



REPORT TO THE LIBRARY BOARD

MEETING DATE: MARCH 25, 2010

Session:	Public Session
Subject:	Strategic Alliances Policy
Prepared By:	Susanna Hubbard Krimmer, Margaret Mitchell
Presented By:	Susanna Hubbard Krimmer
Purpose of Report:	For Decision: Approval <input checked="" type="checkbox"/>

Recommendation

It is recommended that the London Public Library Board

- Approve the **Strategic Alliances Policy**, as presented in Appendix 1 of this report, and
- Revoke the **Alternative Sources of Revenue Policy** (AD-17 2000), as presented in Appendix 2.

Issue / Opportunity

In January 2010, the Library Board approved the **London Public Library (LPL) Strategic Alliances Policy: Assumptions and Guiding Principles** and directed staff to draft a recommended policy and processes to bring to the Board for approval at its meeting of March 25th, 2010.

The purpose of this report is to present and recommend policy that will set out the principles for the negotiation of strategic alliances between the London Public Library and an external organization.

Background & Review

A strategic alliance is a formal arrangement between LPL and one or more external organizations to pursue a set of agreed upon goals or outcomes and that is mutually beneficial to both the Library and the external organization. Strategic alliances include, for example, collaborative arrangements, partnerships and sponsorships.

Currently LPL has numerous collaborative arrangements, partnerships and sponsorships in place. We also receive many requests to undertake additional strategic relationships. The establishment of a policy for strategic alliances will help ensure that these continue to be of the greatest value to LPL and the community it serves and that we are consistent in our approach.

The formulation of the policy has been done in conjunction with a review of the existing policy **Guiding Principles on Alternative Sources of Revenue** (AD-17 2000; Date Passed: July 19, 2000). This policy is found in Appendix 2.

The **Guiding Principles on Alternative Source of Revenue Policy** is comprised of three sections:

- Philanthropic giving and corporate sponsorship;
- Business opportunities; and
- Naming rights and opportunities.

During the review and development of Board governance policies, beginning in 2007, Administration determined that the guiding principles in the policy were very broad and that it was necessary to more specifically direct the work of the organization through the development of Board policy in each of these key areas.

In February 2007, the Library Board approved the **Financial Management for Fund Development**, which was developed to ensure that the LPL's fundraising would be conducted in a responsible manner, consistent with the ethical obligations of philanthropic giving, fundraising and legal and regulatory requirements.

In April 2009, the Library Board approved the **Procurement Policy** which replaced the existing procurement policy of 2001 and addressed business opportunity relationships.

The recommended policy in this report, the **Strategic Alliances Policy**, replaces the previous policy's guidelines on corporate sponsorship.

Next Steps

The final section of the **Guiding Principles on Alternative Sources of Revenue** on naming rights and opportunities will be reviewed in conjunction with the fund development strategy and business plan to be brought to the Library Board later in 2010.



LONDON PUBLIC LIBRARY POLICY

Title: Strategic Alliances Policy

POLICY No:

Issuing Date: Review: every 3 years

PURPOSE: The purpose of this policy is to set out the principles for the negotiation of strategic alliances between the London Public Library (LPL) and an external organization.

SCOPE:

This policy governs strategic alliances including, but not limited to collaborative arrangements, partnerships and sponsorships undertaken by the LPL.

DEFINITIONS:

“collaborative arrangement” is an agreement between two (or more) entities to mutually commit expertise and/or resources to reach an objective through a common agenda or project.

“partnership” is a mutually beneficial agreement that assists participating organizations in the delivery of a service to target audience(s).

“sponsor” is an agency, company or similar entity that provides direct provision of cash or in-kind service by an organization to support a service or product of the Library in exchange for marketing value.

“sponsorship” is the direct provision of cash or in-kind service by an organization to support a service or product of the Library in exchange for marketing value.

“strategic alliance” is a formal arrangement between LPL and one or more external organizations to pursue a set of agreed upon goals or outcomes and that is mutually beneficial to both the Library and the external organization. Examples of strategic alliances include collaborative arrangements, partnerships and sponsorships.

LONDON PUBLIC LIBRARY POLICY

Title: Strategic Alliances Policy

POLICY No:

Issuing Date: Review: every 3 years

POLICY STATEMENT:

It is the policy of the London Public Library that will enter into strategic alliances that:

- Are aligned with and further the LPL's vision, mission, goals, objectives and priorities;
- Are developed in the best interests of the LPL;
- Enhance and not compromise the LPL's image in the community;
- Do not jeopardize the equity of access to library services;
- Build and implement value-added services; and
- Are conducted in a transparent, consultative and accountable manner.

1. Sponsor/Partner/Collaborator Roles

- The vision, mission and values of the sponsor, partner or collaborating agency, the value added by a strategic alliance and the expectations around each entity's participation must be well-defined and acceptable to LPL before entering into an alliance.
- LPL will not enter into a strategic alliance, where, in the opinion of the LPL, it may provide unfair advantage to, or cause discrimination against, sectors of the community.
- A strategic alliance may involve the provision by a third party of goods or services, provided this relationship with the sponsor or partner is well-defined and acceptable to LPL before entering into the alliance.

2. Intellectual Freedom

- Any strategic alliance agreement must be in compliance with LPL policy endorsing intellectual freedom.

LONDON PUBLIC LIBRARY POLICY

Title: Strategic Alliances Policy

POLICY No:

Issuing Date: Review: every 3 years

- Strategic alliance sponsors, partners or collaborating entities are not permitted to place any limits on the application of the LPL policy and principles of intellectual freedom, as defined by the LPL, such as but not limited to influencing the selection of collections, program content or access to intellectual content.

3. Endorsement and Preferential Treatment

- LPL will not endorse products and/or services of sponsors.
- LPL will not provide any degree of exclusivity for suppliers of certain products or services through a strategic alliance with sponsors.
- Sponsors will have no preferential treatment during procurement processes and are required to follow the required processes for LPL procurement such as tendered products and/or services.

4. Acknowledgement

- LPL reserves the right to determine appropriate publicity, advertising, acknowledgement and recognition of the sponsors, consistent with LPL policy on naming opportunities.

5. Confidentiality

LPL will ensure the confidentiality of personal information held by the Library, in accordance with its policies and with the requirements of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA).

- LPL will not sell personal information held by the Library, to sponsors or partners.
- LPL may provide access to personal information held by the Library, to sponsors or partners if the use is consistent with disclosure provisions under MFIPPA.

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6. Conflict of Interest

- Library staff and Board members must comply with the requirements of the *Ontario Municipal Conflict of Interest Act* (RSO 1990, c.M50) in the development and implementation of strategic alliances.

7. Termination of Strategic Alliance Agreement

- LPL reserves the right to terminate the strategic alliance for reasons such as, but not limited to:
 - The alliance organization uses the LPL name and/or trademarks outside the parameters of the agreed upon association and without prior consent;
 - The organization develops a public image inappropriate to LPL's services and/or objectives; and/or
 - The failure of the organization(s) to deliver the agreed upon resources and services.

8. Parameters of Agreement Development

LPL strategic alliance agreements will include, but not be limited to, the following:

- Joint understanding and statement of the goals and expected outcomes (including success measures) for the alliance;
- Establishment of the principles of working relationships;
- Definition of the organizational boundaries and clarification of ownership matters as required;
- Definition of resource contributions and/or costs and clarification of financial responsibilities for each organization;
- Completion of legal agreements, as appropriate and required;
- Application of all federal, provincial and municipal legislative requirements;

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- Communications plan addressing internal and external communications;
- Clarification of recognition for each organization;
- Milestones and timelines including direction of strategic alliance; and
- Identification of key staff contacts in each organization and joint understanding of their roles and accountabilities.

9. Accountability

The Chief Executive Officer & Chief Librarian, through the CEO-Board Linkage Policy, is responsible and accountable for documenting, implementing, enforcing, monitoring and updating strategic alliance agreements developed under this policy.

BACKGROUND:

INQUIRIES:

Chief Executive Officer

KEYWORDS:

RELATED DOCUMENTS:

Access to Information and Protection of Privacy Policy (LPL February 2010)

Intellectual Freedom Policy (LPL January 2007)

LONDON PUBLIC LIBRARY POLICY

Title: Strategic Alliances Policy

POLICY No:

Issuing Date: Review: every 3 years

Municipal Conflict of Interest Act. R.S.O. 1990, c.M50

Procurement Policy (LPL April 2009)

DOCUMENT CONTROL:

Supersedes: Guiding Principles on Alternative Sources of Revenue (AD – 17 July 19 2000)

Approved

**LONDON PUBLIC LIBRARY
STATEMENT OF POLICY**

Authority Level: Board Level

Policy #: AD-17

Date Passed: July 19, 2000

GUIDING PRINCIPLES ON ALTERNATIVE SOURCES OF REVENUE

Context

In the discussion that lead to the development of London Public Library's Guiding Principles on Alternative Sources of Revenue, three areas of fund development were identified. They are:

1. Philanthropic Giving, which includes both individuals and corporate gifts
2. Corporate Sponsorship
3. Business Opportunities, which includes both cost avoidance and revenue generation

Guiding Principles For Philanthropic Giving and Corporate Sponsorship

As "One Library with Many Doors" London Public Library provides services essential to enriching life in our diverse community (vision statement). As we endeavor to make our vision a reality - to serve but also to provide leadership- we recognize the need to secure non-traditional resources and engage in new partnerships and alliances.

Our Guiding Principles on Alternative Sources of Revenue are critical to those volunteers and staff charged with shaping the organization's future and moving our vision to reality.

We believe that our activities:

- Are rooted in our core values, our mission, and our vision
The London Public Library (LPL) has made a commitment to demonstrating a shared purpose, vision and core set of values in all our activities. Our goal is to create alignment throughout our organization and associated opportunities through a clearly articulated mission and vision.
- Enhance and benefit the London community
The primary purpose of the London Public Library engaging in a fund development program is to build and implement value-added services. Through this activity, we plan on LPL strengthening its position as a major contributor to our community.

**LONDON PUBLIC LIBRARY
STATEMENT OF POLICY**

Date Passed: July 19, 2000

- Respect the Library's reputation
LPL is seen to be a highly valued community organization which demonstrates a high degree of dignity and ethical standing. Fund Development activity will respect and build upon this tradition.
- Promote consistency between overall Library communications and the fund development message.
- We want to ensure that all messages are consistent throughout the LPL. A consistent communications message demonstrates our commitment to service and program integration.
- Recognize mutual benefit for both the Library and the donor/partner
We realize that donors have varying degrees of expectation when it comes to acknowledging their contribution. To the best of our abilities we will honour those expectations.
- Acknowledge limited exclusivity to defined partners and/or alliances
Some fund development activities, particularly in the area of corporate sponsorship, will require a degree of exclusivity between the LPL and the donor/partner. Reasonable limits to exclusivity will be understood by all, including the length and the type of the relationship.
- Value opportunities for long-term relationship building
LPL will promote as many opportunities for as many people as possible to become involved. We will be highly pro-active and inclusive in this area.

Guiding Principles for Business Opportunities

As with philanthropic giving and corporate sponsorship Guiding Principles for Business Opportunities should also reflect:

- the Library's core values, mission, and vision
- respect for the Library's reputation
- mutual benefit for the Library and the partner

LONDON PUBLIC LIBRARY STATEMENT OF POLICY

Authority Level: Board Level

Policy #: AD-17

Date Passed: July 19, 2000

Our Guiding Principles for Business Opportunities are critical to those administration and staff charged with shaping the organization's future and moving our vision to reality. They are vital to the good name and function of the Library, and as such all decisions of \$60,000 or more will come to the Board for approval.

Recognizes quid pro quo relationships

- Business opportunity, exclusive of property rights, that involves a quid pro quo relationship will be the responsibility of Library Administration. Given that business decisions can influence philanthropic opportunities, the principle of reasonable limits to exclusivity will direct the activities of administration.

Provides for qualified single source opportunities

- Opportunities shall be allocated competitively, consistent with the Library's purchasing policy, and will generally be defined through an expression of interest, request for information, request for quotation, request for proposal, or tender. However it is entirely appropriate to enter into a relationship with a business without seeking comparative proposals when:
 - the relationship is initiated by the business, in which case the proposal shall be considered the intellectual property of the business
 - the circumstances of the Library program, service or facility for which the relationship is being sought make single sourcing necessary, appropriate or a natural fit with a particular business.

Naming Rights

In most cases a range of opportunities may be applied to Naming Opportunities at both the new Central Library and new or refurbished Branch Libraries. Some consideration in setting naming opportunities within identified ranges follow:

- naming as a function of the actual expense
- relative prestige/impact of the opportunity
- does the naming free funds for other purposes
- funding of an identified priority or project, or one brought forward by the potential donor for consideration
- size of facility
- visibility within a larger facility or space
- availability of other naming opportunities

- usage of the facility by the library community and/or the public
- new, renovated or “as is” facility
- value and type of equipment housed in the facility (state-of-the-art, relatively new, no new equipment)
- benchmarks set internally and at other institutions
- marketability
- naming in perpetuity or for a finite period (consideration of “opportunity costs”)

Giving Methods and Naming Opportunities

- Naming opportunities are offered for outright gifts only, though the payment period may extend over an agreed length of time.
- A pledge or gift agreement should be secured before a naming opportunity is put forward for approval.
- It is preferred that at least one payment on a pledge is received before proceeding with the approval process or any public recognition of a gift. Exceptions to this will be applied based on the Library’s relationship with the donor.
- Gifts-in-kind also qualify for naming Opportunities. The market value of the gift may be discounted to reflect the actual cost to the donor, in order to determine an appropriate and fair value to be used when selecting a Naming Opportunity.
- The promise of a planned gift does not qualify for Naming Opportunities, though the gift agreement may suggest a proposed Naming Opportunity to be submitted for approval following fulfillment of a gift.

Permanent and Term Naming Opportunities

In order to maximize the Library’s ability to raise funds, Naming Opportunities may be offered in perpetuity or on a term basis. All gift agreements should clearly state whether the Naming Opportunity is offered in perpetuity, a period of time, or for a specified period of funding. In the case of term-funded opportunities, the Naming Opportunity ends when the term funding ends. Generally, Naming Opportunities will be in perpetuity.

Board Motion: L00/63

