

4. Specification

Table of Contents – Specification

1	INTRODUCTION.....	40
2	BACKGROUND.....	41
3	DEFINITIONS.....	41
4	PURPOSE.....	42
5	SCOPE.....	42
6	METHODOLOGY	48
7	LIST OF DOCUMENTS.....	48
8	OUTCOMES REQUIRED.....	49
9	CONTRACT PROVISIONS RELATED TO TARGETS	52
10	TIMING REQUIREMENTS.....	52
11	SOURCE OF FUNDS.....	52

1 INTRODUCTION

The Port Phillip City Council (“the Council”) invites tenders for sponsorship brokerage services for the 2013 – 2015 St Kilda Festivals. Interested parties are invited to submit tenders based on procuring cash and in kind strategic sponsorships on behalf of the St Kilda Festival and the Council, and representation of the Festival in the marketplace.

The St Kilda Festival is a hallmark event for the Port Phillip City Council, attracting more than 400,000 attendees annually and showcasing Australian music, events, sports, and people. The Festival is produced and presented by the Council’s Arts & Festivals Unit, with council officers responsible for the programming, event design, marketing and communications, finance and administration of the Festival, and production and technical services contracted directly to the Council.

The St Kilda Festival is a nine day event, made up of three key components:

- Yalukit Willam Ngargee – an outdoor Indigenous festival showcasing music, dance, family and children’s and community groups
- Live N Local – a seven day multidisciplinary program featuring the best local talent within St Kilda’s key indoor and outdoor venues, including music, film, comedy, theatre, visual arts and more
- Festival Sunday – the culmination of the Festival, Festival Sunday features live music, sport, dance, community groups, markets, family and children’s activities and more

Please note sponsorship services are not required for the Yalukit Willam Ngargee event.

The St Kilda Festival is a unique and highly saleable event, with a number of key elements combining to ensure its sponsorship appeal:

- High attendance rates (420,000 on Festival Sunday alone in 2012, making it the largest one-day event in the southern hemisphere)
- Broad demographics with a concentration in the 18 – 49 year age markets
- An engaged audience that actively scour the Festival for new activities to engage in, people to meet and sights to see
- Community support and high profile throughout Victoria as an iconic, major local event
- Program based on and around Australian music, while also including a diversity of activities with broad appeal
- Free admission and participation, encouraging high attendance by Melbournians, Victorians and tourists alike
- Easily accessible, well known urban location and an icon of Melbourne summer on its most famous beachfront

2 BACKGROUND

The annual St Kilda Festival commenced in 1980, and has a long history of working with sponsors as a key part of the event's operations.

Sponsorships include those based on cash and in-kind arrangements, and the Festival values its sponsors as essential to the presentation of the program each year. The partnerships are based on mutual value and the scale of sponsorship has grown in line with the size and scale of the event itself, and provide multiple opportunities to engage a large scale audience.

In the early years of the event, sponsorship revolved primarily around businesses partnering the Festival as a key way to reach the local market, and the benefits to sponsors were largely based on visual acknowledgement. For the majority of the Festival's history, tiered sponsorship levels have been employed based on the level of investment and benefit in each agreement.

In 2007 the St Kilda Festival joined forces with FOXTEL in an historic major sponsorship deal. At this time benefits to sponsors grew dramatically; ensuring best value with the property now including activation, broadcast, digital and marketing rights among many others. At the same time the Festival reach was established far beyond the local market, and for far longer than just the length of the event. The FOXTEL partnership concluded four years later after the 2010 Festival.

Throughout this time sponsorship services were run by an in-house team within the Council's Arts & Festivals unit. The Council now seeks third parties to source sponsorship on their behalf.

3 DEFINITIONS

Activation Rights – rights to experiential marketing activities to be hosted by or within, the Festival and its associated activities or precinct

Branding Rights – rights granted to a sponsor for their brand to be included in or associated with Festival promotional material

Broadcast Rights – rights granted to a sponsor to broadcast Festival content (live or non-live) through television or digital / online mediums

Cash Sponsorship - an agreed partnership arrangement which involves a cash contribution to the Festival in exchange for sponsorship rights

Festival Sunday – the culmination of the St Kilda Festival, always held on the second Sunday in February. Festival Sunday features live music, dance, extreme sports, community groups, market and food stalls, family and children's activities and more

Hospitality Rights – rights granted to a sponsor to set up official hospitality suites within the Festival precinct

In Kind Sponsorship – an agreed partnership arrangement which involves provision of products or services in exchange for sponsorship rights

Live N Local (LNL) – a seven day program preceding Festival Sunday, Live N Local features local talent in local venues, all based in St Kilda. Live N Local may also include council produced events alongside programming in venues

Marketing Rights – rights granted to a sponsor to promote the Festival or a Festival activity in conjunction with the sponsor’s brand, identity, product or concept

Naming Rights – rights granted to a sponsor for a Festival property (stage, venue or zone) to have its name associated to that sponsor’s brand, product or campaign

Presentation Rights – rights granted to a sponsor for Festival identification to be presented by that sponsor’s brand, product or campaign (when the Festival is promotionally referred to in print, online or verbally)

Sampling Rights – rights granted to a sponsor to distribute product or promotional material within the Festival precinct

Signage Rights – rights granted to a sponsor to install signage within the Festival as agreed (at sponsor’s expense; does not relate to existing Festival signage)

Sponsorship – an agreed partnership arrangement based on the mutual benefits of both parties. May include cash and in-kind benefits

Supply Rights – rights granted to a sponsor to exclusively supply a product or service to the Festival

Yalukit Willam Ngargee (YWN) – an outdoor Indigenous festival showcasing music, dance, family and children’s activities and community groups

4 PURPOSE

The St Kilda Festival operates in partnership with a wide range of sponsors, resulting in cash and in-kind benefits to the Festival and corresponding return benefits to the sponsor.

This tender invites responses from parties to exclusively seek both cash and in kind sponsors on behalf of the St Kilda Festival and the Council, relating to the 2013 – 2015 events.

Targets, timing and the scope of sponsorship rights available are detailed in the remainder of this document.

5 SCOPE

Tiers and Categories

The St Kilda Festival traditionally offers sponsors a tiered entry system, based on the investment by the sponsor to the Festival. Most recently, these tiers have included:

Principal Sponsor	(one only)
Major Sponsor	(three only)
Festival Sponsors	(unlimited)
Supporting Partners	(unlimited)

Where applicable, sponsors are further broken down by category. Past categories have included:

- Supply rights
- Media partnerships
- Official category suppliers – e.g. Official Accommodation supplier

Properties

There are a multitude of properties available to sponsors who engage with the St Kilda Festival, as listed below:

- Presentation Rights (One only)
- Music Stage Naming Rights (Up to five available)
- Kidzone Stage Naming Rights (One only)
- Kidzone Naming Rights (One only)
- Places and Spaces Naming Rights (Up to three available)
- Broadcast Rights to Festival produced content (One for Festival as a whole, or five if per stage)
- Branding Opportunities (Limited by capacity)
- Exclusive Provision of products or services (Limited to category)
- Rights to run your own events in conjunction with the Festival site (Limited by space available on site)
- Activation Rights (Limited by space available on site)
- VIP Corporate Hospitality Rights (Limited by available space or venues)
- VIP Corporate Hospitality Access (Limited by capacity)
- A variety of promotional / marketing rights and integration points including online and social media integration, branded content generation, competition rights, advertising rights and logo integration (Varied number of opportunities)

These properties are further detailed as follows:

Detail accompanying Sponsorship Properties:

(Properties can be packaged together or stand alone)

Presentation Rights (One only)

Presentation rights are available to the Festival, however naming rights are not. For example, the SPONSOR St Kilda Festival is not permitted, however the St Kilda Festival Brought to you by SPONSOR is accepted.

Rights package includes:

- Presentation on all promotional references to the Festival (printed and online)
- Logo integration
- Top level marketing inclusion
- Branding on all existing Festival promotional signage
- Signage rights to key Festival assets as agreed
- Marketing rights

Music Stage Naming Rights (Up to five available)

Music stages currently include:

- Main Stage / Beach Concert (rock / pop)
- O'Donnell Gardens Stage (pop / funk / r&b etc)
- Alfred Square Stage (world, folk, blues, roots)
- New Music Stage (multi-genre)
- Live and Local stage (multi-genre)
-

The name and genre of these stages is subject to change at the Festival's discretion.

Rights package includes:

- Name on all promotional references to the stage (verbal, printed and online)
- Branding on existing stage signage
- Promotional signage rights to stage and immediate surrounds

Kidzone Stage Naming Rights (One only)

Rights package includes:

- Name on all promotional references to the Kidzone Stage
- Branding on existing stage signage
- Promotional signage rights to stage and immediate surrounds

Kidzone Naming Rights (One only)

Rights package includes:

- Name on all promotional references to the Kidzone precinct
- Promotional signage rights to Kidzone precinct

Places and Spaces Naming Rights (Up to three available)

Naming Rights are permitted to some of St Kilda's most iconic parks or streets for Festival Sunday. For example, Fitzroy Street may become SPONSOR Street, or O'Donnell Gardens may become SPONSOR Gardens.

No more than three of these are permitted at any one time to maximise impact and cut through for each sponsor.

Rights package includes:

- Name on all promotional references to the space or place (verbal, print and online)
- Signage rights within space or place

Broadcast Rights to Festival produced content (One for Festival as a whole, or five if per stage)

Broadcast rights are subject to artist approval where content is focused on individual artists or performers.

Branding Rights (Limited by capacity)

Branding opportunity examples include all Festival promotional marketing collateral, as detailed in the attached Marketing Assets document

Marketing Rights

For example, promotion of the Festival in conjunction with the sponsor's brand, product or concept

Exclusive Provision of products or services / Supply Rights (Limited to category)

For example, "Official Festival Supplier of CATEGORY"

Rights to run your own events in conjunction with the Festival site (Limited by space available on site)

For example, an added component to the Festival program

Activation Rights (Limited by space available on site)

Experiential marketing or product promotional activities on site

Sampling Rights

Sampling quantities are subject to size or quantity limitations based on saturation or commercial considerations

VIP Corporate Hospitality Rights (Limited by available space or venues)

Sponsor's right to set up official hospitality suites within the Festival precinct

VIP Corporate Hospitality Access (Limited by capacity)

Access to the Festival's existing corporate hospitality areas

A variety of promotional / marketing rights and integration points including online and social media integration, branded content generation, competition rights, advertising rights and logo integration (Varied number of opportunities)

See Marketing Assets.

Please note that any branding or marketing opportunities beyond the above list is at the expense of the successful tenderer, or at the expense of the sponsor

Negotiation of any sponsorship benefits above and beyond this listing is at the mutual written agreement of both the council and the successful tenderer

Exclusivity

The St Kilda Festival is able to offer category exclusivity where this is important to a sponsor.

All sponsors must note that the Festival is based in an urban environment in which there is existing infrastructure and business in operation. Festival exclusivity in this sense applies only to Festival permitted activity: for example, soft drink exclusivity will mean no other soft drink branding on Festival infrastructure or space, no other

brands sold by Festival itinerant food stalls, no other promotional activity, sampling, activation or other rights to an alternative soft drink brand. However there are permanent shops and venues within the Festival precinct that will be unrestricted in the products they may sell, and in-store promotion within their premises, in line with regular trading conditions.

Activation and Site Availability

While the utmost effort shall be made to incorporate sponsor requirements for space within the Festival site, there are a number of factors that may override a sponsor request for specific site placement:

- Programming site (for example, an existing Festival stage shall not be moved to incorporate a sponsor activity)
- Programming theme (for example, a sponsor activity suitable only for adults shall not be permitted to be located in the Kidzone area)
- Safety (for example risk management, pedestrian flow)
- Timing requirements (for example a structure requiring a 10 hour bump out shall not be permitted on a road that must be reopened immediately after the conclusion of the Festival)
- Commercial consideration (for example, a sponsor sampling food products shall not be permitted to operate immediately adjacent to a food vending area)

In all instances where such restrictions apply every effort will be made to find appropriate space within the site.

Festival Venues

The Festival partners with many venues within the precinct as partners hosting Festival events. In some circumstances, in kind benefits are mutually exchanged. The sourcing of any such arrangement is excluded from this agreement, and is to be solely conducted through the Council.

A multi-year agreement is in place with the Novotel St Kilda relating to a number of Festival requirements. This agreement, and any arrangements with Accor Hotels, are excluded from this tender, and is to be solely conducted through the Council. Please note this does not relate to the in kind accommodation services required and does not conflict with any accommodation sponsorship arrangements under this agreement.

Festival Charity Partners

The St Kilda Festival is committed to working closely with charity partners to provide opportunities for engagement and interaction with the Festival's audience. Charity Partners are not subject to any of the terms in this agreement and will continue to be sourced and serviced directly by the Festival team.

Festival Site Sales

Note that the Festival earns revenue through site sales to itinerant market and food stalls operating on site. Should a sponsorship proposal be thought to impact on this revenue, its value will be weighed against the expected revenue and the sponsorship may be rejected if it is of lesser value.

For example, if a sponsorship relating to ice cream was proposed and exclusivity was to be included, its value would need to be greater than revenue obtained from site sales to various itinerant ice cream traders.

The detail of such categories will be made available to the successful tenderer as required.

The Festival also earns revenue through site sales to carnival attractions, which shall remain outside of this agreement (including amusement rides, sideshow activities, inflatable activities and showbag sales).

Festival Participant Sponsorship

The St Kilda Festival aims to assist community groups to participate in the Festival, and to support these groups to attain commercial sponsorship for their activities. In some cases these sponsors may clash with Festival sponsors, or category exclusivity. Where this is to occur sponsorships for either the Festival or the Festival participant is only to proceed by mutual agreement between the Festival and either the successful tenderer, or the Festival and the participant respectively. Once all Festival sponsorship has been advised (mid November the year prior to the Festival), Festival participants will be freely able to seek sponsorship in any categories that remain available.

Corporate Hospitality

In recent years, the Council has provided corporate hospitality at each Festival Sunday by way of:

- Provision of a hosted, catered apartment on the top floor of the Novotel St Kilda, with views across the Festival opposite the Main Stage. Capacity of this facility is no more than 40 at a time.
- Provision of a VIP suite at the side of the Main Stage (backstage area). Capacity for this facility is no more than 8 at a time.

For future Festival Sundays it is expected that:

- In 2012, City of Port Phillip will provide a hosted, catered apartment at the Novotel as above on St Kilda Festival Sunday. Invitees will include 2012 sponsors, along with a list of prospective future sponsors proposed by the successful tenderer and approved by City of Port Phillip.
- Each year City of Port Phillip will provide limited access to the VIP backstage suite at side of main stage, as negotiated with the successful tenderer. Note that numbers are extremely limited and City of Port Phillip will also be hosting its own guests.
- Apart from the above, all other corporate hospitality will be funded and provided by the successful tenderer or sponsor as they see fit, at their own cost.

Exclusions

The Council has identified a number of industries that it will not enter sponsorships with. These exclusions are set out in the Sponsorship Policy (Attachment 1) and are as follows:

- Tobacco and cigarette related products, services or brands;
- Gambling, gaming or betting products, services or brands;
- Products, services or brands associated with pornography;
- Companies, Partnerships, or Sole Traders who are under investigation by ACCC or any other legal authority;
- Companies, Partnerships, or Sole Traders where the sponsorship could be perceived as an inappropriate attempt to influence Council decision making processes.

While the Council will enter into supply rights agreements with producers, suppliers or retailers of alcohol products, this is restricted to a supply rights relationship only. Promotion of alcohol consumption will not be permitted.

Council reserves the right to accept or reject all prospective sponsors.

6 METHODOLOGY

The successful tenderer will operate as the exclusive representative of the St Kilda Festival within the sponsorship market for all cash and in kind partnerships, unless otherwise negotiated and mutually agreed by both parties.

All facets of potential sponsorship deals or agreements must be approved in writing by the Council prior to any commitment or approval being given. This approval will relate to the identity of the potential sponsor, their proposed activities and proposed benefits to the Council. Once specific activation, promotion, signage, branding or other sponsorship activity has then been determined this shall also require sign off by the Council.

In all cases a sponsorship agreement will be required between the Council and the sponsor.

Staff and contractors of the Council will continue to independently provide services to the Festival that may engage with sponsorship benefits, including marketing and communications, publicity, production, technical and infrastructure services. All sponsor activities are to be in line with the requirements of these Festival services.

7 ATTACHMENTS

- *A1 St Kilda Festival Sponsorship Policy*
This policy reflects the principles of St Kilda Festival sponsorship; all partnerships must conform to this policy

- *A2 St Kilda Festival Ambush Marketing Policy*
Reflects the Festival's position on ambush marketing and the steps taken to combat this practice
- *A3 St Kilda Festival Marketing Assets List*
Marketing tools that inform a sponsor on Festival reach, as well as branding opportunities
- *A4 St Kilda Festival Market Research Comparison*
Background information on the audience demographic to inform a sponsor decision, or target sponsors whose market is engaged with the Festival
- *A5 St Kilda Festival Sponsorship Production Guidelines*
Details on what is required from a sponsor once a partnership has been confirmed
- *A6 St Kilda Festival Standard Sponsorship Agreement Template*
The standard agreement to be signed between a Festival sponsor and Council, detailing the terms with which a sponsor may be engaged

8 OUTCOMES REQUIRED

City of Port Phillip requires the following outcomes:

Cash target

Minimum Net Cash Benefit to City of Port Phillip (*after* all commission, retainer and other costs payable to the tenderer for *both* cash and in kind sponsorships) of:

- \$650,000 relating to the 2013 St Kilda Festival
- \$670,000 relating to the 2014 St Kilda Festival
- \$690,000 relating to the 2015 St Kilda Festival

To clarify, the cash target for this contract is expressed in terms of City of Port Phillip's **Net Cash Benefit** *after* all commissions, retainers and other fees to the sponsorship agency, whether related to cash sponsorship or to in kind sponsorship.

To express this as an equation , for 2013;

(Net cash benefit to City of Port Phillip) = (Gross cash sponsorship brokered by the agency)

MINUS

*(All commissions & fees charged to City of Port Phillip by the agency, in relation to **cash** sponsorship)*

MINUS

*(All commissions & fees charged to the City of Port Phillip by the agency, in relation to **in kind** sponsorship)*

In kind target

Minimum in-kind services for the 2013 St Kilda Festival to the annual value of:

- \$125,000 in media (including print, radio and television) p.a.
- \$5,000 in clothing or branded uniform supply p.a.
- \$10,000 in accommodation provision p.a.
- \$5,000 in provision of non-alcoholic beverages plus infrastructure p.a.
- \$5,000 in provision of alcoholic beverages plus infrastructure p.a.

Minimum in-kind services for the 2014 St Kilda Festival to the annual value of:

- \$128,750 in media (including print, radio and television) p.a.
- \$5,150 in clothing or branded uniform supply p.a.
- \$10,300 in accommodation provision p.a.
- \$5,150 in provision of non-alcoholic beverages plus infrastructure p.a.
- \$5,150 in provision of alcoholic beverages plus infrastructure p.a.

Minimum in-kind services for the 2015 St Kilda Festival to the annual value of:

- \$132,615 in media (including print, radio and television) p.a.
- \$5,305 in clothing or branded uniform supply p.a.
- \$10,610 in accommodation provision p.a.
- \$5,305 in provision of non-alcoholic beverages plus infrastructure p.a.
- \$5,305 in provision of alcoholic beverages plus infrastructure p.a.

In Kind Sponsorship Requirements

As part of the services outlined in this tender in kind sponsorship is to be sought as well as cash sponsorship

In kind benefits to the Festival may include but are not limited to:

- Media, advertising or promotional opportunities
- Accommodation supply
- Supply of required consumables¹
- Car hire or vehicle supply
- Clothing or branded uniform supply

Minimum levels of in kind sponsorship are as follows:

- \$125,000 minimum in media (including print, radio and television) relating to each year of the Festival

Media benefits to the Festival must include communication of Festival key safety messages, such as public transport, alcohol – free or littering messages

- \$5,000 in clothing or branded uniform supply relating to each year of the Festival

¹ May include soft drink, water, fruit juice, ice cream products, alcohol products

Must include 300 Festival staff t-shirts to be designed in conjunction with the Festival's graphic design team and will include 2 different print versions on 2 different colored shirts. May also include provision of other uniform items for the sponsor's branding

- \$10,000 in accommodation provision relating to each year of the Festival

Accommodation benefits must include a minimum of 35 room nights over the Festival period. Accommodation must be within the Festival precinct and be of a four star standard or equivalent

- \$5,000 in provision of soft drink and bottled water product
Beverage supplier is also requested to provide sales infrastructure including:
 - 5 Sales Caravans
 - 12 x stock fridges
 - 12 x vending carts
 - 20 x market umbrellas to be used in various Festival locations
- \$5,000 in provision of alcoholic beverages (beer products)
In addition, the beer supplier is also requested to supply \$2,000 worth of sales / bar infrastructure

Exclusions from In Kind Sponsorship

The following support agreements are not included in this contract and will not form part of the contractor's services:

- Support provided to St Kilda Festival by Department of Transport and Yarra Trams in relation to public transport and other transport services
- Support provided by Novotel Melbourne / Accor Hotels in the provision of facilities related to St Kilda Festival Sunday
- Provision of venues within the Festival precinct for any Festival programming open to the public
- Provision of emergency services to the Festival.

Please also note that a contract is in place with Lion Nathan for alcoholic beverage supply rights up to and including the 2013 St Kilda Festival

9 STRUCTURE OF PRICING PROPOSAL

City of Port Phillip invites proposals which:

- Set out the cost payable if targets are **met**
- Set out the cost payable if targets are **exceeded**
- Set out the cost payable if targets are **not met**

Payment proposals may be on a commission basis and/or a retainer basis.

10 CONTRACT PROVISIONS RELATED TO TARGETS

The following KPI's will apply

Item	Measurement	Timing
Cash target as listed	Target cash sponsorship confirmed, with written confirmation of intent from sponsors	31 July the year prior to each Festival
In kind target as listed	All minimum levels of in kind sponsorship achieved in the prescribed categories, with written confirmation of intent from sponsors	30 November the year prior to each Festival

Council reserves the ongoing right to cancel this Contract should any of the two above performance measures not be achieved by the deadline in any year.

11 OTHER ST KILDA FESTIVAL TIMING REQUIREMENTS

The St Kilda Festival is held annually in February (Festival Sunday is always the second Sunday in February).

Sponsorship operational arrangements will each year be subject to Festival deadlines, outside of the timings included in targets of this agreement. These deadlines are as follows indicated:

Item	Deadline
Allocation of significant space within the Festival site	Late October the year prior to the Festival
Finalisation of printed program	Mid November the year prior to the Festival
Ordering of infrastructure required on site	Early January, year of the Festival
Operational documents from sponsors	Early January, year of the Festival

12 SOURCE OF FUNDS

The St Kilda Festival is funded primarily by the Port Phillip City Council. Contribution is also made by the state government through Arts Victoria (current triennial funding confirmed until the 2013 Festival) and annually by corporate sponsors. Arts Victoria is recognised as the official government partner of the event.

There is also income from itinerant trading and site fees on St Kilda Festival Sunday.

The St Kilda Festival is subject to annual budget processes and Port Phillip City Council reserve the right to cancel the Festival throughout the life of this contract.