



City of
Peterborough

To: Members of the General Committee

From: Sandra Clancy, Chief Administrative Officer

Meeting Date: September 12, 2022

Subject: Provision of Third-Party Advertising and Associated Street Furniture, Report CAOCS22-005

Purpose

A report to recommend approval of a Sponsorship Agreement between the City and The Bench Press Ltd. for the supply, maintenance and advertising operations of a street furniture program on City property, including selected Transit stops.

Recommendation

That Council approve the recommendation outlined in Report CAOCS22-005, dated September 12, 2022, of the Chief Administrative Officer as follows:

That the City enter into an agreement with The Bench Press Ltd. for the supply, maintenance and advertising operations of a street furniture program on City property for 10 years, with an estimated start date of October 1, 2022, for an estimated value of \$160,000 and with the option to extend for one-year periods as approved by the Administrative Staff Committee.

Budget and Financial Implications

The City will generate an estimated \$8,000 to \$16,000 in revenue per year for 10 years, or \$80,000 to \$160,000 over the duration of the initial term of the contract. The actual annual revenue amounts will be based on the number and types of street furniture approved by the City for placement by The Bench Press. After the third year of the contract, an inflationary increase of 3% will be applied to the fees paid to the City by The Bench Press.

In addition to the revenue, the City will receive service benefits at no cost to the City for the deployment of an estimated 90 pieces of street furniture along pedestrian corridors and transit routes. The cost of installation, service and maintenance of the street furniture will be the sponsor's cost.

Based on the value of revenue received plus the value of the street furniture and annual operating costs, the City will receive an estimated benefit of \$500,000 over the ten year period when both revenue and in-kind benefits are considered.

Background

Sponsorship of Public Benches for Transit and Sponsorship of Public Waste/Recycling Bins for Waste Management are designated as Level 4 assets in the City's Sponsorship Asset Inventory. Under the Sponsorship Policy, Section 9.3.3, Council is the approval authority for sponsorship agreements that include Level 4 sponsorship assets.

The City has historically had two separate agreements for the supply and operation of third-party advertising on benches and the supply and operation of third-party advertising on waste receptacles.

An agreement with Hutchinson Signs, dated February 1966 and signed by the Mayor and Clerk, specified 47 locations that Hutchinson can place benches for third-party advertising. The agreement has no expiry date, and the City receives no revenue from Hutchinson in return for its ability to sell advertising on City property under the agreement.

The Bench Press, which has operated under the name Creative Outdoor Advertising, sells advertising on waste receptacles that it provides under an agreement dated September 14, 2012. The agreement was extended on October 29, 2018 and expired on September 13, 2019. The parties continue to operate under the terms of the expired agreement, providing approximately \$3,000 a year in revenue to the City as well as the waste receptacle services by The Bench Press that are associated with each third-party advertising fixture.

Through report CAOCS21-004, Council approved the following motion at its meeting on October 25, 2021:

That, prior to the City issuing an expression of interest under the Sponsorship Policy to solicit proposals for third-party advertising with the provision of street furniture and waste receptacles, the City issue notice, in a form satisfactory to the Chief Administrative Officer and City Solicitor, notifying Hutchinson Signs of the City's intent to terminate the 1966 agreement between the City and Hutchinson Signs for the company's third-party advertising activity on City property.

Following Council's direction on October 25, 2021, the City provided information to Hutchinson Signs on its intent to issue an expression of interest to provide third-party advertising services and the associated street furniture.

An expression of interest document under the Sponsorship Policy for the provision of third-party advertising services and the associated street furniture was posted on January 14, 2022 and closed on January 31, 2022. In addition to posting and promoting the opportunity, the City sent the document to Hutchinson Signs, The Bench Press, and several other companies that provide similar services in municipalities in Ontario.

Only The Bench Press submitted a response to the expression of interest.

Under the proposal, the City will combine under a single agreement the provision of third-party advertising and associated street furniture for benches and garbage receptacles. The City will be provided with refreshed street furniture and garbage receptacles at various locations, including selected Transit stops. It is estimated that there will be 80 locations that The Bench Press will choose, which will each require City approval. In addition, the City will select an additional 10 locations for benches that will be non-revenue generating locations; The Bench Press will provide these benches for locations that they do not believe are busy enough to be marketable.

Internal discussions on the proposal with The Bench Press included:

- Planning
- Transportation
- Public Works
- Arenas
- Recreation
- Waste Management
- Accessibility
- Legal
- Risk Management

Through the discussions on the proposed agreement for third-party advertising on associated street furniture and waste receptacles, stakeholders requested a different waste receptacle model for the downtown area to better meet the challenge associated with the high-use urban core. The Bench Press has offered a solution that it believes will support increased cleanliness associated with the waste receptacles.

If this report is approved, under the Sponsorship Policy, Section 10.4.1(b), the City Clerk and a Commissioner are delegated the authority to execute sponsorship agreements that are valued between \$100,000 and \$250,000.

Summary

With the approval of this report, the City would enter into a 10-year agreement, with an option to renew for one-year periods, with The Bench Press Ltd. for the provision of third-party advertising and the provision and maintenance of the associated benches and waste receptacles on City property. The estimated value of revenue to the City will be up to \$160,000 for the initial 10-year term, depending on the number of locations activated by the City and The Bench Press.

Submitted by,

Sandra Clancy
Chief Administrative Officer

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