

Consolidated Clause in Administration Committee Report 6, which was considered by City Council on September 25, 26, 27 and 28, 2006.

3**Contracts for City Advertising in Media Venues and Daily Ethnic and Community Newspapers**

City Council on September 25, 26, 27 and 28, 2006, amended this Clause by adding the following:

“That:

- (1) City-wide print advertising campaigns also contain an ethnic print media advertising component, covering the six to ten languages most frequently spoken in Toronto, as identified by Statistics Canada data;*
- (2) the Director, Strategic Communications, be requested to:*
 - (i) consider the linguistic composition of neighbourhoods in the placement of Ward specific advertising based on input from the local Councillor, Statistics Canada data and Ward profiles; and*
 - (ii) canvass Members of Council to determine local ethnic media which could be added to the advertising vendors list; and*
- (3) the City include a Bangladeshi newspaper or newspapers in the list of advertising vendors.”*

This Clause, as amended, was adopted by City Council.

The Administration Committee recommends that City Council adopt the staff recommendations in the Recommendations Section of the report (August 16, 2006) from the City Manager, and Director, Purchasing and Materials Management Division.

Action taken by the Committee:

The Administration Committee requested the City Manager and the Director, Purchasing and Materials Management, to report to the appropriate committee on guidelines for advertising in ethnic and community newspapers, including comment on how much is spent per ethnic area and the possibility of increasing the amount spent on advertising in ethnic and community newspapers from 5 percent of the annual budget to 10 percent by 2009.

The Administration Committee submits the report (August 16, 2006) from the City Manager and the Director, Purchasing and Materials Management Division.

Purpose:

The purpose of this report is to seek Council authority to negotiate sole source contracts for print advertising in local daily, ethnic and community newspapers. These negotiations will result in contracts with print advertising suppliers and rates that will be used by all City divisions.

The Request for Expressions of Interest (REOI) Process for advertising contracts that was used for the current term of Council did not meet the needs of the City and did not result in contracts with all required vendors. Therefore, sole source contracts are required to ensure that the City has the required contracts in place to meet its advertising needs.

This report also seeks the authority to amend the existing contract with Metroland Publishing.

Financial Implications and Impact Statement:

Council reviews and approves advertising budgets for each program through the annual operating and capital budget process. Division Heads are accountable for the expenditure of funds for advertising. Establishing contracts permits staff across the corporation to place advertising using Council approved budgets and ensure such advertising is based on consistent and agreed upon rates. Contracts are required as part of the purchasing process and establishment of contracts supports planning and budgeting.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) contracts with the advertising suppliers noted in Appendix A be negotiated for the next term of Council by way of sole source for advertising on an as required basis. All such contracts to be utilized only where funds are available from within Council approved Division operating or capital budgets;
- (2) the Director of Strategic Communications be authorized to negotiate rates with these venues and establish and amend the sole source contracts for a total dollar value not to exceed the advertising budgets authorized by Council within operating and capital budgets;
- (3) the Director of Strategic Communications be authorized to add new suppliers to the list in Appendix A and negotiate and amend sole source contracts with them as required;

- (4) the existing sole source contract for Metroland Publishing (#47009067) that has been used for this term of Council, in the amount of \$1 million, be increased to \$1.3 million to authorize the expenditures on this contract to date (\$1.173m) and the amount required to the end of the current Council term;
- (5) a new \$2 million sole source contract be negotiated with Metroland Publishing for the next four year term of Council to permit the placement of advertising based on Council approved advertising expenditures; and
- (6) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Current contracts with the print advertising suppliers expire on November 30, 2006 and therefore new contracts are required to continue placement of required advertising.

The City conducted a Request for Expressions of Interest process to establish contracts with advertising venues for the current term of Council. The City established over 30 contracts as a result of this process. However, this process did not result in contracts with all of the venues in which the City places advertising.

City advertising is placed by the Strategic Communications Division at the request and direction of the operating division and/or division communications staff. All advertising is placed on the basis of Council approved operating and capital budgets. Depending on the communications needs of each program, advertising is placed to reach the broadest possible audience at the lowest possible cost. Advertising may be placed in a local community newspaper, ethnic newspaper and/or daily newspaper or other venues. Each division or program area, together with Strategic Communications, assesses the reach and frequency of the available outlets and makes a professional determination on the best match with their program goals. Appendix B lists the ad campaigns placed by Strategic Communications over a one year period.

Advertising is used to ensure residents and businesses are aware of Council priorities, City programs and services and to encourage civic participation and awareness of major issues facing Toronto.

Examples of advertising that is placed by the City include such programs as: Clean and Beautiful City community programs, quit smoking, solid waste and recycling, west Nile virus and other public health campaigns, Councillor environment days, street festivals, etc.. The City also places advertisements to advise residents and business on matters of importance to them such as: budget deputation opportunities and other consultations and public meetings, water rates, tender opportunities, storm damage insurance and basement flooding, pesticide controls, road closings, environmental assessments, changes to permits, tax bill notices, residential fast track permits, etc.

Comments:

The City conducted a Request for Expressions of Interest (REOI) process to establish contracts with advertising venues for the current term of Council. The City established over 30 contracts as a result of this process. However, this process did not result in contracts with all of the venues in which the City places advertising and sole source contracts were still required for suppliers that were needed but did not respond. As each advertising venue is unique in terms of its readership, language, geographic coverage, and distribution, advertising contracts are required with many outlets. The former REOI process also resulted in contracts being processed for venues in which very little or no advertising was placed. It is also not possible to establish criteria for an REOI since the estimated quantity of advertising for each outlet that will be placed over the next four years is not precisely known. The Purchasing and Materials Management (PPMD) Division, having reviewed the needs of City for this service, has recommended that sole source contracting is the best possible method for establishing advertising contracts. The Strategic Communications Division, together with Purchasing and Materials Management will manage and adjust contract values as required to meet operational requirements.

City advertising can still be placed in new venues or those not listed in Appendix A by either being added to the sole source list as authorized in this report or, where appropriate, advertising can be placed through the use of departmental purchase orders.

Provincial legislation requires the City of Toronto to notify the public about certain changes to policies, programs, services and proposed amendments to zoning by-laws, the Official Plan and traffic regulations. This type of advertising is referred to as statutory advertising and a supplier for this service for the next term of Council will be chosen through a Request for Quotation (RFQ) process.

Conclusions:

Based on the recommendations given by PMMD, Strategic Communications will negotiate rates with the suppliers in Appendix A. Advertising is based on Council approved operating and capital budgets. The establishment of contracts supports the planning and budget process and ensures purchasing requirements are met and that the City obtains the best possible reach for its message at the lowest possible cost.

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Appendix A
Advertising Vendors for sole source contracts

24 Hours (Daily)
Ajit Weekly (Punjabi)
Alto Inc (publishers of: le métropolitain, French)
Alugar Thamilar (Tamil)
Arab News
Beach Metro News (Community)
Bluffs Monitor
Campus Plus
Canadian Jewish News
Caribbean Camera
Corriere Canadese (Italian)
El Popular (Spanish)
ETC News (Community)
Evdomada (Greek)
Eye Weekly
Free Daily News (publishers of: Metro Toronto)
Gleaners ((publishers of: Annex Gleaner, Village Gleaner, Liberty Gleaner))
Globe and Mail (Daily)
Hill Times (Ottawa)
Hindi Abroad (Hindi)
Hi-Rise
Homin Ukrainy (Ukraine)
India Abroad (Hindi)
Iran Javan (Persian)
Jewish Tribune
Kingsway
Korea Canada Central Daily (Korean)
Korea Times (Korean)
L'Express (French)
Metroland (publishers of: Annex Guardian, Beach/Riverdale Mirror, Bloor West Villager, City Centre Moment, East York Mirror, Etobicoke Guardian, North York Mirror, Scarborough Mirror, York Guardian, Toronto Business News)
Ming Pao (Chinese)
Mullukum (Tamil)

Multicom Media Services (publishers of: Bayview-Mills Town Crier, Beach-South Riverdale Town Crier, Bloor-Bay Town Crier, Forest Hill Town Crier, Leaside-Rosedale Town Crier, Mid-town Town Crier, North Toronto Town Crier, North York Town Crier, Riverdale East York Town Crier)
National Post (Daily)
No Fear Publishing Ltd. (publishers of: FAB)
NOW (Weekly)
Ontario Gazette
Parkdale Liberty (Community)
Pink Pages
Pink Triangle Press (publishers of: Xtra)
Portuguese Post (Portuguese)
Post City Magazines (publishers of: North Toronto Post, Village Post, North York Post, Bayview Post, Thornhill Post, Richmond Hill Post)
Pride
Reed Construction Data Inc. (publishers of: Daily Commercial News)
Russian Canadian Info (Russian)
Senthamarai (Tamil)
Shahrvand (Persian)
Share (Caribbean)
Shop, Dine Tour, Toronto
Sing Tao (Chinese)
Sol Portugal (Portuguese)
Somali Press
South Asian Voice
St. Lawrence Market Bulletin (Community)
The Philippine Reporter
Thoi Bao (Vietnamese)
Today's Parent
Toronto Star (Daily)
Toronto Sun (Daily)
Tour of Duty (Toronto Police Association)
Town Crier Chain (Community)
Uthayan (Tamil)
Weekly Times of India (Hindi)
World Journal Daily News (Chinese)
Zwiazkowiec (Russian)

(Appendix B – Summary of Advertising Campaigns July 1, 2005 to July 1, 2006 attached to this report, was distributed with the agenda material and copies are on file in the City Clerk's Office, City Hall.)

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Councillor Silva declared an interest in this Clause, in that he works for CHIN Radio.