**Agenda – Council - November 21, 2007**

**Report - Executive Policy Committee - November 14, 2007**

**Item No. 4 The City of Winnipeg Sponsorship Policy**
**File FR-2**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 14, 2007, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submits the following to Council:

1. That the City of Winnipeg Sponsorship Policy be approved as outlined in Appendix A to the report of the Winnipeg Public Service dated November 5, 2007.

2. That the Winnipeg Public Service be directed to prepare a City-wide corporate policy on advertising as a companion to the sponsorship policy.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

## Report - Executive Policy Committee - November 14, 2007

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 14, 2007, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

**RE: The City of Winnipeg Sponsorship Policy**

**FOR SUBMISSION TO: Executive Policy Committee**

**ORIGINAL REPORT SIGNED BY: Alex Robinson, Acting Chief Administrative Officer**

**REPORT DATE: November 5, 2007**

**RECOMMENDATION:**

1. That the City of Winnipeg Sponsorship Policy be approved (Appendix A).
2. That the Winnipeg Public Service be directed to prepare a City-wide corporate policy on advertising as a companion to the sponsorship policy.

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## Report Summary

**Key Issues:**

- The City of Winnipeg's Sponsorship Policy provides public-spirited individuals, businesses, corporations, foundations, and community groups with the opportunity to sponsor the delivery of services to the public.
- Sponsorships are used by a variety of cities across North America and the City of Winnipeg's policy is consistent with the approach used in other jurisdictions.
- A sponsorship is defined as a mutually beneficial business transaction in which an individual, business, corporation, foundation, and community group provides cash and/or in-kind services (or a combination thereof) to the City in return for access to the commercial marketing potential and other potential benefits associated with the City service.
- This policy does not apply to advertising opportunities sold by the City as there are already guidelines in place for departments such as Community Services and Public Transit. It is recommended that the Public Service be directed to develop a corporate advertising policy that is consistent with the previously approved guidelines.
- The Sponsorship Policy applies to all City programs (including equipment), services, projects, facilities, parks and park facilities, events or activities to ensure broadest possible appeal of the program.
- The Sponsorship policy is governed by the principles of Transparency, Integrity, Business Case, and Effectiveness.
- The City will invite potential sponsors through a Request for Sponsorship (RFS) process.

**Implications of the Recommendation(s):**

**General Implications**

( ) None

(**X**) For the organization overall and/or for other departments

(**X**) For the community and/or organizations external to the City

(**X**) Involves a multi-year contract

Comment(s): The City of Winnipeg Sponsorship Policy represents a new process to generate new revenues to support the delivery of public services.

**Policy Implications**

( ) No

(**X**) Yes

Comment(s): If approved, the City of Winnipeg Sponsorship Policy represents a new policy direction to generate additional revenue to support the delivery of public services. The Sponsorship Policy also supersedes the materials Management Policy for sponsorship opportunities and is consistent with the authority delegated to the CAO for Library sponsorships.

**Regulatory Implications**

() None

**()** Eliminates or reduces regulatory impact

(**X**) Proposes regulatory impact

Comment(s): This report proposes a Request for Sponsorship process be approved to govern the process for establishing sponsorships.

**Environmental Implications**

(**X**) No

() Yes

Comment(s):

**Human Resources Implications**

(**X**) No

() Yes

Comment(s): The Sponsorship Policy will be implemented using existing City staff.

**Financial Implications**

(**X**) Within approved current and/or capital budget

(X) Current and/or capital budget adjustment required

Comment(s): There are no financial implications associated with this report.

## Report

**REASON FOR THE REPORT:**

The proposed City of Winnipeg Sponsorship Policy requires Council approval.

**HISTORY:**

For several years the City has received a variety of requests from businesses, corporations, and community groups to sponsor civic activities as a way of contributing to the delivery of public services. From time to time the Winnipeg Public Service has explored potential policy options for sponsorships – most recently in 2002 – but no corporate policy or report has ever been filed with Council.

While no corporate policy on sponsorships has been approved, Council has allowed some City services to develop sponsorship agreements. On February 14, 2007, for example, the Chief Administrative Officer was delegated the authority to approve and execute on behalf of the City, library fundraising and sponsorship agreements, not exceeding $50,000.00 in value (either money or gifts in kind, or combination thereof).

Council has also established guidelines on the separate matter of advertising. On June 20, 2001, for example, Council delegated authority to the Chief Administrative Officer to set fees and approve advertising at City pools, arenas, skate parks, on equipment at pools and arenas, and in the Leisure Guide.

**DISCUSSION:**

**The City of Winnipeg Sponsorship Policy**

As budgetary pressures continue to increase, the City of Winnipeg is looking for innovative new ways to generate revenue to support the delivery of public services. The City of Winnipeg's Sponsorship Policy offers an alternative approach to generating new revenue while providing public-spirited individuals, businesses, corporations, foundations, and community groups with the opportunity to sponsor the delivery of public services.

The City has been considering the benefits of a corporate sponsorship policy for at least ten years. In the absence of Council direction on this issue, the City has not fully explored the potential benefits of developing sponsorships with interested community partners. The benefits associated with the Library sponsorship policy, however,

indicates that sponsorships have significant potential to contribute to the quality of life in Winnipeg by sustaining, or in many cases, enhancing the delivery of City services to our citizens.

The City of Winnipeg's Sponsorship Policy therefore is intended to fill this policy gap and to take advantage of an alternative approach to generating new revenue while providing public-spirited individuals, businesses, corporations, foundations, and community groups with the opportunity to sponsor the delivery of public services. It is worth noting that the City is following the lead set by other cities across North America. In particular the sponsorship policies adopted in Calgary, Vancouver, Ottawa, and San Diego provide excellent examples of how sponsorships can be used to enhance the delivery of public services while ensuring that sponsorships are done in a tasteful and responsible manner. The City of San Diego's Municipal Marketing Partnership Program, for example, is explicitly designed to "support the City of San Diego's goals of service to the community and remain responsive to the public's needs and values."

Like the policy models used in other cities, a sponsorship may be defined as a mutually beneficial business transaction in which an individual, business, corporation, foundation, or community group provides cash and/or in-kind services (or a combination thereof) to the City in return for access to the commercial marketing potential and other benefits associated with the City service. Typically, sponsorships are often related to the granting of naming rights to a civic facility but the City of Winnipeg's Sponsorship Policy is intended to apply to all City programs (including equipment), services, projects, events, facilities, parks and park facilities, or activities to ensure the broadest possible appeal of the policy. The key to the success of this policy will be to ensure that sponsorship opportunities provided by the City appeal to the many Winnipeg individuals, businesses, corporations, foundations, and community groups that are public spirited and who want to make a genuine contribution to the well-being of the community.

It is important to note that this policy does not apply to advertising sold by the City as there are already existing guidelines for some departments. For example, Council delegated authority to the Chief Administrative Officer on June 20, 2001 to set fees and approve advertising at City pools, arenas, and skate parks, on equipment at pools and arenas, and in the Leisure Guide. Likewise there are guidelines in place for Public Transit. It is recommended that the Public Service be directed to develop a corporate advertising policy that would apply to all civic departments and is consistent with all previously approved advertising guidelines.

**Principles**

To ensure that the City of Winnipeg's Sponsorship Policy meets the highest standard of public policy, it is proposed that the policy be guided by the principles of Transparency, Integrity, Business Case, and Effectiveness. These principles are designed to ensure that Sponsorships are developed for the purpose for which they are intended – to maintain and enhance the delivery of public services to the citizens of Winnipeg. The principles are defined as follows:

- Transparency - In an effort to ensure that the process is open, fair and competitive, the City of Winnipeg will produce an inventory of sponsorship opportunities and will invite potential sponsors through a Request for Sponsorship (RFS) process.

- Integrity - The policy is designed to develop sponsorships that are consistent with Plan Winnipeg's vision "To be a vibrant and healthy city which places its highest priority on quality of life for all its citizens." Sponsorships that promote excessive commercialization of public spaces or that promote activities that are illegal or unhealthy will not meet the criteria established for sponsorships.

- Business Case – To ensure that the financial benefits to the City are in direct proportion to the marketing opportunity afforded to the sponsor, all sponsorships must demonstrate a mutually beneficial business case for both the City and the sponsoring partner.

- Effectiveness - Sponsorship opportunities must be shown to be in accord with the public interest and to have measurable outcomes to promote the transparency and integrity of the process.

**Process**

It is recommended that the City prepare a rolling inventory of assets, programs, services, events, activities or any other notion for which a sponsorship could be developed. The inventory will need to be updated on an ongoing basis to delete sponsorship opportunities that have been filled and to add others as required.

In order to ensure that the City of Winnipeg Sponsorship Policy is open, fair and competitive, the City will utilize a Request for Sponsorship (RFS) process. The RFS will carefully identify the criteria which must be met in sponsoring City assets, facilities, programs, and activities, the conditions that are non-negotiable, and the obligations of both parties. Additional negotiation may be required with potential sponsors once proposals have been received but the RFS process should ensure that virtually all City conditions are met. All subsequent sponsorship agreements will clearly note that the City of Winnipeg reserves the right to decline or discontinue an agreement at any time if the sponsor is understood to be in violation of the agreement.

Council will approve the naming rights of a facility or asset, prior to the release of an RFS. Specifically, Council will need to approve the content of the RFS that has proposed naming rights. All other sponsorship awards require the approval of the Chief Administrative Officer (or designate).

**Restrictions**
The City will not enter into agreements with companies that promote the use of tobacco or the sale of alcohol to underage youth. Any proposed sponsorships which involve marketing concepts that explicitly or implicitly stereotype or otherwise denigrate individuals or groups will be considered non-responsive as well as marketing concepts that unnecessarily promote the commercialization of public space. Finally, the City would decline sponsorship proposals from parties involved in a lawsuit or otherwise debarred from doing business with the City.

## Financial Impact Statement

**Date:** November 5 2007

**Project Name:**

**First Year of Program** **2008**

# The City of Winnipeg Sponsorhip Policy

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | - | - | - | - | - |
| Additional Capital Budget Required | $ - | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ - | $ - | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grants (Enter Description Here) | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Enter Description Here | - | - | - | - | - |
| Total Funding | $ - | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ - | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budget Amounts | - | - | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:** There are no financial implications associated with this report.

(Original signed by R. Abeysekera)

Radhika Abeysekera
Manager of Finance & Administration
Corporate Services Dept.

**IN PREPARING THIS REPORT THERE WAS:**

**Internal Consultation With and Concurrence By:**
Planning, Property and Development
Community Services
Public Works
Internal Services - Legal Services
Transit
Corporate Finance - Materials Management

**External Consultation With:**

**THIS REPORT SUBMITTED BY:**
Department: CAO Secretariat
Division: Strategic Management
Prepared by: James Allum
File No.

**Appendix A**

**The City of Winnipeg**
**City of Winnipeg Sponsorship Policy**

## POLICY STATEMENT
In keeping with the City of Winnipeg's values, vision and mission, the City of Winnipeg welcomes sponsorships that enhance civic services and facilities.

## PURPOSE
To establish a corporate sponsorship policy that supports the delivery of services to the public.

## DEFINITION
A sponsorship is defined as a mutually beneficial business transaction in which an individual, business, corporation, foundation, or community group provides cash and/or in-kind services (or a combination thereof) to the City in return for access to the commercial marketing potential associated with the City service.

## SCOPE
The Sponsorship Policy applies to all City programs (including equipment), services, projects, facilities, parks and park facilities, events or activities to ensure broadest possible appeal of the program

## PRINCIPLES
The City of Winnipeg Sponsorship Policy is guided by the following principles:

**Transparency** – The City of Winnipeg Sponsorship Policy will be an open, fair and competitive process that will be managed through a Request for Sponsorship (RFS) process.

**Integrity** – The City of Winnipeg Sponsorship Policy will not accept sponsorships that may compromise the integrity of public services, may unduly commercialize public spaces or may promote activities which are contrary to Plan Winnipeg's vision for Winnipeg "To be a vibrant and healthy city which places its highest priority on quality of life for all its citizens."

**Business Case** – To ensure that the financial benefits to the City are in direct proportion to the marketing opportunity afforded to the sponsor, all sponsorships must demonstrate a mutually beneficial business case for both the City and the sponsoring partner.

- **Effectiveness** - Sponsorship opportunities must be shown to be in accord with the public interest and to have measurable outcomes to promote the transparency and integrity of the process.

## PROCESS

### Inventory

The City of Winnipeg will prepare a rolling inventory of assets, programs, services, events, activities or any other notion for which a sponsorship could be developed.

### Request for Sponsorships

In order to ensure that the City of Winnipeg Sponsorship Policy is open, fair and competitive, the City will utilize a Request for Sponsorship (RFS) process.

### Approvals

Council will approve the content of the RFS that proposes naming rights of a facility or asset prior to the release of an RFS.

The Chief Administrative Officer (or designate) will approve all other sponsorship agreements.

## RESTRICTIONS

The City reserves the right to restrict sponsorships to certain services and to exclude products and industries which are inconsistent with the principles outlined in this policy. In general, the following will not be considered for the City of Winnipeg Sponsorship Policy:

1) Companies that promote the use of tobacco and weapons or the sale of alcohol to underage youth.
2) Sponsorship or marketing concepts that stereotype or otherwise denigrate individuals or groups.
3) Sponsorship or marketing concepts that unnecessarily promote the commercialization of public space.
4) Parties involved in a lawsuit, or otherwise debarred from doing business.

## EXCLUSIONS

This policy does not apply to advertising opportunities sold by, or donations to, the City.