Renewal in Action



Annual Report on Government of Canada Advertising Activities

2004-2005

Renewal in Action



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Message from the Minister

am pleased to present Renewal in Action: Annual Report on Government of Canada Advertising Activities 2004-2005.

We made a commitment to Canadians during the 2006 election campaign to clean up advertising.

This annual report outlines the Government of Canada's commitment to transparency and accountability, and what it will do to ensure that our approach to advertising meets Canadians' expectations for open, transparent and accountable government operations.

This year's report outlines new measures including the implementation of competitive and transparent procurement mechanisms, a broad range of comprehensive means to improve the way advertising is planned and implemented, and initiatives to strengthen internal skills and knowledge.

The government uses advertising as an effective tool to communicate to Canadians about its policies, programs, services and initiatives as well as to inform Canadians about dangers or risks to public health.

The Government of Canada is equally committed to enhancing the vitality of English and French minority communities and promoting multiculturalism across Canada. We continue to develop advertising that meets the information needs and language preferences of Canadians. Public Works and Government Services Canada (PWGSC) is also undertaking an internal audit of advertising procurement.

The audit will examine PWGSC's accountabilities under the renewed advertising policies and procedures. We are expecting the audit to be completed in the spring of 2006.

I trust that you will find this annual report on advertising useful and informative as it reinforces the government's commitment to ensure that Canadians' hard earned dollars are not wasted, but are spent on projects of real benefit to Canadians.

Michael M Fortier Minister of Public Works and Government Services





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Executive Summary

In April 2003, a new approach to the management and coordination of the Government of Canada's advertising activities was announced. The goals of increasing transparency, accountability and value for money guided the implementation of the new approach.

This annual report examines the new advertising procedures, highlights a number of major campaigns and provides information on government expenditures in advertising for the 2004-2005 fiscal year.

Chapter 1 of the report provides background information about government advertising and an overview of the roles and responsibilities associated with the Government of Canada's new approach to advertising. It examines renewal initiatives implemented in 2004-2005, in particular, the practices governing all aspects of the management of government advertising—from the way campaigns are planned, how advertising agencies are hired and paid and what gets reported. Finally, the chapter outlines the steps taken in the past year to reach official language minority and ethno-cultural communities.

To improve the management of advertising across government, the Communications Policy and its associated procedures were amended. Advertising resources were centralized and new processes were established to align advertising initiatives with

government priorities and tailor messages to regional audiences. A new approach to contracting and remunerating agencies was also introduced.

To increase transparency, approved advertising funding was posted on the Treasury Board of Canada Secretariat's Web site, advertising-related contracts were posted on the Contracts Canada Web site and all institutions were responsible for posting all contract awards over \$10,000 on their Web site, including advertising contract awards. In addition, a new information system (Advertising Management Information System, AdMIS), was developed to track and document advertising projects and public notices for government institutions.

Steps were taken to improve the skills and knowledge of government communicators to efficiently and effectively manage advertising initiatives. For instance, an advertising community of practice was created to provide a forum to exchange information and learn from one another. Information sessions were also offered regularly.

Chapter 2 lists the major advertising campaigns of 2004-2005, expenditures by individual institutions and suppliers that were contracted over the year. For illustration purposes, three campaigns have been highlighted. This chapter also includes trend data on advertising expenditures by the



Government of Canada over the past three fiscal years.

The **appendix** of the report provides greater detail on the campaigns highlighted in chapter 2. They are:

• Canada Savings Bonds (undertaken by Finance Canada, Canada Investment and Savings);

- One-Tonne Challenge (undertaken by Natural Resources Canada and Environment Canada);
- **E-Services Pilot** (undertaken by PWGSC).

A **glossary**, following the appendix, provides the reader with definitions of technical and industry-related advertising terms that are used throughout this report.



Chapter 1: Overview and Management Practices

Overview, Roles and Responsibilities

has a duty to communicate with Canadians. Advertising is one method used by government institutions¹ to inform Canadians about their rights and responsibilities; about government policies, programs and services, and initiatives; or about dangers and risks to public health, safety or the environment.

There are clear roles and responsibilities associated with Government of Canada advertising that ensure strong management, transparency and proper coordination.

Individual federal institutions are responsible for planning and implementing advertising initiatives related to their own mandates and programs. They must make certain that their advertising initiatives adhere to applicable legislation, policies and procedures. Additionally, they are responsible for managing the services contracted for advertising, quality control and the reporting of advertising activities to Public Works and Government Services Canada (PWGSC).

PWGSC is the contracting authority for advertising services used by

institutions. It takes responsibility for the integrity of the government contracting process for advertising and manages the Agency of Record — a private company under contract to PWGSC exclusively authorized to buy media space and time for government institutions. PWGSC also provides advice to institutions on advertising policies and procedures, reviews media plans and maintains an electronic information management system, called AdMIS, which documents government advertising activities.

PWGSC also undertakes a broad range of activities to coordinate government advertising and inform government communicators of their responsibilities related to advertising. These activities include the development of guides, checklists and an Intranet site on advertising that includes links to policies and procedures, information sessions and other training opportunities to promote sharing of best practices in government advertising. Again, these activities are designed to raise awareness of the policies, regulations and Acts related to government advertising and the responsibilities each institution must assume.

The Treasury Board provides direction on the management of government advertising through policies related

¹ For the purposes of this report, the term institution(s) shall mean all departments and agencies listed in Schedules I, I.1 and II of the *Financial Administration Act*.

to financial management, contracting and audit, and particularly through the Communications Policy of the Government of Canada, which sets out the general operation of advertising management across government. The Treasury Board of Canada Secretariat advises and supports the Treasury Board president and ministers on the government policies affecting advertising. The Secretariat's responsibilities include advising on the allocation and management of advertising funds, as well as assessing Treasury Board submissions from institutions to release funding for Cabinet-approved advertising initiatives.

The Privy Council Office provides advice to departments and agencies on government priorities and themes and develops the government's annual advertising plan. It also challenges institutions on advertising strategy, content, messages and evaluation. It secures approvals for advertising from the designated Committee of Cabinet, as appropriate, and monitors and reports to this Committee on advertising. In addition, the Privy Council Office chairs the Government Advertising Committee (GAC). Comprised of heads of communications from several departments and agencies, the GAC reviews and advises government institutions on their advertising campaigns.

Management Practices

In April 2003, changes to the management and coordination of Government of Canada advertising were outlined. The new approach is guided by the principles of transparency, accountability and value for money.

To support the new approach, the Communications Policy of the Government of Canada and its associated advertising procedures were amended. The amendments to the policy and procedures pertaining to advertising came into effect on November 29, 2004. They include:

- Institutions must coordinate advertising planning with the Privy Council Office and implementation with PWGSC.
- Advertising campaigns and products must show alignment with government priorities, themes and messages, and be developed with the advice of the Privy Council Office.
- Institutions must ensure that national advertising campaigns are adapted to regional audiences.
- Institutions must also ensure that information on all advertising activities is well documented and posted on AdMIS.

Planning and Approval

A key element of the new approach to advertising is more rigorous planning. To align advertising to government priorities, advertising funds were centralized and institutions must obtain both Cabinet and Treasury Board approval of their initiatives.

 Institutions prepare proposals based on government priorities and key programs and services. These proposals are vetted through strategic communications groups and recommendations are submitted to the designated Committee of Cabinet for funding allocations.

- Once the funds are voted by Parliament, they flow to institutions and are managed by them.
- Institutions regularly update the Privy Council Office and the Government Advertising Committee on the campaign objectives, key messages, target audience, creative development and evaluation.

Advertising Services

To open advertising procurement to a larger number of suppliers, a new procurement process was implemented to acquire advertising planning and production services.

The new approach to the procurement of advertising services includes the implementation of a variety of procurement tools, efforts to increase value for money through improved payment methods, and retaining the services of a single Agency of Record.

In March 2004, a request for proposals was posted on the electronic-tendering system (MERX) used by the Government of Canada to establish national and provincial standing offers and supply arrangements. This competitive process increased the number of qualified suppliers to provide advertising planning and creative services to government institutions. It also ensured that a larger number of suppliers qualified from each region of Canada.

An interdepartmental team chaired by PWGSC, with representatives from five departments, evaluated the 108 proposals received. This resulted in the authorization of 10 national, 12 provincial or regional and one aboriginal supplier for standing offers. Also, 1 supply arrangement with 17 pre-qualified suppliers (including one set aside for aboriginal businesses) was authorized. In November 2004, a request for standing offers for public notices resulted in 13 proposals being received and 2 offers accepted.

Over the course of the 2004-2005 fiscal year, 36 call-ups against the standing offers were issued to 11 different suppliers. Another 8 contracts resulting from mini-competitions among prequalified suppliers on the supply arrangement and one contract following a Request for Proposals (RFP) solicited through the MERX system were issued to 7 different suppliers. Advertising services over \$750,000 are competed using the MERX system.

The services of an independent third party contracting specialist, known as a fairness monitor, were retained to observe the technical evaluation portion of the procurement process for the supply arrangement and the standing offers.

Remuneration of Advertising Agencies

The Government of Canada now uses hourly rates and fees for most types of advertising contracts, rather than the commission-based remuneration arrangement previously employed. This change follows consultations with both public and private sector advertisers and a study conducted by the Association of Canadian Advertisers. For subcontracted work, agencies are reimbursed for their

net out-of-pocket costs. No mark-up or commission is allowed.

Agency of Record

The Government of Canada retains the services of one Agency of Record to purchase media space and time for government advertising. This enables the Government of Canada to:

- centrally control its media placement activity and reporting;
- benefit from its collective volume-buying power through expert negotiation;
- more easily verify that the advertising it purchased was aired or published in accordance with the media contract.

In December 2003, a fully competitive process was launched on MERX to select the new agency responsible for buying media on behalf of the Government of Canada.

An interdepartmental team chaired by PWGSC evaluated the proposals. This process was observed by an independent fairness monitor. The proposal by Cossette Media, of Toronto, a division of Cossette Communication Group, offered technical excellence at the lowest cost.

The contract was allocated for a period of three years from June 2004 to June 2007. It provides for the possibility of an extension of two additional one year terms.

It also includes a clause restricting Cossette Media, its parent corporation, its subsidiary corporation, its holding corporation and any corporate body of the contractor's immediate family, from bidding on any other advertisingrelated contracts for government entities listed in Schedule I, I.1 and II of the *Financial Administration Act*.

The basis of payment was changed to remove commissions and replace them with fixed weekly fees, capped fees and hourly rates.

The Agency of Record no longer participates in the planning of advertising campaigns. Institutions develop media plans with their advertising agencies, approve them internally, and then submit them to PWGSC for review. The Agency of Record executes the media plan with the authorization of PWGSC.

The contract calls for a third party audit of the Agency of Record to be initiated two years after the start of the contract (in June 2006). The contract also has provisions for interim cost/time verifications or audits of payments.

Transparency Measures

Specific measures were undertaken to strengthen transparency and accountability. For example:

- Approved funding for advertising initiatives is posted on the Treasury Board of Canada Secretariat's Web site
- Information on all advertisingrelated contracts is posted on the Contracts Canada Web site, including:
 - call-ups issued to the advertising agencies on the standing offer lists;
 - contracts awarded through competitions among the firms that pre-qualified for supply arrangements;

- o contract campaig competi MERX; a
 - contracts awarded for larger campaigns following a competitive process using MERX; and
 - work authorizations for media placement services issued to the Agency of Record.
 - Government institutions must post advertising contracts over \$10,000 on their respective Web sites.
 - The government's advertising activities are also made public through the release of this annual report.

Launch of the Advertising Management Information System

To improve reporting and documentation, an information system (again, the Advertising Management Information System — AdMIS) was developed to document advertising activities, expenses and results.

Institutions must use the system to manage and report on their advertising projects including obtaining ADV numbers that authorize the placement of ads in media outlets.

The system was launched following an in-depth review and consultation process with government institutions. It enables users to consult and retrieve information related to advertising initiatives and to learn from other projects.

Skills and Knowledge

Strengthening the capacity of government communicators to manage advertising was another key element of the new advertising reforms. In addition to learning and training initiatives by individual institutions, PWGSC offered information sessions to government communicators in 2004-2005 that included presentations on the effective usage of official languages in Government of Canada advertising, minority language media, ethnic media, and the advertising planning and funding process.

An advertising community of practice, involving some 160 members, was established to provide a forum for ongoing learning. Lunch-and-learn roundtables were organized, showcasing some of the government's major marketing and advertising initiatives.

A government-wide Intranet site dedicated to advertising was launched in June 2004 including an advertising e-handbook. The e-handbook contains links to relevant Acts, policies, procedures and tools to assist federal communicators involved in the government advertising process. The site also contains updated guidelines, media cost guides, Frequently Asked Questions (FAQ's) and a new government-wide Advertising Documentation Standard for Project Files to help government institutions manage their project files and maintain proper audit trails.

Meeting the Needs of Official Language Minority and Ethno-cultural Communities

Official Language Minority Communities

As specified in the Communications Policy, the Government of Canada is

committed to enhancing the vitality of English and French minority communities in Canada.

Institutions must respect the language rights of Canadians and meet the requirements of the *Official Languages Act* (OLA) when they advertise.

To ensure conformity with the OLA, advertising campaigns are reviewed and challenged at different stages in their development. Government advertising contracts require institutions to develop media plans that comply with the OLA by taking into account the linguistic characteristics of various regions of Canada.

The government's Agency of Record is also obligated to provide media placement services in a way that reaches official language minority communities. As part of this work, it maintains a list of media that institutions can use to develop their media plans.

In 2004-2005, 4.2 per cent of the government's total media expenditures were made in official language minority media outlets. Expenditures in official language minority print media represented 9.3 per cent of total print media expenditures while expenditures in official language minority radio represented 6.4 per cent of total expenditures in radio.

The government also held information sessions to sensitize government communicators on the effective use of official language minority media and the procedures in place to respect the language rights of Canadians. The government also maintained ongoing dialogue with representatives of the official language minority media to

build on a shared interest to reach English and French minority communities across Canada.

Ethno-cultural Communities

The government is also committed to promoting multiculturalism and celebrating Canada's ethnic and cultural diversity. Government information, including advertising, must be broadly accessible throughout society. The needs of all Canadians, whose perceptual or physical abilities and language skills are diverse, must be recognized and accommodated. Government institutions are also encouraged to develop advertising that mirrors the country's rich multicultural nature.

Ethnic media are an effective way to reach ethno-cultural communities. In fiscal year 2004-2005, 3.3 per cent of the government's media expenditures were made in ethnic media outlets, primarily in ethnic newspapers. Ethnic media placements represented 8.9 per cent of all print media expenditures.

In 2004-2005, the government carried out a number of initiatives to improve its communications with ethno-cultural communities through advertising. It kept an ongoing dialogue with ethnic media outlets to share information about government advertising practices. Information sessions were held with government communicators to show ways of effectively communicating with ethno-cultural communities and the value of ethnic media in reaching these audiences. The Agency of Record also worked on improving the list of ethnic media outlets to be used by institutions to develop their media plans.



Chapter 2: Advertising Activity

uring the 2004-2005 fiscal year, the Government of Canada spent almost \$50 million on advertising, including public notices. This represents a reduction of 29 per cent over 2003-2004.

A number of factors contributed to this reduction. The first was a decision to reduce media placements by 15 per cent for three years, saving approximately \$12 million each year for a total savings of \$36 million by 2006-2007. A government-wide moratorium on advertising was in effect from March 15th to June 2004 while the government

implemented new measures aimed at strengthening the management of government advertising activities. This was followed by the suspension of all government advertising during the federal election period from May to September 2004. Advertising activity slowly resumed in October 2004 as the government rolled-out its new advertising management framework.

During the halt to advertising, some exceptions were made for public notices related to mandatory Government of Canada business and emergency health and safety issues.

Major Advertising Campaigns

Campaign(s)	Institution	Campaign expenditures for planning, production and placements (in thousands of dollars)
 Health Care Accord Tobacco Second Hand Smoke, Cessation Campaigns Healthy Living Infant Feeding Guidelines 	Health Canada	\$10,535
One-Tonne Challenge	Natural Resources Canada	\$10,018
• Canada Savings Bonds	Finance Canada, Canada Investment and Savings	\$8,534
 Recruitment Campaign Reserve Campaigns Diversity Campaign TV/Cinema Campaign Trade and Lifestyle Video-Occupation and Lifestyle Video (production of videos in support of recruitment advertising) Recruiting Information Aids National Fall Campaign National Winter Campaign Canadian Forces Recruiting Centres and Detachments 	National Defence	\$6,848
 Electronic Tax Services Spring 2005 Campaign 	Canada Revenue Agency	\$5,342
Total, Major Advertising Campaigns		\$41,277
Total, Public Notices	All institutions	\$6,236

The advertising expenditures reported above were provided to PWGSC by each institution for the purposes of this annual report. GST is excluded.

Summary of Campaigns

Below are summaries from three major 2004-2005 government campaigns. More detailed information about these campaigns, including the evaluation methodologies and results, can be found in the Appendix of this report.

Canada Savings Bonds

The campaign targeted a broad cross-section of Canadians, including seniors, young people aged 20-35, Aboriginal and ethno-cultural communities, and Canadians living in culturally and geographically diverse communities. With the primary objective of supporting the annual sales campaign for Canada Savings Bonds, the advertising focused on building awareness among Canadians, continuing to develop a strong and innovative identity for Canada Savings Bonds, in addition to maintaining a diversified customer base and attracting new customers.

The campaign ran from October to November, 2004, in national and daily newspapers, national specialty magazines, and on national television during prime-time. Key messages communicated that Canada Savings Bonds are safe and secure, competitively priced with no fees, and represent a safe way to save or to invest for the future.

One-Tonne Challenge

The campaign aimed to build awareness and understanding of the challenge, encourage Canadians to take action to reduce their greenhouse gas emissions, and increase awareness and uptake of government programs and services that can help. The primary target audience for the campaign was home-owners and vehicle owners throughout Canada, with the secondary audience including private sector partners, educators, youth, government, media and industry.

The campaign ran from December 2004 to March 2005 and featured both national and regional components. The ads ran nationally on television, mostly during prime-time and including specialty networks. They also ran nationally on the Internet and in daily, community, Aboriginal and some ethnic newspapers, and magazines while they ran regionally on radio and in newspapers.

E-Services Pilot

The campaign aimed to promote two Government of Canada e-service projects, the Canada Benefits Site and the Business Start-up Assistant. It also aimed to assess the techniques and various media that would encourage the target audience (those determined to be early adopters of Internet-based services) to switch from in-person and telephone access government services to an Internet-based service delivery.

The campaign targeted employed and self-employed Canadians aged 25-54, with post-secondary education, and an average to middle income. The cities identified for the advertising campaign were Sudbury (Ontario), Sherbrooke (Quebec) and Kelowna (British Columbia). In each city, a combination of television, radio and print media in both official languages was used to advertise the two e-services sites.

Expenditures by Institution

The advertising expenditures reported below were provided to PWGSC by each institution for the purposes of this annual report and include planning, production and media placement costs incurred for all advertising campaigns and public notices (excluding GST).

In cases of multi-departmental advertising campaigns, expenditures have been attributed to the lead institutions

Institution	Advertising Expenses 2004-2005 (in thousands of dollars)
Agriculture and Agri-Food Canada	1,391*
Atlantic Canada Opportunities Agency	62*
Auditor General of Canada, Office of the	8
Canada Border Services Agency	3
Canada Economic Development for Quebec Regions	7*
Canada Industrial Relations Board	1*
Canada Revenue Agency	5,388*
Canadian Artists and Producers Professional Relations Tribunal	1
Canadian Centre for Occupational Health and Safety	78
Canadian Environmental Assessment Agency	134*
Canadian Food Inspection Agency	396*
Canadian Grain Commission	41*
Canadian Heritage	70*
Canadian Institutes of Health Research	43*
Canadian Nuclear Safety Commission	81*
Canadian Radio-Television and Telecommunications Commission	727*
Canadian Transportation Agency	58*
Citizenship and Immigration Canada	3*
Commissioner of Official Languages, Office of the	1*
Competition Tribunal	2*
Correctional Service of Canada	76*
Courts Administration Service	3*
Environment Canada	55*
Finance Canada, Department of	2
Finance Canada, Canada Investment and Savings	8,534
Financial Consumer Agency of Canada	280
Fisheries and Oceans Canada	66*

Institution (continued)

Advertising
Expenses
2004-2005
(in thousands
of dollars)

Foreign Affaire and International Trade Canada (Foreign Affaire)	464*
Foreign Affairs and International Trade Canada (Foreign Affairs)	464*
Health Canada	10,717*
Human Resources and Skills Development Canada Indian and Northern Affairs Canada	847*
	351*
Industry Canada	26*
Infrastructure Canada	1*
Law Commission of Canada	2*
Library and Archives Canada	19
National Battlefields Commission, The	152*
National Defence, Department of	6,848
National Energy Board	59*
National Film Board Canada	146*
National Research Council Canada	298*
Natural Resources Canada	10,082*
Natural Sciences and Engineering Research Council of Canada	2
Office of the Communications Security Establishment Commissioner	54
Office of the Secretary to the Governor General	236*
Parks Canada Agency	426*
Privy Council Office	48*
Public Safety and Emergency Preparedness Canada	6*
Public Service Commission of Canada	26
Public Service Human Resources Management Agency of Canada	64*
Public Works and Government Services Canada	646*
Royal Canadian Mounted Police	74*
Social Development Canada	58*
Social Sciences and Humanities Research Council of Canada	6*
Statistics Canada	39*
Transport Canada	212*
Veterans Affairs Canada	91*
Western Economic Diversification Canada	8*
TOTAL	\$49,519

 $^{^{\}ast}\;$ A portion, or, all of the expenditure represents public notices.

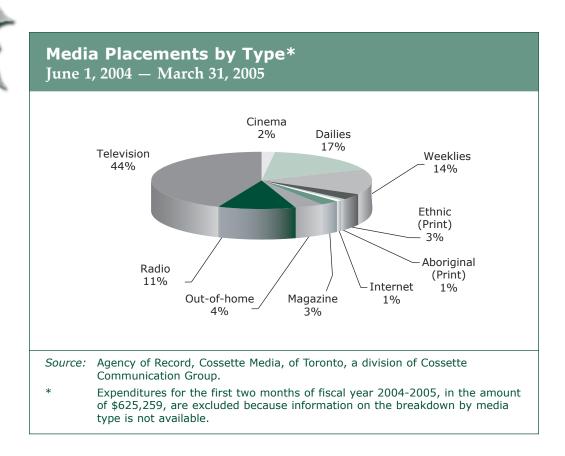
Suppliers Contracted by the Government of Canada

Academy-Ogilvy Communications Inc.	Les Domp
Acart Communications Inc.	Look Disp
Allard-Johnson Communications Inc.	Manon Ti
Armada	Mardigra
Assman Design Inc.	McKim Co
Atelier Offset Mont-Royal Inc.	Média/I.D
Ayaya Marketing and Communications	Mediaplus
Barbuzz	
BCP Ltd.	Naylor Pu
Beesum Communications	NIWRI Co
Bernard Hodes Group	Orfé Desi
Bleu Outremer Communication Design	OSL Mark
Brown Communications Group Inc.	OSL-Mart
Brunico Communications Inc.	Ottawa Li
Carisse Graphic Design Ltd.	Page Cou
CCL Group	PALM Pub
CCL Milestone (CCL Group)	
Charabia Interactif Inc.	Platine Co
Compass Communications Inc.	Poirier Co
Corporate Communications Limited (CCL Group)	Prince Ar
Cossette Media, of Toronto, a division	Publicatio
of Cossette Communication Group	Publicis I
Davis Communication Consulting Inc.	Quiller &
Day Advertising Group, Inc.	Repco-Mé
DDB Canada	Robert De
FORCE (Acart Communications Inc.,	Romeo O
OSL-Martin Inc., Corporate	Royal Yor
Communications Limited [operating as the CCL Group] and Omnicom Canada	
Inc., operating as DDB Canada)	Sandy Ma
Forest Communications Inc.	Spoutnik
Frida Franco Concept Design	TMP Worl
Groupe Popcorn	Top Adve
Hewson Bridge + Smith Ltd.	Viacom O
Imagik Design Communications	Vickers &
Kaboom Communication Design Inc.	Visionor A

During the 2004-2005 fiscal year:

 Média/I.D.A. Vision Inc. was the Government of Canada's Agency of Record from April 1, 2004 to May 31, 2004. pteurs de Souris plays issot Design phe Inc. Communications Ltd. D.A. Vision Inc. is Advertising ublications Consultants Ltd. sign & Com keting Communications tin Inc. ife Mohawk McKenzie urnoyer blicité Marketing Inc. Communication ommunications Limited thur Advertising Inc. ons LCR Inc. nc. Blake Ltd. édia esign Group Oscar Inc. rk Productions agee Publicité Marketing Idwide ertising Inc. Outdoor Canada & Benson Companies Inc. Associates Inc.

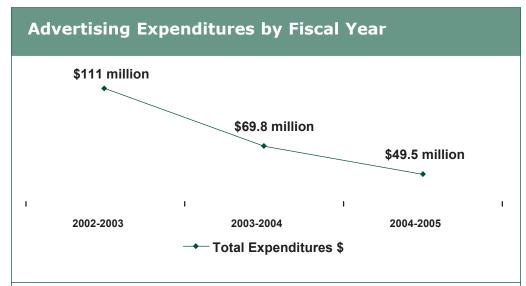
 Cossette Media, of Toronto, a division of Cossette Communication Group has been the Government of Canada's Agency of Record since June 1, 2004.



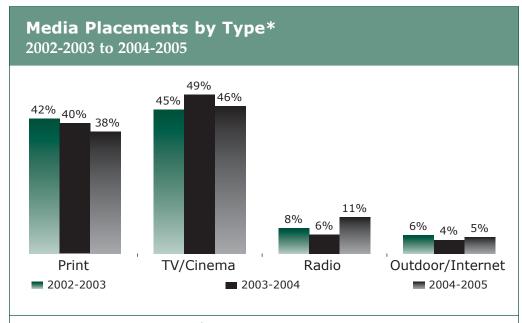
The three major media are television, print and radio. This has remained consistent over the past three years.

The choice of any given media outlet is based on sound media planning practices that take into account such factors as research, messaging, media availability, target audience, demographics, circulation, reach, timing and budget. Institutions must also comply with the *Official Languages Act*. This enables each campaign to reach its intended audience in the most effective and efficient manner and in the official language of their choice.

A Three-year View



Sources: A Year of Review: Annual Report on the Government of Canada's Advertising 2002-2003, A Year of Renewal: Annual Report on the Government of Canada's Advertising 2003-2004.



Sources: Agencies of Record (Média/I.D.A. Vision Inc.; Cossette Media, of Toronto, a division of Cossette Communication Group).

* Expenditures for the first two months of fiscal year 2004-2005, in the amount of \$625,259, are excluded because information on the breakdown by media type is not available.

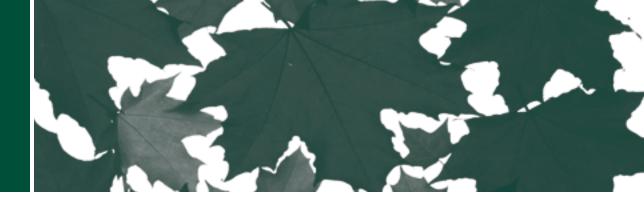
Expenditures in Official Language Minority and Ethnic Media and Percentage of Total Media Expenditures* \$2,642,264 (3.7%)\$1,635,012 \$1,451,431 (3.4%)(4.2%)\$1,395,841 \$1,145,655 (2.0%)\$948,929 (3.3%)(2.0%)2002-2003 2003-2004 2004-2005 Official Language Minority Media - ■ - Ethnic Media Sources: Agencies of Record (Média/I.D.A. Vision Inc.; Cossette Media, of Toronto, a division of Cossette Communication Group). Expenditures for the first two months of fiscal year 2004-2005, in the amount of \$625,259, are excluded because information on the breakdown by media type is not available.

The number of official language minority media outlets publishing government ads remained stable at 128.

Expenditures in official language minority print media represented 9.3 per cent of the total \$12.94 million spent in print media. As for radio, total expenditures were \$3.85 million of which 6.4 per cent was in official language minority outlets. No expenditure data is included in this report on official language minority television because few stations exist.

In 2004-2005 ethnic media placements represented 8.9 per cent of all print media expenditures.

In response to industry concerns, the Agency of Record now maintains a more comprehensive list of ethnic newspapers that institutions may use to select media placements.



An Invitation to Readers

This report makes every effort to inform Canadians about the advertising processes and procedures that apply to Government of Canada advertising, and of events in the 2004-2005 fiscal year affecting or related to Government of Canada advertising.

If you have comments or questions, please contact us:



Advertising Coordination and Partnerships

Government Information Services Branch Public Works and Government Services Canada Ottawa, ON K1A 0S5

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E-mail: adv-pub@pwgsc.gc.ca



Appendix Campaign Highlights and Results

he following campaign highlights and results were provided to PWGSC by the respective institutions for the purposes of this annual report.

Campaign

Department

Campaign Dates

Advertising Agency

Objectives

Canada Savings Bonds

Finance Canada, Canada Investment and Savings

October-November 2004

Vickers & Benson Companies Inc.

- To support the annual sales campaign for Canada Savings Bonds (CSBs).
- To continue to develop a strong, relevant and innovative identity for Canada Savings Bonds and to build awareness among an extensive cross-section of Canadians.
- To maintain a diversified customer base and capture new customers.
- To communicate product, rate and access information to Canadians in a timely manner during the six-month sales period.
- To create both an emotional and a rational reason to buy.
- To fully engage the audience and maximize impact through:
 - o conducting a strategic, integrated and synergistic multi-channel campaign;
 - illustrating and strengthening the connection between Canada Savings Bonds and Canadians.

Key Messages

- Canada Savings Bonds are guaranteed by the Government of Canada; they are safe and secure, competitively priced with no fees; and they represent a safe way to save toward near-term goals, or to invest for the future.
- Canada Savings Bonds are available where Canadians bank or invest, on-line through the CSB Web site, toll-free through the CSB call centre or through payroll deduction in the workplace.

Target Audience

An extensive cross-section of Canadians, including:

- seniors (aged 55 and older);
- young people (aged 20-35);
- Aboriginal and ethno-cultural groups;
- culturally and geographically diverse communities;
- existing core buyer groups (payroll and financial institutions);
- potential new buyers ("small savers").

Media Placement

Print

- Four print advertisements were created:
 - showing a range of relevant savings goals (e.g. vacation, education, down payment and home renovation);
 - o illustrating key reasons to buy, and including rates and a call to action; and
 - o delivered through national and daily newspapers, as well as through national specialty magazines, in both official languages.
- An additional "buying bonds as a gift" advertisement appeared in English and French community press, during the pre-holiday season in November 2004.
- A special 12-page, four-colour "Portraits of Canada" insert appeared in fall
 publications of Maclean's, L'actualité, Chatelaine (both English and French
 versions), Today's Parent and Les Enfants, featuring a "Tell Us Your CSB Story"
 theme and a CSB story contest by Maclean's magazine in association with
 Canada Savings Bonds.
- The advertising was further complemented by:
 - two direct mail campaigns to one million existing bondholders;
 - the distribution of point-of-sale print materials (e.g. product brochures and rate sheets) to 10,000 branches of banks, credit unions and financial institutions, and support materials (e.g. posters) to 12,000 participating payroll organizations.

Television

- Two complementary 30-second television spots were aired on the themes of savings and the future. The advertisements used a montage of "greatest hits" footage from past spots, which were also available for viewing on the CSB Web site (www.csb.gc.ca/eng/media_ads.asp). The television spots aired on national television during prime-time, and were adapted for regional, minority-language and ethno-cultural audiences to reach out to communities across the country.
- The campaign also featured 10-second identity dot spots.
- Special presentations on the theme of "How Canada Saves" were made for the October launch:
 - o half an hour on CanWest's "Moneywise" program;
 - o daily vignettes for five days on TVA's "Salut Bonjour."
- A 27-minute edumercial (a long format commercial aimed at educating consumers) aired nationally in October and November 2004.

Evaluation

Method

- Telephone surveys were conducted by EKOS Research Associates in October and November 2004 with the following samples:
 - 1,002 general public;
 - 147 cash buyers through financial institutions;
 - o 153 payroll buyers.
 - \circ The margin of error for a sample of 1,302 is \pm 2.7 percentage points, 19 times out of 20. The margins are wider for regional and demographic sub-samples.
- The survey respondents were tested on advertising recall, key message retention, and CSB identity and awareness. The results were tracked against data for 1997-2003.



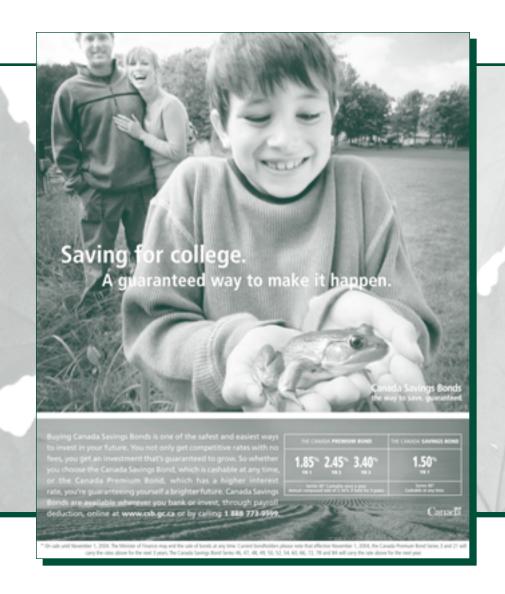
Evaluation (cont'd)

Results

- In terms of advertising recall:
 - CSB advertising was among the top Government of Canada advertising campaigns in terms of unaided advertising recall and had reached a new high for the program.
 - Unaided recall was at 42 per cent for the general population, 56 per cent for buyers through financial institutions and 60 per cent for payroll buyers.
 - Aided recall was also up four points to 63 per cent for the general population, 76 per cent for buyers through financial institutions and 82 per cent for payroll buyers.

Campaign Costs

Production:\$3,139,439Media placement:\$5,394,818Evaluative research:\$132,700



Campaign

Departments Campaign Dates Advertising Agency

Objectives

Key Messages

Target Audience

Media Placement

One-Tonne Challenge

Natural Resources Canada and Environment Canada

December 2004-March 2005

BCP Ltd.

- To build awareness and understanding of the One-Tonne Challenge.
- To encourage Canadians to take action to reduce their greenhouse gas (GHG) emissions by reducing energy use in transportation, at home and through waste reduction.
- To increase awareness and uptake of government programs and services that can help.
- To leverage support from current and potential partners.
- On average, each Canadian produces five tonnes of greenhouse gases a year.
- Almost anything we do that uses fossil fuels for energy (driving, heating and cooling our homes, using appliances) also creates greenhouse gas emissions, which are causing our climate to change.
- If Canadians take the One-Tonne Challenge, they can reduce their energy use and greenhouse gas emissions (target: by 20 per cent, or one tonne), save money, and help to protect our climate and air quality.

Primary

 Homeowners and vehicle owners throughout Canada with above-average income and education — those in the best position to have an immediate role in reducing personal greenhouse gas emissions.

Secondary

- Private sector partner companies (representatives and employees)
- Stakeholders
- Educators
- Youth

- Government (federal, provincial and territorial)
- Media
- Industry

National

Television

• The campaign was launched on December 6, 2004, with a two-week run at 250 gross rating points (GRPs) per week, with 60- and 30-second spots, featuring Rick Mercer in English and Pierre Lebeau in French. Following a two-week holiday-period interruption, the advertising campaign went into full swing on January 3, 2005, with 975 GRPs over six weeks. Spots aired on conventional English stations (CBC, CTV, Global), conventional French stations (SRC, TQS, TVA) and specialty networks, according to market share and target group. They were aired during prime-time hours (70 per cent) and off prime-time (30 per cent).

Media Placement (cont'd)

• Customized television integration with The Weather Network/MétéoMedia combined both television and Internet. The Weather Network/MétéoMedia created a series of informative features about climate change and about the One-Tonne Challenge initiative, explaining the science, impacts and tips to cope with the effects of climate change. The television package included 35 spots, with a 5-second opening billboard and a 55-second One-Tonne Challenge vignette, on each network. These ran for two weeks, starting March 14. Another 20 spots ran during the week of March 28.

Print

Newspapers

- A range of newspapers from national to more targeted ones. Daily newspapers in both official languages, community (includes newspapers in both official languages, weeklies and monthlies), Aboriginal and ethnic newspapers provided multi-layered reach and added a personalized flavour to the communication because the message was available in their own local media. Four inserts were placed in daily newspapers (on the weekends of January 15/16, February 19/20, March 12/13 and March 30), featuring Rick Mercer in English and Pierre Lebeau in French.
- In addition, two inserts were placed in community newspapers spanning various periods (January 17 to February 15, February 21 to March 13).
- Aboriginal publications were used for two insert periods (January 31 to February 27 and February 28 to March 31).
- The Mercer and Lebeau advertisements were also adapted to 11 different languages for various ethnic newspapers (the selection was based on 75,000+ population). Ethno-cultural advertisements were published during two periods: January 31 to February 27 and February 28 to March 31.
- Special editorial issues were used when the topic aligned itself to One-Tonne Challenge objectives. Examples included *The Globe and Mail/Les Affaires* Global Warming Supplement, *The Globe and Mail/Les Affaires* One-Tonne Challenge Spread, *Time/Les Affaires* Canada's Energy Efficiency Awards 2005, The Vancouver Sun's Healthy Home Supplement and *Smart Moves/Le Déménageur*.

Magazines

- English and French magazines (with a 50- to 60-per cent monthly reach against the target) were chosen: *Chatelaine, Maclean's, Reader's Digest, TV Guide, TIME* magazine, *7 Jours, L'actualité*. Advertisements appeared in the March editions, as well as in April editions that published in March.
- Special media opportunities were selected for publications with specific
 editorials on climate change, related subjects or relevant content linked to
 consumer action in the area of climate change. Opportunities included Jenish
 House Design Limited's 37th Edition of Building Information and Fine Home
 Plans, Carguide Buyers' Guide '05, Time/Affaires PLUS Energy Awards,
 Smart Moves/Le Déménageur and Protégez-vous issues on home appliances
 and car guide.

Media Placement (cont'd)

Internet

- The Internet component integrated with The Weather Network/MétéoMedia allowed users to view the One-Tonne Challenge vignettes, download the One-Tonne Challenge guide, link to the One-Tonne Challenge Web site, and gather information about how to save energy and the environmental factors that cause climate change.
- English and French Web sites were selected: MSN Sympatico, Chatelaine, Canoe, Yahoo and Canadian Driver (Canada's on-line auto magazine). The Internet advertisements consisted of three different creative elements: Mercer/Lebeau banner, vehicle-related banner and the home-related banner. The Internet portion of the campaign ran from March 15 to March 31.
- As part of the magazine buy package, *Smart Moves/Le Déménageur* also included visibility on their Web site. Animated banners and pop-ups in both English and French were displayed.

Regional

Radio

- Radio's reach included all markets across Canada (measured and non-measured).
- Creative elements included two 30-second spots: One-Tonne Challenge guide, and the *EnerGuide for Houses*.
- The campaign ran for five weeks, with the first four weeks accounting for 360 GRPs/week and the fifth at 200 GRPs.

Print

- Regional tailoring also included one additional insert in daily newspapers in both official languages, community (includes newspapers in both official languages, weeklies and monthlies), ethnic and Aboriginal newspapers.
 These advertisements appeared throughout the month of March.
- One insert was placed in community newspapers during a three-week period from March 14 to March 31. This third insert included a total of 41 different communities across Canada where specific community advertisements were created that featured a local community objective.





Method

- Two national telephone surveys using the Advertising Campaign Evaluation Tool (ACET) were conducted by Environics Research Group to measure advertisement awareness and recall, message effectiveness recall, producer identification, and impact on motivation to act.
- The first survey was conducted between January 31 and February 18, 2005 with a national random sample of 2,000 Canadians, 18 years of age and older, and focused on the One-Tonne Challenge television and print advertising.
 - \circ The margin of error for a sample of 2,000 is \pm 2.2 percentage points, 19 times out of 20. The margins are wider for regional and demographic sub-samples.
- A second survey was conducted between March 29 and April 8, 2005 with a national random sample of 2,002 Canadians, 18 years of age and older, focused on radio and continuing print advertising.
 - \circ The margin of error for a sample of 2,002 is \pm 2.2 percentage points, 19 times out of 20. The margins are wider for regional and demographic sub-samples.

Results

Survey 1 (Television/Print)

- 55 per cent had seen some part of the campaign (either on television or in print, or both).
- More than one in four Canadians (27 per cent) demonstrated unaided recall of the advertisement (i.e. they remembered some creative element of the advertisements without prompting).
- Aided recall of the television advertisement was 51 per cent, and 14 per cent for print.
- Both television and print achieved strong recall for the message of "reduce/conserve."
- The Government of Canada was well recognized as the producer of the advertisements (more than 50 per cent for both television and print).

Survey 2 (Radio/Print)

- 41 per cent recalled some part of the campaign (either radio or print, or both).
- Aided recall of the radio advertisements was 31 per cent, with 26 per cent recalling the print advertisements.
- For those recalling the radio and/or print advertisements, the Government of Canada was well recognized as the producer (54 per cent identified the Government of Canada/federal government as the producer).
- The radio and print advertisements registered even stronger measures of message recall of "reduce/conserve" than that seen for the television and print in the first survey.

TV (Feb. 2005)	59%	Print (Feb. 2005)	42%
Radio (April 2005)	74%	Print (April 2005)	62%

Evaluation (cont'd)

Tracking

Independent Research Findings (by Leger Research)

 Reported that One-Tonne Challenge advertising campaign was the "most noticed" and "most liked" national television advertising in February 2005 (Marketing magazine, 03/14/05).

Calls to 1 800 O-Canada, visits to the One-Tonne Challenge Web site, downloads of the Tips Guide, and e-mails to the Climate Change Web site were directly correlated to campaign activity during the 16 weeks of One-Tonne Challenge advertising:

- 1,153,206 visits to the One-Tonne Challenge Web site (with a weekly average of 72,293 representing double the weekly average before the campaign);
- 464,680 Tips Guide copies distributed (with a weekly average of 29,053);
- 120,402 visits to the GHG Calculator (with a weekly average of 7,525);
- 42,114 on-line pledges to take the One-Tonne Challenge (with a weekly average 2,632);
- 23,624 calls recorded against the Climate Change campaign on the 1 800 O-Canada service;
- 19,948 Tips Guide downloads (weekly average 1,241);
- 11,133 views of the on-line television advertisements;
- 2,774 e-mails to the Climate Change Web site. Analysis of these e-mails found 55 per cent to be positive in tone, versus 33 per cent negative (among the latter, the most common point focused on the commonly held belief that individual Canadians are unfairly targeted while not enough is being asked of industry or government. Relatively few said that the One-Tonne Challenge would not work, or that we lack infrastructure to help people commit to it; that it is a waste of tax dollars; or that climate change is exaggerated.
- More than 250 media-related items have been seen or heard regarding the One-Tonne Challenge during the campaign period.



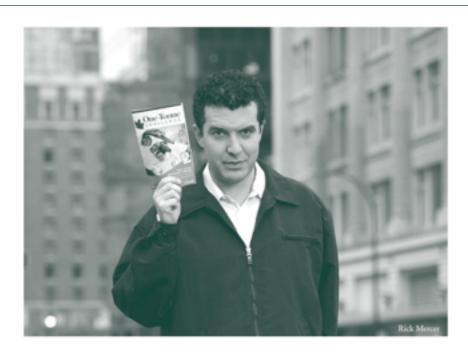


Campaign Costs

Production: \$758,999 Media placement: \$9,258,550

Evaluative research:

Pre-Testing \$19,405 **Post-Testing** \$103,319



Every Canadian loves a challenge, right?

On average, each Canadian produces five tonnes of greenhouse gases a year. Driving, heating and cooling our homes, using appliances... almost anything we do that uses fossil fuels for energy also creates greenhouse gas (GHG) emissions. And these emissions are causing our climate to change.

Take the One-Tonne Challenge - reduce your energy use and your GHG emissions by 20%, or one tonne. You'll save money, and help to protect our climate and our air quality.

Get your Guide to the One-Tonne Challenge. Visit www.climatechange.gc.ca or call 1800 O-Canada (1800 622-6232), TTY 1800 465-7735.

One-Tonne Challenge Take action on climate change



Gouvernement du Canada

Canadä

Campaign

Department
Campaign Dates
Advertising Agency
Objectives

E-Services Pilot

Public Works and Government Services Canada

February 28-March 25, 2005

TMP Worldwide

- To measure the effectiveness of promoting the two e-services (the Canada Benefits Site and the Business Start-up Assistant), by using revised Canada Site, television, radio and print advertisements.
- To assess the effectiveness of the various media in moving the target audience to Internet-based service delivery.
- To assess if the targeted audience would move from in-person and telephone use to the Internet-based service delivery.
- To test and compare recall rates of the television, radio and print advertisements.

Key Messages

Business Start-up Assistant

- Information and services are available on-line for Canadians who are thinking about starting their own business.
- Business information and services can be accessed via the Canada Site (canada.gc.ca).

Canada Benefits

- There are a range of government benefits available to Canadians.
- Canadians can get on-line information and learn more about the benefits available to them by visiting the Canada Site (canada.gc.ca).

Target Audience

The target audience included Canadians who:

- are between the ages of 25 and 54;
- have post-secondary education (university or college);
- have full-time or part-time employment or are self-employed;
- earn an average to middle income.

Research

- Previous public opinion research using Statistics Canada data and a number of previous surveys were conducted to define the target audience. The research helped to determine who would be early adopters of Internet-based services, and where these people are located.
- Research indicated that 25 per cent of the early adopters of e-services would be Canadians who:
 - would use either the telephone or in-person methods to access Government of Canada information and services, but not the Internet;
 - o have access to the Internet; and
 - o have used the Internet within the past three months.
- Secondary research was also conducted to gain insight into the early adopter profiles. Demographics and geographical locations of the target audience were then identified. This research-intensive approach enabled the development of a highly targeted marketing pilot that allowed for ease of evaluation and effective measurement.



Media Placement

• Ontario, British Columbia and Quebec were chosen. Demographic analysis of the three provinces identified three cities that had a high percentage of the targeted demographic group and whose community profiles matched very closely. In addition, their populations were of a similar size and each had access to local television, newspapers and radio stations. The chosen cities were Sudbury (Ontario), Sherbrooke (Quebec) and Kelowna (British Columbia).

In each city, television, radio and print media were used to advertise the two e-services sites.

Television

- The Canada Site television advertisement was modified to include the Canada Benefits Site and the Business Start-up Assistant.
- In all three cities, 30-second spots were aired (one in English and one in French).
- The spots aired during prime-time on local stations and network affiliates from February 28 to March 21, 2005.
- The total gross rating points (GRPs) for each market ranged from 240 to 480.

Radio

- In all three cities, 30-second spots were aired (one in English and one in French) in local markets from February 28 to March 21, 2005.
- The total GRPs for each market ranged from 300 to 480.

Print



- Half-page advertisements (in English and French) were placed in daily and weekly newspapers in all three cities.
- Bilingual quick cards (as seen on the left) were also inserted in newspapers in all three cities.

Evaluation

Method

- Telephone surveys using the Advertising Campaign Evaluation Tool (ACET) were conducted by Ipsos-Reid to evaluate the campaign on the following:
 - Measure effectiveness in promoting the two e-service projects via the revised Canada Site, television, radio, and print advertisements;
 - Assess the effectiveness of the various techniques/media in moving the target audience from in-person and telephone-based service and information retrieval to Internet-based service delivery and information retrieval;
 - Further confirm the actual incidence of e-service early adopters (Canadians who
 would rely on telephone or in-person Government of Canada service delivery
 but who have used the Internet in the past three months), and
 - Test and compare recall rates of the advertisements for television, radio and print.
- A total of 2,100 Canadians were surveyed (700 in each market Kelowna, BC, Sudbury, ON, Sherbrooke, QC) between March 21 and April 3, 2005.
 - The margin of error for a sample of 2,100 is ±2.14 percentage points, 19 times out of 20.

Results

- Unaided recall was 26 per cent.
 - Of those who saw the advertisement, 41 per cent recalled seeing it on television;
 31 per cent recalled seeing the advertisement in newspapers;
 10 per cent recalled hearing the advertisement on radio and 9 per cent recalled seeing the quick cards.
 - Unaided message recall for the Business Start-up Assistant was 26 per cent; for Canada Benefits, 10 per cent; for government, 19 per cent; for the Canada Site, 6 per cent.
- Aided recall was 42 per cent.
 - Of those who saw the advertisement, 22 per cent recalled seeing it on television, 22 per cent recalled the print advertisement, and 13 per cent recalled the radio advertisement.
 - o Aided recall of the advertising message included the following results: 25 per cent recalled boss/business, 17.2 per cent recalled benefits/assistance, 15.2 per cent recalled government services and 11.2 per cent recalled on-line information.
- Of the respondents who recalled seeing, hearing or reading the advertisements, 51 per cent consistently ranked Government of Canada performance highest for communicating the range of services it offers by Internet. This finding represents a 28 per cent gap over those with no recall.
- Of those who recalled the advertisements, 53 per cent who recalled hearing the advertisements on the radio rated Government of Canada performance the highest in terms of providing information to the public.
- Web site recall was 19 per cent. Of those who recalled a specific Web site, 19 per cent recalled canada.gc.ca, 11 per cent recalled www.gc.ca and 5 per cent recalled www.gov.ca.
- Of those who recalled the advertisements, 67 per cent would switch from telephone to Internet-based service, 58 per cent from in-person to Internet, and 54 per cent from service by mail to Internet-based service.

Other Findings

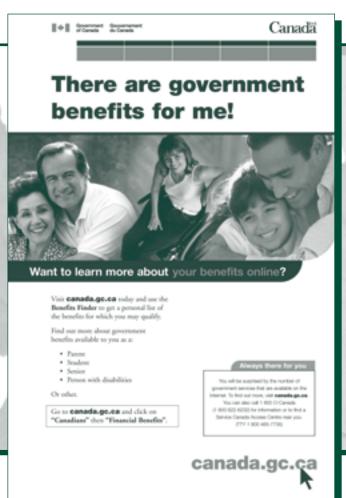


- Of those who saw the advertisements, 34 per cent visited the site.
- During the campaign, the following increases were noticed:
 - o 61.2 per cent increase in visits accessing the Canada Benefits pages via the Canadians and Residents page of the Canada Site (canada.gc.ca);
 - a 42.2 per cent increase in visits to the Canada Site main page (English and French);
 - o 42 per cent increase in visits to the Canadians and Residents page of the site;
 - o 34.5 per cent increase in visits to welcome page of the site;
 - o 30.9 per cent increase in visits to the Canadian Business page of the site;
 - o 16.2 per cent increase in visits to the Canada Benefits site (canadabenefits.gc.ca);
 - 8.6 per cent increase in visits to the Canada Business information site (canadabusiness.gc.ca).

Campaign Costs

Production/planning: \$26,260 **Media Placement:** \$221,177

Pre-testing (2003/04): \$16,200 **Evaluative Research:** \$64,932







Glossary

Advertising: defined in the Treasury Board Contracting Policy as:

- All activities involved in the purchase, by or on behalf of the government, for the development and production of advertising campaigns and associated space or time in print or broadcast media, or in other mass media, such as outdoor and transit advertising.
- It also includes any collateral materials such as posters, counter displays, and printed material such as inserts that are a direct extension of an advertising campaign. Public Service Announcements are also considered advertising.
- Public relations, special events, direct marketing and promotion activities that are an extension or form part of an advertising campaign are included in the definition of advertising.
- Paid announcements such as public notices regarding tenders, sales, public hearings, offers of employment, and business hours and addresses may be placed directly with the media by departments and agencies.

Advertising Agency: A private-sector supplier, selected through a competitive process that provides a government institution with advertising services such as strategic planning, creative and production services and media planning in support of an advertising initiative.

Advertising Campaign Evaluation Tool

(ACET): Institutions are required to use the ACET, a quantitative evaluation (telephone survey) tool, for advertising campaigns exceeding \$400,000 in paid media. Horizontal campaigns (involving more than one institution) of similar magnitude must also be evaluated, even though the cost of the media buy to each participating institution may be less than \$400,000. The ACET uses a set of standardized questions that allow a basis of comparison for federal government campaigns.

ADV Number: A number issued by the Advertising Coordination and Partnerships Directorate to an institution once the advertisement(s) has been reviewed for its compliance to Acts, government standards and policies. This number, in conjunction with a valid contract issued by the Communication Procurement Directorate, authorizes the government's Agency of Record to purchase the advertising time or space on behalf of a government institution for that specific advertisement.

Agency of Record (AOR): A private-sector supplier, under contract with the Government of Canada and selected through a competitive process, that negotiates, consolidates, purchases and verifies advertising media time and space for Government of Canada advertising requirements.

Call-up Against a Standing Offer: A

call-up against a standing offer accepts the offer from a company and establishes a contractual relationship with them — the call-up is what activates the standing offer. Each call-up is a separate contract between the Crown and the supplier.



Gross Rating Points (GRP): (Frequency times reach) It is a measure of the advertising weight delivered by media within a given time period. For example, if an advertisement is seen an average of 10 times by 20 per cent of adults aged 25 to 54, the advertisement would have 200 GRPs for that segment of the population.

Insert: A promotional method, which consists of having a print advertisement or promotional item inserted into a newspaper, a plastic bag, or the plastic wrap of a magazine.

Media Buy/Placement: The purchase of advertising time or space from a media outlet (such as a television station, a radio station, or newspaper).

MERX: The electronic-tendering system used by the Government of Canada that provides services to both the buyer and supplier community. It posts procurement notices and bid solicitation documents for suppliers to access and allows users (including contracting officers and suppliers) to search and view procurement notices. For more information please see the MERX Web site at www.merx.com.

Post-testing: Refers to the evaluation of the effectiveness of an advertisement or other communication products after it has been launched to its intended audience. Day-after recall studies, and telephone and readership surveys are examples.

Pre-testing: Any generally recognized qualitative research procedure used to evaluate the likely audience reaction to an advertising campaign or its components while still in development or before they are released to the public. Examples include focus group testing of a proposed advertisement, creative concept or text.

Public Notice: Announcements, including those placed in the *Canada Gazette*, that deal with tenders, recruitment, public hearings, business hours, addresses and contact information. Such notices may be placed directly by institutions.

Reach: The percentage of a target audience reached once by a media vehicle or a media schedule.

Request for Proposal (RFP): For creative advertising work valued in excess of \$750,000 (not including the media buy), contracts are awarded through a competitive process in which a request for proposals is published on MERX. The proposals are evaluated according to the criteria detailed in the request for proposals. Selection is based on the combination of technical score and price that offers best value.

Standing Offer: A standing offer is a proposal from a potential supplier to provide goods and/or services at pre-arranged prices, under set terms and conditions, when and if required. No contract exists until the Government issues an order or "call-up" against the standing offer and there is no actual obligation by the Government to purchase until that time.

For advertising requirements up to a value of \$75,000 (not including the media buy), a competitive solicitation process is used to establish lists of national and provincial standing offers. The selection is based on an evaluation of the technical and financial offers submitted. Standing offers are generally in place for two-year periods. For each advertising campaign (again, valued up to \$75,000), advertising agencies are selected from the appropriate list of standing offers. The selection is based on a pre-established formula.

Supply Arrangement: A method of supply where bids are selected from a pool of prescreened suppliers. A supply arrangement is not a contract and neither party is legally bound as a result of signing this document.

For advertising requirements between \$75,000 and \$750,000 (not including the media buy), a list of two-year supply arrangements with prequalified suppliers is established. Suppliers are selected on the basis of the technical capabilities demonstrated in their submissions. For each advertising requirement in this value range, all pre-qualified suppliers are invited to bid. Advertising agencies are then selected according to the evaluation criteria detailed in the invitation for bids, and based on an evaluation of the technical and financial proposals submitted.

Work Authorization: The written authorization, issued by the contracting authority at the request of the program authority or the project authority, to the Agency of Record to purchase advertising media space and/or time from media suppliers.