



# City of San Antonio

## Agenda Memorandum

**File Number:**14-1034

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**Agenda Item Number:** 20.

**Agenda Date:** 5/29/2014

**In Control:** City Council A Session

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**DEPARTMENT:** San Antonio Convention & Visitors Bureau

**DEPARTMENT HEAD:** Casandra Matej

**COUNCIL DISTRICTS IMPACTED:** City-Wide

### **SUBJECT:**

Advertising Contract Renewal

### **SUMMARY:**

This ordinance authorizes the City Manager or her designee to execute a two-year Renewal Agreement with Proof Advertising, L.L.C ("Proof Advertising") to serve as the official advertising, marketing and public relations agency for the City of San Antonio Convention and Visitors Bureau beginning October 1, 2014 through September 30, 2016.

### **BACKGROUND INFORMATION:**

Ordinance No. 2011-09-01-0704, dated September 1, 2011, authorized the execution of a three (3) year contract with Proof Advertising beginning October 1, 2011 to September 30, 2014 with an option to renew for one additional two (2) year term.

An overview of the advertising contract scope of services includes integrated strategic planning, marketing, creative concept and production, media planning and buying, project management, public relations, and research coordinated with the Convention and Visitors Bureau in order to promote and market San Antonio as a premier leisure visitor and convention/meeting destination.

Some key achievements during this initial term include:

- New strategy development expanding San Antonio brand

- Emphasized digital strategies
  - online advertising/marketing
  - social media
  - enhanced website experience
- Achieved 30% SBEDA participation compared to 20% goal
- Assisted CVB/City in growing Hotel Occupancy Tax in FY 2012 and FY 2013 by 7.8% and 7.2% respectively.
- Successful management and execution of multiple campaigns and programs

The Convention and Visitors Bureau advertising budget for the current contract period was \$7.5 million annually for FY 2012, 2013 and FY 2014. These funds have been invested approximately as follows:

Working Media	64.1%
Production / Retainer	21.7%
Research / Collateral / Other	14.2%

All Convention and Visitor Bureau funding is allocated from the Hotel Occupancy Tax Fund.

#### **ISSUE:**

The current advertising, marketing and public relations agreement the City has with Proof Advertising is slated to expire on September 30, 2014. This is the only extension allowed under the existing agreement. City Council approval is required to authorize the City Manager or her designee to execute the one additional two (2) year renewal option.

#### **ALTERNATIVES:**

Alternatives to authorizing the renewal include authorizing the renewal with amendments, or not authorizing the renewal and soliciting a Request for Proposal (RFP) for a new advertising agency.

The Convention and Visitors Bureau does not recommend any of these alternatives. The terms and conditions of the existing agreement has met the expectations of the CVB in providing the City with advertising services which include integrated strategic planning, marketing, creative concept and production, media planning and buying, project management, public relations, and research coordinated with the CVB.

Lastly, upon approval of this recommendation, the process for the future solicitation of these type services will begin as early as the summer of 2015.

#### **FISCAL IMPACT:**

This ordinance authorizes the execution of a two-year Renewal Agreement with Proof Advertising in an estimated amount of \$7,500,000.00. Funds are available within the Convention and Visitors Bureau operating budget.

**RECOMMENDATION:**

Staff recommends authorizing the City Manager or her designee to execute a two-year Renewal Agreement with Proof Advertising to perform services as the official advertising, marketing and public relations agency of the City's Convention and Visitors Bureau.

Additionally, the Convention and Visitors Commission endorses and supports this recommendation.