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Advertising Review Board annual report 2015-2016

The Advertising Review Board annual report describes agency activities and performance analysis for the year.

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Message from the Chair

In the more than 30 years since it was created by the Honourable Elinor Caplan, then Chair of the Ontario Government's Management Board of Cabinet, the Advertising Review Board ([ARB](#)) has worked hard to ensure balance and fairness in the competitive processes developed to identify the most qualified firms for

government advertising and communications assignments.

In a modern world, those qualifications include more than deep experience, creative excellence and strong project management skills. Innovation and strategy are critical elements that today are being re-defined by technology and the rapidly growing digital framework that is supporting a growing share of the communications landscape as captured by social media and the widening use of the Internet. Audiences are more diverse, demographics more complex, and the habits that attach to the manner in which all people consume information are changing rapidly to suit more individual needs.

These are among the leading elements that underscore our determination to address the communications imperative met best by well-crafted public information and the communications services contracted to support it. Mindful of budgetary constraints, our goal is to constantly raise the quality and therein the impact of contracted advertising, public relations and graphic design services, using every channel of communications possible.

As we move into a new year our emphasis on digital technology will frame a stronger understanding of a new world order in information management. Our increased focus on the multicultural community of Ontario will broaden the reach of our messaging and increase the depth and intrinsic quality of Ontario's creative services industry.

Considerable progress has been made, particularly in determining that which guarantees value for money in the creation of high impact communications designed to improve public awareness around important issues in increasingly cluttered markets. Adding to the overall complexities of message management are Ontario's vibrant and growing multicultural communities. Reaching these different cultures in ways that are most useful to them is a composite challenge that the ARB will tackle more forcefully in the coming year by reshaping the corporate arrangements from which the competing firms are selected.

Some of the more noteworthy achievements for 2015-16 included:

- completing two extensive and rigorous open competitive procurement processes to establish new enterprise-wide Agency of Record (AOR) contracts for media planning and buying services, and public notices and recruitment advertising
- managing the challenging and complex transition processes for the two new media AOR firms to ensure the controlled, timely turnover of supplier responsibilities while maintaining uninterrupted services to government clients
- negotiating remuneration structures for the two media AOR contracts that represent improved value for government clients
- undertaking and overseeing a total of 65 second stage supplier selections involving the awarding of projects to contracted companies in the mandatory-use corporate Vendor of Record (VOR)

arrangements for advertising, public relations and graphic design services

- extending funding support to two ministry multicultural marketing campaigns through the Corporate Communications Fund
- supporting the Office of the Auditor General of Ontario with the reporting of 2015-16 media expenditures for reviewable ministry advertising items under the *Government Advertising Act, 2004*

In closing, I extend warm thanks to my fellow directors and to the [ARB](#) staff whose focus and hard work are a credit to the industry and government clients we serve.

Robert Pattillo
Part-Time Chair

Background and mandate

Established in September 1985, the Advertising Review Board ([ARB](#)) is a regulatory agency of the Ministry of Government and Consumer Services (MGCS). The [ARB](#) was created in order to demonstrate the government's commitment to protecting the public's trust in the awarding of advertising and communications contracts, as well as ensuring equitable and responsible practices are followed in the procurement of these services, and that value for money is delivered to government clients.

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 to support all Ontario government ministries and classified agencies with fair and transparent processes that are geographically neutral, accessible to qualified vendors and drive value for money for the government.

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, enterprise-wide Vendor of Record ([VOR](#)) arrangements for advertising, public and media relations, and creative communications services through open competitive processes, including the corporate agency of record ([AOR](#)) contract 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 value ^[1] of \$100,000 or more

- audit, as necessary, the performance of all parties to any contract awarded by the ARB ensuring value for money and effectiveness of contract management
- conduct, when requested by government clients, competitive and non-competitive procurements, including second stage selection from VOR arrangements, with an estimated value between \$25,000 and \$100,000
- 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.

Contracts valued ^[2] at \$25,000 and more are competitively awarded based on supplier capability and experience. 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.

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 (32 companies)
- public relations and communications services pool (18 firms)
- graphic design and creative services Vendor of Record (VOR) (60 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:

- evaluation of written proponent submissions
- 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.

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 non-political 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 and Consumer 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 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.

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 2015-16 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 competitions for establishing new mandatory-use corporate Agency of Record ([AOR](#)) contracts for government media planning and buying services, and public notices and recruitment advertising services were completed in Q1. Both contracts commenced in Q2 for an initial three-year term and are non-exclusive.

Media planning and buying services [AOR](#) competition

The corporate media planning and buying AOR contract is a complex and demanding assignment that services the varying advertising requirements of a broad range of government client organizations.

This 19-week open competitive process was advertised nationally in Q4 2014-15. The competition notice drew 16 letters of intent to compete from interested parties, with 15 proponents attending the mandatory briefing. Ten written submissions were received and six candidates qualified to advance to the final stage.

The winning firm was selected based on receiving the highest aggregate score for rated criteria that included demonstrated capabilities and expertise, account management, staffing and proposed remuneration structure.

Public notices and recruitment advertising services AOR competition

The regulatory, statutory, tender notices and recruitment advertising needs of ministries and government agencies are fulfilled by a separate contract arrangement.

This 17-week open competition was also advertised nationally in Q4 2014-15 and drew four letters of intent to compete. All four proponents attended the mandatory briefing, and three submitted written proposals. Two candidates advanced to the final stage.

The successful company received the highest total score for its capability presentation and proposed remuneration structure.

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.

Advertising and marketing communications services pools

Throughout the year, 24 second stage selections for contracts valued at \$25,000 and more were conducted from existing VOR arrangements on behalf of 15 government client organizations.

Public relations and communications services pool

In 2016 the ARB exercised its option to extend these mandatory-use corporate contracts for a final two-year term.

A total of 18 second stage selections from the mandatory-use corporate VOR were completed for 17

ministries and government agencies for projects valued at \$25,000 and more.

Graphic design and creative services VOR

The needs of 13 government organizations were fulfilled through 23 second stage selections that were undertaken from the corporate graphic design and creative services VOR. These were for a variety of projects valued \$25,000 and more.

Competition oversight

The ARB provided consultation and fairness monitoring for two open competitive supplier selection processes, representing seven lines of business, that were conducted by the Ontario Lottery and Gaming Corporation to ensure conformity with established procurement guidelines and best practices.

Media AOR management

ARB's centralized and dedicated oversight for the two media planning and buying AOR relationships remained strong, driven by the organization's critical and evolving media management role to:

- enforce greater supplier accountability relative to the quality and timely delivery of contracted services against increasingly complex client requirements
- monitor the efficient and effective allocation of government advertising expenditures

In this capacity, the ARB consulted regularly with ministries and government agencies on a wide range of media matters, including major planned campaigns, conducted ongoing reviews of AOR supplier activities, and continued to implement improvements to return on investment campaign tracking protocols.

A significant undertaking during the year was the negotiation of fee arrangements and managing the transition processes for the two new media AOR contracts following the conclusion of these open competitive processes.

Corporate Communications Fund (CCF)

Two ministry multicultural marketing communications programs were supported during the year.

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 Communication Agencies (ICA).

Another important aspect to maintaining favourable industry relations is the ongoing accessibility of the organization. More than 60 companies were debriefed by the [ARB](#) during 2015-16.

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.

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/board secretary
- information coordinator

Fiscal performance

The ARB financial expenditures for 2015-16 were \$1.153-million:

MBC Authorized Allocation; and Actual expenditures. Expenditures are lower than appropriations.

Standard account	2015/16 *MBC authorized expenditures	Actual expenditures
Salaries and wages	\$424,100	\$425,694
Employee benefits	\$45,900	\$44,180
Transportation and communication	\$9,200	\$9,627
Services, including CCF	\$669,500	\$668,839
Supplies and equipment	\$4,600	\$4,607
Total	\$1,153,300	\$1,152,947

* Represents 2015-16 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 ARB Board is comprised of a part-time Chair and five part-time private sector members. All are Ministerial appointments pursuant to the MBC Agencies and Appointments Directive.

Per diem remuneration while acting on ARB matters is \$627 for the Chair and \$398 for other members.

Total per diem payments for the year were \$38,288.

Chair:

- **Robert Pattillo**
December 2, 2015 – December 1, 2017

Part-Time Private Sector Members:

- **Kiriakos (Charlie) Angelakos**
July 5, 2012 – September 9, 2017
- **Freda Colbourne**
August 8, 2013 – August 7, 2016
- **Jack Fleischmann**
April 15, 2016 – April 14, 2018
- **Heather MacLean**
September 23, 2010 – September 22, 2016
- **Beverly Ritz**
April 15, 2016 – April 14, 2018

Past Chair:

- **Kiriakos (Charlie) Angelakos**
June 2, 2015 – December 1, 2015

Appendix - ARB Vendor of Record lists

Advertising and marketing communications services

Pool one (July 24, 2012 – July 23, 2017: Three-year term and two one-year term extensions:

- Agency59 Ltd.
- BrandHealth Communications Inc.
- Corktown Seed Company Ltd.
- Cleansheet Communications Inc.
- Cundari Group Ltd.
- Extreme Communications Limited
- Ground Zero Marketing Communications Inc.
- Johnson, Adams, Nicholson, Inc., Kelley Advertising - Publicité Kelley Inc. o/a JAN Kelley Marketing
- Manifest Communications Inc.
- Marshall Fenn Communications Ltd.
- Naked Creative Consultancy
- RBD Ad-Vice International Inc. dba Bob's Your Uncle
- Sandbox Advertising Inc. dba One Advertising
- Scott Thornley & Company Inc.
- Wunderkind Inc.
- Yield Corp. o/a Yield Branding

Pool two (July 9, 2012 – July 8, 2017: Three-year term and two one-year term extensions)

- BBDO Canada Corp.
- Bensimon Byrne, a division of Tadiem Inc.
- Cossette Communication Inc.
- DDB Canada, a division of Omnicom Canada Corp.
- FCB Canada, a division of the Interpublic Group of Companies Canada Inc.
- Grey Advertising ULC
- John St. Inc.
- kbs+p Canada LP

- Leo Burnett Company Ltd.
- LEVEL5 Inc.
- MacLaren McCann Canada Inc.
- Ogilvy & Mather (Canada) Division of WPP Group Canada Communications Limited
- Publicis Canada Inc.
- Saatchi & Saatchi Advertising Inc.
- The Hive Strategic Marketing Inc.
- VCA, Inc. dba Rain43

Public relations and communications services

February 5, 2013 – February 4, 2018: Three-year term and two one-year term extensions

- ACI Argyle Communications Inc.
- CASACOM Inc.
- Citizen Optimum LP
- CMGRP (Canada) Inc., dba Weber Shandwick
- Edelman Public Relations Worldwide Canada Inc.
- Enterprise Canada Inc.
- Environics Communications Inc.
- Fleishman Hillard Canada Corp.
- GCI Communications Inc. (dba GCI Group Canada)
- Hill+Knowlton Strategies, a Division of WPP Group Canada Communications Limited
- Marshall Fenn Communications Ltd.
- MAVERICK Public Relations Inc.
- Media Profile Inc.
- Narrative PR, a division of Tadiem Inc.
- NATIONAL Public Relations
- Strategic Objectives Inc.
- Thornley Fallis Communications Inc.
- Veritas Communications Inc.

Media planning and buying Agency of Record

July 1, 2015 – June 30, 2018: Initial three-year term

- Omnicom Canada Corp. as represented by its division PHD Canada

Regulatory, statutory, tender notices and recruitment advertising Agency of Record

August 1, 2015 – July 31, 2018: Initial three-year term

- Day Communications Group Inc.

Graphic design and creative services

June 16, 2014 – June 15, 2017: Initial three-year term

- 1633023 Ontario Corporation O/A Context Creative
- 2045162 Ontario Limited o/a Clark Marketing Communications
- 76design, a division of Thornley Fallis Communications Inc.
- 9273379 Canada Corp. through its division Marketing & Communications Central
- 9514163 Canada Inc. o/a Adler Toronto
- Accurate Design and Communication Inc.
- Adhawk Communications Inc. o/a Adhawk Creative
- Anne Hoover Design and Communication
- Argyle Brand Counsel & Design Inc.
- ASAP Design Inc.
- Bailey Design Associates
- Bensimon Byrne
- Blue Planet Design Inc.
- Bold Graphic Communication Ltd.
- BrandHealth Inc.
- Bryan Mills Iradesso Corp.
- BT/A Advertising Inc.
- Cellule Design, Souche créative inc.

- Cheil USA Inc.
- Colourphill Design Inc.
- Cossette Communication Inc.
- Crescent Group Ltd.
- CS-Graphic Design Inc.
- Cundari Group Ltd.
- Day Communications Group Inc.
- dougserge+partners inc.
- eSolutionsGroup Limited
- FCV Technologies Ltd. DbA FCV Interactive
- FIZZZ Design Corp.
- Fuel Advertising, a division of Interpublic Group of Companies Canada Inc.
- gordongroup
- Gravity Inc.
- Hagon Design Inc.
- H.M. & E. Incorporated o/a HM&E Design Communications
- Hope Creative Incorporated
- J.L.C. Group
- Jacknife Inc.
- Johnson, Adams, Nicholson, Inc., Kelley Advertising - Publicité Kelley Inc.
- Juniper Park Communications ULC
- Keyframe Communications Inc.
- Korkola Design Communications Inc.
- Ledden Design
- MacLaren Craft, a division of MacLaren McCann Canada Inc.
- MacMillan Marketing Group Inc.
- Manx Strategic Creative Inc.
- Olson Canada Inc.
- Ove Brand-Design, a division of Publicis Canada Inc.

- Overdrive Design Limited
- Padulo Integrated Inc.
- Persona Corp.
- Philip Sung Design Associates Inc.
- Profis Communications Inc.
- Public Good Social Marketing Communications, A Division of R&J Design Media Ltd.
- Rave! Design Inc.
- The Autumn Group Advertising & Design Inc. o/a tag idea revolution
- The Prim8 Group Inc., c.o.b. as Chimpanzee
- Touchwood Design Inc.
- Trajectory Brands Inc.
- Würstlingroup Inc.
- Yield Corp. o/a Yield

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Footnotes

- [1] [^] Contract value refers to supplier fees, production and third-party costs
- [2] [^] Contract value refers to supplier fees, production and third-party costs

Rate

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