



# Council Policy Manual

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## CP9.5 Sponsorship of City of Perth Activities

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### POLICY OBJECTIVE

The objective of this policy is to provide direction and guidelines for corporate sponsorship of City of Perth activities, facilities, services and programs.

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### POLICY STATEMENT

It is the policy of the City of Perth to encourage opportunities for the sponsorship by third parties of City activities facilities, services and programs as a means of:

- (a) Managing the costs associated with the provision of the City’s services;



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- (b) Aiming to improve the provision of the City's services; and
- (c) Developing an alternative source of income to facilitate the provision of the City's services.

### 1. Definitions

**Sponsorship** - is the purchase of the right to associate the sponsor's name, products or services with City of Perth activities, products or services in return for negotiated benefits.

For the purposes of this policy, the following are not considered to be sponsorship activities unless included as part of an overall sponsorship package in which other direct sponsorship benefits are provided:

- stand-alone advertising contracts;
- joint ventures, consultancies or partnerships where responsibility is shared for the ultimate outcome or product;
- projects such as displays and exhibitions in which the sponsor does not receive genuine and measurable value for money;
- grants, gifts, donations, bequests, endowments and prizes;
- scholarships; or
- research projects where it could relate to or influence public policy.

**Project** - the component or components of a facility, program, service or activity for which the City is responsible under the Local Government Act 1995 or which the Council has determined to undertake.

**City** – is the City of Perth.

**Council** – is the Council of the City of Perth.

**Chief Executive Officer** – is the Chief Executive Officer of the City of Perth.

### 2. Purpose

This policy applies to those arrangements with the City where sponsorship is used from an external organisation to help resource City activities, facilities, services or programs. This includes where the City is responsible for either directly or through Council Purchase of Service Agreements to provide services and in return the City provides the external organisation with specific



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marketing benefits. The resources provided to the City may be direct funding, in-kind services or a combination of both.

Corporate sponsorships shall be used to manage the costs associated with the delivery of City projects and applied to:-

- 2.1 reduce or eliminate the net cost of delivering a project.
- 2.2 enhance or expand a City Project or the City's ability to acquire goods.
- 2.3 generate a net increase in revenues without any effect on programming, services, or facilities.
- 2.4 assist in the promotion and reduction of running costs of events staged by the City.
- 2.5 assist in the promotion and implementation of community programs of artistic and cultural value.

### **3. Use of Sponsorship**

Sponsorships shall be used only for those projects, which are part of the City's approved service mandate, or for those projects, which are mandated by the Council either through the budget process, or by resolution of the Council.

The City's sponsorship program shall be managed in a manner that is organised, consistent and proactive to eliminate duplication and to avoid confusion in the market place.

### **4. Pricing of Sponsorship Opportunities**

To give recognition to the factors which make projects valuable to sponsors, and the requirement for flexibility and adaptability which the pricing of each sponsorship opportunity brings with it: -

- 4.1 The value of sponsorship opportunities for projects will be determined through the negotiation process, which precedes individual sponsorship arrangements.
- 4.2 The City of Perth will price sponsorship opportunities in a manner, which maximises their appeal, while fairly reflecting their value to sponsors.



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### **5. Sponsorship Solicitation and Negotiation**

The solicitation of sponsorships shall be conducted in a manner that enhances access and fairness and that results in the optimal balance of overall benefits to the City, the sponsor and the community.

The costs of arranging sponsorships must be covered out of approved expenditure authorities. They may not be deducted from funds received from sponsors.

Sole source negotiations may be entered into if the sponsorship value is less than \$50,000, GST exclusive.

The City reserves the right to reject any and all unsolicited sponsorships that have been offered to the City and to reject any and all proposals for sponsorships that have been openly solicited by the City.

### **6. Sponsors and Sponsor Products**

To ensure that projects are associated with sponsors and products that are compatible with, complimentary to, and reflective of the City's values and its mandate including:

- no sponsorship from tobacco companies;
- no political sponsorship;
- preference for businesses located in the City of Perth;
- sponsorship from lobby groups to be at the discretion of the Council.

### **7. Sponsor Recognition**

The City will provide a level of recognition to the sponsors of projects which fairly reflects their contributions and optimises the benefits and satisfaction they derive from their association with such projects, as well as maintaining a prominent profile and acknowledgment of the City's ownership of the project.

### **8. Sponsorship Agreements**

Sponsorship agreements shall be confirmed in writing and relate to a specific project. They may not involve future consideration or influence the day-to-day business of the City and/or Council.



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The duration of sponsorship agreements shall be fixed and shall not normally exceed one year. Sponsorship agreements extending beyond one year will require the approval of the Council. In situations where sponsors must make significant capital investments as a part of the sponsorship, a longer term may be considered in order to reasonably amortise capital costs or develop stronger sponsor identification with a project.

All publicity and advertising must conform to relevant laws and statutes and the policies and strategies of the City of Perth.

The City reserves the right to cancel projects not yet in progress if operational or budget requirements dictate.

All sponsorship agreements entered into by the City shall include a clause that reserves for the City the right to terminate an existing sponsorship agreement should any of the following occur:-

- 8.1 The sponsor organisation uses the City's name outside the parameters of the sponsorship agreement, as embodied in the agreement, and without prior consent.
- 8.2 The sponsor organisation develops a public image inappropriate to the City's service and/or objectives.

## **9. Approval Authority**

The Chief Executive Officer may determine in accordance with Delegated Authority as detailed in the City's Delegated Authority Register, to enter into a sponsorship agreement with a sponsor organisation provided all requirements of the Sponsorship of City of Perth Activities Policy are met and provided the contribution value is no more than \$50,000, GST exclusive.

When the value of a proposed sponsorship is greater than \$50,000, GST exclusive, the sponsorship proposal shall require the approval of the Council.

Where there may be more than one interested party in sponsoring a City of Perth activity, a process to seek quotations, expressions of interest or tender shall be undertaken.

## **10. Risk Management**



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To recognise and strive to minimise the City's varying degrees of liability and risk associated with sponsorship initiatives, the following two sponsorship categories will be adopted for the purpose of managing the risks associated with the sponsorship of projects:-

### Category One

City events, activities, programs or services where the City provides concept management and supervision and a sponsor provides total or partial financing, goods, materials or promotional support.

Co-sponsored events, activities, programs or services where the City and sponsor share supervision and financing.

### Category Two

Events, activities, programs or services where the sponsor provides supervision and financing, and the City provides supporting assistance with promotion, equipment and/or facilities.

As a means of transferring to sponsors some of the risks involved with sponsorship arrangements, the following minimum insurance requirements are to be made an integral part of all arrangements falling within the risk categories detailed above. A higher level of insurance should be specified if deemed appropriate following consideration of the risks involved:

### Category One

The City and sponsor(s) shall indemnify and hold harmless the other except of each other's sole negligence.

### Category Two

The sponsor shall provide and maintain during the term of the sponsorship agreement, Comprehensive General Liability Insurance, or in the case of one time only events, Special Events Liability Insurance, acceptable to the City and to a value determined by the City for bodily injury, death, and damage to property including loss of use thereof. Such insurance shall be in the joint names of the City and sponsor.



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### 11. Conflict of Interest

All City employees, contractors, and elected members are bound by the City of Perth Code of Conduct and are prohibited from receiving personal financial rewards for their involvement in the solicitation, negotiation, authorisation or execution of a sponsorship arrangement for a City project.

All City employees receiving products, goods or services as mementoes or tokens of appreciation from sponsors, will disclose the receipt of such items in accordance with the City’s Code of Conduct and policies.

City employees and members of the Council must declare an interest if any person with whom they are closely associated as defined in section 5.62 of the Local Government Act 1995 is entering into sponsorship arrangements with the City.

The use of any sponsor contributions of funds, goods or services to stage employee social events or functions must be disclosed to the sponsor and the Chief Executive Officer, as well as any member of the Council or the public if such information is requested.

The inclusion of sponsorship opportunities in the letting of contracts is prohibited other than when it is specifically included in specifications for quotations or tenders in which case the specification must include:

- a detailed description of the form of sponsorship
- the monetary value of the sponsorship
- the benefits to be provided to the sponsor
- the value of the benefits to the sponsor

The full value of the sponsorship gained in conjunction with the letting of a contract must be used to reduce the cost of the contract.

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