



## Legislation Text

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**File #:** 06-0462, **Version:** 2

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Recommendation to authorize City Manager to execute a contract with Premier Partnerships for Development and Implementation of a Sponsorship and Advertising Program. (Citywide)

The City's Financial Strategic Plan (Plan), which is revised and adopted annually by the City Council, provides a multi-year road map for achieving a structurally balanced budget. The Plan focuses the organization on needed optimization and efficiency efforts, operational and staffing cost reductions, the deliberative use of increased fees to recover costs and the review of new revenue opportunities. Based on limited efforts in the 1990s, the Plan includes a \$1 million target for the development of new revenues through a sponsorship program.

In 1996, the Mayor and City Council adopted a Policy on City Sponsorship, Corporate Recognition and Advertising to allow partnering with consumer product companies for the purposes of joint promotion and revenue development, with certain restrictions.

In 1997, the City secured an agreement with Outdoor Systems Advertising for ad placement on City bus shelters; and in 2001, the City entered into a multi-year beverage contract with BCI Coca-Cola Bottling Company of Los Angeles.

In early 2005, the City issued a Request for Proposal (RFP) for implementation of a sponsorship and advertising program. The RFP indicated the City was seeking the services of a qualified firm to assist in developing and implementing additional public-private sponsorship and advertising partnerships, with the goal of generating new revenues for the City.

Six companies responded to the RFP. After completing the interview process, the firm of Premier Partnerships was selected to undertake the scope of work, pending City Council action.

Premier Partnerships has provided product integration, permanent signage, event promotions, and ticket and hospitality programs for the Pasadena Rose Bowl. In addition, Premier has provided sponsorship opportunities, naming rights, event promotions, youth programming and other activities for the Frisco Sports Complex in North Dallas, Texas. The firm is also currently engaged with the City of New York and New York City Marketing Inc., to provide integrated marketing programming services.

Premier Partnerships will work closely with all City Departments to develop partnerships with private corporations and other entities to generate new revenue.

Premier Partnerships will be required to:

Develop an inventory analysis of all City assets appropriate for sponsorship opportunities;

Review and recommend changes to any City policies and/or operations that would facilitate enhancing sponsorship/advertising revenues;

Develop and implement a strategy to expand the City's sponsorship program, including new business categories and revenue-based partnership initiatives;

Meet with various City business partners to discuss marketing strategies and sponsorship opportunities;

Conduct negotiations and develop partnership agreements with potential sponsors. The City has the right to reject any potential business partner or proposed marketing initiative;

Assist City staff, as necessary, in presenting the proposed partnership agreement(s) to City officials, City Councilmembers and the media; and

Assist in the development of an effective management system to monitor compliance of the terms and conditions of any executed sponsorship/advertising agreement(s).

The City's current Municipal Code (Section 16.55) specifically prohibits any reference or depiction of sexual activities, obscene acts, gestures, or words, sale or use of alcohol or tobacco products, or the sale or use of illegal drugs or paraphernalia for advertising purposes.

This letter was reviewed by Assistant City Attorney Heather Mahood on May 15, 2006 and Budget Management Officer David Wodynski on May 12, 2006.

City Council action on this matter is requested on June 20, 2006 to move forward with implementation of the Sponsorship and Advertising Program.

It is anticipated that the subject contract will generate at least \$1 million in annual revenue for the City, as programmed in the City's Financial Strategic Plan. The base contract award is \$120,000 to be paid in monthly installments of \$10,000. Premier Partnership will also receive 15 percent of all commercial partnerships sold under this agreement and 10 percent of all City of Long Beach commercial partnership sales renewal commissions during and after the term of the agreement. At no time will total payments exceed \$1,000,000 to the contractor without prior written permission from the City Manager. Pre-approved travel, accommodations and appropriate City of Long Beach-related business expenses are at cost to the City, above and beyond the \$120,000 base contract. The term

of the agreement is one year with an additional one-year renewal option at the discretion of the City Manager.

Sufficient funds to cover the contract are budgeted in the General Fund (GP) in the Department of Community Development (CD).

Approve recommendation.

PATRICK H. WEST  
DIRECTOR OF COMMUNITY DEVELOPMENT

APPROVED:

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GERALD R. MILLER  
CITY MANAGER