



# STAFF REPORT

**TO:** Council

**FROM:** Pam Pal, Director – Library Services  
Chris Roos, Director - Recreation, Events & Facilities

**SUBJECT:** Approval for Twin-pad Arena and Library Complex Fundraising Position

**DATE:** August 13, 2020

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## RECOMMENDATION

THAT Council does hereby receive the report on the fundraising RFP proponent evaluations for the new twin-pad arena and library complex for information;

AND FURTHER THAT Council direct staff to develop and fill a new contract fundraising / sponsorship coordinator position to lead a fundraising/sponsorship campaign for the proposed twin-pad arena and library complex.

## BACKGROUND

Following Council approval on June 18, 2020, a Request for Proposals for Consultant Services for the New Library and Twin-pad Arena (Complex) Fundraising Campaign was posted on the Bidding website and advertised in the Wasaga Sun Newspaper.

The RFP explained that the Town of Wasaga Beach is seeking to retain the services of an individual and/or firm to review and execute a fundraising plan for the new complex. This task will include evaluating the assets associated with the complex; developing appropriate marketing materials and tools; promoting and selling donor opportunities; and securing funding agreements.

There were two proposals submitted by the RFP closing date of July 10, 2020. They were submitted by Performance Sponsorship Group (SPG) and Ketchum Canada (KCI).

## DISCUSSION

### **Evaluation – Technical Components**

On July 21, 2020, the RFP evaluation team made up of the CAO, Director of Recreation, Events and Facilities, Director of Finance, Director of Library Services, and Customer Service Coordinator met virtually to rank the two proposals.

The criteria used for scoring the technical components of the proposals included the following:

<b>TECHNICAL COMPONENT</b>	<b>DETAILS</b>	<b>MAX PTS</b>
Company Overview	Clearly identifies the primary firm submitting the proposal Identifies any sub-contracted firms Provides brief overview of primary firm incl. years in service	5
Designated Project Lead/Team		10

	Provides 1 page bio for project manager Provides 1 page bio for each team member Indicates experience, credentials, notable achievements	
<b>Experience with Similar Projects</b>		<b>20</b>
	Demonstrates capability, capacity and experience Experience in fundraising, sponsorship or naming rights Experience with minimum 3 comparable municipal projects Provides 3 client references for similar projects Comparable projects completed in last 6 years	
<b>Project Understanding</b>		<b>20</b>
	Confirms understanding of the project Confirms understanding of cope of work Defines how they would approach the project Describes methodologies for the scope of services Explains workflow, reporting, assurance procedures Provides scope of work and deliverables Includes details that demonstrate experience, ability, roles	
<b>Project Timeline</b>		<b>10</b>
	Provides overview of proposed timeline	
<b>Value Added</b>		<b>5</b>
	includes additional information that could benefit the project	
		<b>SUB TOTAL 70</b>
<b>FINANCIAL COMPONENT</b>		
<b>Pricing / Financial Proposal</b>		<b>30</b>
	Pricing structure provided Includes all costs - travel, disbursements, other costs Proposed contract provided	
		<b>TOTAL 100</b>

Members of the evaluation team were tasked with first individually scoring the proposals, and then discussing individual ranking in order to come up with a consensus score for the technical components of the proposals. Following discussion of the technical components, the scores for the proposals were as follows:

- Performance Sponsorship Group: 65/70
- Ketchum Canada: 59/70

### **Evaluation – Financial Components**

The financial components of both proposals contained a number of variables and costing designed to reflect the different fundraising services being offered by the proponents. The variables include fees for fundraising planning; asset evaluations; proposed expenses; various costs for project counselling or mentoring; sales costs; and commission rates.

To best compare the two proposals, we set the following assumptions: that the twin-pad arena and library complex fundraising initiative would raise \$2 million; that the fundraising/sponsorship campaign would run for 12 months; and that consultants would work with on the campaign for 3 days per week. Proposed costs for the proponents include:

SERVICE	KCI	PSG (1)	PSG (2)
Campaign planning	\$23,750	n/a	n/a
Asset evaluations	\$25,750	\$25,000	\$20,000
Anticipated expenses	\$1,787	\$2,500	\$2,500
Supervisory travel	\$1,680	n/a	n/a
Sales	n/a	\$96,000	\$ 60,000
Counselling/mentoring	\$240,000	\$5,000	\$5,000
Commission	n/a	\$300,000 (15%)*	\$400,000 (20%)*
<b>SUB TOTAL</b>	<b>\$291,287</b>	<b>\$428,500</b>	<b>\$487,500</b>

*\*Note: Any donations under \$4,999 generated through community fundraising will not be subject to commission.*

Based on the comparable cost of the consultation, the financial portion of the evaluation is scored as follows:

- Performance Sponsorship Group (1): 20/30
- Performance Sponsorship Group (2): 16/30
- Ketchum Canada: 30/30

#### **Evaluation – Total Scores**

- Performance Sponsorship Group (1): 85/100
- Performance Sponsorship Group (2): 81/100
- Ketchum Canada: 89/100

#### **Evaluation – Interviews**

To help clarify their proposals, the two proponents were invited to 45-minute interviews on July 24, 2020 conducted via Zoom. The proponents were given the opportunity to explain their methodology, and were then asked nine scripted questions that focussed on the role of the fundraiser, payment structure, fundraising goals, staff support, and experience.

Although the interviews were not part of the official scoring process, they provided the evaluation team with an introduction to the consultants, as well as a better understanding of the fundraising process each consultant deemed ideal for the new twin-pad arena and library complex.

#### **Summary**

Ketchum Canada is a national firm with fundraising expertise, including insight into the impact of COVID-19 on fundraising. The KCI team selected for this project is highly experienced with members living in the region. During the interview, KCI consultants predicted that they could help the Town achieve approximately \$4 million in donations for the new complex. Staff noted that KCI representatives did not commit to leading asks and relationship building with donors. Instead, the consultants were willing to coach staff and a team of local champions to develop relationships with potential donors. Their knowledge would be an asset to the process, but staff would be required to recruit community volunteers and pursue fundraising and/or sponsorship and naming rights opportunities. A portion of KCI's fees are set while the counselling service portion of the consultation

is priced according to both the number of days per week the Town determines the consultants are needed, as well as the term of the consultation.

Performance Sponsorship Group has a proven track record of contracting sponsorship opportunities for municipalities across Canada. The small Ontario-based company specializes in naming rights, sponsorships, valuations and sales of corporate partnerships. PSG consultants are prepared to promptly evaluate the new twin-pad arena and library complex assets and potential donor list approved by Council, then move directly into sales. PSG's proposal also provides an additional consultant to help the Town with community-based fundraising initiatives like selling seats or bricks to local residents, small businesses and community organizations. When asked during the interview process, the consultant predicted raising \$1.5 million in sponsorships for the new complex. PSG provided two financial proposals for the consultation, which offered variations on set fees and commission rates on sales. It is important to note that the rates are negotiable.

Following the evaluation of the RFP proposals, the Construction Steering Group convened to discuss the proposals and next steps. The CSG determined that consultation costs were higher than expected. The price of working with either consultant (potentially 15 to 24% of \$2,000,000) does not present an ideal return on investment, especially with no guarantee of the total funds / sponsorship dollars that will be raised.

To control the costs of the fundraising / sponsorship process, the CSG recommends declining both proposals and pursuing a third option. The CSG recommends that the Town advertise for and hire an experienced Fundraising/Sponsorship Coordinator. The contract will be for 12 months with the possibility of extension. The individual selected for this contract position will work with staff on a valuation process, donor list development, and large donor commitments. The new Fundraising/Sponsorship Coordinator will also advise staff on a community-wide fundraising process to rally residents, local businesses and organizations in a call for support. Hiring an individual to lead the fundraising process is predicted to cost between \$50K and \$100K in annual wages, plus expenses necessary for the campaign. The cost of this initiative can be covered by the Town's 2020 unbudgeted funds and new arena funds.

## **CONCLUSION**

With Council approval, staff will develop the new Fundraising /Sponsorship Coordinator role, with the goal of filling this contract position in September of 2020, and starting the fundraising process in Q4 of 2020.

Respectfully Submitted,

*Chris Roos*

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