

Advertising Review Board

Annual Report 2013-14

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Message from the Chair

I am pleased to report on another busy year for the Advertising Review Board (ARB), while operating as the Ontario government's primary contact with the advertising and communications industries, and delivering on its mandated programs and services to support government organizations in their efforts to serve the public interest.

We have continued to work hard and remain focused on strengthening the trust and confidence government clients and key communities have in our organization, and upholding our reputation as a credible, collaborative and highly regarded business partner in fulfilling a broad range of enterprise wide needs for advertising, public and media relations, and creative communications services.

The integrity, transparency and value represented by our best-in-class procurement model and processes, together with our senior level industry expertise and vital role in supporting the acquisition and management of critical supplier relationships, are well respected and endorsed both internally and externally. This is a testament to the leadership and stature of the ARB Managing Director, senior staff and Private Sector Members of the Board, each of whom has extensive industry experience and has been influential in shaping our profile.

Noteworthy achievements for 2013-14 included:

- Initiating the open competition to establish a new corporate Vendor of Record (VOR) arrangement for graphic design and creative services;
- Improvements to the centralized management of the two contracted media planning and buying agencies of record (AORs);
- Managing 41 second stage supplier selections involving the assignment of projects to companies in the contracted advertising and public relations services pools, and 21 second stage selections for graphic design services;
- Organizing the successful "Change Makers Conference" public sector advertising and social marketing event held as part of "FFWD Advertising & Marketing Week";
- Providing funding support to three unique multicultural marketing campaigns through the Corporate Communications Fund; and
- Supporting the Office of the Auditor General of Ontario with the reporting of 2013-14 media expenditures for reviewable ministry advertising items under the Government Advertising Act, 2004.

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Throughout its years of operation, the ARB has performed the role of a trusted advisor and transformed its procurement practices to adopt strategies and ongoing process enhancements that deliver cost savings, superior supplier performance and improved outcomes for both government clients and communications suppliers.

This is consistent with our historical mandate and with government priorities to provide strategic, integrated and value-added advice and support, and provide cost-effective, sustainable and efficient quality service delivery.

Feedback from government clients and industry stakeholders continues to be very positive, reflecting strong levels of satisfaction with the ARB, and trust in our subject matter knowledge, provision of sound advice and solutions, and established programs for the timely, efficient and responsible acquisition of supplier services.

On behalf of the entire ARB team, we look forward to further enhancing the quality and delivery of our services and support, and strengthening our many valued partnerships in the years ahead.

A handwritten signature in black ink, reading "Michel Frappier". The signature is fluid and cursive, with a large initial "M" and "F".

Michel Frappier

Chair

Background and Mandate

Established in September 1985, the Advertising Review Board (ARB) is a regulatory agency of the Ministry of Government Services (MGS).

Under the authority of the Management Board of Cabinet (MBC) *Procurement Directive on Advertising, Public and Media Relations, and Creative Communications Services*, the ARB is designated as a mandatory central common service for the procurement of Ontario government advertising and communications services, to ensure ministries and government agencies acquire these services in a manner that is fair, open, transparent and accessible to qualified suppliers.

The mandated activities of the ARB are to:

- Function as the Ontario government's primary contact with the advertising and communications sectors;
- Provide ministries and government agencies with assistance and advice on the acquisition of advertising and communications services;
- Establish all mandatory, corporate Vendor of Record (VOR) arrangements for advertising, public and media relations, and creative communications services through open competitive processes, including the two agency of record (AOR) contracts for media planning and buying services;
- Conduct all competitive and non-competitive procurements, including second stage selection from existing corporate VOR arrangements, with an estimated contract value¹ of \$100,000 or more;
- Conduct, when requested by ministries and government agencies, competitive and non-competitive procurements, including second stage selection from VOR arrangements, with an estimated value between \$25,000 and \$100,000; and
- Monitor and report on compliance with the Procurement Directive on Advertising, Public and Media Relations, and Creative Communications Services.

Corporate VOR arrangements consist of advertising and communications suppliers that are pre-authorized to bid competitively for government projects. The open competitions to establish these contracts are both extensive and rigorous, and are conducted by the ARB in strict adherence to the principles of fairness, accessibility and transparency that conform to government procurement guidelines and policies.

¹ Contract value refers to supplier fees, production and third-party costs

Contracts valued at \$25,000 and more are competitively awarded based on capability and merit. Second stage selections from existing corporate VOR arrangements typically involve three or more candidates. Ministries and government agencies may use their own procedures for the acquisition of services valued at less than \$25,000 provided the principles of access, equity and value for money are considered. Contracts cannot be split to allow for the awarding of multiple contracts to the same supplier, each valued at less than \$25,000 but totaling more than \$25,000 – each must be unique and the terms of reference must be substantively different.

Overview of Programs and Activities

Procurement of Advertising and Communications Services

A primary activity of the Advertising Review Board (ARB) is the fair and transparent procurement of advertising, public and media relations, and creative communications services for government clients. The organization has well established processes in place to fulfill this mandate.

Corporate contract arrangements that have been created by the ARB for mandatory use by ministries and government agencies include:

- Two advertising and marketing communications services pools (36 companies)
- Public relations and communications services pool (19 firms)
- Multicultural/Aboriginal marketing communications services pool (4 suppliers)²
- Graphic design and creative services Vendor of Record (VOR) (96 companies)
- Media planning and buying agency of record (AOR)
- AOR for regulatory, statutory and tender notices, and recruitment advertising

Developed by the ARB to provide qualified suppliers with fair and equitable access to Ontario government business, the large-scale open competitions used to create the corporate supplier pools and VORs are extensive and rigorous and usually require several months to complete. There are typically two stages: (1) evaluation of written proponent submissions and (2) capability presentations by the short listed candidates.

Contract opportunities are advertised nationally in accordance with Ontario's trade agreements and appear in both print and electronic publications, including *The Globe and Mail ROB*, *National Post* and online editions of *Marketing Magazine*. Interested parties must respond in writing by a specific closing date.

² 2 Contracts expired on October 13, 2013

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Respondents are invited to attend a mandatory briefing where the competitive process and client service requirements are outlined, and a detailed information package is provided that includes the competition timelines, account profile with full contract details, capability questionnaire, conflict of interest and tax compliance declarations, description of the government's contractor security clearance process, mandatory requirements and pro forma agreement.

Proponents are required to attend the mandatory briefing session in order to participate in the competitive process, and a teleconferencing option is always offered. There is an opportunity for written questions following the briefing, which are responded to in writing and shared with all attending candidate companies.

The first competitive requirement involves proponents' submission of written proposals in response to the capability questionnaire by a specified due date and time. All rated criteria relate directly to the evaluation of capability and relevant experience and have assigned points. Candidate submissions are provided to review panel members, who score independently against the questionnaire values. Review panels typically consist of the ARB Chair and/or Managing Director, one or more Private Sector Members and up to two senior client representatives.

Following the independent evaluation of written submissions, panel member scores are tabulated and the short list is established. Candidates with submission scores that meet the minimum published threshold advance to the final stage of the competitive process.

Short listed proponents are required to attend a secondary mandatory briefing where the next stage of the competition is explained. A description of the final capability and selection criteria is distributed and lots are drawn for presentation times. An opportunity for written questions is also provided. No further contact between candidates and the review panel is permitted after this meeting.

The outcome of the ARB competitive process is determined by the final capability stage. For the corporate supplier pools and VORs, all short listed proponents whose scores meet the minimum published requirement are recommended. When a single contract is being awarded, the candidate with the highest total score is declared the winner. Prior to the awarding of contracts, the final supplier recommendations are approved by the Deputy Minister of Government Services.

Contracted suppliers in the corporate pools and VORs are required to be available to bid for future government projects on a non-exclusive basis. There is no guarantee of any dollar volume of work or that projects will be allocated equally, a condition that all interested and successful proponents are made aware of in writing.

Specific projects are awarded to these suppliers on the basis of competitive second stage selection. When client requirements cannot be serviced by existing corporate

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arrangements, due to unique or highly specialized supplier requirements or timing, consideration is given to undertaking an invitational or open competitive process.

In order to initiate a second stage supplier selection for the procurement of services, government clients are required to provide a detailed project brief to the ARB. This document outlines the advertising or communications need, scope of services and deliverables, estimated budget and proposed term of the supplier engagement.

The ARB recommends three or more candidate firms from the appropriate pool or VOR arrangement who will be invited to make in-person capability presentations or submit written proposals in response to the client briefing document. These are evaluated by a selection panel comprised of ARB and/or client representatives, depending on the total estimated contract value.

Second stage supplier selections are determined by client needs, relevant supplier capabilities and experience, demonstrated results on previous projects and proposed professional fees. These criteria are judged by the scoring panel based on the proven ability of candidates to successfully service client requirements.

Any proponent may request a debriefing on their written submission and/or capability presentation following the completion of an open competitive first stage process or invitational competitive second stage selection. For open competitions, short-listed candidates who are not awarded a contract are automatically offered a debriefing.

Debriefing sessions consist of a quantitative and qualitative review of the proponent's submission and/or presentation. Industry response to ARB debriefings has always been highly positive. Many suppliers have reported that they have been able to successfully leverage this feedback to improve their subsequent submissions and/or presentations.

Media AOR Management

Management of the two government media planning and buying AOR relationships is another major responsibility of the ARB, to ensure government clients are well served by these suppliers, and receive good value for their advertising spending in terms of cost efficiency and effectiveness.

In addition to liaising with the media AOR suppliers on an ongoing basis, this involves the monitoring of enterprise wide advertising expenditures and placements, providing informed counsel to clients on all aspects of their media requirements, identifying new opportunities for improved tracking and annual development of comprehensive guides.

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The media landscape is dynamic and ever-changing, which requires the ARB to remain informed of new communications channels, as well as transformative developments in media planning, buying and measurement techniques.

Reporting

Monitoring compliance with the *MBC Procurement Directive on Advertising, Public and Media Relations, and Creative Communications Services* is undertaken by reporting annually on the use of advertising and communications services by ministries and government agencies. Responses from government client organizations for 2013-14 indicate that there is compliance with procurement requirements and guidelines.

The *Government Advertising Act, 2004* includes a requirement for the Office of the Auditor General to report on annual ministry expenditures for reviewable advertising items. The two media AORs are a primary source for this information.

Corporate Communications Fund (CCF)

The ARB administers the CCF to support advertising campaigns in ethnic community and Aboriginal media. Funding may also be provided for corporate and multi-ministry initiatives. Clients must submit a funding request to the ARB with full program details.

Review of Operations

Open Competitive Processes

The open competitive process to establish a new corporate VOR for graphic design and creative services was initiated in early January 2014 with the posting of the competition document on the MERX electronic tendering system and national publication of notices. This will be completed during 2014-15.

Second Stage Supplier Selections

Considerable ARB activity was dedicated to supporting the competitive second stage selection of contracted suppliers to fulfill the particular needs of government clients. Procurements for contracts valued at \$100,000 or more were directly managed by the ARB, and processes for assignments valued at less than \$100,000 were handled by individual ministries and government agencies under the ARB's guidance and oversight.

Public Relations & Communications Services Pool

Fifteen competitive second stage selections were completed on behalf of 13 ministries and government agencies. Four direct assignments were made in response to client authorized requests for contract extensions and follow-on agreements to facilitate the continuation and completion of project requirements.

ARB Managed Second Stage Processes

Ministry/Government Agency	Project *	Company
Alcohol & Gaming Commission of Ontario	Public Relations & Communications Projects	Devon Group
Cancer Care Ontario	Public Relations & Communications Projects	Media Profile
Children & Youth Services	Poverty Reduction Strategy Consultations	Veritas Communications
Economic Development, Trade & Employment	International Marketing Programs ¹	Media Profile
Economic Development, Trade & Employment	International Marketing Programs ¹	Media Profile
Economic Development, Trade & Employment	International Marketing Programs ¹	Media Profile
Economic Development, Trade & Employment	Summer Company Communications	Marshall Fenn Communications
Education	Great to Excellent Consultations	Enterprise Canada
Education	PPC Promoting Experiential Learning	Hill+Knowlton Strategies
Energy & Infrastructure	Public Relations & Communications Projects	Weber Shandwick
Government Services	Open Government Public Consultations	GCI Canada
Health Quality Ontario	Public Relations & Communications Projects	Environics Communications
Municipal Affairs & Housing	Land Use Planning System Consultations	Enterprise Canada
Municipal Affairs & Housing	P/T Housing Forum Communications ¹	Devon Group

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Ministry/Government Agency	Project *	Company
Northern Development & Mines	2014 F/P/T Energy & Mines Ministers Conference	Enterprise Canada
Ontario Lottery & Gaming Corporation	Public Relations & Communications Projects	NATIONAL Public Relations
Ontario Science Centre	Public Relations & Communications Projects	Argyle Communications
Transportation	Metrolinx Investment Strategy Consultations	Argyle Communications

1 Non-competitive re: completion/continuation of work initiated under a previous competitively awarded contract

* Contracts valued at more than \$25,000 including supplier fees, production and third-party costs

Client Managed Second Stage Processes

Ministry/Government Agency	Project *	Company
Municipal Affairs & Housing	P/T Housing Forum: Long-Term Federal Funding for Affordable & Social Housing Strategy	Devon Group

* Contracts valued at more than \$25,000 including supplier fees, production and third-party costs

Advertising & Marketing Communications Services Pools

A total of 22 second stage selections were undertaken from the corporate advertising and marketing communications services pools for 15 government client organizations. These included 15 invitational competitive processes and seven direct assignments. Four of the non-competitively awarded contracts were project continuations, one involved a refresh of advertising materials developed under previous contract, one facilitated the re-negotiation of talent rights for broadcast use, and one supported a business requirement for supplier continuity to ensure creative consistency with other existing advertising and promotional campaigns.

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ARB Managed Second Stage Processes

Ministry/Government Agency	Project*	Company
Accessibility Directorate of Ontario	Employer Compliance Awareness Programs	Extreme Group
Cancer Care Ontario	Digital Communications Strategy & OCRAT Project	kbs+
Children & Youth Services	Autism Parent Resource Kit	Brandhealth
Children & Youth Services	Mobilizing Stepping Stones Marketing Communications	Idea Studio
Children & Youth Services	Mobilizing Stepping Stones Marketing Communications ¹	Idea Studio
Consumer Services	Ontario Consumer Campaigns	Cundari Group
Economic Development, Trade & Employment	International Investment & Trade Marketing Programs ¹	Ogilvy & Mather
Economic Development, Trade & Employment	International Investment & Trade Marketing Programs ¹	Ogilvy & Mather
Finance	Auto Insurance Cost & Rate Reduction Strategy Campaigns	Marshall Fenn Communications
Finance	Ontario Savings Bonds, Tax System & Provincial Fiscal Cycle Campaigns	Agency59
Infrastructure	Awareness Advertising Campaign	Rain43
Liquor Control Board of Ontario	Vintages Advertising & Promotional Campaigns ²	Leo Burnett
Metrolinx	UP Express Advertising & Marketing Communications	John St.
Ontario Lottery & Gaming Corporation	Brand Strategy Modernization Project	The Hive
Ontario Lottery & Gaming Corporation	Lottery Brands Chinese & South Asian Marketing Campaigns ³	Dyversity Communications
Ontario Science Centre	Advertising & Promotional Campaigns	Cleansheet Communications
Public Health Ontario	Creative Services Projects	Naked Creative

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Ministry/Government Agency	Project*	Company
		Consultancy
Training, Colleges & Universities	30% Off Ontario Tuition Grant Campaign ¹	Grey Advertising
Training, Colleges & Universities	Youth Jobs Strategy Campaign	Bensimon Byrne
Transportation	2013 Veterans Campaign ¹	Y&R
Transportation	Pan/Parapan Am Games Transportation Campaigns	JAN Kelley Marketing
TVOntario	Advertising & Marketing Communications ¹	Leo Burnett

1 Non-competitive re: completion/continuation/revision of work performed under a previous competitively awarded contract

2 Non-competitive re: authorized client need for supplier continuity

3 Multicultural marketing communications services pool assignment

* Contracts valued at more than \$25,000 including supplier fees, production and third-party costs

Graphic Design & Creative Services VOR

The needs of 17 government organizations were fulfilled from the corporate graphic design and creative services VOR for a variety of projects valued at more than \$25,000 including print and digital marketing communications materials and exhibits. Seventeen competitive selection processes were completed by client ministries and agencies, three competitions were managed by the ARB and one direct assignment was made.

Competition Oversight

The ARB observed the open competitive process for the Ontario Lottery and Gaming Corporation's social media VOR, to ensure conformity with established procurement guidelines and best practices.

Media AOR Management

ARB's centralized direction and dedicated oversight for the two media planning and buying AOR relationships continued to strengthen throughout the year, driven by the organization's critical and evolving media management role.

One of the key priorities of this function is to enforce greater supplier accountability for the efficient and effective allocation of government advertising expenditures to ensure these compare favorably with the general Ontario market.

As part of an annual initiative to evaluate and benchmark the relative cost efficiencies of government broadcast campaigns, a follow-on third party audit will be undertaken of fall 2013 television buys using the same criteria as the fall 2012 media cost audit.

Planned for completion in the first quarter of 2014-15, this study will provide a further analysis of government media rates and campaign cost efficiencies against industry standards. The results will be used to inform the development of media planning and buying strategies for improving campaign performance in the future.

Another primary and ongoing responsibility of the media AOR management role is to monitor the quality and timely provision of services by these suppliers in delivering against increasingly complex client requirements.

During the year, the ARB consulted regularly with ministries and government agencies on a wide range of media matters, including major planned campaigns, and conducted reviews of AOR supplier activities.

Corporate Communications Fund (CCF)

Three multicultural marketing communications programs were supported during the year: Ministry of Transportation's "*Know Your Rights Campaign*", Ontario Science Centre's "*The Human Edge Exhibition Launch Campaign*" and the Ontario Tourism Marketing Partnership Corporation's "*Newcomers to Ontario Marketing Strategy*".

Industry Relations

The ARB supports the interests of three key communications industry organizations: Advertising Standards Canada (ASC), the Association of Canadian Advertisers (ACA) and the Institute of Communications Agencies (ICA).

In 2014, the ARB planned and organized the "*Change Makers Conference*" – a new public sector social marketing communications event held in January during the ICA's "*FFWD Advertising & Marketing Week*".

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This represented a significant, high-profile stakeholder relations initiative, and drew an audience of more than 350 attendees from the communications industries, government client organizations and the broader public sector. Feedback to the day-long session was extremely positive.

Another important aspect to maintaining favourable industry relations is the ongoing accessibility of the organization. More than 50 companies were debriefed by the ARB during 2013-14.

Communication and Education Activities

The ARB has a diverse and complex network of stakeholders:

- General public
- Advertising and communications communities
- Government client organization communications staff at all levels
- Ministry staff
- Central Agencies

Key messages communicated to these constituents continued to focus on corporate directives, as well as ARB procurement processes and services.

The ARB will continue an extensive communications outreach program for government clients, including educational seminars and meetings with communications branches, and presentations to government stakeholders.

Government client communications have been enhanced with ongoing refinements to the ARB Intranet site, and electronic distribution of comprehensive User Guides for the corporate pools and VORs. These contain detailed guidelines on the acquisition and use of advertising and communications services, as well as tools and templates.

Staffing

During the past year, the ARB employed four full-time staff:

- Managing Director
- Media AOR Manager
- Senior Communications Advisor
- Information Coordinator

Fiscal Performance

The ARB financial expenditures for 2013-14 were \$1.149-million as outlined below:

Standard Account	2013/14 *MBC Authorized	Actual Expenditures
Salaries & Wages	\$506,200	\$470,154
Employee Benefits	\$45,100	\$42,974
Transportation & Communication	\$15,000	\$15,211
Services, including CCF	\$567,000	\$613,284 ¹
Supplies & Equipment	\$19,100	\$7,053
TOTAL	\$1,152,400	\$1,148,677

1. CCF: \$343,520

* Represents 2013-14 Printed Estimates Allocation and in-year TBO approvals

Operational Performance

The ARB assesses its annual performance against the following:

- Ensuring the timely and efficient acquisition of advertising and communications services through fair and transparent competitive selection processes that comply with the MBC *Procurement Directive on Advertising, Public and Media Relations, and Creative Communications Services*;
- Reinforcing its reputation as a respected and responsive business partner among internal clients and stakeholders, as well as external communications communities;
- Delivering value-added expertise in servicing government client requirements;
- Continuous improvement to the organization's portfolio of service offerings;
- Compliance with service standards as required by the *OPS Service Directive*.

ARB Board

The current Board is comprised of a part-time Chair and three part-time members. All are Ministerial appointments pursuant to the *MBC Government Appointees Directive*.

Chair

Michel Frappier

June 1, 2004 – June 2, 2015
(appointed Chair effective November 1, 2004)

Private Sector Members

Kiriakos (Charlie) Angelakos

July 5, 2012 – July 4, 2014

Freda Colbourne

August 8, 2013 – August 7, 2015

Heather MacLean

September 23, 2010 – September 22, 2015

Past 2013/14 Members

Mary Koven

June 1, 2004 – June 1, 2014