



City of San Antonio

Legislation Details (With Text)

File #: 16-3361
Type: Miscellaneous Item
In control: City Council A Session
On agenda: 6/9/2016
Title: An Ordinance authorizing an amendment to the current Contract for Advertising, Marketing and Public Relations with Proof Advertising, LLC to provide for a one-year extension through September 30, 2017. [Lori Houston, Assistant City Manager; Casandra Matej, Director, Convention & Visitors Bureau]
Sponsors:
Indexes:
Code sections:
Attachments: 1. First Amendment June 2016 - Signed One Year Extension, 2. Draft Ordinance, 3. Ordinance 2016-06-09-0446

Date	Ver.	Action By	Action	Result
6/9/2016	1	City Council A Session	adopted	Pass

DEPARTMENT: Convention and Visitors Bureau

DEPARTMENT HEAD: Casandra Matej

COUNCIL DISTRICTS IMPACTED: City-Wide

SUBJECT:

Advertising Agency Services Contract with Proof Advertising.

SUMMARY:

This ordinance authorizes an amendment to the current Advertising Agency Services contract with Proof Advertising, LLC to provide for a one-year extension.

BACKGROUND INFORMATION:

The Convention and Visitors Bureau (CVB) is charged with promoting and marketing San Antonio as a premier convention and meetings destination and a domestic and international visitor destination, for the purpose of positively affecting the City's economy. A primary business partner of the CVB is the contracted Advertising Agency that works with the CVB to carry out brand marketing strategies targeting the leisure visitor and convention/group business, which directly impacts San Antonio's \$13.4 billion visitor industry and 32.5 million annual visitors.

Ordinance No. 2011-09-01-0704, date September 1, 2011, authorized the execution of a three-year contract with Proof Advertising beginning October 1, 2011 to September 30, 2014 with a renewal option for an additional two years. The CVB is in its last contractual renewal year with Proof Advertising which expires on September 30, 2016 and staff is recommending a one-year extension to the contract.

ISSUE:

Currently, the CVB and many other area business and community partners are working jointly with the San Antonio Economic Development Foundation (SAEDF) on an overall branding initiative for San Antonio. Additionally, the CVB is currently undergoing a course of action for a structural change transitioning the organization from a municipal government department to a public/private 501(c)(6) entity.

A one-year extension would allow the City the ability to incorporate key outcomes associated with the overall San Antonio branding effort led by SAEDF. The initiative will conclude in late fall and the CVB will commence the solicitation process for advertising agency services in early spring 2017.

ALTERNATIVES:

City Council could choose not to extend the contract and solicit an immediate Request for Qualifications (RFQ) process. However, the RFQ would not be coordinated with the city-wide branding initiative currently underway.

FISCAL IMPACT:

This item has no incremental fiscal impact as funds are budgeted for this agreement within the CVB's operating budget on an annual basis. The FY 2016 advertising budget invested by the Agency on behalf of the CVB is \$8.1 million. The annual professional service fees associated with this agreement total approximately \$2.7 million of the \$8.1 million.

Of the \$2.7 million for various services associated to this agreement, Proof receives approximately \$1.7 million and other subcontractors approximately \$1 million on an annual basis. Over the term of the five years of this agreement, Proof has achieved more than 37% in SBE participation exceeding their original contracted goal of 20%.

RECOMMENDATION:

Staff recommends approval of this item authorizing an amendment to the current Advertising Agency Services contract to provide for a one-year extension.