



**City of Kingston
Report to Council
Report Number 15-418**

To: Mayor and Members of Council
From: Gerard Hunt, Chief Administrative Officer
Resource Staff: Colleen Gareau, Director, Strategic Communications
Date of Meeting: November 17, 2015
Subject: Award of contract for advertising services

Executive Summary:

On July 15, 2015, the City received a response from PostMedia to Request for Proposal (RFP#F31-CAO-SC-2015-1) for Standard Advertising Rates. An additional submission from a print media organization was received but was determined to be non-valid as it was missing required information. Consistent with the terms of the RFP, City staff has subsequently negotiated with PostMedia to obtain more favourable conditions that provide a return-on-investment (ROI) or value-added products and services of \$ 2.70 for every dollar spent by the City.

In accordance with bylaw number 2000-134, a *Bylaw to Establish Purchasing Policies and Procedure*, section 3.4, the approval of Council is required to award this contract as conditions of staff delegated authority are not met as less than three proposals to the RFP were received.

Recommendation:

That Council authorize the Mayor and Clerk to execute a one year contract for print and digital advertising services with PostMedia from the time of contract signing to the end of 2016 with a possible extension of one year in a form satisfactory to the Director of Legal Services.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER

Gerard Hunt, Chief Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Cynthia Beach, Corporate & Strategic Initiatives

Lanie Hurdle, Community Services

Denis Leger, Transportation, Facilities & Emergency Services

Not required

Jim Keech, President and CEO, Utilities Kingston

Not required

Desiree Kennedy, Chief Financial Officer & City Treasurer

Not required

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Options/Discussion:

The City issued a request for proposals in July 2015 for a standard advertising rates. The City received two proposals although one submission was determined to be not valid as it was missing required information. The one valid proposal was submitted by PostMedia which is currently providing print advertising services to the City. The current contract for City print advertising with PostMedia expires on Dec. 31, 2015. As part of the open government priority and based on the recommendations of the consultant's report, the findings of the external communication survey as well as industry practices, the Strategic Communications Department has negotiated a new advertising contract with PostMedia.

The current contract is for print advertising only. It provides "value-added" print including "free" ads in *Kingston This Week* and publication of the bi-annual leisure guide.

In 2014, the City spent nearly \$260,058.00 on print advertising and received \$274,881.00 in value-add space.

This year, the City met with PostMedia staff and requested a complete re-imagining of advertising channels to include a focus on digital, door-to-door delivery, targeted publications and video production.

The resulting proposal from PostMedia is for a City expenditure of approximately \$205,000 with total added value of \$358,000, or a ratio of \$2.70 in ad value for every dollar spent by the City.

A summary of the proposed contract is:

- A weekly half-page in the Kingston Whig Standard (*Whig*) with standardized page placement with a "throw" from the front page
 - This space will be redesigned to include a large masthead with URLs for City webpages and templates for ads for easy layout by *Whig* staff. The City will work with *Whig* staff to provide the masthead and templates for ads.
- 32 quarter-page ads (guaranteed remnant ads) spread throughout the year
- A weekly full page in *Kingston This Week* with a "throw" from the front page
- A full page in each issue of *Kingston Life*
- A double-page spread in the *Relocation Guide*
- A full page ad in *Welcome Back*
- A four-page tabloid-sized paper delivered as a stand-alone piece, door-to-door twice a year
- Eight videos
- More than 500 million impressions for digital ads
- Leisure guide produced and delivered twice a year
- A notice of council meetings

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This shift in advertising direction means that only ads required by legislation will be run in the *Whig* with strategically placed ads in *Kingston This Week*, which has free, door-to-door delivery. Instead, advertising will optimize use of digital, video, audience-targeted publications and door-to-door delivery of a four-page “newspaper” twice a year. Please see Exhibit A for a comparison between the current contract and the proposed new contract.

Existing Policy/By-Law:

By-law 2000-134, a *By-law to Establish Purchasing Policies and Procedures for the City of Kingston* located on the City’s web site at [City's Purchasing By-law](#)

Notice Provisions:

There are no notice provisions with this report.

Accessibility Considerations:

All communications materials are compliant with accessibility standards.

Financial Considerations:

This contract represents a decrease in spending but an increase in value on behalf of City departments.

Contacts:

Colleen Gareau, Director, Strategic Communications Department

Extension 1239

Other City of Kingston Staff Consulted:

City communications and marketing staff with Recreation and Leisure, and Culture have been involved in discussions regarding the RFP and the ensuing negotiations.

Exhibits Attached:

Exhibit A: Added value comparison between current contract and the proposed contract.

Added value comparison between the current and the proposed contract

TOTAL INVESTMENT	\$260,058.27		\$204,851.55	
Added Value/No Charge	Current Contract	# Pages/ Impressions	Proposed Contract	# Pages/ Impressions
52 Full Pages KTW	\$ 70,496.00	52	\$ 69,638.00	52
Guide Teaser Ads	36,360.00	N/A	0	N/A
Whig KTW 24/7 Ads	13,540.00	N/A	0	N/A
Weekly Whig-Banner	10,998.00	N/A	0	N/A
Weekly KTW Banner	9,885.00	N/A	0	N/A
Leisure Guide Distribution	3,612.00	N/A	3,612.00	N/A
Sponsored New Year`s Eve Ads	3,222.00	N/A	0	N/A
Spring Summer Leisure Guide	126,768.00	114	134,406.00	114
Remnant Ads		0	40,632.00	8.36
Bi-Annual Direct to HH Communication Piece	0	4	7,920.00	4
DISCOUNT: 52 Half Pages The Kingston Whig-Standard (Value Less Investment) Added Value Portion	0	0	56,513.60	0
DISCOUNT: Small Space High Frequency Ads	0	0	12,377.50	N/A
DISCOUNT: Tonight's Council Agenda Is....	0	0	8,858.85	N/A
DISCOUNT: Sponsored Content Discount	0	N/A	475.00	N/A
DISCOUNT: Other Digital (e.g. Sponsored Link, Marketplace	0	N/A	7,255.6	N/A
DISCOUNT: Magazines	0	N/A	15,533.75	N/A
Video	0	N/A	295.00	
TOTAL ADDED VALUE	\$274,881.00		\$357,517.30	
Overall Value	\$534,939.27		\$562,368.85	
Print Pages	195		96	
Online Impressions	0		5,150,000	
# Videos Produced	0		8	
Added Value	\$274,881.00		\$357,517.30	
Leisure Guide Page Value	\$126,768.00		\$134,406.00	