

SOLE SOURCE REQUEST - POSTMEDIA NETWORK FOR CITY ADVERTISING

RECOMMENDATION

That a sole-source agreement between the City of Edmonton and Postmedia Network Inc. for the provision of print advertising services, for a three-year period ending December 31, 2024, for an amount not to exceed \$3 million, be approved and that the sole-source agreement be in a form and content acceptable to the City Manager.

Report Purpose

Council decision required

Council is being asked for approval to proceed with sole-sourcing a three-year agreement with Postmedia Network Inc. to provide Administration the option of purchasing print newspaper(s) advertising for public notification and legally required advertising.

Executive Summary

- The *Municipal Government Act* specifies that legally required advertising, such as proposed bylaws and other notifications, must be published at least once a week for two consecutive weeks for the public to view.
- While Bylaw 18826 permits the City to use methods other than newspaper advertising to meet this legislated requirement, including electronic methods, daily print newspaper advertising is one channel to provide appropriate public notification.
- In addition to print newspaper advertising, the City routinely purchases advertisements in various local mainstream and specialty publications, digital and outdoor channels and displays notifications on the City's website.
- The sole-source agreement enables the City to receive discounted rates for both legally required advertisements and other types of advertising. This results in savings without binding the City to spend a minimum amount.
- A sole-source agreement with Postmedia Network positions the City to respond well to the ever changing media landscape and allows flexibility to use other forms of advertising/public

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notification while continuing to meet its requirements under the *Municipal Government Act*, when appropriate.

REPORT

For more than 20 years, the City has purchased advertising from the Edmonton Journal, a publication of the Postmedia Network. Postmedia Network includes the Edmonton Sun, Edmonton Journal and Postmedia Digital. This is the largest print and digital media outlet in the Edmonton region — there is no other outlet with a similar reach.

Administration previously received approval from Executive Committee via the November 13, 2018, Communications and Engagement report CR_6410 to enter into a three-year agreement with Postmedia Network effective January 1, 2019. This agreement expires on December 31, 2021.

Communications and Engagement seeks to sole-source a new agreement with Postmedia Network for the publication of some public notifications required by the *Municipal Government Act* and other City of Edmonton advertisements in their newspaper(s).

Sole-source agreements are used when there is no evidence of an alternative solution (i.e. proprietary technology, original manufacturer/original equipment manufacturer, only existing supplier, etc.). Single-source agreements are used when there is potentially more than one service provider available. Given that Postmedia 1) is a daily print outlet, 2) has wide reach in Edmonton and also offers digital advertising options and 3) allows the City to use it as a method to meet its obligations under the *Municipal Government Act* for public notifications. For those reasons this is deemed as a sole-source (no alternative competitor can fulfill City's requirement). A future (2024+) reassessment will be undertaken to evaluate if it is feasible to pursue a competitive procurement process.

Advertising Approach

The *Municipal Government Act* specifies that legally required advertisements to be published at least once a week for two consecutive weeks to meet public notification requirements.

In addition to these legally required advertisements, the City routinely places advertisements to inform Edmontonians about civic services, safety and community initiatives and public engagement opportunities, including:

- Public Education Campaigns
- Major Attractions Marketing
- Safety Campaigns
- Service Information/Schedules
- Construction Notices
- Board Recruitments

In addition to the preferred rate in the agreement with Postmedia Network, the City operates a centralized advertising process, purchasing advertising through an integrated marketing agency. This process provides additional buying power when diverse and more localized approaches to advertising are required. These two agreements complement one another and provide the City

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with a comprehensive approach to the corporation's varied advertising needs, including consideration of local and ethnic media support.

Justification for Recommendation

The proposed \$3 million for sole-sourcing a three-year agreement with Postmedia Network enables the City to receive discounted rates for both legally required advertisements and other types of advertising. This results in savings for the Corporation without binding the City to spend a minimum amount. Therefore, as digital advertising volumes increase and print advertising volumes decrease, Administration is able to modify its advertising methods without incurring a financial penalty.

Financial Implications

The requested sole-source will allow the city to purchase advertising as required, at negotiated rates and under set terms and conditions, up to the total amount of the sole-source agreement over a three year period. It does not represent a spending commitment or forecast. Advertising secured through this sole-source agreement will be funded within the approved operating budget.

Legal Implications

As per the City Administration Bylaw 16620, procurement agreements over \$1,000,000 that do not arise from a competitive procurement process must be approved by the appropriate Committee of Council.

The City is subject to trade agreements that require an open competitive process for procurements of this value, unless a trade agreement exemption applies. For this procurement, the sole source exemption in each trade agreement applies.

COMMUNITY INSIGHT

The general public was not engaged since the *Municipal Government Act* specifies that legally required advertising, such as proposed bylaws and other notifications, must be published at least once a week for two consecutive weeks for the public to view.

GBA+

The sole-source agreement for Postmedia Network advertising is one advertising option in an overall advertising placement program that provides multiple avenues to reach Edmontonians. Individual advertising campaigns and media buying decisions are determined strategically and often use multiple channels to ensure targeted exposure to the diverse audiences the City serves.