



# City of San Antonio

## Legislation Details (With Text)

**File #:** 19-6545

**Type:** Miscellaneous Item

**In control:** City Council A Session

**On agenda:** 9/19/2019

**Title:** Ordinance approving a Ticketing Services Agreement with Ticketmaster, L.L.C., to provide exclusive event ticketing services for the Convention and Sports Facilities Department for a 5-year term with an option to renew. Revenues generated from this agreement will be deposited into the Community and Visitor Facilities Fund. [Carlos Contreras, Assistant City Manager; Patricia Muzquiz Cantor, Director, Convention and Sports Facilities]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Fiscal Impact Form, 2. SCORE Summary Matrix, 3. Contract Disclosure Form, 4. Draft Ordinance, 5. Draft Ticketing Services Agreement, 6. Signed Ticket Services Agreement - added Sept 18, 2019, 7. Ordinance 2019-09-19-0754

Date	Ver.	Action By	Action	Result
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**DEPARTMENT:** Convention & Sports Facilities

**DEPARTMENT HEAD:** Patricia Muzquiz Cantor, Executive Director

**COUNCIL DISTRICTS IMPACTED:** 1, 2

### SUBJECT:

Ticketing Service Agreement for the Convention & Sports Facilities Department

### SUMMARY:

An Ordinance authorizing a Ticketing Services Agreement with Ticketmaster, L.L.C., to provide exclusive event ticketing services for the Convention & Sports Facilities Department (CSF) for a five (5) year term with one five (5) year optional renewal term. Annual commissions are expected to be \$2,000,000, and could generate up to \$20 million if the second five-year term is renewed. Revenues generated from this agreement will be deposited into the Community and Visitor Facilities Fund.

## **BACKGROUND INFORMATION:**

The Convention & Sports Facilities (CSF) Department hosts a wide range of sporting events, concerts, trade shows, and performing art events at the Alamodome, Henry B. Gonzalez Convention Center, including the Lila Cockrell Theatre and Carver Community Cultural Center. An automated ticketing system is necessary to support all ticketed events to capture, manage, and track the status of event tickets in an organized and highly-collaborative manner.

The City issued a Request for Proposal (RFP 19-002) on January 11, 2019 to solicit proposals for an exclusive agreement to provide automated ticketing services for the Convention & Sports Facilities Department. The RFP was advertised in the San Antonio Express-News, TVSA channel, and an email notification was released to a list of potential Respondents identified by the Convention and Sports Facilities Department. Additionally, the RFP was posted to the City's Bidding and Contracting Opportunities website.

Responses were due February 15, 2019, and a total of three (3) firms responded and were deemed eligible.

All proposals were reviewed by the evaluation committee and the committee decided to interview all three (3) Respondent firms. On April 25, 2019, an evaluation meeting and interviews were conducted, which included representatives from the City Manager's Office, Convention Sports & Facilities Department, Finance Department, Information Technology Services Department, AT&T Center, University of Texas at San Antonio, and Valero Alamo Bowl. Proposals were evaluated and scored based on the published evaluation criteria in the RFP, which included: Experience, Background, and Qualifications (35 points), Proposed Plan (30 points), Price (20 points), Local Preference Program (LPP) (up to 10 points), and the Veteran-Owned Small Business Preference Program (VOSB) (5 points).

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority, and/or women businesses available to provide these goods and services.

The Local Preference Program was applied in the evaluation of responses received for this contract; however, none of the respondents received any local preference points. The Veteran-Owned Small Business Preference Program was applied in the evaluation of responses received for this contract; however, none of the respondents were veteran-owned small businesses.

Ticketmaster, L.L.C. was the highest ranked firm and has been selected for award recommendation. Ticketmaster is a global market leader in live event ticketing, digital marketing, and mobile fan engagement. Ticketmaster was rated the highest for its experience, background and qualifications with more than 43 years of experience, operating in 29 countries, and having a long history of working with professional sports teams, fairs, mega venues and promoters across North America.

Ticketmaster is a first-party operator, providing local on-site staffing to assist with any event needs or issues from when the event goes on sale to after the event has happened. In addition, Ticketmaster provides ticketing services to some of the Alamodome's main clients as well as many potential future clients. This allows for better compatibility and easier interfacing with the Ticketmaster ticketing application, which is known for its secure, anti-fraud solutions. Ticketmaster has an extensive market reach using the most updated technology and solutions resulting in a robust ticketing system and exceptional fan experience. In 2018, annual visitation to the Ticketmaster website was 1.4 billion, of which 700 million were new visitors. Specific to the San Antonio market, there were 1.3 million alert subscribers and 266,000 unique monthly visitors looking for events in the area. This results in an increased opportunity for ticket sales.

Ticketmaster will provide the highest return to the City and customers compared to other respondents. Key terms of their proposal and this agreement include:

- A one-time sign on bonus of \$250,000. The bonus will be used for marketing and advertising of events at the Alamodome, Convention Center/ Lila Cockrell Theatre and Carver Community Cultural Center.
- Consumers will not see more than a .30¢ increase every other year to Ticketmaster fees.
- An annual contribution of \$50,000 towards a newly established Arts and Entertainment Enhancement Fund. Funds will be used for investing and enhancing a wide range of arts and entertainment initiatives for the City to include marketing and events.
- An annual contribution of \$50,000 towards marketing and technology initiatives. Funds will be used for advertising and promoting of events and technology upgrades.
- A one-time \$30,000 allowance to assist with the build out of permanent remote box office locations (North, South and East sides of the Alamodome).
- A one-time contribution of \$10,000 to establish a permanent box office solution including a point of sale kiosk, printers, and credit card swipers at the Lila Cockrell Theatre in preparation for Broadway Across America series.
- Extensive marketing resources and messaging services at no cost. These include TM+, a ticket inventory platform; TM1 Engagement, an email permission marketing tool; Archtics, a software that allows users to set up single or season ticket purchases per individual user account.

The new contract will begin October 1, 2019 and will include a five (5) year term, with one five (5) year renewal option.

## **ISSUE:**

The current agreement for ticketing services between the City and Ticketmaster, L.L.C., expires on September 30, 2019 and has no renewal options available.

## **ALTERNATIVES:**

Should this agreement not be approved, the Convention & Sports Facilities will not be able to provide ticketing services for its ticketed events.

## **FISCAL IMPACT:**

This Ordinance authorizes the execution of a contract for Ticketing Services Agreement with Ticketmaster, L.L.C., to provide exclusive event ticketing services for the Convention and Sports Facilities Department (CSF). Annual commissions are expected to be \$2,000,000. This agreement is estimated to generate approximately up to \$20,000,000 over the 5-year initial term and the 5-year renewal term of the contract. All revenues generated from this agreement will be deposited into the Community and Visitor Facilities Fund.

**RECOMMENDATION:**

Staff recommends authorizing an agreement for Ticketing Services Agreement with Ticketmaster, L.L.C. for a 5-year term with a 5-year optional renewal term.

This contract is procured by means of Request for Proposals and the Contract Disclosure Form is attached.