

CORPORATE POLICY



Policy Title: **Advertising and Sponsorship Policy**
Policy Category: **Administration Policy**
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Department: Corporate Services
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Attachments: N/A
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
Use and Acceptance of Electronic Signatures Policy
Fees and Charges Bylaw
Key Word(s): advertising, sponsorship

POLICY STATEMENT:

The City of Waterloo welcomes mutually beneficial business arrangements with external parties for the purpose of advertising and sponsorship. Agreements are 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.

The City of Waterloo permits Advertising and/or Sponsorship:

- Of a City service
- At City programs or events
- On City property or
- In City media

This policy defines the parameters in which Advertising and/or Sponsorship will be

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accepted and the processes for fulfilling Advertising and/or Sponsorship requests.

PURPOSE:

This policy formalizes the conditions and criteria for the City to enter into an Advertising and/or Sponsorship agreement with a third-party. It identifies staff responsible for administering Advertising and/or Sponsorship within the City, including signing authority for Advertising and/or Sponsorship agreements.

DEFINITIONS:

Advertising: a straightforward purchase of space based on pre-established rates and a defined time period, as outlined in the fees and charges by-law.

Advertising Sales: the selling or leasing of advertising space on corporate materials, regardless of format, and signage on city owned properties. whereby the advertiser is not entitled to any additional benefits beyond access to the space purchased.

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

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 by at third-party with no reciprocal commercial benefit expected or required from the City. Donations do not involve a business relationship and are distinct from Advertising and/or Sponsorship Agreements.

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.

Inappropriate material: material that includes but is not limited to: threatening or offensive language or imagery that deals with such matters as cruelty, violence, sex, discrimination, hate, or is otherwise in conflict with City values.

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.

Subject matter experts: refers to an authority in a particular area or topic who is uniquely qualified to provide guidance.

Third Party: this is an organization running a program and/or event in a city-owned facility with a partnership agreement with the city.

SCOPE:

This policy applies to the relationships between the City of Waterloo and third-party businesses, organizations, and/or individuals that contribute either financially or in-kind, in return for recognition, public acknowledgement, or other promotional considerations, with respect to Advertising and/or Sponsorship:

- Of a City service
- At City events or programs
- On City property or
- In City media

The City's policy for accepting donations is out of scope.

The City's policy for Naming and Renaming Rights is out of scope.

POLICY COMMUNICATION:

This policy will be communicated by posting on:

- the City of Waterloo website
- the City of Waterloo intranet accessible by staff

- sharing with interested parties upon request.

POLICY:**1.0 Eligibility Criteria**

The following criteria will determine eligibility for third-party Advertising and/or Sponsorship:

- 1.1 Advertising must adhere to the Canadian Code of Advertising Standards.
- 1.2 Advertising or sponsorship does not conflict with any City by-laws or other applicable laws, acts, statutes and/or regulations and must not interfere with existing contractual obligations of the City.
- 1.3 Advertising or Sponsorship does not conflict with the City's core values, vision or strategic goals, and does not adversely impact the City's identity.
- 1.4 Advertising or Sponsorship enhances the development, delivery, awareness or continuance of one or more City of Waterloo facilities, programs, services, and/or events, or provides for the delivery of programs, services, or events by a third party.
- 1.5 Advertising or Sponsorship does not incite violence and hatred.
- 1.6 Advertising or Sponsorship does not portray or condone demeaning or derogatory portrayals of individuals or groups as defined in the Ontario Human Rights Code.
- 1.7 The City retains the right to reject a request for any reason.
- 1.8 Advertising or Sponsorship does not portray the support, sale, or promotion of tobacco, cannabis, pornography, adult entertainment, weapons, and/or religious or partisan organizations.
- 1.9 Advertising or Sponsorship of alcohol will not be permitted at events geared to children or youth.
- 1.10 Advertising or Sponsorship will not be accepted from third parties currently not in good standing with the municipality (i.e., current violation of by-law, under litigation, or in arrears).
- 1.11 Advertising or Sponsorship is not of questionable taste in style, content or presentation method, including content that is offensive, crude, cruel, or otherwise deemed inappropriate for public viewing. Advertising and Sponsorship is accepted at the discretion of City staff.
- 1.12 Advertising devices must not impact the quality and integrity of the City's properties, buildings, recreational experiences, and provide no added risk to safety (as determined by the City).
- 1.13 The proposed location and/or audience of Advertising or Sponsorship may have

an impact when determining whether or not the criteria have been met.

2.0 Operational Implementation

The following operational practices will be upheld when administering Advertising and/or Sponsorship agreements:

- 2.1 The City will maintain control over the planning and delivery of all Advertising and/or Sponsorship activities.
- 2.2 All Advertising and/or Sponsorship agreements must stipulate that any such agreement between the City and a third-party does not act as the City's endorsement of any one business, individual, product and/or service over another.
- 2.3 All Advertising and/or Sponsorship agreements must stipulate that any such agreement between the City and a third-party does not provide the third-party with any preferential treatment or benefit within City facilities, programming, or future agreements or agreement requests.
- 2.4 All Advertising and/or Sponsorship agreements must stipulate that the City reserves the right to terminate an existing Advertising and/or Sponsorship agreement should conditions arise that makes it no longer in the best interests of the City to continue the agreement.
- 2.5 Advertising and/or Sponsorship revenue shall not replace existing or future sources of operating funds for the business unit.
- 2.6 City employees or anyone with permission to act on behalf of staff, shall not receive any product, service, or assets for personal gain because of Advertising and/or Sponsorship agreements as per the Employee Code of Conduct.
- 2.7 City staff with a conflict of interest in the third party shall defer the approval to another staff member or manager. Conflict of interests include personal investment in the third party, a personal or business relationships with the third party, or a formal or informal partnership with the third party, on a professional or personal basis. staff are encouraged to refer to the Employee Code of Conduct for more information.
- 2.8 The following items stipulate operational requirements relating to Sponsorships:
 - 2.8.1 All Sponsorships will be documented with a written agreement, which must be in a form satisfactory to Legal Services.
 - 2.8.2 All Sponsorship agreements must include:
 - obligations of both the sponsor and the city.
 - duration of the sponsorship (agreements in perpetuity are not

permitted).

- dispositions and ownership of any assets resulting from the sponsorship.
- licensing and use of the City's and sponsor's name, trade and service marks and other intellectual property, and any costs associated with licensing or use.
- a cancellation provision and the remedies available to both parties upon cancellation.
- details of the exchange of marketing benefits.
- insurance coverage/indemnification clauses.

2.8.3 Sponsorships must be valued at a level consistent with industry practices, using recognized valuation models.

2.8.4 The term of all agreements shall not exceed five years unless authorized by the appropriate City Commissioner or the Chief Administrative Officer.

2.8.5 Unsolicited sponsorship proposals received by the City will be evaluated by the relevant business unit and may be rejected if they do not meet eligibility criteria.

2.8.6 Sponsorship revenue will be allocated to the operating budget of the appropriate facility, program, or special event in connection with the sponsorship received.

2.9 The following items stipulate operational requirements relating to Advertising:

2.9.1 Selling and/or leasing of advertising space on corporate materials and signage on City owned properties must be completed through established channels using approved rates outlined in the fees and charges by-law.

2.9.2 Advertising revenue will be allocated to the operating budget associated with the advertising asset.

3.0 ROLES AND RESPONSIBILITIES

The following roles and operational units are responsible to manage, endorse, approve, and/or authorize Advertising and/or Sponsorship agreements, as follows:

3.1 Management

3.1.1 All Advertising and/or Sponsorship agreements executed on behalf of the Economic Development – Arts & Creative Industries Division will be managed

by the Economic Development – Arts & Creative Industries Division.

3.1.2 All other Advertising and/or Sponsorship agreements will be managed by the Marketing and Business Services Unit in the Recreation Services Division.

3.1.3 Areas of responsibility include:

- General management of all Advertising and/or Sponsorship business for the City of Waterloo.
- Negotiating Advertising and/or Sponsorship agreements.
- Asset evaluation and pricing in conjunction with respective business units and subject matter experts.
- Engagement from respective interested and impacted parties, as required, for advisement, input and/or evaluation.
- Coordination of approvals and signing.
- Oversight of agreement execution, monitoring, and follow-up.
- Ensuring alignment and adherence to all related policies, procedures, and guidelines.

3.2 Endorsement

3.2.1 All divisional Directors are required to provide direction and approval regarding agreements that impact their respective business areas.

3.2.2 Legal Services is required to review all agreements and ensure they are satisfactory.

3.2.3 Financial Services is required to review all agreements and provide input on financial implications.

3.2.4 Corporate Communications is required to review all agreements and provide input regarding use of corporate branding and ensure alignment with the City's core values, vision and identity.

3.3 Approval

3.3.1 All Advertising and/or Sponsorship agreements executed on behalf of the Economic Development – Arts & Creative Industries division require the oversight and approval of the Director, Economic Development – Arts & Creative Industries.

3.3.2 All other Advertising and/or Sponsorship agreements require the oversight and approval of the Director, Recreation Services, with consent

and endorsement from the respective divisional Director.

3.4 Authorization

3.4.1 All Approvals and subsequent execution of documentation, including any Sponsorship and Advertising agreements, must be approved in accordance with the City's By-Law to Delegate Authority to Execute Documents.

3.4.2 All agreements shall be signed in accordance with the City's Use and Acceptance of Electronic Signatures Policy.

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.