



COUNCIL POLICY

Policy Title: Sponsorship Policy City-Owned, City-Managed Assets

Policy Number: CS011

Report Number: FCS2003-65

Approved by: Council

Effective Date: 2004 January 12

Business Unit: Customer Service and Communication

BACKGROUND

Sponsorship policy for City-owned, City-managed assets build on an overall Sponsorship Policy Framework and the Naming Rights Guidelines for City-owned, Civic Partner controlled assets (CPS2003-65 approved Naming Rights Guidelines 22-09-2003).

PURPOSE

The aim of this policy is to create an authorized environment for the existing practice of entering into sponsorship agreements and partnerships. The purpose of the policy and procedures as outlined is to:

- protect The City of Calgary from risk,
- provide employees with corporate guidelines and procedures based on best practices, and
- uphold the City's stewardship role to safeguard the City's assets and interests.

The policy provides an enabling environment for The City to enter into naming rights agreements with corporations within set guidelines and procedures for the purpose of enhanced financial sustainability.

POLICY

[Please see attached Policy](#)

PROCEDURE

[Please see attached Policy](#)

AMENDMENTS

None

2010 revision-policy number change from FCS007 to CS011 due to department reorganization

SPONSORSHIP POLICY: City-owned, City-managed Assets

1. Purpose:

- 1.1 Sponsorship policy for City-owned, City-managed assets builds on an overall Sponsorship Policy Framework and the Naming Rights Guidelines for City-owned, Civic Partner controlled assets (CPS2003-65 approved Naming Rights Guidelines 22-09-2003).
- 1.2 The aim of this policy is to create an authorized environment for the existing practice of entering into sponsorship agreements and partnerships. The purpose of the policy and procedures as outlined is to:
 - protect The City of Calgary from risk,
 - provide employees with corporate guidelines and procedures based on best practices, and
 - uphold the City's stewardship role to safeguard the City's assets and interests.
- 1.3 The policy provides an enabling environment for The City to enter into naming rights agreements with corporations within set guidelines and procedures for the purpose of enhanced financial sustainability.

2. Definitions:

2.1 *Marketing Sponsorship*

A mutually beneficial business arrangement between The City and a third party, wherein the third party provides cash and/or in-kind services to The City in return for access to the commercial marketing potential associated with The City. Marketing sponsorships may include sponsorship of one or more of The City's suppliers, services, projects, events, facilities or activities.

2.2 *Sponsorship Agreement*

A mutually beneficial, contractual agreement that reflects the business arrangement for the exchange of marketing benefits between The City and an external organization for a specified period of time.

2.3 *Sponsor*

A corporation or organization that enters into a sponsorship agreement with a "property" and pays cash or value-in-kind in return for access to exploitable commercial potential associated with the property.

2.4 *Value-in-kind*

A sponsorship received in the form of goods and/or services rather than cash.

2.5 Request for Sponsorship Proposal

An open and competitive process whereby corporations and organizations may express their interest in participating in sponsorship opportunities with The City of Calgary. Requests for sponsorship should include a summary of the sponsorship opportunity, benefits for participation, and a description of the open and competitive procedure for expressing interest in participating in sponsorship opportunities.

2.6 Naming Rights

A type of sponsorship in which a corporation purchases the exclusive right to name an asset or venue (Epcor Centre, Talisman Center, etc.). Usually naming rights are considered in a commercial context, that is the naming right is sold or exchanged for significant cash or other revenue support. This arrangement is usually documented in an agreement signed by the interested parties and has a specified end date to the contractual obligations.

2.7 Naming Rights Agreement

The sale of the right to name or re-name City-owned facilities or land is evidenced in a written contract that contains terms acceptable to The City. In most cases, indemnification and termination clauses would be required as part of the agreement. All such agreements are to be reviewed by the City Solicitor prior to finalization to ensure that The City's legal interests are protected. Dates indicating the term of the agreement should be indicated.

2.8 Gift

An unsolicited contribution to The City of Calgary for which there is no reciprocal commercial benefit expected or required from The City. As gifts are unsolicited and do not involve a business relationship, they are separate and distinct from sponsorship.

2.9 Donation

Similar to a gift in that it is essentially given as a gift and no reciprocal commercial benefits are given or expected. If reciprocal commercial benefits are given and a business relationship exists with a corporate donor, the principles of this policy apply.

3. Principles:

- 3.1 The City of Calgary supports the ongoing practice of entering into marketing sponsorship agreements with third parties (corporations) where such partnerships are mutually beneficial to both parties in a manner that is consistent with all applicable policies set by The City. Under the conditions of this policy, City staff may continue to solicit such marketing sponsorships.
- 3.2 The City of Calgary recognizes and supports marketing sponsorships as a revenue generating strategy that balances the benefit of entering into sponsorship agreements with the City's role as steward of public assets and interests.
- 3.3 It is necessary for The City of Calgary to be recognized for those programs, facilities, structures, etc., where it makes an ongoing significant contribution to capital or operating costs. Clear and permanent identification of The City will be displayed in adherence to branding guidelines established by The City.
- 3.4 The City shall not relinquish to the sponsor any aspect of The City's right to manage and control The City's assets or facilities.

4. Application:

- 4.1 This policy applies to all City business units, departments and divisions.
- 4.2 This policy does not apply to:
- independent foundations or registered charitable organizations that The City may receive benefit from. However, where assets are owned and managed by The City, this policy shall apply unless otherwise approved by order of Council.
 - Gifts or unsolicited donations to The City
 - Funding obtained from other orders of government through formal grant programs
 - City sponsorship support of external projects where The City provides funds to an outside organization
 - Third parties who lease City property or hold permits with The City for activities or events (i.e. Community Associations)
 - Calgary Police Service

5. Procedures / Practices:

The general procedure for developing sponsorships will be as follows:

- 5.1 Concept approval for sponsorship projects will be obtained from the General Manager before potential sponsors are approached or agreements are made. If the agreement involves more than one business unit, approval will be obtained from the General Managers of each business unit involved, including the General Manager of Finance and Corporate Services.
- 5.2 Business units will consult with Customer Service & Communications prior to developing a sponsorship opportunity to ensure that revenue for The City is maximized and that the sponsorship offer is not in conflict with existing contractual obligations or strategy.
- 5.3 Sponsorship proposals should be in writing and outline the marketing benefits that will be exchanged between both parties.
- 5.4 Sponsorship proposals that potentially include purchasing agreements will be coordinated through Customer Service & Communications and include the involvement of Finance & Supply, Law and other business units that may be impacted.
- 5.5 Sponsorship agreements that have a purchasing element or have a value of greater than \$100,000 annually will go through either an Expression of Interest or a Request for (Sponsorship) Proposal process unless otherwise approved by the Director(s) of the business unit(s) and Finance & Supply Services. The process will include Customer Service & Communications, Finance & Supply and the business unit(s) affected.
- 5.6 Sponsorship agreements over \$1,000 will adhere to the following procedures:
- a) be confirmed in writing and a copy of the signed contract to be sent to Customer Service & Communications (sponsorship strategist) for information.
 - b) be signed by an authorized representative of both The City of Calgary and the sponsor

- c) outline the term of the agreement. Terms for all agreements shall not exceed 5 years unless authorized by the GM of Corporate Services. Requests for terms in excess of 5 years, should be jointly submitted by business unit(s) and Customer Service & Communications to the GM of Corporate Services for approval
- d) include the 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
- e) use of templates prepared and approved by the City Solicitor for sponsorship agreements are recommended to minimize risks to The City and to create efficient internal practices for sponsorship. Templates are available from Customer Service & Communications. If templates are not used, agreements should be reviewed by Law to ensure compliance to legislation, etc.

5.7 Authorization to enter into the sponsorship agreement is as follows:

- a) sponsorships under \$50,000 will be authorized by the Director of the business unit or their designate
- b) sponsorship agreements between \$50,000 and \$100,000 will be authorized by the Directors of all business units involved, including Customer Service & Communications, and approved by Law
- c) sponsorship agreements over \$100,000, which pursuant to 5.5 have gone to tender, will be authorized by the GM(s) for the business unit(s) impacted including Corporate Services, and approved by Law
- d) sponsorship that involves the sale of naming rights shall be approved by Council

5.8 The following specific guidelines shall be applied when entering into a naming rights agreement for City-owned, City-operated assets:

- a) An asset analysis and market evaluation is to be completed to determine the value of the asset in the marketplace. This process is to be done in conjunction with the sponsorship strategist (Customer Service & Communications).
- b) A risk/benefit analysis must be completed prior to the acceptance of any naming rights offer
- c) Public support for the sale of naming rights of the facility shall be demonstrated
- d) The proposed naming rights purchaser must support the image and values of The City of Calgary and the community
- e) The City shall not relinquish to the purchaser any aspect of The City's right to manage and control the asset or facility
- f) Proceeds received by The City for the naming rights sale are to be used for :
 - the enhancement and maintenance of the named facility
 - the provision of programs and services directly related to the mandate of the property
 - investments whose proceeds contribute to the delivery of City services
- g) Signage, branding, publicity and advertising shall conform to all applicable federal and provincial statutes, and to all applicable municipal bylaws and policies
- h) Administration will forward a report with recommendations to Council regarding the naming rights opportunity. The report process will be led by Customer Service & Communications with participation from all business units affected
- i) The naming should advise the purpose of the facility
- j) The naming should consider historical and community significance
- k) Costs for promotion of the renaming of a facility shall be incorporated into the naming rights agreement and not The City's annual operating budget

- 5.9 Pricing of sponsorships over \$50,000 should be done in conjunction with the sponsorship lead (CSC) to ensure industry value standards are applied where available based on market research conducted on behalf of The City of Calgary.
- 5.10 Solicitation and negotiation of sponsorships will be conducted by City staff who are specifically designated by the business unit Director, or by outside contract as approved by the business unit Director. Directors are responsible for ensuring that staff understand the requirements of this policy and that they are provided with appropriate guidance &/or training related to sponsorship practices. All City sponsorship agreements will be negotiated in good faith and represent The City in a professional manner.
- 5.11 Use of The City's logo in combination with the sponsor logos will be in keeping with The City's Visual Identity Guidelines.
- 5.12 Use of sponsor logos and direct links from The City's website are permitted within the standard guidelines for web content. Any requests for non-standard use will be considered jointly by the sponsorship strategist and the web editor.
- 5.13 Council will be advised quarterly, by confidential memo, a summary of all refusals and sponsorships of over 1000. The City will only enter into agreements with sponsors who are compatible with The City's values, mandate and policies. The City will not enter into agreements with organizations when the proposed agreement is in conflict with the provisions of any City collective agreement.
- 5.14 All bylaws of The City of Calgary, including sign bylaws will be adhered to.
- 5.15 All provincial and federal laws governing sponsorship including those regarding the issuing of charitable donation receipts will be adhered to.

6. Responsibilities:

Parties involved in sponsorship negotiations and decisions undertake the following specific responsibilities:

6.1 City Council will:

- approve and revise The City of Calgary Sponsorship Policy and Guidelines as necessary
- approve sponsorship agreements that involve the sale of naming rights

6.2 Customer Service & Communications is responsible for:

- managing the City's sponsorship business for The City of Calgary
- providing guidance to all City departments regarding the interpretation and application of the sponsorship policy
- providing assistance and information to support business units regarding marketing sponsorship activities
- reviewing and assisting in the development of sponsorship opportunities as requested
- annual tracking and reporting of all City of Calgary sponsorship agreements over \$1,000
- leading and coordinating corporate-wide sponsorship projects
- asset evaluation and pricing of sponsorships over \$50,000 in conjunction with business units

6.3 Business unit /department Directors are responsible for:

- authorization of sponsorship agreements in accordance with guidelines
- providing details of sponsorship agreements on an annual basis for the purpose of tracking
- ensure that representatives of The City of Calgary entering into sponsorships are aware of, and act in accordance with sponsorship policy and administrative procedures

6.4 General Managers are responsible for:

- concept approval for sponsorship projects before sponsors are approached or agreements are made

7. Accountability:

Adherence to policy is a City employee requirement and non-compliance will be addressed as per all City policies and procedures.