

CITY AND COUNTY OF HONOLULU ADMINISTRATIVE RULES

TITLE 3

DEPARTMENT OF BUDGET AND FISCAL SERVICES

SUBTITLE 4

DIVISION OF PURCHASING

CHAPTER 62

SPONSORSHIP OF CITY ASSETS OTHER THAN THE HONOLULU ZOO

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**§3-62-1 Purpose.** The purpose of these rules is to comply with and implement, administer, and enforce the requirements of Ordinance 17-16, including prescribing the procedures for the Sponsorship of City Assets. [Eff APR 30 2018] (Auth: Ord 17-16) (Imp: Ord 17-16)

**§3-62-2 Definitions.** "Cash sponsorship" means a type of sponsorship where a sponsor provides cash to sponsor a City asset.

"City asset" means a City facility, park, program, equipment, or tangible property.

"Equipment" means any vehicle, construction equipment, machine, device, gear, apparatus, or tool with a value in excess of \$25,000 used in the operation of the City but does not include City-operated buses or special transit service vehicles.

"Facility" means any building, including any stadium, arena or station, owned, managed or operated by the City.

"Financial contribution" means cash, goods, or services, paid or provided to the City at such time or times as set forth in the sponsorship agreement.

"In-kind sponsorship" means a type of sponsorship where a sponsor provides a good or service.

"Person" means the same as defined in ROH Section 1-4.1.

"Program" means any program, festival, contest, event, fair, athletic race, gala or similar event provided by a City department or agency in connection with the operations of a department or agency.

"Sponsor" means a person that enters into a sponsorship agreement with the City.

"Sponsorship" means a mutually beneficial arrangement between the City and a person, wherein the person provides a financial contribution to the City in return for sponsor recognition on or in connection with one or more City assets, for a specified period of time.

"Sponsorship agreement" means a written agreement executed between the City and a sponsor governing a sponsorship, on terms and conditions acceptable to the City and the sponsor. A sponsorship agreement may include provisions that allow for the recognition of the sponsor.

"Sponsorship recognition" means a tangible acknowledgment and expression of gratitude issued as part of the sponsorship agreement. [Eff APR 30 2018] (Auth: Ord 17-16) (Imp: Ord 17-16)

**§3-62-3 Authorization for Sponsorships.** (a) City assets are intended and exclusively used for operations of the City in providing governmental services and programs to and for the public, and except as required by law or expressly established by an affirmative action by the city council, no person will have a right to access or use any City asset for any purpose other than the intended and authorized governmental purpose or service.

(b) Any placement of sponsorship messages or recognition on a City asset, pursuant to a sponsorship agreement, requires written authorization by the director of budget and fiscal services.

(c) The City possesses sole and final decision-making authority for determining the appropriateness of a sponsorship and reserves the right to refuse to enter into any proposed sponsorship agreement.

(d) Approvals of sponsorships shall be made as follows:

- (1) Sponsorship agreements for a term of less than five (5) years and for a financial contribution of less than \$50,000 may be approved and entered into by the director of budget and fiscal services; or
- (2) Sponsorship agreements involving a financial contribution of \$50,000 or more or for a period of five (5) years or more must be approved by a resolution adopted by the city council. [Eff

APR 30 2018] (Auth: Ord 17-16) (Imp: Ord 17-16)

**§3-62-4 Funds Received From Sponsorship Agreements.** (a) The director of budget and fiscal services shall determine the appropriate funds in which monetary proceeds received pursuant to sponsorship agreements shall be deposited and ensure that such funds are expended for their designated purpose.

(b) Generally, the funds received from a sponsorship agreement shall be deposited and used for the benefit of the department or agency that has jurisdiction over or responsibility for the City asset being sponsored. [Eff APR 30 2018]  
(Auth: Ord 17-16) (Imp: Ord 17-16)

**§3-62-5 Sponsorship Guidelines.** (a) The sponsorship consideration given by the sponsor may be cash or in kind.

(b) A sponsor may receive recognition for its financial contribution as part of the sponsorship agreement.

(c) Sponsorship recognition may include the following, or any combination thereof, during the term of the agreement:

- (1) Recognition of the sponsor for a specific City program;
- (2) Appropriate mention in media releases and promotional materials as a sponsor for the City program;
- (3) Appropriate sponsorship recognition or display at the City program location;
- (4) Appropriate recognition on the program website as a sponsor for the program; or
- (5) Other possible benefits as may be negotiated.

(d) If the sponsor desires to use the City's name, seal, or logo in materials, communications, or advertisements including, but not limited to, print, video, internet, broadcast, or display items developed to promote or communicate the sponsorship, the express written approval for such use must be stated in the sponsorship agreement.

(e) The City retains its rights and discretion to exercise full editorial control over the placement, content, appearance, and wording of sponsorship recognition, affiliations, and messages.

(f) Sponsorship recognition, publications, and publicity must conform to all applicable laws and rules, including but not limited to HRS Chapter 445, Part IV, pertaining to outdoor advertising, including billboards, and ROH Chapter 21, Article 7, pertaining to sign regulations.

(g) Any physical form of sponsorship recognition must blend in with the surrounding environment.

(h) The sponsorship shall not cause the City to relinquish any aspect of the City's right to direct, manage and control the City asset.

(i) The sponsorship must not create a conflict of interest for the City.

(j) The sponsorship must not confer a personal benefit, directly or indirectly, to any particular City officer or employee.

(k) Sponsorships from persons that have a pending open application with the City for a discretionary approval are prohibited.

(l) Sponsorships from persons opposing the City in a pending or ongoing legal proceeding are prohibited.

(m) Sponsorships that involve situations where the corporation counsel determines that there would be or are conflicts of interest are prohibited.

(n) Sponsorships shall not be deemed to constitute an endorsement of the sponsor or its services and products, or create any proprietary interest of the sponsor in the City or the City assets.

(o) Sponsorship materials that advocate, contain price information or an indication of associated savings or value, request a response, or contain comparative or qualitative descriptions of products, services, or organizations are prohibited.

(p) City departments and agencies may enter into multiple sponsorships and enter into agreements with multiple sponsors.

(q) Sponsors may sponsor multiple City assets and enter into sponsorship agreements with multiple City departments and agencies.

(r) The sponsorship must not discriminate against any person on the basis of race, color, creed, religion, sex, including gender identity and expression, sexual orientation, age, marital status, ancestry, national origin, or disability.

(s) Sponsorship recognition, branding, publicity, and advertising in conjunction with the sponsorship agreement must not contain the following:

- (1) Obscenity;
  - (2) Pornography;
  - (3) Incitement to imminent lawless action;
  - (4) Speech presenting a grave and imminent threat;
  - (5) Fighting words;
  - (6) Fraudulent material;
  - (7) True threats;
  - (8) Defamatory, libelous, or slanderous material;
  - (9) Solicitations to commit, or speech integral to, criminal conduct;
  - (10) The promotion of drugs, alcohol, tobacco, gambling, or adult entertainment;
  - (11) Political campaign speech, or speech that supports or opposes or appears to support or oppose a ballot measure or initiative, or refers to any person in or campaigning for public office; or
  - (12) Religious speech that advocates or opposes a religion or religious belief. [Eff APR 30 2018]
- (Auth: Ord 17-16) (Imp: Ord 17-16)

**§3-62-6 Department or Agency Initiates Requisition for Sponsorship.** (a) City departments and agencies may identify City assets that are available for sponsorship opportunities.

(b) City departments and agencies that desire sponsorships shall submit to the department of budget and fiscal services a requisition to initiate a request for sponsorship.

(c) If the requisition is approved by the director of budget and fiscal services, the department of budget and fiscal

services, division of purchasing, shall advertise a request for sponsorship notice.

- (1) The request for sponsorship notice shall be advertised for a period of time as determined by the department of budget and fiscal services, but shall not exceed one (1) year.
- (2) Additional notices may be issued as determined appropriate by the director of budget and fiscal services. [Eff APR 30 2018 ] (Auth: Ord 17-16) (Imp: Ord 17-16)

**§3-62-7 Response to Request for Sponsorship.** (a) A potential sponsor of a City asset shall respond to the request for sponsorship notice by submitting the completed request for sponsorship application within the time frame specified in the notice. The application shall be submitted electronically to the department of budget and fiscal services unless otherwise specified.

(b) Upon receipt of the request for sponsorship application, the department of budget and fiscal services shall forward the application to the department or agency that has jurisdiction over the City asset.

(c) The application shall be reviewed and considered by the department or agency with jurisdiction over the City asset to be sponsored.

(d) The department or agency may contact the potential sponsor to clarify, discuss, or negotiate the terms of the sponsorship.

(e) The application shall be saved and retained by the department of budget and fiscal services.

(1) The application shall be retained for a period of 1 year after the date of submission.

(2) If a sponsorship agreement is made within the 1 year period after the date of submission, the application shall be retained for an additional period of 6 years beyond the termination of the sponsorship agreement.

[Eff APR 30 2018 ] (Auth: Ord 17-16) (Imp: Ord 17-16)

**§3-62-8 Unsolicited Response to Request for Sponsorship.**

(a) If a potential sponsor desires to sponsor a City asset that has not been identified as available for sponsorship by a City department or agency, the potential sponsor shall complete and electronically submit a request for sponsorship application for consideration to the department of budget and fiscal services.

(b) Upon receipt of the request for sponsorship application, the department of budget and fiscal services shall forward the request for sponsorship application to the department or agency that has jurisdiction over the City asset to be sponsored.

(c) The request for sponsorship application shall be reviewed and considered by the department or agency with jurisdiction over the City asset to be sponsored.

(d) The department or agency may contact the sponsor to clarify, discuss, or negotiate the terms of the sponsorship.

(e) The application shall be saved and retained by the department of budget and fiscal services.

(1) The application shall be retained for a period of 1 year after the date of submission.

(2) If a sponsorship agreement is made within the 1 year period after the date of submission, the application shall be retained for an additional period of 6 years beyond the termination of the sponsorship agreement.

[Eff APR 30 2018] (Auth: Or 17-16) (Imp: Ord 17-16)

**§3-62-9 Sponsorship Agreement.** (a) Once the potential sponsor and the department or agency that has jurisdiction over the City asset to be sponsored have come to an agreement regarding the material terms of the sponsorship, the parties shall enter into a sponsorship agreement, which shall include the following:

- (1) Identify the City asset to be sponsored;
- (2) Specify the consideration or support, whether cash or in-kind, to be provided or given to the City by the sponsor;
- (3) Specify the sponsorship recognition being granted to the sponsor in exchange for the sponsorship;
- (4) Specify the term of the sponsorship;
  - (A) Specify whether the sponsorship of the City asset is exclusive or non-exclusive;
  - (B) Provide that the sponsor shall defend, indemnify, and hold harmless the City, its officers, agents, and employees against all liability, loss, damage, cost and expense, including attorneys' fees, arising out of or resulting from the acts or omissions of the sponsor, its directors, employees, officers, agents, or contractors, in connection with the sponsorship and the sponsorship agreement; and

- (5) Be signed by the sponsor, director of the department or agency with jurisdiction over the affected City asset, and the director of budget and fiscal services.
- (b) The sponsorship agreement shall be retained for a period of 6 years beyond the termination of the sponsorship agreement. [Eff APR 30 2018] (Auth: Ord 17-16) (Imp: Ord 17-16)

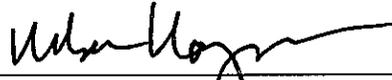
§3-62-10 Sponsorship Termination. (a) A sponsorship agreement may not specify a term longer than five (5) years, unless a longer duration is approved by resolution of the city council.

(b) The sponsorship agreement may be terminated in writing at any time during the term of the sponsorship agreement when, in the sole determination of the City, the sponsorship is no longer in the best interest of the City. [Eff APR 30 2018] (Auth: Ord 17-16) (Imp: Ord 17-16)

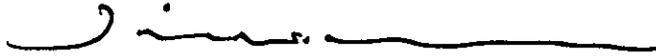
DEPARTMENT OF BUDGET AND FISCAL SERVICES

The adoption of chapter 62, City and County of Honolulu Administrative Rules, on the Summary Page dated April 18, 2018 was adopted on April 18, 2018, following a public hearing held on March 5, 2018, after public notice was given in the Honolulu Star-Advertiser on February 1, 2018.

The adoption shall take effect ten days after filing with the Office of the City Clerk.



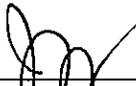
Nelson H. Koyanagi, Jr.  
Director, Department of Budget and  
Fiscal Services



Kirk Caldwell  
Mayor, City and County of Honolulu

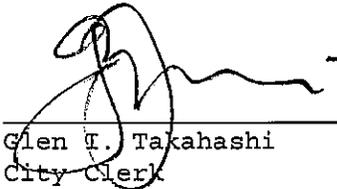
Dated: April 18, 2018

APPROVED AS TO FORM  
AND LEGALITY:



Deputy Corporation Counsel  
**JESSICA Y. WONG**

FILED:



Glen T. Takahashi  
City Clerk

Dated: April 20, 2018

CERTIFICATION

I, Nelson H. Koyanagi, Jr., in my capacity as Director of the Department of Budget and Fiscal Services, City and County of Honolulu, do hereby certify that the foregoing is full, true, and correct copy of the Sponsorship of City Assets Other Than the Honolulu Zoo, as compiled, which were adopted on April 18, 2018, following a Public Hearing held on March 5, 2018, after a public notice was given on February 1, 2018, in the Honolulu Star-Advertiser.



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Nelson H. Koyanagi, Jr.  
Director, Department of Budget and  
Fiscal Services

Received this 20th day of  
April, 2018.

  
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Glen I. Takahashi  
City Clerk