



## Contract with PHD Montréal

<b>TO:</b>	Audit Committee
<b>MEETING:</b>	22 November, 2016
<b>FROM:</b>	Guylaine Bergeron, Executive Director, Communications, Marketing and Brand, French Services
<b>DECISION SOUGHT:</b>	Signing of a new French Services contract for media buying services with PHD Montréal, an external service provider
<b>NEXT STEPS:</b>	Inform the unsuccessful proponents. Inform Cossette Media that we are not renewing their contract. Negotiate and sign the new contract with PHD Montréal.
<b>DATE:</b>	10 November, 2016

### 1. BACKGROUND

Radio-Canada requires a new contract for its media buying services (i.e., promoting our programming and events to the general public).

When the previous five-year contract, due to expire on March 31, 2017, was awarded to Cossette Media, 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. Upon reviewing the proposals, we concluded that CBC/Radio-Canada would be better off having each network negotiate a separate agreement with a company capable of meeting the requirements of its specific market.

Following the RFP process, **PHD Montréal** was selected as the successful proponent for French Services, based on the evaluation criteria. (See Appendix 1)

We are requesting authorization to negotiate and enter into a three (3) year agreement with **PHD Montréal**, with two renewal options of one (1) year each.

## 2. KEY DECISION ELEMENTS

Approval of a new French Services contract for media buying services with PHD Montréal on the following modalities:

- Duration : 3 years and 2 renewal options of one year, starting April 1st, 2017
- Annual expenditure limit : !
- Commission :
- Media Research : !
- Media Supplier Discount :

## 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 Radio-Canada's next media supplier have solid digital expertise and a seasoned team in this area. PHD Montréal is a proven leader in digital strategy and also provides online ad-campaign monitoring and measurement tools
  2. **The supplier's buying power.** PHD Montréal is affiliated with the Omnicom Media Group, RECMA (Research Company Evaluating the Media Agency Industry) ranks Omnicom Media as the second largest media group in the country. Note that Cossette currently ranks 7th.
  3. **Knowledge of our market.** Although it is part of a group with offices around the world, PHD Montréal is firmly rooted in Quebec and thoroughly familiar with the country's French-speaking communities. The agency also has solid command of the Canadian broadcasting market and in-depth knowledge of CBC/Radio-Canada French Services' networks and platforms.
- Benefit: PHD Montréal is a media agency that will take our digital strategy and investments to the next level.
  - Benefit:
  - Benefit:
  - Impacts:
  - Key risks: ,

#### **4. OTHER OPTIONS CONSIDERED**

- None of the other shortlisted agencies qualified.

#### **5. SUCCESS MEASURES**

- Develop and implement a transition plan over several weeks between now and March 31, 2017, so that the new media supplier is ready to go as of April 1, 2017.

#### **6. RESOLUTION:**

That the President and Chief Executive Officer, together with the Executive Vice-President, French Services, or their delegates, be authorized to enter into and execute a contract with PHD Montréal for media buying services on the terms and conditions essentially similar to those presented to the Audit Committee.

#### **APPENDICES**

1. Result - Bid Solicitation Process
2. Comparison Between Actual Supplier and PHD Montréal

## APPENDIX 1 – Result – Bid Solicitation Process

Criteria	Points	PHD Montréal
Minimum Requirements	20	
Proponent's Experience/Expertise	15	
Methodology and Proposed Approach / Activity and Management Reporting	15	
Experience of Principal Resource (Account Manager)	3	
Experience of Suggested Team <ul style="list-style-type: none"> <li>• Consulting Team</li> <li>• Resources Assigned to Account</li> <li>• Subcontracting</li> </ul>	12	
Firm and Case-Study Presentations	15	
Total (Points)		
Total (%)		
Financial Value	20	
<b>FINAL SCORE</b>	<b>100</b>	

**APPENDIX 2 – Comparison Between Actual Supplier and PHD Montréal**

<b>CONDITION</b>	<b>CURRENT SUPPLIER</b>	<b>PHD Montréal</b>
<b>Media supplier discount*</b> (all media types)		
<b>Commission</b>		
<b>Media research</b>		
<b>Term</b> (including renewal options)		
Radio-Canada annual spending cap (per Board approval)		

**NOTES:**

(1) According to PHD : Radio-Canada can expect 1 compared to competing agencies, based on its media volume and consolidated approach.

(2)