



# City of Leduc Policy

**Policy Title:**  
**Sponsorship and Advertising Policy**

**Policy No: 12.09:05**

**Supersedes:** NEW  
**Revision #:** NEW

<b>Authority: City Manager</b>	
<b>Section: Administrative</b>	<b>Approval Date:</b> November 3, 2015
<b>Responsible Department: Communications &amp; Information Support</b>	<b>Effective Date:</b> December 7, 2015
<b>Relevant Legislation:</b> City of Leduc Naming Policy; Code of Ethics Policy; Procurement Policy; Corporate Identity Guide; Delegation of Authority, Director, Communications and Information Support; Canadian Code of Advertising Standards and other legislation may be applicable from time to time.	
<b>Relevant Council Resolution(s) and Date(s):</b>	
<b>Relevant Bylaw and Date(s):</b>	
<b>Authority's Signature:</b>	

## Policy Statement

The City of Leduc welcomes and encourages Sponsorship and Advertising to assist in the provision of City services and projects. All Sponsorship and Advertising shall be consistent with the City of Leduc's vision, mission and values and must not compromise or contradict any bylaw or policy of the City, or reflect negatively on the City's public image. All Sponsorship and Advertising agreements shall be established in a manner that ensures access and fairness, and results in the optimal balance of benefits to the City of Leduc.

### 1.0 Purpose

To increase the opportunities for revenue generation for the City of Leduc, while safeguarding the City's corporate values, image, assets, and interests.

### 2.0 Scope

This policy applies to all relationships between the City of Leduc, businesses, organizations and individuals that contribute either financially and/or in-kind to City programs, services or facilities in return for recognition or promotional considerations. The policy applies to the following without limiting the generality of the foregoing:

- Program and Event Sponsorship
- Naming Rights for City property, buildings, and structures
- Paid Advertising on City property/vehicles, at City Events, and in City publications

All sponsorship and Advertising agreements that are in effect prior to this policy are exempted from the operation of the policy; however, all future Sponsorship and Advertising agreements must comply with this policy.

### **3.0 Definitions**

#### **3.1 Advertiser**

An external company, organization, enterprise, association or individual that purchases Advertising.

#### **3.2 Advertising / Advertisements**

Advertising is the paid placement or use of paid media by an Advertiser. Advertising may be purchased by an Advertiser at rates and in locations and for times as determined by the City. The Advertiser is not entitled to any additional Benefits other than those accruing from access to the space and schedules purchased.

#### **3.3 Assets**

The visible, promotional areas that are owned by a property and that are of worth to a Sponsor. Assets are normally tangible in nature (e.g. an arena).

#### **3.4 Benefits**

Benefits are normally promotional in nature (e.g. having a logo on the arena ice surface). Benefits will normally be bundled into packages for Sponsors to purchase as part of a Sponsorship agreement.

#### **3.5 City**

The City of Leduc.

#### **3.6 Event**

An activity with a defined start and end date that is organized or endorsed by the City.

#### **3.7 Naming Rights**

Naming rights are a type of Sponsorship where an external company, organization, enterprise, association or individual purchases the exclusive right to name an Asset (e.g., a sports facility or part of a facility such as an ice pad within a multi-pad facility, etc.) for a fixed period of time. Naming rights are usually sold or exchanged for significant cash and/or other considerations under a long-term agreement.

#### **3.8 Naming Rights Agreement**

The sale of the right to name or re-name a City-owned Asset that is evidenced in a written contract, with a specified end date to the contractual obligations. All such agreements shall be approved per Section 9.0 ('Signing Authority') of this policy.

### **3.9 Fair Market Value**

An estimate of the monetary and/or in-kind value that an unpressured Sponsor is willing to pay to the City. Fair market value is set by the City, using external and/or internal assessment and a Formal Asset Valuation process.

### **3.10 Formal Asset Valuation**

A formal process which uses a combination of industry best practice and Sponsorship valuation formulas to capture the tangible and intangible value of an Asset.

### **3.11 Fulfillment**

Delivery of the Benefits promised to the Sponsor in the Sponsorship agreement, in exchange for the good(s) promised to the City.

### **3.12 Program**

A series of activities managed by the City that deliver services and information over time (e.g. Skating Lessons).

### **3.13 Sponsor**

The Sponsor is an external party that enters into a Sponsorship agreement and pays cash and/or value-in-kind in return for defined Benefits associated with City-initiated Events, programing, and/or facilities.

### **3.14 Sponsorship**

A mutually agreed to agreement between the City and an external company, organization, enterprise, association or individual evidenced in writing whereby the external party (Sponsor) contributes money and/or value-in-kind to a City facility, program, project, or special Event in return for recognition, acknowledgement, and/or other promotional considerations or Benefits. This does not include donations and gifts, or advice to the City where no business relationship or association is contemplated or is required, and where no reciprocal consideration is being sought.

## **4.0 Responsibilities**

**4.1** The *City Manager* will formally designate (including any conditions) all City employees which have authority to enter into Sponsorship and Advertising contracts on behalf of the City.

**4.2** The *Sponsorship Manager* is responsible for all City-owned facility and facility Naming Rights sponsorships, and Advertising including:

- a. the management and interpretation of this policy;
- b. implementation and management of the City's Municipal Sponsorship program;
- c. soliciting, negotiating and administering program Sponsorships (cash and/or in kind);

- d. soliciting and negotiating Advertising opportunities;
- e. coordinating with City departments to develop/maintain efficiencies in how businesses are approached for Sponsorship opportunities;
- f. fulfillment of all City responsibilities detailed in Sponsorship and Advertising agreements;
- g. overseeing training, as required, and providing guidance and support to City employees regarding Sponsorship and Advertising;
- h. management of the City's Municipal Sponsorship program in accordance with other relevant policies including but not limited to: Code of Ethics Policy Number: 12.06.05; Corporate Identity Guide; Procurement Policy 11.00:20; Signing Policy, Policy Number: 12:06:15.

**4.3** *City Departments / Business Units* are responsible for the following:

- a. coordinating with the Sponsorship Manager regarding agreements, activities, and Fulfillment related to potential and active Sponsorships in their area;
- b. soliciting, negotiating and administering program and event Sponsorships that are valued at or less than \$5,000 (cash and/or in-kind over the term of the contract);
- c. maintaining a log of all active Sponsorships and related activities within their department, and providing the Sponsorship Manager with an updated version of the log;
- d. submitting a summary of new Sponsorships valued at or less than \$5,000 (cash or in-kind) as they happen, to the Sponsorship Manager.

**4.4** *Employees* are responsible for understanding and complying with this policy and all policies, procedures and guidelines affecting municipal Sponsorship and Advertising including but not limited to:

- Code of Ethics Policy Number: 12.06.05
- Corporate Identity Guide
- Procurement Policy 11.00:20
- Signing Policy, Policy Number: 12:06:15

## **5.0 Review Period**

This policy will be reviewed on an annual basis by the Sponsorship Manager and whether or not changes are required the General Manager, Corporate Services and the Office of the City Clerk will be advised of the outcome of the review.

## **6.0 Sponsorship Categories**

All Sponsorship activities involving the City will fall into one of these three categories:

**6.1 Naming Rights:** see Section 3.0 ('Definitions').

**6.2 City-initiated Program, Service or Event:** The financial and/or value-in-kind support for City organized activities. The Sponsor's name may be directly associated with the activity (i.e. "presenting" or "title" Sponsorship) and the Sponsor will be provided a variety of temporary marketing opportunities. An example is the Canada Day Celebration in the City of Leduc.

**6.3 Exclusivity Agreements:** An agreement between the City and an external supplier, evidenced in writing, that provides the City with property or supply of goods and/or services, in exchange for monetary compensation or value in-kind. Exclusivity Agreements can be developed with suppliers that have bid on opportunities offered to tender, abiding by the City Procurement Policy 11.00:20.

## **7.0 General Conditions – Sponsorship and Advertising**

Sponsorship or Advertising agreements will adhere to the criteria and guidelines of this overall corporate policy, as well as incorporate terms and conditions outlined in the contractual agreements specific to the Sponsorship or Advertising opportunity.

All Sponsorship and Advertising agreements must comply with federal and provincial statutes, municipal by-laws, and the standards set out by the Canadian Advertising Standards Council (CCAS) administered by Advertising Standards Canada.

Sponsorship or Advertising will not result in, or be perceived to result in, any competitive advantage, benefit, or preferential treatment outside of the agreement. The relationship must not cause a City employee to receive any product, service or Assets for personal gain or use.

Available Sponsorship and Advertising opportunities will be promoted annually, using open processes including competitive bidding. Sponsorship sales will be the responsibility of the Sponsorship Manager. The Sponsorship Manager will evaluate the following when deciding on whether to accept an offer from a Sponsor: the Fair Market Value estimate, how complete/open the process for that specific Sponsorship opportunity has been, and the intangible benefits to the City not contemplated by the Fair Market Value.

Unsolicited Sponsorship and Advertising proposals received by the City will be reviewed and evaluated by the Sponsorship Manager as per the provisions of the policy. The City reserves the right to reject any unsolicited Sponsorships or Advertising agreement that has been offered to the City and to refuse to enter into agreements for any Sponsorship or Advertising that originally may have been openly solicited by the City.

Naming Rights must be for a specified term and never for perpetuity.

## **8.0 Specific Conditions – Sponsorship and Advertising**

The City supports the practice of entering into Sponsorship and Advertising agreements with third parties where such partnerships are mutually beneficial in a manner that is compatible with the City's missions, values, and policies.

The City shall not relinquish to the Sponsor or Advertiser any aspect of the City's right to manage and control the City's Assets or property through any Facility Naming Rights, Program or Event Sponsorship, or Advertising agreement.

Sponsorship recognition must not detract from the physical attributes, character, integrity, or safety of City-initiated Events, and/or City-owned facilities and respect the use of the City brand.

Sponsorship rights are non-transferable, without the written consent of the City.

Sponsorship rights may be automatically cancelled by the bankruptcy receivership or illegal activity of the Sponsor, or activity deemed unethical by the City.

**8.1 Naming Rights:** the following specific guidelines shall be applied when entering into naming right agreements for City-owned property:

- a. The City will consider Naming Rights for City-owned Assets or venues when there is a significant revenue opportunity for the City and where the proposed naming does not detract from the description or proposed use of the building;
- b. The cost and impact of changing existing signage and marketing materials, rebuilding community recognition, updating records, and the City's corporate values and public image must be considered before a property is renamed;
- c. The costs for promotion of the renaming of a property shall be incorporated into the Naming Rights Agreement and not the City's annual operating budget;
- d. The City does not endorse the products, services, or ideas of any Sponsorship or Naming Rights holder and Naming Rights holders are prohibited from implying that their products, services, or ideas are sanctioned by the City.

**8.2 Advertising:** Advertising must not condone any form of personal discrimination, including discrimination on a prohibited ground pursuant to the Canadian Human Rights Act and the Province of Alberta's Human Rights Code.

Advertising of a political or religious nature is permitted provided that it meets the requirements of the Canadian Code of Advertising Standards. All political advertising will indicate that the advertisement is paid for by a party or candidate so as to avoid giving the impression that the City is supporting a given party or candidate.

In keeping with the Canadian Code of Advertising Standards, in all cases, advertising shall not:

- a. Demean, denigrate or disparage any identifiable person, group or persons, organization, profession, product or service or attempt to bring them into any public contempt or ridicule;
- b. Undermine human dignity, display obvious indifference to or encourage, gratuitously and without merit, conduct or attitudes that offend the standards of public decency among a significant segment of a population;
- c. Appear in a realistic manner to exploit, condone nor incite violence, nor appear to condone, encourage or exhibit obvious indifference to unlawful behaviour.

Although the City is guided by the Canadian Code of Advertising Standards, the City is the sole and final arbiter in all matters relating to advertising acceptance. The City may refuse or order removal of any advertising material at any time in its absolute discretion.

Advertisements of alcoholic products may be accepted so long as permitted by law whether Federal, Provincial or Municipal. Notwithstanding the above, the City may at any time, by providing the Company with 90 days advance notice, alter its policy on the Advertising of alcoholic products.

Should a change in policy be requested or a question of policy interpretation be raised by potential advertisers, the City may become involved, at its discretion. The City continues to be the sole and final arbiter in all matters relating to City Advertising acceptance.

## **9.0 Signing Authority**

City staff is authorized to enter into Sponsorship and Advertising agreements that do not exceed the following pre-authorized limits. Dollar amounts below refer to funds received over the term of the contract (cash, in-kind or a combination of both):

- **Up to \$99,999** – Director, Communications and Information Support
- **\$100,000 and Greater** – General Manager, Corporate Services, and General Manager, Community & Protective Services, and General Manager, Infrastructure & Planning

When entering into these agreements and notwithstanding the above noted limits, City employees must be cognizant of the City's public image, especially when dealing with larger Sponsorship opportunities, and therefore may wish to seek additional approval prior to signing a Sponsorship and/or Advertising agreement.