

Background

At the April 3, 2017 Community Services Committee meeting, Council received a report titled "Leisure Advertising Review and Bell Park Digital Board Advertising Policy". The report included information about the James Jerome Sport Complex fence panel advertising program. The report noted moderate success with the pilot project. The report resolution passed included the following:

"THEREFORE BE IT RESOLVED THAT the City of Greater Sudbury Leisure Services division continues with fence panel advertising at the James Jerome Sports Complex and other high profile playfields where financially viable for an additional six month trial period;

AND THAT a report and business case be prepared for the Community Services Committee regarding fence panel advertising on a permanent basis by November 2017;"

Analysis

As directed by Council, a business case has been prepared and submitted as part of the 2018 Budget process. The business case notes that revenue generated from the program have not met expectations and only slightly cover costs associated with the advertisements.

Since the introduction of the program in the fall of 2015, revenue generated has been modest (\$4,000 in 2015, \$6,700 in 2016 and \$9,300 so far in 2017). Costs associated with the advertising program in 2015 and 2016 totaled approximately \$5,000. Costs associated with fence panel advertising in 2017 are projected to be approximately \$4,000. These costs do not include staff time associated with soliciting, responding to and booking advertising requests.

The business case recommends that the City of Greater Sudbury (City) not continue with the pilot fence panel advertising program.

In general, City resources are not dedicated to commercial advertising initiatives. The City typically doesn't solicit for paid advertising nor does the City have the ability to negotiate or package items, as is done in the private advertising sector.

The City previously issued a Request for Proposal (RFP) for Advertising at Citizen and Leisure Services Facilities (Contract CDD15-20). The RFP provided proponents an opportunity to bid on established advertising packages and identified a minimum remuneration (minimum reserve bid) that the City would receive in exchange for advertising rights. The RFP included advertising opportunities at sports complexes and playfields including fence panel advertising. No bids were received from the Request for Proposal.

The City has an existing agreement with 1930178 Ontario Limited, O/A as BK Marketing for advertising services at Greater Sudbury Transit and municipal arenas. The City approached BK Marketing to see if there was interest in advertising at the James Jerome Sports Complex. BK Marketing has confirmed interest and would contribute a fixed annual fee to the City in lieu of advertising rights at James Jerome Sports Complex.

The City's Purchasing By-Law allows for a non-competitive acquisition of services where the total value is less than \$50,000.

Summary

The James Jerome Sports Complex fence panel advertising program only achieved moderate success. City resources would be best focused on other priorities. The private sector is best suited to manage commercial advertising at James Jerome Sports Complex.

Next Steps

Legal Services at the City of Greater Sudbury will be contacted to develop an agreement with BK Corporate Marketing for James Jerome Sports Complex fence panel advertising.

References

Leisure Advertising Review and Bell Park Digital Board Advertising Policy, Community Services Committee, April 3, 2017

<http://agendasonline.greatersudbury.ca/index.cfm?pg=feed&action=file&agenda=report&itemid=5&id=1151>

Results, Contract CDD15-20, RFP for Advertising at Citizen and Leisure Services Facilities

https://www.greatersudbury.ca/business/tenderspurchasing/tenders/index.cfm?tender_id=2765&pg=results

Advertising Contract Option to Extend, City Council, August 12, 2014

<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=785&itemid=8915&lang=en>