponsorship and advertising opportunities, the City will advertise if there is: an estimated value of over \$100,000; the agreement duration is expected to be greater than 5 years; or there is a delivery of a service.
- 4.2 The City is open to receiving unsolicited sponsorship and advertising proposals. Sponsorship and advertising opportunities and the process for submission shall be made available on the City's website.
- 4.3 Unsolicited sponsorship and advertising proposals received by the City will be evaluated by the manager of the relevant business unit, as per the provisions of this Policy.
- 4.4 The City reserves the right to reject any unsolicited proposal that has been offered to the City.
- 4.5 The City may, by agreement, reserve the right to terminate a sponsorship or advertising agreement should conditions arise that make it no longer in the best interests of the City based upon the provisions contained in the agreement.

5.0 RESPONSIBILITIES:

- 5.1 Managers overseeing sponsorship and advertising are responsible for:
- General overview of all sponsorship and advertising business for their specific business area;
 - Asset evaluation and pricing of sponsorships in conjunction with business units;
 - Negotiating and administering sponsorship and/or advertising agreements with agents who may provide these services on the City's behalf.
 - Ensuring adherence to all relevant by-laws and policies, appropriate consultation and approval processes, and where applicable, that insurance, indemnification, and necessary permits have been obtained;
 - Ensuring advertising relationships abide by the restrictions noted in this Policy;
- 5.2 Managing Directors are responsible for:
- Ensuring staff consult with the appropriate Manager responsible for sponsorship and advertising prior to developing a sponsorship opportunity to determine sponsorship valuation and ensure consistency in application of this Policy;
 - Concept approval of sponsorship and advertising projects before external parties are approached or agreements are made and if the agreement involves more than one business area, approval will be obtained by the Managing Directors of each business area involved;

- Review of sponsorship and advertising agreements which impact any of their business units;
- Authorization of sponsorship and advertising agreements in accordance with delegated authority; and
- Ensuring that representatives of the City entering into sponsorships and advertising agreements are aware of, and act in accordance with, this policy and administrative procedures.

5.3 City Council is responsible for:

- All agreements that do not comply with this policy or are for an amount in excess of \$1,000,000 require approval of Council by By-law and that the Mayor and the City Clerk shall be authorized to sign such agreements approved by Council; and
- Reviewing and/or approval of all sponsorship and advertising agreements that fall outside the delegated authority of staff, as outlined in Section 6.

6.0 DELEGATION OF AUTHORITY:

- 6.1 Division Managers and Directors with consent in writing from their Managing Director and without prior Council approval, are authorized to approve sponsorship and advertising agreements up to \$100,000 provided they satisfy all provisions of this Policy.
- 6.2 Managing Directors with consent in writing from the City Manager and without prior Council approval are authorized to approve sponsorship and advertising agreements up to \$500,000 provided they satisfy all the provisions of this policy.
- 6.3 The City Manager is authorized to approve sponsorship and/or advertising agreements up to \$1,000,000. Notwithstanding the delegation of authority to Managers, Directors and Managing Directors under this policy, the City Manager may determine that it is appropriate to seek the authority of Council prior to a sponsorship or advertising agreement being signed.