

ADVERTISING REVIEW BOARD

ANNUAL REPORT 2018-19

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Message from the Chair

It has been my utmost pleasure to begin my work at the Advertising Review Board of Ontario in the past year. As the new part-time Chair of the ARB I have come to be very impressed with the professionalism and dedication of the full-time staff at the Board offices. Simply put, the members of the ARB and the agencies on the vendor of record lists could not function as well without the dedication of these individuals. Their commitment and focus on open and transparent competitions serve the people of Ontario well.

I am privileged to work with the ARB team led by Jill King, with her small team of Fiona, Greg, and Rick. I would be remiss if I did not give a special thank you to Rick Belanger who was instrumental in integrating me into my role at the ARB. Rick has left the team to invest his time in a family business and he will be missed.

In my first number of months as Chair of the ARB I have taken the time to meet with each member of both the Public Relations and Advertising vendors of record. Through the series of meetings, it became very clear to me that Ontario has a considerable depth of talent in these fields. Their creativity, drive, and expertise clearly place Ontario in the top tier of jurisdictions that house creative and innovative agencies.

Meeting with each of these agencies afforded me the opportunity to better understand where the expertise of each of the firms lies. Ultimately, these meetings will allow us to better match opportunities with firms that have the existing experience needed for those opportunities. Of course, this helps the ARB ensure that we find the best firms for government opportunities with the right skill set which helps to ensure the best value for tax-payer dollars.

Based on the feedback from each of the firms we met with we will be contemplating various ways to enhance ARB processes to ensure the second stage selection process works for both the government and the firms. We heard quite a bit of feedback, answered a number of questions on process, and solicited a number of ideas from the firms which can be used to enhance the selection process.

As is typical in election years, the number of procurement competition requests the ARB received was limited. In total, the ARB conducted 17 second stage competitions with the majority of them utilizing advertising firms. The resulting work for the government has made a significant impact.

For the upcoming year we anticipate that the pace of competitions will increase over last year. Additionally, the ARB will be looking at the renewal of the media agency of record process. With all the changes in the way in which Ontarians consume media we believe that we have to look at how, where, and through what medium the government should

advertise. We simply must ensure that dollars spent on communicating the activities of the government are dedicated to advertising that will be heard and seen.

Finally, I would like to thank my fellow board members who have been a great source of diverging opinions and experience drawn from varying perspectives in the advertising and communications worlds. Without their participation, support, and dedication to the ARB, it would be impossible for the ARB to function. I look forward to continuing our work together.

Will Stewart

Chair (Part-Time)

Ontario Advertising Review Board

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 provincial 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 value¹ 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 \$99,999; 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.

Contracts valued 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:

- Advertising and marketing communications services pool (34 companies)
- Public relations and communications services pool (17 firms)
- Graphic design and creative services Vendor of Record (VOR) (58 companies)

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

- 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* and daily online edition of *Strategy 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/registered lobbyist 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 Ontario Public Service 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 winning firm. 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 that will be invited to make in-person capability presentations or submit written proposals in response to the procurement project brief. 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 2018-19 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.

Review of Operations

Open Competitive Processes

There were no open competitive processes for advertising and creative communications services conducted in FY 2018-19.

Second Stage Supplier Selections

Considerable ARB activity was dedicated to supporting the second stage selection of contracted suppliers to fulfill the particular needs of government clients.

Invitational competitive second stage 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.

In 2017 the ARB reintroduced a brief but robust quality assurance questionnaire, seeking feedback from both client and supplier parties. These are a mandatory post-assignment requirement in order to monitor performance effectiveness and the quality of service delivered by contracted communications suppliers.

Advertising & Marketing Communications Services Pools

During the year, 13 second stage procurements for contracts valued at \$25,000 and more¹ were undertaken from existing VOR arrangements on behalf of 10 government client organizations.

Public Relations & Communications Services Pool

A total of 2 second stage assignments from the mandatory-use corporate VOR were completed for 2 ministries and government agencies for projects valued at \$25,000 or more.

Graphic Design & Creative Services VOR

The needs of 2 government organizations were fulfilled through 2 second stage selections that were undertaken from the corporate graphic design and creative services VOR. These were for projects valued \$25,000 and more.

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; and
- monitor the efficient and effective allocation of government advertising expenditures

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

Industry Relations

Ensuring a productive and positive relationship with the advertising and communications sectors is an ongoing priority of the ARB, with the accessibility of senior management

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

and members of the Board a key aspect to maintaining favorable industry relations. More than 30 companies were debriefed by the ARB during 2018-19.

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).

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.

Additionally, the ARB will continue a communications outreach program for government clients, including educational seminars/meetings with communications branches, and presentations to government stakeholders.

Staffing

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

- Managing Director
- Media AOR Manager
- Senior Communications Advisor/Board Secretary – *resigned July 2018*
- Senior Communications Advisor
- Information Coordinator

Fiscal Performance

The ARB financial expenditures for 2018-19 were \$0.862 million. Expenditures are significantly lower than the authorized budget due to writ period advertising restrictions and the change in government:

Standard Account	2018/19 MBC Authorized*	Actual Expenditures**
Salaries & Wages	\$506,200	\$421,173
Employee Benefits	\$45,100	\$53,826
Transportation & Communication	\$15,000	\$10,415
Services	\$583,900	\$369,705
Supplies & Equipment	\$19,100	\$7,111
TOTAL	\$1,169,300	\$862,230

* Represents 2018-19 Printed Estimates Allocation and in-year TBO approvals

** As reported in the [2018-19 Public Accounts of Ontario](#) (Volume 1, page 295)

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* (the Advertising Directive)
 - o ARB commits to briefing, competing via second stage process and awarding Advertising, PR and Graphic Design contracts within a maximum of 10 business days provided there are no pauses or changes requested by ministries, Cabinet Office or government agencies.
- Reinforcing its reputation as a respected, responsive and expert business partner among internal clients and stakeholders, as well as external communications communities
 - o Semi-annually, ARB conducts client customer satisfaction surveys.
- Continuous improvement to the organization's portfolio of service offerings
- Compliance with timely reporting of government spend to the Office of the Auditor General of Ontario (OAGO):

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- o Annual reporting of Advertising Communication and Creative Services government spend by medium, channel and Ministry or Government Agency per compliance to the Advertising Directive
- o Annual reporting of government spend by medium, channel and Ministry or Government Agency via the media Agency Of Record to ARB and reported to the OAGO annually

ARB Board

The current ARB Board is comprised of a part-time Chair and seven 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 \$744 for the Chair and \$472 for other members.

Total per diem payments for the year were \$90,416.

ACTIVE Board Members	Start Date of First Appointment	Expiry Date of Current Appointment	Role
William Stewart	December 1, 2018	May 31, 2021	Part-Time Private Sector Chair
Kiriakos (Charlie) Angelakos	July 5, 2012	September 9, 2022	Part-Time Private Sector Member
George McNeillie	March 26, 2018	December 31, 2019	Part-Time Private Sector Member
Casey Roswell	March 26, 2018	December 31, 2019	Part-Time Private Sector Member
William Stewart	September 12, 2018	November 30, 2018	Part-Time Private Sector Member
Farhaan Ladhani	November 13, 2018	November 12, 2020	Part-Time Private Sector Member
Leah Ouellet	November 30, 2018	November 29, 2020	Part-Time Private Sector Member
Edward Torres	February 8, 2019	February 7, 2021	Part-Time Private Sector Member

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Amanda Walton	February 8, 2019	February 7, 2021	Part-Time Private Sector Member
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RETIRE Board Members	Start Date of First Appointment	Expiry Date of Current Appointment	Role
Robert Pattillo	December 2, 2015	November 30, 2018	Part-Time Private Sector Chair
Heather MacLean	September 23, 2010	September 22, 2018	Part-Time Private Sector Member
Freda Colbourne	August 8, 2013	August 7, 2018	Part-Time Private Sector Member
Jack Fleischmann	April 15, 2016	December 31, 2018	Part-Time Private Sector Member
Beverly Ritz	April 15, 2016	December 31, 2018	Part-Time Private Sector Member

Appendix I - ARB Vendor of Record Lists

Advertising & Marketing Communications Services

(July 9, 2017 – July 8, 2020: Initial three-year term)

- 9354808 Canada Inc. o/a Purpose
- Agency 59 Ltd.
- Arrivals + Departures Communications Limited
- BBDO Canada Corp.
- Bensimon Byrne, a division of Tadiem Inc.
- BT/A Advertising Inc.
- Central Station Marketing Inc.
- Cleansheet Communications Inc.
- Cossette Communication Inc.
- DDB Canada, a division of Omnicom Canada Corp.
- doug&partners inc.
- FCB Canada, a division of The Interpublic Group of Companies Canada, Inc.
- Forsman & Bodenfors (formerly kbs+p Canada LP)
- Grey Advertising ULC
- John Street Inc.
- Johnson, Adams, Nicholson, Inc., Kelley Advertising - Publicité Kelley Inc.
- Juniper Park\TBWA Communications ULC
- Leo Burnett Company Ltd.
- LG2 Toronto Inc.
- Manifest Communications Inc.
- Marshall Fenn Communications Ltd.
- McCann Worldgroup Canada Inc.
- Naked Creative Consultancy Inc.
- Outpost379 (formerly Brand Health)
- Public Inc.
- Publicis Canada Inc.
- Rethink Communications Inc.
- Saatchi & Saatchi Advertising Inc.
- Scott Thornley and Company Inc.
- Sid Lee Inc.
- The Hive Strategic Marketing Inc.
- Union Advertising Canada LP
- VCA Inc. o/a Rain43
- WPP Group Canada Communications Limited o/a Ogilvy & Mather Canada

Public Relations & Communications Services

(December 22, 2017 – December 21, 2020: Initial three-year term)

- 3618960 Canada Inc. o/a Cohn & Wolfe
- ACI Argyle Communications Inc.
- APEX Public Relations Inc.
- Citizen Optimum LP
- CMGRP (Canada) Inc.
- Crestview Strategy Inc.
- Edelman Public Relations Worldwide Canada Inc.
- Enterprise Canada Inc.
- FleishmanHillard HighRoad Corp.
- GCI Communications Inc.
- Hill+Knowlton Strategies, a Division of WPP Group Canada Communications Limited
- Media Profile Inc.
- Narrative, a division of Tadiem Inc.
- NATIONAL Public Relations Inc.
- Proof Inc.
- The Colony Project LP
- Veritas Communications Inc.

Media Planning & Buying Agency of Record

(July 1, 2015 – June 30, 2019: Initial three-year term + one-year term extension)

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

Regulatory, Statutory, Tender Notices & Recruitment Advertising Agency of Record

(August 1, 2015 – July 31, 2019: Initial three-year term + one-year term extension)

- Day Communications Group Inc.

Graphic Design & Creative Services

(June 16, 2014 – June 15, 2019: Three-year term + two one-year term extensions)

- 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.

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- 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, a division of Tadiem Inc.
- Blue Planet Design Inc.
- Bold Graphic Communication Ltd.
- Bryan Mills Ltd.
- BT/A Advertising Inc.
- Cellule Design, Souche créative inc.
- Cheil USA Inc.
- Colourphill Design Inc.
- Cossette Communication Inc.
- Craft, a division McCann Worldgroup Canada Inc.
- Crescent Group Ltd.
- CS-Graphic Design Inc.
- Cundari Group Ltd.
- Day Communications Group Inc.
- doug&partners inc.
- eSolutionsGroup Limited
- FCV Technologies Ltd. Dba FCV Interactive
- FIZZZ Design Corp.
- Fuel Content, a division of The Interpublic Group of Companies Canada, Inc.
- gordongroup
- Gravity Inc.
- Hagon Design Inc. o/a Intent
- H.M. & E. Incorporated o/a HM&E Design Communications
- Hope Creative Incorporated
- J.L.C. Group
- Jackknife Inc.
- Johnson, Adams, Nicholson, Inc., Kelley Advertising - Publicité Kelley Inc.
- Juniper Park\TBWA Communications ULC
- Keyframe Communications Inc.
- Korkola Design Communications Inc.
- Ledden Design
- MacMillan Marketing Group Inc.

Graphic Design & Creative Services (ctd.)

(June 16, 2014 – June 15, 2019: Three-year term + two one-year term extensions)

- Manx Strategic Creative Inc.
- Olson Canada Inc.
- Outpost379 (formerly Brand Health)
- Ove Brand-Design, a division of Publicis Canada Inc.
- Overdrive Design Limited
- Persona Corp.
- Philip Sung Design Associates Inc.

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- 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 Agency
- The Idea Workshop Limited
- The Prim8 Group Inc., c.o.b. as Chimpanzee
- Touchwood Design Inc.
- Trajectory Brands Inc.
- Yield Corp. o/a Yield