



Report to: General Committee

Report Date: February 19, 2013

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**SUBJECT:** Extension of Contract for Advertising Services for the Markham Economist and Sun

**PREPARED BY:** Emma Girard, Senior Coordinator, Production and Advertising, Ext. 2500  
Tony Casale, Senior Construction Buyer, Ext 3190

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**RECOMMENDATION:**

- 1) THAT the report entitled “Extension of Contract for Advertising Services for the Markham Economist and Sun” be received;
- 2) And That the Contract for Advertising Services with the Markham Economist and Sun be extended for three (3) years with York Region Media Group (“YRMG”) at an annual estimated cost of \$341,265 inclusive of HST;
  - \$341,265 (2013)
  - \$341,265 (2014)
  - \$341,265 (2015)
- 3) And That the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7 Non Competitive Procurement, item 1 (c) which states “When the extension of an existing contract would prove more cost-effective or beneficial”;
- 4) And That funds for this contract be drawn from the various operating accounts as identified in the Financial Considerations Section based on the 2013 itemized pricing;
- 5) And that Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to obtain Council approval to extend the existing contract for Advertising Services with York Region Media Group for a period of three (3) years.

**BACKGROUND:**

The City of Markham has been utilizing the services of the Markham Economist & Sun and the Thornhill Liberal for more than 15 years. These publications provide Markham with several services including: publication of the weekly City Page, public notices, advertising for Markham’s cultural sites and recreational programming, distribution of materials such as the quarterly Markham Life and other relevant community information.

This contract also provides the same advertising rates for other YRMG publications including the Thornhill/Richmond Hill Liberal and the Aurora/Newmarket Era Banner. Total circulation numbers for both newspapers in our municipality have increased from 77,000 to 79,500 in 2012 which reflects a three percent increase over 2011 circulation numbers.

**OPTIONS/DISCUSSION:**

The Markham Economist & Sun and The Thornhill Liberal are the only *weekly* English print advertising vehicles for local community notices and the promotion of meetings, events and programs. Staff has negotiated with YRMG to maintain its 2012 line rate for 2013 through to 2015.

The City of Markham has recently commenced advertising in ethnic media and other English publications such as SNAP, Markham Review, the Toronto Star, Ming Pao, Sing Tao, Monsoon Journal and the World Journal as required.

## FINANCIAL CONSIDERATIONS AND TEMPLATE:

### YRMG - City of Markham Rates

Advertising is charged on a line rate basis across the publishing industry. The following charts outlined the historical line rates from 2009 to 2011 and the negotiated rates from 2013 to 2015.

1. Chart 1 below reflects the historical line rates and the negotiated rates from 2013 to 2015 for the City Page:

	2009	2010	2011	2012	2013-2015
Lines per page (A)	1764	1750 <sup>1</sup>	1750	1750	1750
Markham Economist & Sun and Thornhill Liberal Combined Line Rate for City page (B)	\$1.38	\$1.38	\$1.38	\$1.40	\$1.40
City Page (A x B) = C	\$2,434.32	\$2,415.00	\$2,415.00	\$2,450.00	\$2,450.00

<sup>1</sup> In 2010 YRMG reduced the size of their pages from 1,764 lines to 1,750 lines.

2. Chart 2 below reflects the historical line rates and the negotiated rates from 2013 to 2015 for the advertisements outside of the City Page:

	2009	2010	2011	2012	2013-2015
Published Line Rates (Local Rates)	\$2.09	\$2.09	\$2.11	\$2.15	\$2.15
Markham Economist & Sun (excluding Thornhill area) – City of Markham Discount Rate	\$1.36	\$1.36	\$1.36	\$1.37	\$1.37
Thornhill Liberal - (Thornhill area on Markham side only) – City of Markham Discount Rate <sup>2</sup>	n/a	n/a	n/a	\$0.76	\$0.76

<sup>2</sup> The line rates for the Thornhill Liberal from 2009 to 2011 were not available. The line rate from 2012 to 2015 are for distribution of the Thornhill Liberal in the Thornhill area (Markham only, does not include Vaughan.).

3. Chart 3 below reflects the distribution costs for Markham Life Magazine via the Markham Economist & Sun and Thornhill Liberal:

	2009	2010	2011	2012	2013-2015
Thursday Delivery <sup>3</sup>	n/a	n/a	\$107/M	\$105/M	\$105/M
Weekend Delivery <sup>4</sup>	n/a	n/a	n/a	\$95/M	\$95/M

<sup>3</sup> Both the Markham Economist & Sun and the Thornhill Liberal papers are delivered on Thursday.

<sup>4</sup> Refers to Saturday delivery of the Markham Economist & Sun. The Thornhill Liberal is no longer delivered on the weekend.

Note: M = Per thousand copies distributed

The advertising amounts from January - December were estimated by various departments based on their upcoming advertising requirements in 2013. The award amount of \$341,265 will be funded from department budgets as outlined in the chart below. The remaining budget of \$50,800 from the Discretionary Advertising Account in the Corporate Communications and Community Engagement (CC&CE) Department will be utilized for other 2013 advertising requirements as identified in the account. CC&CE Department will continue to act as the liaison between the client departments and YRMG on advertising.

Department	Budget Available	Amount Jan. - Dec. 2013	Remaining Budget
CC& CE - Discretionary	\$55,800	\$5,000	\$50,800
CC & CE - Statutory Ads	\$10,000	\$10,000	\$0
CC & CE - Markham Life Distribution	\$33,500	\$33,500	\$0
CC & CE – City Page	\$130,000	\$130,000	\$0
Recreation – Markham Children's Festival	\$3,000	\$3,000	\$0
Recreation – Mayor's Youth Task Force	\$1,500	\$1,500	\$0
Culture – Museum	\$1,000	\$1,000	\$0
Culture – Theatre	\$30,000	\$30,000	\$0
Culture – Varley	\$1,000	\$1,000	\$0
Culture-Varley McKay Art Foundation, Art Auction	\$4,000	\$4,000	\$0
Homes for Holidays	\$3,900	\$3,900	\$0
Culture Department	\$3,500	\$3,500	\$0
Canada Day	\$1,000	\$1,000	\$0
Mayor and Council Promotion	\$5,000	\$5,000	\$0
Development Services - Planning Department	\$4,365	\$4,365	\$0
Development Services - Planning Department	\$28,100	\$28,100	\$0
Development Services - Engineering Department	\$76,400	\$76,400	\$0
<b>TOTAL</b>	<b>\$392,065</b>	<b>\$341,265</b>	<b>\$50,800</b>

**HUMAN RESOURCES CONSIDERATIONS**

Not Applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not Applicable

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Not Applicable

**RECOMMENDED BY:**

26/02/2013

26/02/2013

X



Dennis Flaherty  
Director, Corporate Communications & Commu...

X



Trinela Cane  
Commissioner, Corporate Services