

<b>POLICY TITLE:</b>	Sponsorship Policy
<b>CATEGORY:</b>	Administration
<b>POLICY NUMBER:</b>	ADMIN-002
<b>POLICY OWNERS:</b>	Finance and Operations

## **LEGAL**

The Vancouver Charter (and the Societies Act, the Vancouver Economic Commission’s Bylaws, and other applicable legislation) does not permit any employee of the Vancouver Economic Commission (“VEC”) to enter into Contracts for the VEC unless the CEO or the Board of Directors (the “Board”) has delegated such authority to such employee in writing. The intent of the Policy is that it be approved by the Board of Directors and referred to other members of the VEC for consideration so as to set out the extend of certain VEC employees’ and officers’ restricted legal authority to undertake the actions expressly authorized under this Policy.

## **SCOPE**

Subject to the approvals and adoptions referred to in the section above, this Policy applies to the VEC.

This Policy applies to VEC Assets.

This Policy applies to all Sponsorships where the Sponsor (such as businesses, not-for-profit organizations and individuals) agree to contribute, either financially or in-kind, to VEC Sponsorship opportunities in return for recognition, public acknowledgement, activations, or other promotional considerations specific to the sponsored VEC Asset. This Policy does not apply to the VEC’s relationships with other government agencies.

## **PURPOSE**

The VEC encourages Sponsorship as a means to profile corporate and community partners while providing the VEC with additional revenue and in-kind benefits to enhance VEC Assets and operations.

The purpose of this Policy is to create a Sponsorship framework that ensures the VEC’s brand, values, image, policies, community commitments, VEC Assets and interests are safeguarded while increasing opportunities for corporate and community sponsorship. The Policy provides a systematic approach to soliciting, managing and reporting Sponsorships.

## **ADMINISTRATION OF POLICY**

The VEC Board of Directors overseen by the VEC Chief Executive Officer (“CEO”) is the owner and administrator of this Policy. Except where separately authorized by the Board, all Sponsorship activities are to be administered by the Sponsorship Review Group and the staff designated by them pursuant to this Policy.

## **DEFINITIONS**

In the Policy, the following terms have the following meanings. All other capitalized terms not otherwise defined have the meanings given to them in the Procurement Policy.

**Background/Ethical Scans** are a general search of a potential sponsor’s operations, background and reputation that is performed to determine if the Sponsor meets the requirements set out in this Policy, the principles of the Ethical Purchase Policy and Supplier Code of Conduct.

**Best Value** has the meaning given in Section 9.3(c)(v) of this Policy.

**Senior Manager, Operations and Finance** means the person appointed by the CEO as Senior Manager, Finance and Operations and designated from time to time by the CEO to oversee and lead supply chain management on behalf of the VEC.

**VEC Assets** are events, programs, services or other wholly owned and operated VEC activity or asset which the CEO approves as being appropriate to receive Sponsorships. Examples of other VEC activities or assets could include, but are not limited to, publications, websites and digital applications. For the purposes of this Policy, VEC Assets do not include any owned real property.

**Competitively Procured Sponsorship** is a Sponsorship resulting from an open, transparent, and competitively procured call by the VEC for proposals or bids to an open field of potential candidates for Sponsorship conducted by the Senior Manager, Finance and Operations in accordance with the Procurement Policy and, where appropriate, with support from the City of Vancouver’s Procurement Team.

**COV:** The City of Vancouver.

**COV Solicitor:** The person appointed by COV Council as the COV Solicitor.

**Department Head** means the CEO or such other member of the VEC Management Team who has been delegated signing authority for the applicable Sponsorship Agreement by the VEC Board.

**Director Solicited Sponsorship Proposals** are the result of ongoing discussions between a VEC representative authorized by the Sponsorship Review Group and a potential Sponsor where the Potential Sponsor offers something unique and innovative to the VEC, where the sponsorship opportunity has a significant potential in terms of Sponsorship value achievable through the nurturing of the relationship, and where the potential Sponsor is closely aligned with the VEC and COV's corporate and policy goals.

**Maximum Contract Terms** means the maximum years (including all options to extend or rights or renewal) in respect of a Sponsorship Agreement.

**Non-Competitive Sponsorship Arrangements** involve either Un-Solicited Sponsorship Proposals or Direct Solicited Sponsorship Proposals.

**Permitted Sponsorship Sole Source** means a Non-Competitive Sponsorship Arrangement completed in accordance with this Policy.

**Sponsor** means the other part to a contract with the VEC for a Sponsorship.

**Sponsorship** is the relationship formed between the VEC and the Sponsor pursuant to a Sponsorship Agreement, whereby the Sponsor provides cash and / or in-kind services / benefits to the VEC in return for permitted use of association with the VEC Assets. These permitted uses make take the form of publicity, promotional activities, merchandising opportunities, or similar types of benefits.

Forms of Sponsorship include:

- Cash: A Sponsorship received in the form of money.
- In-kind: Goods and services of value to the VEC are received other than cash, provided always that the Senior Manager, Finance and Operations is satisfied that the provision of such goods and services is specifically related to the Sponsorship and therefore does not contravene the intent and effect of the Procurement Policy.
- A combination of the above.

**Sponsorship Agreement** is the contract between the VEC and Sponsor setting out their respective rights and obligations in relation to the VEC Assets(s) and the Sponsorship.

**VEC Staff Lead** is a VEC staff member authorized in writing by the Sponsorship Review Group to manage and oversee one or more Sponsorships in accordance with this Policy.

**Sponsorship Review Group** is comprised of the VEC Staff Lead for the sponsorship relationship, COV Legal and a minimum of two VEC Management Team members, including at minimum the Senior Manager, Finance and Operations and the CEO.

**Sponsorship Generated Surplus** means Sponsorship cash receipts in excess of the approved

budget for the sponsored VEC Asset as determined by the Senior Manager, Finance and Operations. In-kind receipts will not be treated as Sponsorship Generated Surplus.

**Total Value** is the total amount of cash and the total fair market value of in-kind benefits to be received by the VEC as a result of the proposed Sponsorship. For the purposes of applying the Procurement Policy, Total Value will be deemed to replace “Total Price” as it is used in the Procurement Policy.

**Un-Solicited Sponsorship Proposal** means an Un-Solicited proposal received by the VEC independently of a public call for Sponsors. Un-Solicited Sponsorship Proposals are typically submitted by third parties wishing to obtain marketing rights related to VEC Assets.

## **POLICY STATEMENTS**

### **1.0 General Delegation of Authority for Solicitation, Negotiation and Administration**

- 1.1 Only those VEC staff (each, a “VEC Staff Lead”) expressly authorized from time to time by the Sponsorship Review Group are authorized to solicit, accept and negotiate Sponsorships, and only then in compliance with this Policy. Anything not expressly permitted under this Policy must be reported and approved by the Board before it can proceed.
- 1.2 Departments seeking to pursue Sponsorships with respect to VEC Assets not under their administration and management need the prior written approval of the Department Head who does administer and manager those VEC Assets.

### **2.0 Required Legal Terms and Conditions of Sponsorship Agreements**

- 2.1 Sponsorship Agreements must be recorded on standardized templates with the standard terms and conditions approved by the Senior Manager, Finance and Operations and CEO and City of Vancouver Legal Counsel. Any deviation from the standardized terms and conditions or any material deviation from the approved use of such documents requires prior review and approval of the City Solicitor.
- 2.2 All Sponsorship Agreements must be on terms that expressly confirm that the VEC does not endorse the products, services or ideas of any Sponsor, and that the VEC retains full ownership and control over the VEC Asset.
- 2.3 The Sponsorship Agreement must clearly outline and set out the limits of the rights in and to the VEC Assets being granted by the VEC to the Sponsor in exchange for cash and/or value in-kind. All rights being granted need to be time-limited and scope limited withing the parameters set out in this Policy.

- 2.4 Sponsorship Agreements will require the Sponsor to comply with the VEC's Ethical Purchasing Policy, Supplier Code of Conduct, and where applicable, the Procurement Policy.
- 2.5 Sponsorship Agreements will provide for a termination right by the VEC if a Sponsor breaches its obligations under it.
- 2.6 Sponsorship Agreements will require the Sponsor to comply with all applicable laws including, without limitation, any laws that govern sponsorship or advertising and any laws that govern privacy or freedom of information including the Freedom of Information and Protection of Privacy Act (British Columbia) and the Personal Information Protection Act (British Columbia).

### **3.0 Required Business Terms and Conditions of Sponsorship Agreements**

- 3.1 Rights and benefits to the Sponsor must be proportionate to the monetary value of the cash/in-kind benefits being provided to the VEC. This will be deemed to be the case where the Sponsorship is a Competitively Procured Sponsorship, at least two proposals have been received, and the proposed terms are approved in writing by the Department Head of the department or terms are approved in writing by the Department Head of the department or entity having management and administration of the applicable VEC Assets. Where a Non-Competitive Sponsorship Arrangement is being evaluated, adequacy of the arrangement must first be approved by the Sponsorship Review Group/Committee (or if there is urgency, the CEO and the Senior Manager, Finance and Operations).
- 3.2 No exclusivity rights are permitted to be granted in any Sponsorship Agreement unless their duration is no more than the Maximum Contract Term and the full nature, scope and duration of the proposed exclusivity rights are first reported to in detail to the Sponsorship Review Group and all affected Departments are consulted and concur on and support the report to the Sponsorship Review Group, and the Sponsorship Review Group approves in writing the proposed exclusivity rights.
- 3.3 All Sponsorships must be aligned with the VEC's Corporate Plan and policy goals.

### **4.0 Rules on the Application of Revenue**

- 4.1 Sponsorship revenue (other than Sponsorship Generated Surplus) must be applied to the applicable VEC Program.
- 4.2 Sponsorship Generated Surplus will be applied in one or more of the following ways as determined by the Sponsorship Review Group:

- a. Improving and enhancing the sponsored VEC Program and, where applicable, audience experience;
- b. Servicing the overhead and administrative costs of the VEC's programs; and/or
- c. Contributing to other VEC priorities.

## **5.0 VEC Staff Lead's Responsibilities on Ethics and Integrity for Sponsorships**

- 5.1 Except where a decision or authority is expressly reserved to the Sponsorship Review Group or the VEC Board, VEC Staff Leads are responsible for ensuring that the Sponsorships solicited, negotiated and concluded by them comply with this Policy.
- 5.2 The Senior Manager, Finance and Operations, with support from COV Legal as required, must conduct the Background/Ethical Scans on all prospective Sponsors proposing to provide a Total Value of more than \$10,000 and retain a record of the findings.
- 5.3 The Senior Manager, Finance and Operations is responsible for ensuring that there is no conflict or appearance of conflict of interest created by proposed Sponsorship, including without limitation and by way of example only, any conflict or appearance of a conflict with respect to any particular VEC employee or official, any existing contracts between the Sponsor and the City, any existing regulatory applications, enforcement proceedings, or other interactions between the City, VEC and the Sponsor. If the Senior Manager, Finance and Operations has any concerns in this regard, they must request advice from the COV Legal Counsel.
- 5.4 The VEC Staff Lead must avoid any communications with prospective Sponsors that would create the impression that the VEC intend to provide ongoing benefits (financial or otherwise) for the Sponsor beyond the terms of the Sponsorship Agreement, or which could be construed as interfering with existing contractual obligations.
- 5.5 The VEC Staff Lead is responsible for ensuring that each proposed Sponsorship does not unduly detract from the character, integrity, aesthetic quality or safety of the VEC Asset and does not unreasonably interfere with its enjoyment or use.
- 5.6 The Sponsorship Review Committee will not approve Sponsors that could prove detrimental to the VEC's public image.

- 5.7 Pursuant to the Freedom of Information and Protection of Privacy Act, VEC Staff Leads are responsible for ensuring that the privacy of the VEC's confidential information as well as the personal information of businesses is protected from disclosure to prospective and actual Sponsors.
- 5.8 While the Sponsorship Agreement will expressly prohibit this type of activity, VEC Staff Leads are responsible for monitoring and enforcing the Sponsorship Agreement so as to ensure that Sponsors do not breach the Sponsorship Agreement by implying that their products, services or ideas are endorsed by the VEC or by taking advantage of the benefits conferred under the Sponsorship Agreement to a greater degree than expressly granted by the Sponsorship Agreement.

## **6.0 Sponsor Eligibility and Restrictions**

- 6.1 The following types of Sponsors are not eligible for Sponsorships:
- a. parties that are disqualified from doing business with the VEC due to ongoing litigation or prior litigation,
  - b. parties (or any of their known affiliates) known to have previously violated any
    - (i) policy of the VEC or COV in any way,
    - (ii) any criminal law
    - (iii) the BC Human Rights Code, or
    - (iv) any other laws of Canada,unless such violation is considered by the Sponsorship Review Group to be of a minor nature and not prejudicial to the VEC's or COV's and the public interest (for example a minor parking violation)
  - c. parties that are registered as local elector organizations, political parties, religious organizations, or public advocacy groups.
- 6.2 Any person or party that engages in the following business is ineligible to be a Sponsor:
- a. manufacturing of armaments and weapons, or
  - b. producing and selling pornography, or illegal sexual services, or
  - c. any other categories as reasonably determined by the VEC or through the COV.
- 6.3 The above eligibility restrictions may be reviewed at any time by the VEC Board and be modified by the VEC Board from time to time and at any time in the VEC's

sole discretion, and will take effect immediately upon being published (as an amendment to this Policy).

- 6.4 Sponsorship involving products and services that may be considered harmful to the health of the target audience will require explicit approval by the VEC Board.

## **7.0 Rules on Procurement and Solicitation of Sponsorships**

- 7.1 As noted in the Definitions, there are three types of Sponsorship solicitation:

- a. Competitively Procured Sponsorship Arrangements,
- b. Un-Solicited Sponsorship Proposals, and
- c. Direct Solicited Sponsorship Proposals.

- 7.2 Competitively Procured Sponsorship Arrangements must be approved by the VEC Management Team lead for the applicable VEC Asset and the VEC CEO before being issued to the market by the Senior Manager, Finance and Operations in accordance with the Procurement Policy.

- 7.3 Un-Solicited Sponsorship Proposals shall be reviewed by the applicable VEC Staff Lead and if deemed appropriate forwarded to the Sponsorship Review Committee for review and, if acceptable, completed in accordance with Section 9 of this Policy.

- 7.4 Direct Solicited Sponsorship Proposals must be pre-approved by the Sponsorship Review Group prior to commencement of discussion and then completed in accordance with Section 9 of this Policy.

## **8.0 Principles of Competitive and Open Solicitation of Sponsorship Opportunities**

- 8.1 Wherever possible, Sponsorships will be solicited in an open, competitive and transparent manner in accordance with the Procurement Policy.

- 8.2 Un-Solicited Sponsorship Proposals and Direct Solicited Sponsorship Proposals will generally be avoided if it is possible to conduct a Competitively Procured Sponsorship Arrangement.

- 8.3 The solicitation, negotiation and administration of all Sponsorship Agreements are to be conducted in a transparent and objective manner by the VEC Staff Lead in consultation with the Senior Manager, Finance and Operations or by the City of Vancouver Legal Counsel, all in accordance with the Procurement Policy.

## **9.0 Non-Competitive Sponsorship Arrangements**

- 9.1 Non-Competitive Sponsorship Arrangements, resulting from Un-solicited Sponsorship Proposals and Direct Solicited Proposals may be considered at any time, but the VEC has no obligation to accept any of them.
- 9.2 Direct Solicited Sponsorship Proposals may be pursued and considered as a Permitted Sponsorship Sole Source, if the Sponsorship Review Group determines they meet the following criteria:
- a. The opportunity has a significant potential in terms of Total Value (in excess of \$20,000 but subject to change by the Sponsorship Review Group from time to time), and
  - b. The opportunity is aligned with the VEC’s Corporate Plan and policy goals.
- 9.3 Un-solicited Sponsorship Proposals may be considered as a Permitted Sponsorship Sole Source, if the Sponsorship Review Committee determines they meet the following criteria:
- a. The opportunity is aligned with the VEC’s Corporate Plan and policy goals;
  - b. The Un-solicited Sponsorship Proposal relates to a VEC Asset for which a set timeline is in place, and the timing of the Un-Solicited Sponsorship Proposal coincides with that timeline, and
  - c. The Sole Source provisions of the Procurement Policy are satisfied except that,
    - (i) The Notice of Intent to Contract provisions do not apply and are replaced by the Notice of Intent to Contract provisions set out in section 9.4 of this Policy.
    - (ii) “Total Price” will be read as “Total Value”
    - (iii) “Contract” will be read as “Sponsorship Agreement”
    - (iv) “Best Value” (for Sponsorships having a Total Value over the threshold in the Procurement Policy will be determined in accordance with Section 3.1 of this Policy
    - (v) “Best Value” means the rights and benefits to the Sponsor must be proportionate to the Total Value being provided to the VEC as determined:
      - for Total Value over the threshold in the Procurement Policy, by the Sponsorship Review Group or in the case of urgency by the CEO and the Senior Manager, Finance and Operations in accordance with Section 3.1 of this Policy, and
      - for Total Value under the threshold in the Procurement Policy, by the

staff authorized to do so.

- 9.4 Prior to signing a Non-competitive Sponsorship Arrangement, a Notice of Intent to Contract is to be issued as soon as possible, with the goal of a minimum 4 weeks prior to signing, on the BC Bid and/or City of Vancouver web-site, advertising the VEC's intent to enter into a contract without a public competitive procurement process. In situations where the Un-solicited or Direct Solicited Sponsorship Proposal is received with less than 4 weeks prior to the activation, the VEC may proceed with the proposal as long as the Notice of Intent to Contact is issued as soon as possible following the receipt of the proposal. If no complaints or concerns have been lodged in response to the Notice of Intent to Contract, this may be treated by the applicable authorized VEC staff as further support for the proposed Non-competitive Sponsorship Arrangement. Where there have been complaints or concerns lodged in response to the Notice of Intent to Contract, the applicable authorized VEC staff must be satisfied that such complaints or concerns do not warrant going out to a Competitively Procured Sponsorship Arrangement prior to proceeding with same.
- 9.5 A list of all Sponsors will be provided for public view on the VEC's website.

## **10.0 Call, Commitment, Signing and Change Authority for Sponsorship Agreements**

- 10.1 Competitively Procured Sponsorship Arrangements:
- a. Subject always to the requirements in Section 7.2 of this Policy on the authority to Call for a Competitively Procured Sponsorship Arrangement, the provisions of the Procurement will apply as follows:
    - (i) "Total Price" will be read as "Total Value"
    - (ii) "Contract" will be read as "Sponsorship Agreement"
    - (iii) "Funding Authority" will be read as "authority to issue a Call pursuant to the Sponsorship Policy"
- 10.2 Non-Competitive Sponsorship Arrangements:
- a. The Commitment Authority and Signing Authority for Non-Competitive Sponsorship Arrangements will not be governed by the Procurement Policy.
  - b. Commitment Authority is now delegated to the Sponsorship Review Group for all Non-Competitive Sponsorship Arrangements having a Total Value less than \$50,000.
  - c. Signing Authority is now delegated to the Sponsorship Review Group and the CEO for all Non-Competitive Sponsorship Arrangements having a Total Value

less than \$50,000.

- 10.3 With respect to any Extension, Change Order, or other matter delegated to staff under the Procurement Policy, the Senior Manager, Finance and Operations and the CEO will have such authority (in consultation with the VEC Staff Lead) with respect to such matters as they apply to any Sponsorship Arrangement in the Procurement Policy applying only to such changes to a Sponsorship Agreements having a Total Value under \$10,000.
- 10.4 Any Sponsorship having a Total Value of \$50,000 and over requires VEC Board approval prior to the Sponsorship Agreement being authorized and signed.

### **11.0 Monitoring, Reviewing and Reporting**

- 11.1 Application of the VEC's Sponsorship Policy, and its financial and non- financial impacts on a VEC-wide level, will be monitored and reviewed by the VEC Staff Leads, who will annually report to the CEO/VEC Board.
- 11.2 A list of all Sponsors currently under contract with the VEC shall be listed for public view on the VEC's website.
- 11.3 This Policy is to be reviewed by the Senior Manager, Finance and Operations/VEC CEO/Board or designate every two years and updated as required.
- 11.4 The VEC Board, CEO and Senior Manager, Finance and Operations are authorized to make all such administrative amendments and modifications to the Policy as are considered appropriate from time to time to reflect changes in organizational structure or staff title from time to time to better align with the VEC's Policy, and any other elements of the Policy other than the elements which legally delegate authority reserved to the VEC Board to VEC staff.

### **REFERENCE DOCUMENTS**

VEC Procurement Policy  
VEC Sustainable Procurement Policy  
VEC Supplier Code of Conduct  
VEC Code of Conduct

**APPROVAL HISTORY**

<b>ISSUED BY:</b> Senior Manager, Finance and Operations	<b>REVIEWED AND RECOMMENDED BY:</b>	VEC CEO, COV Legal	<b>DATE:</b> September 2, 2020
	<b>REVIEWED AND RECOMMENDED BY:</b>	VEC Finance & Audit Committee	<b>DATE:</b> September 10, 2020
	<b>APPROVED BY:</b>	VEC Board of Directors	<b>DATE:</b> September 22, 2020

**Next Review Date: October 2022**