Agenda – Executive Policy Committee – June 10, 2015

REPORTS

Item No. 11 Single Source Negotiation and Award of Contract - Sun Media Corporation Annual Advertising Agreement

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That Executive Policy Committee approve single source negotiations with Sun Media Corporation for the provision of the Annual Advertising Agreement for the period of January 1, 2015 to December 31, 2015 in the estimated amount of approximately $250,000.00 plus GST and MRST pursuant to B4.1 (e) of the Materials Management Policy.

2. That the Chief Administrative Officer be delegated the authority to approve future single source negotiations for all local media advertising contracts; each negotiation and resulting contract not to exceed the Chief Administrative Officer's award limit of $1 Million for single source contracts.

ADMINISTRATIVE REPORT

Title: **Single Source Negotiation and Award of Contract for Sun Media Corporation Annual Advertising Agreement**

Critical Path: **Executive Policy Committee**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
B. D'Avignon	M. Ruta	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That Executive Policy Committee approve single source negotiations with Sun Media Corporation for the provision of the Annual Advertising Agreement for the period of January 1, 2015 to December 31, 2015 in the estimated amount of approximately $250,000.00 plus GST and MRST pursuant to B4.1 (e) of the Materials Management Policy.

2. That the Chief Administrative Officer be delegated the authority to approve future single source negotiations for all local media advertising contracts; each negotiation and resulting contract not to exceed the Chief Administrative Officer's award limit of $1 Million for single source contracts.

REASON FOR THE REPORT

Pursuant to B4.4 of the Materials Management Policy, Executive Policy Committee (EPC) approval is required where, based on the estimated value of the contract, the procurement is subject to the Agreement on Internal Trade (AIT) and the procurement is not permitted in accordance with Appendix C and Appendix D of Annex 502.4 of AIT.

EXECUTIVE SUMMARY

The City awards single source contracts to various media organizations for advertising on an as-required basis. This includes contracts with the Winnipeg Free Press, the Winnipeg Sun and Metro News.

IMPLICATIONS OF THE RECOMMENDATIONS

The Contract period is from January 1, 2015 to December 31, 2015. The Work of the Contract is on an "as required" basis. The service is used by several City departments during the term of the Contract. The financial impact will need to be determined by the various user departments on an individual basis. The Contract does not commit the City to any minimum or fixed quantities.

The terms and conditions of this contract are in accordance with Sun Media Corporation Advertising Agreement and the Net Rate Card with the amended changes as per the rate card delivered to Material Management approximately January 5, 2015.

HISTORY

B4.1 (e) of the Materials Management Policy reads: *the cost of solicitation of competitive offers is reasonably anticipated to exceed the benefits thereof*

The use of B4.1 (e) above is based on the City getting no benefit from a public bid solicitation because regardless of the outcome of that process, it remains in the City's best interests to contract with both large local newspapers and several smaller publications for advertising in order to ensure the greatest and/or most appropriate market coverage.

Similar contracts are entered into with the Winnipeg Free Press and several smaller publications.

Sun Media Corporation submitted prices equal to last year's contract (no price increase).

The requirements for Performance Security and the execution of a formal contract were waived for this purchase in accordance with the authority delegated to the Manager of Materials pursuant to Administrative Standard FM-002.

This is an "as required" contract and services will only be ordered to the extent budget funds are available.

The Contract Administrator is satisfied that the Contractor has the necessary experience and resources to complete the Work and has satisfactorily performed the Work in previous contracts.

FINANCIAL IMPACT

Financial Impact Statement **Date:** February 23, 2015

Project Name: **First Year of Program** **2015**

Single Source Negotiation and Award of Contract for Sun Media Corporation Annual Advertising Agreement (Internal Reference Bid Opportunity 1089-2014)

	2014	2015	2016	2017	2018
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

1. The contract period is from January 1, 2015 to December 31, 2015 for an estimated amount of $250,000.00 plus GST and MRST.

2. Funding for this Contract is through the budgets of the various user departments. This service is purchased and used by various City departments during the term of the Contract. The financial impact will have to be determined by the user departments on an individual basis. The Contract does not commit the City to purchase any fixed quantity.

(Original signed by R. Hodges)
Ramona Hodges
Manager of Finane (Campus)
Corporate Finance Department

CONSULTATION

In preparing this report there was consultation with:

N/A

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Corporate Finance
Division: Materials Management
Prepared by: Diane Westra-Hanaback
Date: May 22, 2015
File No. 1089-2014 (Internal number for filing purposes)