

	<b>Contract with Initiative</b>
<b>TO:</b>	<b>Audit Committee</b>
<b>MEETING:</b>	February 16-17, 2017 (Montreal)
<b>FROM:</b>	Judith Purves, Executive Vice-President and Chief Financial Officer
<b>DECISION SOUGHT:</b>	Signing of a new English contract for media buying services with Initiative (formerly M2 Universal), an external incumbent service provider
<b>NEXT STEPS:</b>	Signed contract with Initiative
<b>DATE:</b>	February 9 <sup>th</sup> , 2017

## 1. BACKGROUND

A key success factor for CBC, like all broadcasters, is the ability to promote our programming and create awareness among Canadians. To support its English Media Communication component, CBC requires a new contract for its media buying services.

When the previous five (5) year contract, due to expire on March 31st, 2017, was awarded to M2 (now named Initiative), it was agreed that a joint request for proposals (RFP) for CBC/Radio-Canada English and French Services would be issued to see if this approach could bring added value, while meeting each network's specific needs.

Following a thorough RFP process, Initiative was selected as the successful proponent for English Services based on the evaluation criteria. As the process evolved, it was clear that there would not be an opportunity for one joint vendor given the results of the RFP process.

## 2. KEY DECISION ELEMENTS

Approval of a new English Services contract for media buying services with Initiative with the following details:

### 3. KEY BENEFITS, IMPACTS & RISKS

1. **The supplier's digital team.** Given the rapidly evolving advertising market and growing investments in digital platforms, it is critical that CBC English Service's next media supplier have solid digital expertise and a seasoned team in this area. Initiative is a proven leader in digital strategy.
2. **The supplier's buying power.** Initiative is a part of the IPG Mediabrands Canada – part of the Interpublic Group of Companies, one of the world's largest and reputable marketing and media buying agencies.

3.

### 4. OTHER OPTIONS CONSIDERED

The Bid Solicitation process was posted on MERX on July 30<sup>th</sup>, 2016 and closed on September 2<sup>nd</sup>, 2016.

The Finance department provided a financial analysis of the proposals to support the pricing evaluation.

### 5. RESOLUTION:

That the audit committee recommend to the Board that the President and Chief Executive Officer, together with the Executive Vice-President, English Services, or their

delegates, be authorized to enter into and execute a contract with Initiative for media buying services on the terms and conditions essentially similar to those presented to the Audit Committee.

## APPENDICE

1. Comparison Between New Contract and Current Agreement

APPENDIX 1 – Comparison Between New Contract & Current Agreement

CONDITION	CURRENT SUPPLIER (M2/Initiative)	Initiative	COMMENTS
Media supplier <input type="text"/>			
Account Team FTE (at start of contract)			
Base Commission			
Media research			
Term			
CBC English Services			