

CORPORATE POLICY



Policy Title: **Sponsorship and Advertising Policy**
Policy Category: **Administration Policy**
Policy No.: A-016
Department: Corporate Services
Approval Date: June 22, 2015
Revision Date:
Author: Jillian Fleming, Manager – Marketing and Sponsorship
Attachments:
Related Documents/Legislation:
Municipal Freedom of Information and Protection of Privacy Act
Canadian Code of Advertising Standards
Ontario Human Rights Code
Canadian Anti-Spam Legislation
City of Waterloo Code of Conduct

Key Word(s): sponsorship, advertising

POLICY STATEMENT:

The City of Waterloo welcomes and encourages sponsorships and advertising to assist with the provision of a city facility, service or event. Sponsorship and advertising initiatives will be consistent with the City of Waterloo's vision, mission, and values, and not compromise or contradict any legislation, by-law or policy, or reflect negatively on the city's public image. All sponsorship and advertising agreements shall be established in a manner that results in a successful balance of benefits to the city, the community, and the corporate sponsor.

PURPOSE:

This policy formalizes the conditions for the city to enter into an agreement with an external party to sponsor or advertise all, or part of, a city facility, service or event. This policy:

- outlines the criteria and process for assessing sponsorship and/or advertising benefits
- provides staff with direction to respond to sponsorship and advertising requests

Mandatory Policy, *Municipal Act*: NO

Policy Administration Team, Review Date March 27, 2015

Corporate Management Team, Review Date April 8, 2015

DEFINITIONS:

Advertising Sales - the selling or leasing of advertising space on corporate materials (printed and electronic), and signage on city owned 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 rates and a defined time period, as outlined in the fees and charges bylaw.

Asset – This is a physical or non-physical city-owned element that has value to sponsors in order to achieve their business objectives. Examples of some assets are: playgrounds, programs, events, advertisement placements, services, and speaking engagements.

City - The term city refers to the Corporation of the City of Waterloo.

Donation(s) - A cash and/or in-kind contribution made to the City of Waterloo 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.

External party – An organization, company, or individual who is interested in providing cash, and/or in-kind goods and/or services to the city in return for access to the commercial marketing potential associated with a city facility, program, service or event.

In-kind – A contribution sponsorship received in the form of goods and/or services rather than cash.

Naming or Renaming Rights – An exclusive right of third-party sponsorship to name an asset or venue for a fixed or indefinite period of time in exchange for cash and/or other considerations under a long-term agreement.

Request for Sponsorship Proposal – This is an open and competitive process for corporations and organizations to express their interest in a sponsorship opportunity with the City of Waterloo.

Sponsorship - A mutually beneficial business arrangement between the city and an external party. An agreement is made for the external party to provide cash and/or in-kind goods and/or services to the city in return for access to the commercial marketing potential associated with a city facility, program, service or event.

Sponsorship recognition - Refers to the agreed upon terms of publicity and/or promotion that reflects the sponsorship impact.

Third Party - This is an organization running a program and/or event in a city-owned facility with a partnership agreement with the city. Examples include but are not limited to: Waterloo Minor Hockey, Ontario Volleyball Association, Friends of Waterloo Park and Cruis'n in the Square.

SCOPE:

This policy applies to the relationships between the City of Waterloo and businesses, organizations, and individuals that contribute either financially or in-kind to a city facility, program, service or event in return for the contribution recognition, public acknowledgement, or other promotional considerations, with respect to the following situations:

- program, facility and event sponsorship including city-endorsed or owned programs or events
- paid advertising on city properties, events and publications

POLICY COMMUNICATION:

This policy will be communicated by:

- posting on the City of Waterloo website;
- posting on the City of Waterloo intranet accessible by staff;
- providing a copy to members of the corporate management team (CMT) and operational leadership team (OLT).

POLICY:**1.0 GENERAL PRINCIPLES:**

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

Decision-Making

- 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 of Waterloo.
- 1.3 Sponsorship agreements must benefit the city, and should also benefit the community, and the sponsor.
- 1.4 Sponsorships should enhance the development, delivery, awareness or continuance of one or more City of Waterloo 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 properties, buildings, recreational experiences, and provide no added risk to safety. This will be determined by the City of Waterloo.
- 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 of Waterloo.

Operational

- 1.8 The city will maintain control over the planning and delivery of all sponsorship agreements and activities.
- 1.9 Sponsorships must be valued at a level consistent with the industry practices, using recognized valuation models and standard practices.
- 1.10 The term of all agreements shall not exceed five years unless authorized by the appropriate city commissioner or chief administrative officer.
- 1.11 City employees or anyone with permission to act on behalf of staff, shall not receive any product, service, or assets 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 one product or service over another.
- 1.13 Sponsorship and/or advertising revenue shall not replace existing or future sources of operating funds for the business unit.
- 1.14 100% of the sponsorship revenue will be allocated to the operating budget of the appropriate facility, program, or special event in connection with the sponsorship received.

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 will apply:

- 2.1 The City of Waterloo will not accept sponsorship and/or advertising from companies whose reputation could prove detrimental to the city's public image and/or whose main business is derived from: 1) the production or sale of tobacco, 2) pornography, adult entertainment, or sexual services, 3) the support of or involvement in the production, distribution, and sale of weapons and other harmful products, and 4) religious and/or partisan organizations.
- 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.
- 2.3 Sponsorship and/or advertisements will not be accepted from individuals or corporations currently not in good standing with the municipality (i.e., current

violation of by-law, under litigation, or in arrears). The standing of individuals and corporations will be confirmed through the city's legal services, finance, and protective services divisions.

- 2.4 Sponsorship will not be accepted from corporations that produce beer, wine, or alcohol products in the Ontario marketplace, except for special events where no children under the age of 19 will be admitted, and where the sponsor has demonstrated all requirements of the municipal alcohol policy will be met during the event.

3.0 SPONSORSHIP AND ADVERTISING AGREEMENTS:

- 3.1 All sponsorship 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.
- 3.2 All sponsorship agreements shall be reviewed by the City's legal division to ensure protection from risk and compliance to legislation.
- 3.3 All agreements must outline the following:
- the sponsor's contribution and the assessed value of the contribution
 - 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 and service marks and other intellectual property, and any costs associated with its' licensing or use
 - a cancellation provision and the remedies available to both parties upon cancellation
 - 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
 - insurance coverage/indemnification clauses
- 3.4 Acceptance of donations and the offer of naming or renaming rights will be handled on a case by case basis by the manager, marketing and management from any applicable department.

4.0 SPONSORSHIP AND ADVERTISING SOLICITATION:

- 4.1 For city-identified sponsorship opportunities, the city will advertise if there is: an estimated value of over \$100,000; the agreement duration is four years or greater; or there is a delivery of a service.

- 4.2 The city is open to receiving unsolicited sponsorship proposals. Sponsorship opportunities and the process for submission are 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 and the manager of marketing, as per the provisions of this policy.
- 4.4 The city reserves the right to reject any unsolicited sponsorship proposal that has been offered to the city.
- 4.5 The city, as determined by the director of communications and marketing, reserves the right to terminate an existing sponsorship or advertising agreement should conditions arise that makes it no longer in the best interests of the city.

5.0 RESPONSIBILITIES:

- 5.1 The communication and marketing division is responsible for:
- general overview of all sponsorship and advertising business for the City of Waterloo;
 - negotiating, and administering sponsorship and/or advertising agreements;
 - asset evaluation and pricing of sponsorships in conjunction with business units;
 - 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 Directors and/or commissioners are responsible for:
- ensuring staff consults with the manager of marketing prior to developing a sponsorship opportunity (for value greater than \$15,000) to ensure that assets are priced accordingly, there is consistency in pricing strategy and recognition, and to reduce any duplicate approaches to corporate partners
 - concept approval of sponsorship projects before sponsors are approached or agreements are made and if the agreement involves more than one business section, approval will be obtained from the directors of each business section involved;
 - review of sponsorship agreements which impact any of their business units;
 - authorization of sponsorship agreements in accordance with delegated authority;

- ensuring that representatives of the City of Waterloo entering into sponsorships are aware of, and act in accordance, with sponsorship policy and administrative procedures.

5.3 City Council is responsible for:

- all agreements that do not comply with the policy or are for an amount in excess of \$100,000 require approval of Council and that the Mayor and Clerk shall be authorized to sign such agreements approved by Council;
- reviewing and/or approval of all sponsorship/advertising agreements that fall outside the delegated authority of staff, as outlined in section 6.0.

6.0 DELEGATION OF AUTHORITY:

Manager, marketing, with consent from applicable manager(s)/supervisor(s) and/or divisional director(s); and without prior council approval, is authorized to approve sponsorship and advertising agreements up to \$25,000 provided they satisfy all provisions of this policy.

Director, communications and marketing, with consent from applicable divisional director(s) and without prior council approval is authorized to approve sponsorship and advertising agreements up to \$50,000 provided they satisfy all provisions of this policy.

Commissioner, community services, with consent from the chief financial officer and without prior council approval is authorized to approve sponsorship and advertising agreements up to \$100,000 provided they satisfy all the provisions of this policy.

The chief administrative officer (CAO) is authorized to approve sponsorship and/or advertising agreements that are greater than \$100,000. The CAO will determine when it is appropriate to seek the authority of council prior to a sponsorship agreement being signed.

City Council approval is required for any agreement that does not satisfy the provisions of this policy approval.

Notwithstanding the foregoing, the execution of the agreements would be completed by the mayor and clerk.

**Note, during the months of July and August, the mayor and the CAO shall be authorized to jointly approve all such agreements on behalf of council, subject to legal, financial and departmental approval.*

POLICY REVIEW:

The Policy shall undergo a review once every four years, or more often as needed.

COMPLIANCE:

In cases of policy violation, the city may investigate and determine appropriate corrective action.