

Condensed Title:

Request For Approval To Issue A Request For Proposals (RFP) For Certain Advertising Programs, And Advertising Sales Support, As Part Of The City's Revenue Enhancement Initiatives

Key Intended Outcome Supported:

Improve the City's overall financial health and maintain overall bond rating

Supporting Data (Surveys, Etc.): N/A

Issue:

Should the Commission approve the issuance of a Request for Proposals?

Item Summary/Recommendation:

During the FY 10/11 the budget process last summer, several concepts were presented as potential revenue enhancement opportunities. Subsequently, staff engaged in a review of potential advertising partnerships/opportunities that are designed to generate income to the City. Staff's market research also helped determine which of these opportunities could be handled internally and which required partners. This market research process also helped us to identify the potential income that could be derived from these different opportunities.

It was concluded that a competitive process (a Request for Proposals, or RFP) would be the best mechanism to identify potential partners for certain current advertising products, as well as to secure advertising sales support services, on an as-needed basis. This RFP process would be used to secure the services of one or more companies, for one or more of the following advertising categories:

- 1) Parking Arms advertising (we have identified one company that can provide this program in a full service manner; please refer to other memo in the agenda for specifics);
- 2) Parking Stripes advertising;
- 3) Digital/Display Elevator Advertising (elevators in Parking Garages and other City buildings);
- 4) Parking POF meter advertising;
- 5) Misc. Parking Garage Advertising (e.g. pillars, etc.);
- 6) Other advertising opportunities (non-Parking);
- 7) Advertising Sales Support.

Interested proposers may submit proposals for one or more category. The City will retain the right and ability to identify the quantity and location of any proposed advertising program to ensure that it meets our expectations in terms of aesthetics.

At the March 9, 2011 Commission meeting, Commissioner Jonah Wolfson referred for discussion to Committee a proposal submitted by ReBuzz Marketing relating to two specific concepts that would have the potential to generate revenues to the City (placement of maps on parking "pay-on-foot" (POF) machines, with an additional component that would place similar maps on parking garage elevators). As was reported last summer, the City researched options to maximize the visible presence of the over 500 POF machines located throughout the City. It was recommended to the FCWPC that approval be granted for the issuance of an RFP to select partners for various advertising programs. As a POF program and elevator advertising program have been identified as potential revenue generators for the City, both of these categories were included as potential advertising partnership opportunities in the proposed competitive process.

APPROVE ISSUANCE OF AN RFP.

Advisory Board Recommendation:

FCWPC 4/27/11 – Recommendation to issue RFP.

Financial Information:

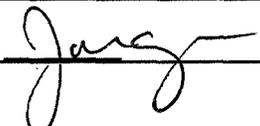
Source of Funds:		Amount	Account
OBPI	1		
	2		
	Total		

Financial Impact Summary: N/A

City Clerk's Office Legislative Tracking:

Gus Lopez, ext 6641

Sign-Offs:

Department Director	Assistant City Manager	City Manager
	HMF  PDW	JMG 



COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: May 11, 2011

SUBJECT: **REQUEST FOR APPROVAL TO ISSUE A REQUEST FOR PROPOSALS (RFP) FOR CERTAIN ADVERTISING PROGRAMS, AND ADVERTISING SALES SUPPORT, AS PART OF THE CITY'S REVENUE ENHANCEMENT INITIATIVES**

BACKGROUND

As you may recall, during the budget process last summer several concepts were presented as potential revenue enhancement opportunities. Subsequently, staff engaged in a review of potential advertising partnerships/opportunities that are designed to generate income to the City in a manner that does not create an overly-commercialized environment, and that are sensitive to existing restrictions in City Code. These revenue enhancement opportunities range in the potential income that they may derive to the City; the manner in which these opportunities are managed also differ, from those concepts that can be handled in-house, to those that require external, private-sector partners.

In addition to staff's market research to identify potential advertising partnership opportunities, they were also able to determine which of these opportunities could be handled internally and which required partners. Of those that required partners, the market research also helped identify not only particular opportunities that might be of interest, but also if more than one company existed that could provide the preferred product, thus requiring a competitive selection process for a partner. This market research process also helped us to identify the potential income that could be derived from these different opportunities.

In addition, through the course of this market research, it was also determined that additional support in advertising sales would be beneficial for those products that we can manage in-house. These products currently include, for example, our magazine ads, the bus shelter ads on 5th and Alton, ads on our doggie bags and litters bags, and the pay-on-foot parking receipt ads. In the future this may include banner ads for parks, etc. Currently, our Development Coordinator is managing all sales for the MB Magazine and Rec Review, while also pursuing ads for other products, and securing sponsors for City events (e.g. Sleepless Night, grand openings events, etc.). The Development Coordinator also provides staff support for sponsorship (municipal marketing) projects under development.

REVENUE ENHANCEMENT INITIATIVES/COMPETITIVE PROCESS:

As previously noted, staff has been researching alternative revenue enhancement opportunities. It was concluded that a competitive process (a Request for Proposals, or RFP) would be the best mechanism to identify potential partners for certain current advertising products we wish to pursue immediately, as well as potential products we may wish to pursue in the future. In addition, a competitive process is recommended to secure advertising sales support services, on an as-needed basis.

This RFP process would be used to secure the services of one or more companies, for one or more of the following advertising categories:

- 1) Parking Arms advertising (we have identified one company that can provide this program in a full service manner; please refer to other memo in the agenda for specifics)

ATTACHMENT A

MINIMUM REQUIREMENTS

Advertising programs:

- The successful Proposer must provide evidence of sufficient financial stability to produce, install and maintain the advertising program proposed, including the quantity of products proposed
- The successful Proposer must demonstrate a level of expertise, technical knowledge, innovation, and overall capacity to provide the proposed advertising program

Advertising Sales Support:

- The successful Proposer (including his/her key staff) must have a record of advertising sales.

EVALUATION PROCESS

The procedure for Proposal evaluation and selection is as follows:

1. Competitive process issued.
2. Receipt of Proposals.
3. Opening of Proposals and determination if they meet the minimum standards of responsiveness.
4. An Evaluation Committee, appointed by the City Manager, will meet to evaluate each Proposal in accordance with the requirements of this competitive process. Proposers may be requested to make additional written submissions or oral presentations to the Evaluation Committee.
5. The Evaluation Committee shall recommend to the City Manager the Proposal or Proposals acceptance of which the Evaluation Committee deems to be in the best interest of the City.
6. The Evaluation Committee shall base its recommendations on the following factors, for a total of 100 possible points:
 - Proposer's experience and qualifications in providing advertising programs - 25 Points
 - Proposed revenue to the City - 40 Points
 - Strength and sustainability of operating plan - 25 Points
 - Past performance in implementing a similar advertising (Based on information in the Proposal submission; References) - 10 Points
7. After considering the recommendation(s) of the Evaluation Committee, the City Manager will recommend to the City Commission the response or responses, acceptance of which the City Manager deems to be in the best interest of the City. The Committee's recommendation(s) will adhere to the criteria in Item No. 6 above.
8. The City Commission will consider the City Manager's recommendation(s) (in light of the recommendations(s) and evaluation of the Evaluation Committee) and, as appropriate, approve the City Manager's recommendation(s); may reject the recommendation(s) and select another proposal or proposals; or may reject all proposals.
9. Contract negotiations between the selected Proposer(s) and the City commence. If the City Commission has so directed, the City may proceed to negotiate a contract with a respondent other than the top-ranked Proposer, if the negotiations with the top-ranked Proposer fail to produce a mutually acceptable contract within a reasonable period of time.
10. A proposed contract (or contracts) may be presented to the City Commission for approval, modification and approval, or rejection.
11. If and when a contract (or contracts) acceptable to the respective parties is approved by the Mayor and Commission, the Mayor and City Clerk sign the contract(s) after the selected Proposer(s) has (or have) done so.

- 2) Parking Stripes advertising
- 3) Digital/Display Elevator Advertising (elevators in Parking Garages and other City buildings)
- 4) Parking POF meter advertising
- 5) Misc. Parking Garage Advertising (e.g. pillars, etc.)
- 6) Other advertising opportunities (non-Parking)
- 7) Advertising Sales Support

The City would require interested proposals to respond to each category for which they are interested in partnering, allowing the flexibility to select the vendor that would provide the best value and financial return to the city in each, stand-alone category. However, vendors would be permitted to submit proposals that reflect potential benefits to the City if they are selected for more than one category (for example, increased revenues if selected to provide both mast arm and parking stripe advertising). Responses to #5 and #6 above will be open-ended, allowing proposers to recommend additional concepts for our consideration. All of the proposals will be reviewed to ensure consistency with existing Code, as well as to ensure that the proposal meets our aesthetic expectations. *The City will retain the right and ability to identify the quantity and location of any proposed advertising program to ensure that it meets our expectations in terms of aesthetics.*

It is our intention to fast-track this RFP process to allow us to secure a partner(s) as quickly as possible for purposes of implementing the programs and generating revenues.

Advertising Sales Support: As previously noted, the City is interested in securing Advertising Sales Support to assist City staff in the sales of advertising for existing products managed directly by the City. Interested respondents must demonstrate experience and a track record in advertising sales, including local and national advertisers. The selected proposer will work jointly with the City's Development Coordinator in developing and implementing sales kits relating to specific city products.

Please refer to **Attachment A** for information regarding the proposed requirements of the competitive process recommended above.

FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING (FCWPC) - APRIL 27, 2011

At the March 9, 2011 Commission meeting, Commissioner Jonah Wolfson referred for discussion to Committee a proposal submitted by ReBuzz Marketing relating to two specific concepts that would have the potential to generate revenues to the City. The unsolicited proposal from Rebuzz primarily focused on the placement of maps on parking "pay-on-foot" (POF) machines, with an additional component that would place similar maps on parking garage elevators. As was reported last summer, the City researched options to maximize the visible presence of the over 500 POF machines located throughout the City.

It was recommended to the FCWPC that approval be granted for the issuance of an RFP to select partners for various advertising programs. As a POF program and elevator advertising program have been identified as potential revenue generators for the City, both of these categories were included as potential advertising partnership opportunities in the proposed competitive process.

The FCWPC passed a motion recommending the issuance of a competitive process for the categories listed above, including POF and elevator advertising, as well as advertising sales support.

CONCLUSION

It is recommended that the Mayor and Commission approve the issuance of a competitive process to select partners for the implementation of certain advertising program, and to obtain advertising sales support, as part of the City's revenue enhancement initiatives