

<b>POLICY TITLE</b>	Sponsorship Policy
<b>CATEGORY</b>	Council
<b>POLICY NUMBER</b>	COUN-029
<b>POLICY OWNER</b>	City Manager's Office
<b>ACCESS</b>	Public

### 1. LEGAL

The *Vancouver Charter* (and *Police Act*, *Library Act*, and other applicable legislation) does not permit any employee or officer of the Vancouver Group to enter into Contracts for the Vancouver Group unless Council or the applicable Board has delegated such authority to such employee or officer in writing. The intent of this Policy is that it be approved by City Council, and referred to other members of the Vancouver Group for consideration so as to set out the extent of certain Vancouver Group employees' and officers' restricted legal authority to undertake the actions expressly authorized under this Policy.

### 2. SCOPE

Subject to the approvals and adoptions referred to in Section 1 above, this Policy applies to the Vancouver Group. The Vancouver Police Board, Vancouver Park Board, Vancouver Public Library Board, and City Affiliates, will be provided with this Policy, and encouraged to adopt this Policy, or a policy comparable in spirit and intent.

This Policy applies only to City Assets. This Policy does not apply to City-owned real property or City supported assets owned by a third party, where the City provides funds to an outside organization through grants, funds or provision of City services.

This Policy applies to all Sponsorships where the Sponsor (such as businesses, not-for-profit organizations and individuals) agree to contribute, either financially or in-kind, to City Sponsorship opportunities in return for recognition, public acknowledgement, activations, or other promotional considerations specific to the sponsored City Asset. This Policy does not apply to the City's relationships with other government agencies.

### 3. PURPOSE

The City of Vancouver encourages Sponsorship as a means to profile corporate and community partners while providing the City with additional revenue and in-kind benefits to enhance City Assets and operations.

The purpose of this Policy is to create a Sponsorship framework that ensures the City's brand, values, image, policies, community commitments, City Assets and interests are safeguarded while increasing opportunities for corporate and community sponsorship. This Policy provides a systematic approach to soliciting, managing and reporting Sponsorships.

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## 4. ADMINISTRATION OF POLICY

The City Manager's Office, overseen by the City Manager, is the owner and administrator of this Policy. Except where separately authorized by Council, all Sponsorship activities are to be administered by the Sponsorship Review Group and the staff designated by them pursuant to this Policy.

## 5. DEFINITIONS

In this Policy, the following terms have the following meanings. All other capitalized terms not otherwise defined have the meanings given to them in the Procurement Policy.

**Background/Ethical Scans** are a general search of a potential Sponsor's operations, background and reputation that is performed to determine if the Sponsor meets the requirements set out in this Policy, the principles of the Ethical Purchasing Policy and Supplier Code of Conduct.

**Best Value** has the meaning given in Section 6(9.3)(c)(v) of this Policy.

**Chief Procurement Officer** means the person designated from time to time by the City Manager to oversee and lead Supply Chain on behalf of the Vancouver Group.

**City Manager** means the person appointed by Council pursuant to section 162A of the *Vancouver Charter* as the City Manager.

**City Solicitor** means the person appointed by Council as the City Solicitor.

**City Affiliates** means the following affiliates of the City of Vancouver: Vancouver Economic Commission, Vancouver Affordable Housing Agency Ltd., Vancouver Public Housing Corporation, Vancouver Civic Development Corporation, Harbour Park Development Corporation, The Hastings Institute Inc., and the Pacific National Exhibition.

**City Assets** are events, programs, services or other wholly-owned and operated City activity or asset which the City Manager approves as being appropriate to receive Sponsorships. Examples of other City activities or assets could include, but are not limited to vehicles, equipment, publications, websites and digital applications. For the purposes of this Policy, City Assets do not include City-owned real property (which are intended to be covered in the City's Naming Rights Policy).

**Competitively Procured Sponsorship** is a Sponsorship resulting from an open, transparent, and competitively procured call by the City for proposals or bids to an open field of potential candidates for Sponsorship conducted by the Chief Procurement Officer in accordance with the Procurement Policy.

**Department Head** means any of the following officials:

- (a) any General Manager, and
- (b) in the case of a City Affiliate, the CEO or such other director or officer of the affiliate who has been delegated signing authority for the applicable Sponsorship Agreement by the City Affiliate's board.

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**Director of Finance** means the person appointed by Council pursuant to Section 210 of the *Vancouver Charter* as the Director of Finance.

**Direct Solicited Sponsorship Proposals** are the result of ongoing discussions between a City representative authorized by the Sponsorship Review Group and a potential Sponsor where the potential Sponsor offers something unique and innovative to the City, where the sponsorship opportunity has a significant potential in terms of Sponsorship value achievable through the nurturing of the relationship, and where the potential Sponsor is closely aligned with the City's corporate and policy goals.

**General Manager** means the members of the City Leadership Team, including the City Manager, Deputy City Manager, City Engineer, Director of Finance, Chief Constable, Fire Chief, Chief Librarian, Park Board General Manager, City Solicitor, Chief Human Resources Officer, General Manager of Arts, Culture & Community Services, General Manager of Real Estate and Facilities Management, General Manager of Planning, Urban Design, and Sustainability, General Manager of Development, Buildings, and Licensing, and Director of Corporate Communications.

**Maximum Contract Term** means the maximum years (including all options to extend or rights of renewal) in respect of a Sponsorship Agreement.

**Non-Competitive Sponsorship Arrangements** involve either Un-Solicited Sponsorship Proposals or Direct Solicited Sponsorship Proposals.

**Permitted Sponsorship Sole Source** means a Non-Competitive Sponsorship Arrangement completed in accordance with this Policy.

**Sponsor** means the other party to a contract with the City for a Sponsorship.

**Sponsorship** is the relationship formed between the City and the Sponsor pursuant to a Sponsorship Agreement, whereby the Sponsor provides cash and/or in-kind services/benefits to the City in return for permitted use of association with the City Assets. These permitted uses may take the form of publicity, promotional activities, merchandising opportunities, or similar types of benefits.

Forms of Sponsorship include:

- Cash: A Sponsorship received in the form of money.
- In-kind: Goods and services of value to the City are received other than cash, provided always that the Chief Procurement Officer is satisfied that the provision of such goods and services is specifically related to the Sponsorship and therefore does not contravene the intent and effect of the Procurement Policy.
- A combination of the above

**Sponsorship Agreement** is the contract between the City and Sponsor setting out their respective rights and obligations in relation to the City Asset(s) and the Sponsorship.

**Sponsorship Manager** is a City staff member authorized in writing by the Sponsorship Review Group to manage and oversee one or more Sponsorships in accordance with this Policy.

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**Sponsorship Review Group** is comprised of the Department Head of the department or entity responsible for managing the City Asset related to the Sponsorship, the Director of Finance, the Chief Procurement Officer and the City Manager.

**Sponsorship Generated Surplus** means Sponsorship cash receipts in excess of the approved budget for the sponsored City Asset as determined by the Director of Finance. In-kind receipts will not be treated as Sponsorship Generated Surplus.

**Total Value** is the total amount of cash and the total fair market value of in-kind benefits to be received by the City as a result of the proposed Sponsorship. For the purposes of applying the Procurement Policy, Total Value will be deemed to replace “Total Price” as it is used in the Procurement Policy.

**Un-Solicited Sponsorship Proposal** means an un-solicited proposal received by the City independently of a public call for Sponsors. Un-Solicited Sponsorship Proposals are typically submitted by third parties wishing to obtain marketing rights related to City Assets.

**Vancouver Group** means the City of Vancouver, Vancouver Police Board, Vancouver Park Board, Vancouver Public Library Board, and City Affiliates.

## 6. POLICY STATEMENTS

### (1) General Delegation of Authority for Solicitation, Negotiation and Administration

- 1.1. Only those City staff (each, a “**Sponsorship Manager**”) expressly authorized from time to time by the Sponsorship Review Group are authorized to solicit, accept and negotiate Sponsorships, and only then in compliance with this Policy. Anything not expressly permitted under this Policy must be reported to and approved by Council before it can proceed.
- 1.2. Departments seeking to pursue Sponsorships with respect to City Assets not under their administration and management need the prior written approval of the Department Head who does administer and manage those City Assets.

### (2) Required Legal Terms and Conditions of Sponsorship Agreements

- 2.1. Sponsorship Agreements must be recorded on standardized templates with standard terms and conditions approved by the Chief Procurement Officer and City Solicitor. Any deviation from the standardized terms and conditions or any material deviation from the approved use of such documents requires prior review and approval of the City Solicitor.
- 2.2. All Sponsorship Agreements must be on terms that expressly confirm that the City does not endorse the products, services or ideas of any Sponsor, and that the City retains full ownership and control over the City Asset.
- 2.3. The Sponsorship Agreement must clearly outline and set out the limits of the rights in and to the City Assets being granted by the City to the Sponsor in exchange for cash and/or value in-kind. All rights being granted need to be time-limited and scope-limited within the parameters set out within this Policy.

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- 2.4. Sponsorship Agreements will require the Sponsor to comply with the City's Ethical Purchasing Policy, Supplier Code of Conduct, and, where applicable, the Procurement Policy.
- 2.5. Sponsorship Agreements will provide for a termination right by the City if a Sponsor breaches its obligations under it.
- 2.6. Sponsorship Agreements will require the Sponsor to comply with all applicable laws including, without limitation, any laws that govern sponsorship or advertising and any laws that govern privacy or freedom of information including the *Freedom of Information and Protection of Privacy Act* (British Columbia) and the *Personal Information Protection Act* (British Columbia).

## **(3) Required Business Terms and Conditions of Sponsorship Agreements**

- 3.1. Rights and benefits to the Sponsor must be proportionate to the monetary value of the cash/in-kind benefits being provided to the City. This will be deemed to be the case where the Sponsorship is a Competitively Procured Sponsorship, at least two proposals have been received, and the proposed terms are approved in writing by the Department Head of the department or entity having management and administration of the applicable City Assets. Where a Non-Competitive Sponsorship Arrangement is being evaluated, adequacy of the arrangement must first be approved by the Sponsorship Review Group (or if there is urgency, the City Manager and Chief Procurement Officer).
- 3.2. No exclusivity rights are permitted to be granted in any Sponsorship Agreement unless their duration is no more than the Maximum Contract Term and the full nature, scope and duration of the proposed exclusivity rights are first reported to in detail to the Sponsorship Review Group and all affected Departments are consulted and concur on and support the report to the Sponsorship Review Group, and the Sponsorship Review Group approves in writing the proposed exclusivity rights.
- 3.3. All Sponsorships must be aligned with the City's corporate and policy goals.

## **(4) Rules on the Application of Revenue**

- 4.1. Sponsorship revenue (other than Sponsorship Generated Surplus) must be applied to the applicable City Asset.
- 4.2. Sponsorship Generated Surplus will be applied in one or more of the following ways as determined by the Sponsorship Review Group:
  - a. improving and enhancing the sponsored City Asset and, where applicable, audience experience of that City Asset;
  - b. servicing the overhead and administrative costs of the City's Sponsorship program; and/or
  - c. contributing to other City priorities.

## **(5) Sponsorship Manager's Responsibilities on Ethics and Integrity for Sponsorships**

- 5.1. Except where a decision or authority is expressly reserved to the Sponsorship Review Group or Council, Sponsorship Managers are

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responsible for ensuring that the Sponsorships solicited, negotiated and concluded by them comply with this Policy.

- 5.2. The Sponsorship Manager must conduct the Background/Ethical Scans on all prospective Sponsors proposing to provide a Total Value of more than \$10,000 and retain a record of the findings.
- 5.3. The Sponsorship Manager is responsible for ensuring that there is no conflict or appearance of a conflict of interest created by proposed Sponsorship, including without limitation and by way of example only, any conflict or appearance of a conflict with respect to any particular City employee or official, any existing contracts between the Sponsor and the City, any existing regulatory applications, enforcement proceedings, or other interactions between the City and the Sponsor. If the Sponsorship Manager has any concerns in this regard, they must request advice from the City Solicitor.
- 5.4. The Sponsorship Manager must avoid any communications with prospective Sponsors that would create the impression that the City intends to provide ongoing benefits (financial or otherwise) for the Sponsor beyond the terms of the Sponsorship Agreement, or which could be construed as interfering with existing contractual obligations.
- 5.5. The Sponsorship Manager is responsible for ensuring that each proposed Sponsorship does not unduly detract from the character, integrity, aesthetic quality or safety of the City Asset and does not unreasonably interfere with its enjoyment or use.
- 5.6. Sponsorship Managers will not approve Sponsors that could prove detrimental to the City's public image. If the Sponsorship Manager has any concerns, they should obtain the prior written approval of the Sponsorship Review Group before proceeding.
- 5.7. Pursuant to the Freedom of Information and Protection of Privacy Act, Sponsorship Managers are responsible for ensuring that the privacy of the City's confidential information as well as the personal information of the City's residents and businesses is protected from disclosure to prospective and actual Sponsors.
- 5.8. While the Sponsorship Agreement will expressly prohibit this type of activity, Sponsorship Managers are responsible for monitoring and enforcing the Sponsorship Agreement so as to ensure that Sponsors do not breach the Sponsorship Agreement by implying that their products, services or ideas are endorsed by the City or by taking advantage of the benefits conferred under the Sponsorship Agreement to a greater degree than expressly granted by the Sponsorship Agreement.

## **(6) Sponsor Eligibility and Restrictions**

- 6.1. The following types of Sponsors are not eligible for Sponsorships:
  - a. parties that are disqualified from doing business with the City due to ongoing litigation or prior litigation,
  - b. parties (or any of their known affiliates) known to have previously violated any

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- i. bylaw or policy of the City in any way,
- ii. any criminal law
- iii. the BC Human Rights Code, or
- iv. any other laws of Canada,

unless such violation is considered by the Sponsorship Review Group to be of a minor nature and not prejudicial to the City's and the public interest (for example a minor parking violation of the City's Street and Traffic By-law)

- c. parties that are registered as local elector organizations, political parties, religious organizations, or public advocacy groups.
- 6.2. Any person or party that engages in the following business is ineligible to be a Sponsor:
- a. manufacturing of armaments and weapons, or
  - b. producing and selling pornography, or illegal sexual services, or
  - c. any other categories as reasonably determined by the City Manager.
- 6.3. The above eligibility restrictions may be reviewed at any time by the City Manager and be modified by the City Manager from time to time and at any time in the City Manager's sole discretion, and will take effect immediately upon being published (as an amendment to this Policy) on the City's website.
- 6.4. Sponsorship involving products and services that may be considered harmful to the health of the target audience will require explicit approval by the City Manager.

## **(7) Rules on Procurement and Solicitation of Sponsorships**

- 7.1. As noted in the Definitions, there are three types of Sponsorship solicitation:
  - a. Competitively Procured Sponsorship Arrangements,
  - b. Un-Solicited Sponsorship Proposals, and
  - c. Direct Solicited Sponsorship Proposals.
- 7.2. Competitively Procured Sponsorship Arrangements must be approved by the Department Head for the applicable City Asset and City Manager before being issued to the market by the Chief Procurement Officer in accordance with the Procurement Policy.
- 7.3. Un-Solicited Sponsorship Proposals shall be reviewed by the applicable Sponsorship Manager and if deemed appropriate forwarded to the Sponsorship Review Group for review and, if acceptable, completed in accordance with Section 6(9) of this Policy.
- 7.4. Direct Solicited Sponsorship Proposals must be pre-approved by the Sponsorship Review Group prior to commencement of discussion and then completed in accordance with Section 6(9) of this Policy.

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## **(8) Principles of Competitive and Open Solicitation of Sponsorship Opportunities**

- 8.1. Wherever possible, Sponsorships will be solicited in an open, competitive and transparent manner in accordance with the Procurement Policy.
- 8.2. Un-Solicited Sponsorship Proposals and Direct Solicited Sponsorship Proposals will generally be avoided if it is possible to conduct a Competitively Procured Sponsorship Arrangement.
- 8.3. The solicitation, negotiation and administration of all Sponsorship Agreements are to be conducted in a transparent and objective manner by the Sponsorship Manager in consultation with the Chief Procurement Officer or by a third party agency contracted to solicit Sponsorships on the City's behalf, all in accordance with the Procurement Policy. The procurement of and contracting with third party agencies is governed by the City's Procurement Policy.

## **(9) Non-Competitive Sponsorship Arrangements**

- 9.1. Non-Competitive Sponsorship Arrangements, resulting from Un-solicited Sponsorship Proposals and Direct Solicited Proposals may be considered at any time, but the City has no obligation to accept any of them.
- 9.2. Direct Solicited Sponsorship Proposals may be pursued and considered as a Permitted Sponsorship Sole Source, if the Sponsorship Review Group determines they meet the following criteria:
  - a. The opportunity has a significant potential in terms of Total Value (in excess of \$250,000 but subject to change by the Sponsorship Review Group from time to time), and
  - b. The opportunity is aligned with the City's corporate and policy goals.
- 9.3. Un-solicited Sponsorship Proposals may be considered as a Permitted Sponsorship Sole Source, if the Sponsorship Review Group determines they meet the following criteria:
  - a. The opportunity is aligned with the City's corporate and policy goals;
  - b. The Un-solicited Sponsorship Proposal relates to a City Asset for which a set timeline is in place, and the timing of the Un-Solicited Sponsorship Proposal coincides with that timeline, and
  - c. The Sole Source provisions of Section 9.1(b) and (c) of the Procurement Policy are satisfied except that,
    - i. The Notice of Intent to Contract provisions do not apply and are replaced by the Notice of Intent to Contract provisions set out in Section 6(9.4) of this Policy.
    - ii. "Total Price" will be read as "Total Value"
    - iii. "Contract" will be read as "Sponsorship Agreement"
    - iv. "Best Value" (for Sponsorships having a Total Value over the threshold in Section 9.1(c) of the Procurement Policy) will not be determined by the Chief Procurement Officer or City Solicitor but instead will be determined in accordance with Section 6(3.1) of this Policy



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- v “Best Value” means the rights and benefits to the Sponsor must be proportionate to the Total Value being provided to the City as determined
  - for Total Value over the threshold in Section 9.1(c) of the Procurement Policy, by the Sponsorship Review Group or in the case of urgency by the City Manager and Chief Procurement Officer in accordance with Section 6(3.1) of this Policy, and
  - for Total Value under the threshold in Section 9.1(c) of the Procurement Policy, by the staff authorized to do so under that Section 9.1(c).

9.4. Prior to signing a Non-competitive Sponsorship Arrangement, a Notice of Intent to Contract is to be issued as soon as possible, with the goal of minimum 4 weeks prior to signing, on the BC Bid and/or City web-site, advertising the City’s intent to enter into a contract without a public competitive procurement process. In situations where the Un-solicited or Direct Solicited Sponsorship Proposal is received with less than 4 weeks prior to the activation, the City may proceed with the proposal as long as the Notice of Intent to Contact is issued as soon as possible following the receipt of the proposal. If no complaints or concerns have been lodged in response to the Notice of Intent to Contract, this may be treated by the applicable authorized City staff as further support for the proposed Non-competitive Sponsorship Arrangement. Where there have been complaints or concerns lodged in response to the Notice of Intent to Contract, the applicable authorized City staff must be satisfied that such complaints or concerns do not warrant going out to a Competitively Procured Sponsorship Arrangement prior to proceeding with same.

9.5. A list of all Sponsors will be provided for public view on the City’s website

## **(10) Call, Commitment, Signing and Change Authority for Sponsorship Agreements**

10.1. Competitively Procured Sponsorship Arrangements:

Subject always to the requirements in Section 6(7.2) of this Policy on the authority to Call for a Competitively Procured Sponsorship Arrangement, the provisions of the Procurement Policy including Table 1 of the Procurement Policy will apply as follows:

- “Total Price” will be read as “Total Value”
- “Contract” will be read as “Sponsorship Agreement”
- “Funding Authority” will be read as “authority to issue a Call pursuant to the Sponsorship Policy”

10.2. Non-Competitive Sponsorship Arrangements:

The Commitment Authority and Signing Authority for Non-Competitive Sponsorship Arrangements will not be governed by the Procurement Policy.

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Commitment Authority is now delegated to the Sponsorship Review Group for all Non-Competitive Sponsorship Arrangements having a Total Value less than \$500,000.

Signing Authority is now delegated to the Sponsorship Manager and City Solicitor for all Non-Competitive Sponsorship Arrangements having a Total Value less than \$500,000.

- 10.3. With respect to any Extension, Change Order, or other matter delegated to staff under the Procurement Policy, the Chief Procurement Officer and City Solicitor will have such authority (in consultation with the Sponsorship Manager) with respect to such matters as they apply to any Sponsorship Arrangement with Sections 7 and 8 of the Procurement Policy applying only to such changes to a Sponsorship Agreements having a Total Value under \$500,000 and with Table 2 of the Procurement Policy being overridden by this Section 6(10.3).
- 10.4. Any Sponsorship having a Total Value of \$500,000 and over requires Council approval prior to the Sponsorship Agreement being authorized and signed.

## **(11) Monitoring, Reviewing and Reporting**

- 11.1. Application of the City's Sponsorship Policy, and its financial and non-financial impacts on a City-wide level, will be monitored and reviewed by the Sponsorship Managers, who will annually report to the City Manager.
- 11.2. A list of all Sponsors currently under contract with the City shall be listed for public view by the City Manager on the City's website.
- 11.3. This Policy is to be reviewed by the City Manager or designate every two years and updated as required.
- 11.4. The City Manager, Director of Finance, and City Solicitor are authorized to make all such administrative amendments and modifications to the Policy as are considered appropriate from time to time to reflect changes in organizational structure or staff titles, to incorporate the policies of the Library, Police, Park Board and the City's affiliates that may be adopted by them from time to time to better align with the City's Policy, and any other elements of the Policy other than the elements which legally delegate authority reserved to Council from Council to City staff.

(12) This Policy must be read and applied in conjunction with the following related policies:

- Procurement Policy – ADMIN-008
- Ethical Purchasing Policy – AF-014-01
- Supplier Code of Conduct
- City's Code of Conduct Policy – AE-028-1
- Budgets – Operating – ADMIN-004
- Budgets – Capital – ADMIN-005
- Visual Standards Guide

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## 7. APPROVAL HISTORY

<b>Version 1 approved by:</b>	Departmental General Manager	9/5/2019
	City Manager	<a href="#">Click here to enter a date.</a>

**8. Next review date**                      **5/28/2021**