

## **CONFIDENTIAL ISSUES NOTE**

**Ministry:** Citizens' Services and Open Government, Government Communications and Public Engagement

**Updated:** September 10, 2012

**Minister Responsible:** Hon. Ben Stewart

## **Advertising Agencies– Procurement Process**

### **ADVICE AND RECOMMENDED RESPONSE:**

- **The Province has a responsibility to inform British Columbians about services, programs and policies they depend upon.**
- **We are proud of the successful public awareness campaigns we've undertaken over the past years including the:**
  - **Canada Starts Here: The BC Jobs Plan** campaign raises awareness about the BC Jobs Plan, and invites citizens to contribute to the Plan by sharing their ideas at the BC Jobs Plan engagement website.
  - **Welcome BC** is a province-wide campaign to promote settlement services and free English-language classes for adult newcomers to British Columbia
  - **Healthy Families BC** includes a campaign to raise awareness around the health benefits of sodium reduction.
  - **Gotta Be Here Olympic** campaign which promoted BC as a tourist destination to North American audiences.
  - **Forest fire** campaigns promoted fire prevention strategies and advised the public on how to quickly report forest fires.
  - **H1N1** public information campaign that quickly informed citizens about precautions they could take to prevent the spread of the virus and obtain vaccinations.
  - **ActNow BC** physical activity campaign that helped increase awareness of the many simple yet fun ways there are to fit activity into your daily life.
  - **LiveSmart BC**, which raised the profile of the Province's commitment to reducing greenhouse gases along with directing British Columbians to the LiveSmart BC website that showcased tips and tools for individuals to reduce their carbon footprint.
- **To ensure consistency and compliance with procurement policy, a representative from the Purchasing Services Branch led the development of the procurement process.**
- **The Standing Offer arrangement was identified in consultation with Procurement Services as the best way for the Public Affairs Bureau to secure marketing services.**
- **The procurement process was conducted in strict accordance with government procurement policy.**

## KEY FACTS REGARDING THE ISSUE:

- The Agency of Record (AOR) contracts for advertising services expired on July 31, 2010.
- The AOR model was replaced with a Standing Offer (SO) arrangement.
- The comprehensive procurement process was developed by Procurement Services and the Public Affairs Bureau. The request for qualifications (RFQ) was posted on BC BID on May 17, 2010.
- According to procurement policy - Chapter 6.3.2.a.1 - pre-award and solicitation requires that ministries use corporate supply arrangements where available. The Purchasing Services Branch deems the Agency of Record contracts to be a corporate supply arrangement (see attached excerpt from the Core Policy Manual)
- Six advertising agencies were selected to provide advertising services to the Province. The agencies selected were Traction Creative, TBWA, Grey, DDB, Cossette and Rethink.
- Work is assigned to agencies based on their availability/capacity, previous history with similar work and areas of expertise.
- Advertising budgets have been dramatically cut in the past few years and PAB has developed greater in-house capacity thereby reducing their need for agencies of record.
- In 2005, PAB asked Internal Audit and Advisory Services to complete a review of its procurement practices related to the selection of AORs in 2004.
- As well, in September 2005, at the request of PAB, the Internal Audit and Advisory Services Branch of the Office of the Comptroller General reviewed PAB's procurement practices relating to the 2004 selection process and found that "PAB's contracting generally complied with procurement policy. In our review we noted several best practices."
- In January 2007, PAB asked Internal Audit and Advisory Services to complete a review of the procurement process related to the 2006 selection process.

### Communications

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**GOVERNMENT COMMUNICATIONS & PUBLIC  
ENGAGEMENT**

Updated: July 24, 2012

Minister Responsible: Margaret MacDiarmid

**Education  
Plan/Learning  
Improvement Fund  
Public Information  
Campaign**

**ADVICE AND RECOMMENDED RESPONSE:**

- We feel it is important to inform British Columbians that government has a plan for education – a plan that is aimed at making what is a very good education system **GREAT!**
- Funding for education has increased every year for the last decade and is at record levels.
- Just last fall government committed to providing a further \$165 million over three years to improve classroom conditions for students and teachers.
- British Columbians should know this \$165 million Learning Improvement Fund will support additional teaching and support staff, provide additional teaching time, and support professional development and training to help teachers meet complex needs in their classrooms.
- We want people to learn about the BC Education Plan which is asking British Columbians for their thoughts and ideas about how we can make the province's education system even better.
- Budget allocations for individual campaigns vary based on decisions taken throughout the course of a campaign and are not considered final until a decision is made to conclude a campaign.
- Where requested, in keeping with the spirit and intent of government's commitment to open and transparent government, GCPE provides information regarding year-to-date expenses incurred on campaigns.

## KEY FACTS REGARDING THE ISSUE:

Government has initiated a multi-pronged advertising campaign that will highlight BC's Education Plan and drive members of the public to the Plan's website ([WWW.BCEDPLAN.CA](http://WWW.BCEDPLAN.CA)) and accompanying engagement site ([HTTP://ENGAGE.BCEDPLAN.CA](http://ENGAGE.BCEDPLAN.CA)).

- Using radio, television and digital advertising, the campaign will highlight the new Learning Improvement Fund established by the ministry -- \$165M over the next three years that will be allocated to classrooms with the highest need in the province based on consultations involving teachers' union representatives, classroom teachers, and district and school staff.
- Districts will be able to use these funds to assign additional teaching and support staff, provide additional teaching time, and support professional development activities useful in addressing complex class composition. More details about the Learning Improvement Fund will be coming soon.
- Ministry staff is being kept apprised about the advertising campaign, which is being linked to questions on BC's Education Plan engagement site.
- DDB is one of six suppliers included in a Corporate Supply Arrangement, established in conjunction with the Purchasing Services Branch, for provision of advertising and marketing services.
- DDB was selected from the list of suppliers to lead the creative, production and media planning for the campaign.
- Vizeum Canada Inc., the agency of record for advertising placement for the province excluding domestic tourism advertising conducted by Tourism BC, is responsible for facilitating the ad buy.
- A total of \$2.493M was expensed on the campaign (including research, creative, production and advertising costs).
- A detailed listing of STOB 67 expenditures has been provided with the release of the Public Accounts each year since 2007/08.

### Education ad campaign:

- A response to an FOI request (April 25, 2012) notes a \$2.555 million budget for the Education Plan ad campaign
- The response also includes a list of production and creative companies contracted to undertake production, creative and ad placement.

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## **CONFIDENTIAL ISSUES NOTE**

### **GOVERNMENT COMMUNICATIONS & PUBLIC ENGAGEMENT**

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# **BC Jobs Plan Public Information Campaign / Research**

## **ADVICE AND RECOMMENDED RESPONSE:**

- The Province has a responsibility to inform British Columbians about services, programs and policies they depend upon.
- Government released its Jobs Plan in the Fall of 2011 and is investing up to \$15 million to support an aggressive public information campaign to promote our competitive advantages in key markets around the world during the remainder of this fiscal year and next.
- The focus last fiscal (2011/12) year was a domestic campaign that provided British Columbians with relevant information for BC job seekers/creators.
- The focus this fiscal year (12/13) is on the international market, informing potential foreign investors of economic opportunities in British Columbia.
- Where requested, in keeping with the spirit and intent of government's commitment to open and transparent government, GCPE provides information regarding year-to-date expenses incurred on campaigns.

### **Focus of International Campaign:**

- The campaign aims to expand markets for BC products and services and drive new investment in BC with an emphasis on opportunities in Asia.
- The campaign will reach out to target markets, concentrate on specific sectors and reach targeted individuals in those industries – with a focus on building connections with key players who directly impact decisions to invest in the province.
- The campaign will focus on a targeted (not mainstream media) outreach to identified leads through direct marketing, earned and tactical media and public relations efforts and direct outreach/ contact to BC's overseas offices.
- In addition, the campaign will seek to equip BC businesses with tools and information to support their own marketing efforts.
- The campaign budget is actually modest for the size and advertising characteristics of the Asian markets we are targeting.

### **Research:**

- Research helps the Province to identify the information the public needs and the best way to provide it to them.

- It is often used in program and public information campaign development in order to ensure that programs developed are effective and reach their audience.
- With respect to the BC Jobs Plan, research provided a basis from which government could determine the specific level of information required – and how to best inform BC residents of the plan and its various aspects.
- This information also helps identify areas of public interest related to the Jobs Plan – for example, information about international trade, trades training or ways to engage with government about the plan.

### **Key Facts Regarding the Issue:**

Government released its Jobs Plan in the Fall of 2011. A multi-pronged public information campaign is underway to promote the BC Jobs Plan over this fiscal year and next. The campaign will be a multi-media campaign utilizing print, radio, television and on-line tools. Cossette Communications is one of six suppliers included in a Corporate Supply Arrangement, established in conjunction with the Purchasing Services Branch, for provision of advertising and marketing services.

Cossette Communications was selected from the list of suppliers to lead the creative, production and media planning for both the domestic and international campaigns. Vizeum Canada Inc., the agency of record for advertising placement for the province excluding domestic tourism advertising conducted by Tourism BC, is responsible for facilitating the ad buy.

A total of \$3.963M was expensed on the campaign in 2011/12 (including creative, production and advertising costs). A detailed listing of STOB 67 expenditures has been provided with the release of the Public Accounts each year since 2007/08.

### **Research:**

The province recently received a request for copies or records related to polling or research with respect to the BC Jobs Plan. In response, the following project reports will be released under the Freedom of Information and Protection of Privacy Act:

BC Jobs Campaign - Qualitative Research (Mustel Group)  
BC Jobs Campaign – Baseline Survey on jobs (Vision Critical)

Note: Research costs are built into the scope of the Jobs campaign –but total \$13,500 for Mustel Group and \$23,000 for Vision Critical

### **Treasury Board Approval:**

Expenses were incurred prior to Treasury Board approval of the TB Submission in order to move the campaign forward and meet campaign deadlines. GCPE was monitoring commitments carefully to ensure they could be accommodated within GCPE's approved 11/12 budget allocation of \$4.077M.

### **Overall Advertising Budget:**

The 2012/13 government information and advertising budget is \$16.305M (forest fire prevention, public health, PSA recruitment etc.).

The total approved funding allocation for discretionary advertising in 2011/12 was \$33.434M (including draws on contingencies to address government priorities and internal ministry reallocations to address ministry program priorities); \$2.631M for statutory advertising; total approved for all advertising in 11/12 was \$36.065M.

SOURCE	APPROVED FUNDING	EXPLANATORY NOTE
11/12 STOB 67 Estimates	\$19.390M	AVED: \$1.546M ENV: \$1.000M FIN: \$.400M JTI: \$12.240M GCPE: \$4.077M LEGISLATURE: \$.009M OFFICERS OF THE LEGISLATURE: \$.118M
Contingency Draws (to address government priorities)	\$8.953M	HST: \$4.990M BC Jobs Plan: \$3.963M
Ministry Internal Reallocations (to address ministry program priorities)	\$5.091M	Ministry of Health: Healthy Families \$5.011M Binge Drinking \$.080M
Total approved discretionary (STOB 67) advertising funding for 11/12	\$33.434M	
11/12 STOB 68 Estimates	\$2.631M	
Total Approved STOB 67/68 Funding for 11/12	\$36.065M	

These figures include a portion (\$3.963m) of the \$15M investment in advertising for the BC jobs plan – both domestic and international campaigns – over 2011/12 and 2012/13.

A total of \$34.560M was spent in 11/12 (STOB 67 Discretionary: \$32.789M; STOB 68 Statutory: \$1.771M).

Government advertising in 1994 totaled \$24 M – equivalent to \$43.3 M in today's dollars.

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# Government Advertising Expenditures

**KEY FACTS:**

Following is a year over year comparison of government's informational (non-statutory) advertising budget allocations and expenditures from 1993/1994 to 2012/13 exclusive of advertising expenditures charged to capital project budgets. Expenditure information for 2012/13 will be released during Public Accounts.

<b>Fiscal Year</b>	<b>Blue Book (\$000s)</b>	<b>Expenditures (\$000s)</b>
2012/13	16.305	TBC
2011/12	19.390	32.789
2010/11	19.063	15.802
2009/10 (Sept Update)	6.950	3.587
2008/09	29.502	28.311
2007/08	28.328	18.257
2006/07	28.054	15.046
2005/2006 (Sept Update)	13.967	8.365
2004/2005	12.108	21.617
2003/2004	19.699	17.327
2002/2003	11.618	5.857
2001/2002	22.853	5.276
2000/2001	20.435	21.381
1999/2000	17.679	17.895
1998/1999	16.787	18.187
1997/1998	16.862	15.671
1996/1997	22.439	13.496
1995/1996	20.730	22.468
1994/1995	24.345	28.358
1993/1994	21.185	17.305

Following is a year over year comparison of Government Communications and Public Engagement (GCPE) informational (non-statutory) advertising budgets and expenditures from 2002/03 to 2012-13:

<b>Fiscal Year</b>	<b>Blue Book (\$000s)</b>	<b>Expenditures (\$000s)</b>
2012/13	3.537	TBC
2011/12	4.077	3.986
2010/11	4.077	3.385
2009/10 (Sept Update)	4.077	2.990
2008/09	12.490	9.477



2007/08	13.588	9.841
2006/07	13.588	7.314
2005/2006 (Sept Update)	13.893	5.152
2004/2005	11.913	11.572
2003/2004	19.504	15.989
2002/2003	11.618	3.812

#### **ADVICE AND RECOMMENDED RESPONSE:**

- **GCPE is not the only entity of government that incurs expenditures for informational (non-statutory) advertising and publications.**
- **A breakdown of the STOB 67 informational (non-statutory) advertising expenditures by campaign/project has been released during Public Accounts every year since 2004/05.**
- **A breakdown of the 2011/12 information (non-statutory) advertising expenditures by campaign/project were included with the release of the 2011/12 Public Accounts.**

#### **If pressed:**

- Prior to the May 2001 election the government advertising budget was overspent in five of seven fiscal years.
- 2004/05 was the first fiscal year in the last eight fiscal years where it appeared that the government overspent its advertising allocation.

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**GOVERNMENT COMMUNICATIONS & PUBLIC  
ENGAGEMENT**

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**Minister Responsible: Margaret MacDiarmid**

**HST Public  
Information Campaign**

**ADVICE AND RECOMMENDED RESPONSE:**

- The Province has a responsibility to inform British Columbians about services, programs and policies they depend on.
- In April of 2011, the government made a significant commitment to undertake an information advertising program to ensure British Columbians had an improved understanding of the HST versus the PST+GST sales tax systems.
- Information advertising also served as a primary means to communicate government's significant policy decision to reduce the HST from 12% to 10% and provide transition cheques if the HST was retained through the Referendum process.
- The HST Information Office worked with Government Communications and Public Engagement and DDB Canada to manage and implement the HST advertising program.
- The 'Stickman' ad concept was developed as a simple and cost-effective way to base a fact focused advertising program. This information advertising was done in two phases: The first phase, based on research findings, centered on providing consumer level information on the impacts of the HST versus the PST+GST. The second phase focused on providing British Columbians with information on the government's policy commitment to reduce the HST from 12% to 10% and to provide one-time transitional assistance to families and modest income seniors.
- The policy change advertising was launched after the 'Talking Taxes' public engagement consultation and reflected government's attempt to address consumer impacts of the HST as it was originally designed.
- The majority of advertising costs, approximately 70%, were committed to executing a province-wide media buy for online, print, radio and TV space. This allowed for information to be disseminated in every community throughout the province over several months. The media buy included community and provincial outlets including those serving ethnic communities. Within the overall budget, DDB Canada adjusted media buys to address the Canada Post labour dispute and to accommodate Elections BC's extension of the ballot deadline.

- DDB Canada closed the budget on this project in August 2011, with all supplier invoices paid or in process. The information advertising campaign was, effective July 31, 2011, delivered and fully executed, on time and on budget.
- The all-in costs of the advertising campaign were slightly under the \$5 million cap announced by the Minister of Finance in April.
- A detailed listing of all information advertising expenditures will be released with the public accounts.

#### **KEY FACTS REGARDING THE ISSUE:**

- DDB is one of six suppliers included in a Corporate Supply Arrangement, established in conjunction with the Purchasing Services Branch, for provision of advertising and marketing services.
- DDB was selected from the list of suppliers to lead the creative, production and media planning for the campaign.
- Vizeum Canada Inc., the agency of record for advertising placement for the province excluding domestic tourism advertising conducted by Tourism BC, was responsible for facilitating the ad buy.
- A detailed listing of STOB 67 expenditures has been provided with the release of the Public Accounts each year since 2007/08.

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## **CONFIDENTIAL ISSUES NOTE**

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**Minister Responsible: Margaret MacDiarmid**

# **Information Advertising Campaigns – Requests for Information**

## **ADVICE AND RECOMMENDED RESPONSE:**

- Government advertising is often a topic of considerable debate; however, the Province has a responsibility to inform British Columbians about services, programs and policies they depend upon.
- With the launch of each new public information advertising campaign, GCPE invariably receives multiple requests for information regarding budget, expenditures, contractual obligations, method of award, etc.
- GCPE works hard to ensure requests for information are responded to in a full and meaningful manner while minimizing impacts on productivity and avoiding fee assessments.
- A detailed listing of STOB 67 expenditures has been provided with the release of the Public Accounts each year since 2007/08.

## **KEY FACTS REGARDING THE ISSUE:**

- Since 2004, government has taken the following approach in responding to requests for information:
  - Unless instructed otherwise, budget allocations for individual campaigns are not typically released. Campaign budgets can vary based on decisions taken throughout the course of a campaign and are not considered final until a decision is taken to conclude the campaign.
  - Actual expenditures are provided up to the date of the request.
  - Suppliers retained to work on a campaign are identified – all advertising suppliers are included on a Corporate Supply Arrangement established in conjunction with the Purchasing Services Branch. There is also an agency of record for advertising placement services for government, established through a Request for Proposal process led by the Purchasing Services Branch.

- This approach has been well received and the majority of applicants appreciate receiving answers to their questions rather than sifting through pages of material that may be meaningless to them.

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**STOB 67 Budget  
Allocations****ADVICE AND RECOMMENDED RESPONSE:**

- The Province has a responsibility to inform British Columbians about services, programs and policies they depend upon.
- STOB 67 dollars are for information advertising and are not allocated to ministries as additional program dollars.
- Each year, STOB 67 budget allocations are reviewed and adjusted to ensure resources are allocated to support the priorities of government – for example, the BC Education Plan and ministries with linkages to the Jobs Plan.
- Other ministries may come forward with proposals for information advertising campaigns throughout the course of the fiscal year. Options available to fund those proposals include GCPE's STOB 67 budget, reallocation of funds within the ministry or a request may be submitted to Treasury Board to access contingencies.
- A detailed listing of information advertising expenditures will be released with the Public Accounts.

**KEY FACTS REGARDING THE ISSUE:**

Ministry	11/12 STOB 67 Blue Book Budget	12/13 STOB 67 Blue Book Budget	Variance from 11/12
Legislation	.009M	.009M	No change
Officers of the Legislature	.118M	.128M	.010M increase
Advanced Education	1.546M	1.000M	.546M decrease
Education	0	1.071M	1.071M increase
Environment	1.000M	0	1.000M decrease
Finance	.400M	1.123M	.723M increase
Jobs, Tourism & Innovation	12.240M	9.437M	2.803M decrease
Labour, Citizens' Services & Open Government (GCPE)	4.077M	3.537M	.540M decrease
<b>TOTAL</b>	<b>\$19.390M</b>	<b>\$16.305M</b>	<b>3.085M decrease</b>

- A detailed listing of STOB 67 expenditures has been provided with the release of the Public Accounts each year since 2007/08.

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