

MEMO / NOTE DE SERVICE

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TO :

Finance and Economic Development Committee

DESTINATAIRE :

Comité des finances et du développement économique

FROM :

Steve Kanellakos
Deputy City Manager
City Operations

Contact :
Donna Gray,
Director ServiceOttawa
City Operations
613-580-2424, ext 25684
donna.gray@ottawa.ca

EXPÉDITEUR :

Steve Kanellakos
Directeur municipal adjoint
Opérations municipales

Personne ressource :
Donna Gray,
Directrice ServiceOttawa
Opérations municipales
613-580-2424, ext./poste 25684
donna.gray@ottawa.ca

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SUBJECT :

CITY OF OTTAWA MERCHANDISING PROGRAM

OBJET :

PROGRAMME DE MARCHANDISAGE DE LA VILLE D'OTTAWA

PURPOSE

The purpose of this memo is to provide an update on the City of Ottawa Merchandising Program and to respond to Motion No. 27/102 and subsequent IT Sub-committee Inquiry 02-11, "Availability of City Merchandise on O-Zone."

BACKGROUND

The ServiceOttawa, Client Operations Branch currently manages an in-house merchandising program with a variety of promotional items, including: lapel pins, lanyards, golf balls, toques, t-shirts, sweaters and ball-caps. It sells merchandise to external customers, staff, Members of Council and City Departments.

DISCUSSION

A Council motion regarding City Branded Merchandise directed staff to consider expanding the range and quality of items currently offered, as well as to investigate the sale of corporate merchandise through an RFP and/or licensing agreement.

In 2010, the Corporate Business Services branch of the former Organizational Development and Performance Department (ODP) was tasked to conduct a review and provide recommendations that would satisfy the motion. During this review a subsequent inquiry was received from the IT Sub-committee concerning the merchandise program, asking about the potential for merchandise to be made available on Ozone, and include an ordering process similar to printing and translation services.

The review has since been completed. Based on this review the ServiceOttawa Department will take the following approach:

1. Issue an RFP in 2012 to locate a third-party vendor to assume full responsibility the City's Merchandising Program, including storage, sales, and delivery of the merchandise effective 2013. Minimum requirements include:
 - a) Provide the same or better variety and quality of merchandise that the City is currently able to procure;
 - b) Accept orders through multiple channels, including a hosted on-line Estore with payment processing functionality, accessible to both internal and external clients;
 - c) Handle discount pricing;
 - d) Handle returns and refunds;
 - e) Handle last minute/urgent requests from Members of Council and staff;
 - f) Ship orders to City locations for pick-up - or to citizens directly;
 - g) Allow the City to follow up with citizens to ensure that service delivery is acceptable, and;
 - h) Provide the City with sales information and revenues.

2. Implement the following enhancements in 2012 as interim solutions:
 - a) Leverage the on-line Store on Ottawa.ca to offer internal-facing branded merchandise sales internally through Ozone, on a temporary basis. Display the full range of available branded merchandise, including both Councillor and staff discounted prices, in both image and list format, and provide Councillors with the list of discounted prices. Leverage the existing "ordering" process of the On-line Store to action internal sales orders. All but "real-time" inventory can be enhanced through these steps, which will remain a manual process by Client Operations staff. Existing on-line ordering processes, such as those used by Translation and Printing Services will be considered as part of this approach; and will be considered for implementation, balancing the level of effort required for a short term solution.
 - b) Maximize Merchandise Road Show opportunities by scheduling sales in conjunction with other major city events, and;
 - c) Make better use of display cases within Client Service Centres and other City facilities, to increase sales, particularly when new and innovative merchandise items are procured. Increasing the visibility of merchandise products for in-person clients in the short term may lead to long term gains in selling to external customers.

CONCLUSION

These improvements will maximize sales opportunities and expose both internal and external customers to City-branded merchandise.

Steve Kanellakos
Deputy City Manager
City Operations