

SECTION: SUBJECT:	Sponsorship Sponsorship Policy		POLICY 14.5.1
EFFECTIVE:	April 13, 2011	REPLACES: June 1, 2009 version	PAGE: 1 of 9
APPROVED B	Y: CW122-2011/C080-2011	PROCEDURAL UPDATES: n/a	

## BACKGROUND:

The City of Brampton welcomes and encourages sponsorships undertaken to assist in the provision of City services and projects. All sponsorships shall be consistent with the City of Brampton's vision, mission and values and will not compromise or contradict any by-law or Policy of the City, or reflect negatively on the City's public image. All sponsorship agreements shall be established in a manner that ensures access and fairness, and results in the optimal balance of benefits to the City and the community. For the purpose of this document the term Council equals the City.

## **PURPOSE:**

The primary objective of the Policy's parameters and guidelines is to ensure that the City's corporate values, image, assets, and interests are safeguarded while increasing the opportunities for revenue generation through sponsorship and advertising.

## SCOPE:

This Policy applies to all City employees. This Policy does not apply to members of City Council.

This Policy applies to all arm's length contracted relationships between the City of Brampton and businesses, organizations and individuals that contribute either financially or in-kind to City programs, services or facilities in return for recognition, public acknowledgement or other promotional considerations. For the purpose of agreements related to this policy all parties are considered independent entities or contractors.

The Policy applies to the following:

- Program and special event sponsorship
- Naming/renaming of City property, buildings, and structures



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#### Excluded-Out of Scope

This procedure does not apply to:

- 1. Pouring Rights Contracts: agreement between a beverage distributor and the Corporation that allows the distributor to be the only entity selling beverages at a given location(s).
- Preferred Supplier Status: approved suppliers pursuant to the City of Brampton Purchasing bylaw, including an agency of record, or contractor, commissioned to sell and manage advertising, sponsorship packages or municipal public fund raising initiatives.
- 3. Subsidy Procedure: A procedure, which guides the Corporation in the determination of a not-for-profit organization's request for rent at less than market value.
- 4. Partnerships: Partnership means a formal agreement between two or more parties that have agreed to work together in the pursuit of common goals.

It should be noted that this Policy does not govern, administer strategic alliances, strategic partnerships, tenant-landlord relationships, marketing cooperatives or other partnership Agreements managed by the City of Brampton. These initiatives are managed by separate Agreements, incorporating where applicable, definitions, principles, and conditions from this policy.

## **DEFINITIONS:**

# 1 Sponsorship

A mutually agreed upon agreement between the City of Brampton and an external company, organization, enterprise, association or individual evidenced in writing whereby the external party (sponsor) contributes money, goods or services to a City of Brampton facility, program, project, or special event in return for recognition, acknowledgement, or other promotional considerations or benefits.

This does not include donations and gifts to the City where no business relationship or association is contemplated or is required and where no reciprocal consideration is being sought.



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## Forms of Sponsorship

- Cash: A sponsorship received in the form of money.
- In-kind: Goods or services of value to the City are received rather than cash.
- A combination of the above.

# 2 Naming Rights

A naming right is a type of sponsorship in which an external company, organization, enterprise, association or individual purchases the exclusive right to name a municipal asset or venue for a fixed or indefinite period of time. Usually naming rights are considered in a commercial context, which is that the naming right is sold or exchanged for significant cash and/ or other considerations under a long-term arrangement. This arrangement is documented in a written agreement signed by the interested parties and has a specified end date to the contractual obligations.

# **3 Ethical Scans**

A search of a potential sponsor's main company and subsidiaries, if any, that is performed to determine if the sponsor/advertiser meets the requirements defined by the Corporate Sponsorship Policy or is otherwise affected by the "Restrictions on Sponsorships" section of the Policy.

The applicable department on all sponsorships arrangements of more than \$10,000 will conduct ethical scans. Should a conflict be discovered which is contrary to the provisions of this Policy then the applicable Agreement shall not be executed by the Department.



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## APPLICATION:

## **General Requirements**

Sponsorship agreements must comply with federal and provincial statutes, municipal by-laws, the Brampton Employee Code of Conduct and the standards set out by the Canadian Advertising Standards Council.

The following conditions apply when establishing sponsorship relationships:

- The City will maintain control over the planning and delivery of sponsorship activities.
- Agreements shall not in any way invoke future consideration, influence, or be perceived to influence the day-to-day business of the City.
- The relationship must not cause a City employee to receive any product, service or assets for personal gain or use.
- Advertising devices must not impact the quality and integrity of the City's properties, buildings, streetscape, and provide no added risks to safety.
- The sponsorship opportunity should be appropriate to the target audience.

# **Restrictions for Sponsorship and Advertising**

The City will not solicit or accept sponsorship from companies whose reputation could prove detrimental to the City's public image and/or whose main business is derived from:

- The sale of tobacco.
- Pornography.
- The support of or involvement in the production, distribution, and sale of weapons and other life-threatening products.
- Represents political endorsement of a party, elected representative or candidate from any level of government
- Public service announcements from departments or agencies of any level of government is permitted



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Council may nevertheless consider any proposal, even if the proposal does not meet the guidelines of this Policy. Council may also consider any proposal or direct staff to pursue any opportunities for sponsorship that do not strictly adhere to this Policy.

# **Solicitation and Allocation of Sponsorship Opportunities**

Sponsorship activities should continue, as always, to be the result of direct solicitation by the City departments or Council officials to sponsors.

As a general policy, the following sponsorship opportunities should be competed:

- Opportunities that will offer a significant corporate profile.
- Agreements of a lengthy duration (3 years and beyond).
- Agreements that allow for exclusive benefits and recognition.

Non-competitive arrangements may be considered for the following opportunities when:

- An unlimited number of sponsors are being sought.
- It is a unique, innovative or experimental sponsorship opportunity.
- Only one suitable sponsor can be identified.
- The value of the sponsorship or advertising opportunity is less than \$50,000.
- The value of an In-kind media sponsorship is less than \$100,000, or
- The need is justified in a business case, approved by the City Solicitor and the Commissioner of Finance responsible for the Purchasing Bylaw.

Unsolicited sponsorship proposals received by the City will be reviewed and evaluated by the Sponsorship Committee as per the provisions of the Policy and may be declined, accepted, referred or reported to Council.

The City reserves the right to reject any unsolicited sponsorships that have been offered to the City and to refuse to enter into agreements for any sponsorships that originally may have been openly solicited by the City.



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The selection of a preferred supplier will be consistent with the City's Purchasing Bylaw. There will be no requirement to obtain quotes or undertake a proposal and staff can initiate opportunities without the requirement to test the market further.

All sponsorship agreements shall be evaluated by the program directors on an annual basis to determine continued benefit. The term of all agreements shall not exceed three years unless authorized by the City Manager, Department Head responsible for the program and the City Solicitor.

The City reserves the right to terminate an existing sponsorship or advertising agreement should conditions arise that make it no longer in the best interests of the City.

## **RESPONSIBILITIES:**

## **Delegation of Authority**

Staff are authorized to enter into sponsorship agreements that do not exceed the following preauthorized limits. Agreements that exceed these pre-authorized limits will require City Council approval.

# 1 Director Approval

Directors are responsible for approving all Sponsorship and Advertisements with a value equal to or greater than \$5,000 and equal to or less than \$50,000 provided they satisfy all provisions of this Policy.

# 2 City Manager and Commissioners Approval

Commissioners are responsible for approving all Sponsorship and Advertisements agreements for amounts between \$50,001 to \$100,000 provided they satisfy all provisions of this Policy.



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# **3 City Council Approval**

Council approval is required for any contract exceeding \$100,001 or that that does not satisfy the provisions of this Policy and for all opportunities involving the naming/renaming of City property, buildings and structures.

# **Sponsorship Agreement**

All sponsorships shall be confirmed in a legal agreement. All agreements are to be prepared by the City of Brampton, using an approved template form. All sponsorship agreements shall be approved to content by the director of the program and the department head. All contracts are required to be approved in a form satisfactory to the City Solicitor.

Departments are responsible for soliciting, negotiating, preparing and administering their own agreements, including contract management. Staff approving sponsorship proposals must ensure that all relevant by-laws and policies are adhered to, appropriate consultation and approval authorities are respected, and where applicable that insurance, indemnification, ethical scans, and permits have been obtained. Furthermore, Departments are responsible for ensuring that all agreements consider the References noted in this Policy.

Departments are responsible for ensuring that third party advertising relationships abide by the restrictions noted in this Policy.

# Reporting

Departments are responsible for maintaining a log of all sponsorship contributions and for issuing a written acknowledgement of the agreement to each.

Departments entering into sponsorship or advertising agreements pursuant to this Policy are required to report each agreement to the Commissioner of Finance (through the Manager of Purchasing) who will provide a year-end report to Council.



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#### **GOVERNANCE:**

In the absence of a centralized marketing function at the City of Brampton, a cross-functional department team known as the Municipal Sponsorship Committee shall oversee this Policy and related operating procedures.

This Committee shall:

- 1. annually, identify corporate sponsorship priorities
- 2. annually, review opportunities, issues, successes, measures and recommendations related to this Policy
- 3. develop a Municipal Sponsorship Program for the consideration of SMT.

The team shall be comprised of a representative from each department as selected by the Commissioner of each department. The Administrative Contact shall serve as the Chair of this team on behalf of SMT.

## **RELATED DOCUMENTS:**

- 1. City of Brampton Advertising on City Property Policy
- 2. Delegation of Authority By-law
- 3. Employee Code of Conduct
- 4. Purchasing By-Law
- 5. Ontario Human Rights Code
- 6. Visual Standards Guidelines
- 7. Naming of Municipal Assets Policy and Procedure
- 8. Minor Charitable Donations Policy
- 9. Lunch and Dinner Sponsorship Policy
- 10. Subsidy Procedure
- 11. Community Wide Events Policy



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# **ADMINISTRATION:**

This is a policy established by the Senior Management Team of the Corporation of the City of Brampton. The SMT Designated Contact responsible for updating this Policy is the Commissioner of Economic Development and Communications (or his assigned designate).

# CONTACT:

The SMT Designated Contact responsible for updating this Policy is the Commissioner of Economic Development and Communications (or their assigned designate), located at 2 Wellington Street West, Brampton, Ontario (905) 874-2698.

## ENDNOTES:

See <u>Sponsorship Agreement Template</u>