

DATE OF MEETING March 17, 2021

AUTHORED BY Shelley Legin

**SUBJECT Sponsorship Asset Inventory and Valuation for the City of Nanaimo, Request for Proposals to be Issued**

## **OVERVIEW**

### **Purpose of Report:**

To inform Mayor and Council that the Request for Proposals (RFP) for Sponsorship Asset Inventory and Valuation for the City of Nanaimo will be issued later in March and to obtain any feedback on the anticipated proponent's deliverables identified in the RFP document.

## **BACKGROUND**

The project received previous approval of the funding to undertake the RFP in 2020 but was put in abeyance due to Covid-19 disruption. With a vaccination program imminent, the timing is appropriate now to issue the RFP as submission, evaluation, award and completion of deliverables will require 6 to 8 months, positioning the Sponsorship Program implementation timeframe in early 2022.

## **DISCUSSION**

The City of Nanaimo will be requesting Proposals from qualified and experienced Proponents to provide a comprehensive Sponsorship Asset Inventory and Valuation, as well as, strategic options for implementation and sustainment.

The City is interested in finding alternative revenue sources to help fund City infrastructure as well as offset costs or enhance its programs, services, and events. Sponsorship is a potential new revenue source for the City which remains uncharted with practical indications that the City could enjoy reasonable success in this area.

The first deliverable in this process is an inventory of sponsorship assets. The asset inventory would identify municipal programs, services, facilities, events and other marketing assets and provide a fair market value by industry accepted standards and practices. Secondly, based on this inventory and asset valuation, the Proponent will develop both an out-sourced and an internal (City-resourced) strategy for City consideration to implement and sustain the resulting sponsorship program. Lastly, the Proponent will develop a draft **Sponsorship Policy** for Staff and Council consideration.

**The Deliverables include but are not limited to:**

## **1) Comprehensive Sponsorship Asset Inventory and Valuation**

An itemized inventory that identifies all sponsorship assets and provides the fair market value of those assets.

These may include but are not limited to:

- a) Facilities appropriate for naming rights and sponsorship;
- b) Specific or bundled programs that could be targeted for sponsorship;
- c) City events that could be targeted for sponsorship;
- d) Publications that could be marketed for additional advertisement revenues;
- e) Virtual assets that could be used to promote sponsors (website, social media, etc);
- f) Other opportunities which should be marketed to make full use of the City's assets;
- g) Identification of tangible and intangible benefits, (both naming and non-naming) available to the sponsors;
- h) Suggested list of targeted sponsors with the highest potential for asset sponsorship; and,
- i) Identification of challenges that may impede maximizing revenue potential and opportunities that may accelerate maximizing revenue potential.

## **2) Implementation and Sustaining Strategies**

Based on the inventory and asset valuation, the Consultant will develop both an out-sourced and an internal (City-resourced) strategy for City consideration to implement and sustain the resulting sponsorship program. These strategies should include but not be limited to:

- Recommended overall positioning of the program and 3 to 5 year sales strategy with implementation plans for both the out-sourced option and internal option.
  - Resources, qualifications and organizational structure should be recommended.
  - Operational costing of both options.
  - Development of sponsorship and benefits package template(s) for the sponsorship assets for internal option.
  - Development of a clear, easy to understand sponsorship and advertising agreement template(s) to be used between a sponsorship and/or advertising proponent and the City for the internal option. Commission structure and listing of services expectation for out-sourced option.
- Identification of top prospects for sponsorship and advertising opportunities for both options.

## **3) Draft Sponsorship Policy for Staff and Council consideration.**

## PROJECT ORGANIZATION AND MANAGEMENT

The City's key staff contact will be the City's General Manager of Corporate Services with the General Manager of Parks, Recreation and Culture being vital to, and involved in, evaluation and final award decision. The General Manager of Corporate Services will solicit feedback from additional staff as the project progresses – this may involve a small group of additional staff in (virtual) meetings with the Consultant.

- Resources for communications should be built into each project work plan by the Proponent. This will include but not be limited to:
  - Appropriate stakeholder engagements required prior to beginning the inventory as well as through the duration of the project(s) to gather required information to proceed;
  - Working with the City leadership team to determine inventory comprehensiveness, opportunities and risks of the proposed assets on sponsorship inventory;
  - Facilitating sessions with the City leadership team to determine Council's position on the assets that will be made available for sponsorship, including the risks and benefits; and,
  - Monthly progress reporting to the General Manager, Corporate Services.
- Discussions with third party operating groups will be required for some assets (example: VICC);
- Upon completion of the reporting, a final presentation to the leadership team will be required.
- The awarded Proponent, upon completion of the project, will be expected to provide a presentation to Council regarding the deliverables as presented to the leadership team.

## TIMING AND COUNCIL ENGAGEMENT

It is anticipated that staff will provide progress reports and prepare decision reports periodically over the period of May to October to apprise Council of progress and ensure alignment of overall program goals, design and implementation.

## CONCLUSION

Request for Proposals (RFP) for Sponsorship Asset Inventory and Valuation for the City of Nanaimo will be issued later in March with an anticipated submission and evaluation timeframe of early May and award in late May. The anticipated Sponsorship Program will be thoughtfully designed with the Doughnut Economic philosophy in mind and will provide additional revenue for the City to help fund City infrastructure as well as offset costs or enhance its programs, services and events.

### SUMMARY POINTS

- The project received previous approval of the funding to undertake the RFP in 2020 but was put in abeyance due to Covid-19 disruption. With a vaccination program

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