

**CITY OF SAN ANTONIO  
DEPARTMENT OF ASSET MANAGEMENT  
CITY COUNCIL AGENDA MEMORANDUM**

**TO:** Mayor and City Council

**FROM:** Rebecca Waldman, Director, Department of Asset Management

**SUBJECT:** Municipal Marketing Partnership Program

**DATE:** September 1, 2005

**SUMMARY AND RECOMMENDATIONS**

This presentation to City Council will include (a) an ordinance approving the Municipal Marketing Partnership Program Policy and (b) a briefing regarding staff's recommendation to continue to utilize the services of Active Public Enterprise Group, Inc. (APEG) for the implementation of the Program.

Staff recommends approval.

**BACKGROUND INFORMATION**

On February 10, 2005 the City entered into a Professional Services Agreement (Agreement) with Public Enterprise Group, Inc. (PEG), now known as Active Public Enterprise Group, Inc. (APEG) for the development of a comprehensive and integrated Municipal Marketing Partnership Program (Program). The goal of the Program is to identify opportunities and strategies that will generate cash, goods, and services for the City over a specified amount of time. The Program consists of two phases: (1) the Development Phase, and (2) the Implementation Phase. The Development Phase has been completed by APEG. City Council was briefed on July 20, 2005 regarding recommendations for partnership opportunities to pursue during FY 2005/2006. These include beverage and snack vending, out-of-home media, and sponsorship opportunities.

As part of the Development Phase, a Municipal Marketing Partnership Program Policy was written in order to provide guidelines and procedures for the Program. Additionally, this Policy advocates a balance between maximizing the use of City assets for revenue generation and the historical and cultural uniqueness of San Antonio. The Policy adheres to all existing policies of the city, including staff coordination with appropriate boards, commissions, such as the Historic Design and Review Commission, and other entities prior to submission of any potential Marketing Partnerships to City Council for approval. All applicable Marketing Partnerships Agreements shall comply with the City's Small Business Economic Development Advocacy Program and are subject to City Council Approval. Program activities will be coordinated by the Department of Asset Management.

In October, subject to the appropriation of funding within the FY 2006 budget and the subsequent approval of City Council, staff will recommend that the City continue to utilize APEG's expertise and services for the implementation of the Program. Since 1999, when APEG was the first to secure a municipal beverage contract, APEG has assisted many cities, counties, school districts, and hospital systems with the development, evaluation, and execution of revenue generating partnerships.

According to the existing Agreement, if the City chooses to utilize APEG, Inc., then the \$30,000 fee for the previously paid for the Development Phase is 100% reimbursable to the City as a deductible draw from any future commission payments for eligible partnerships. The City will determine which of the following options would be the most appropriate compensation structure for eligible partnerships procured by APEG:

Option A – City pays a monthly fee of \$5000 not to exceed 12 months and 10% of revenue and budgeted cost avoidance items received from partnerships procured by consultant for the term of the partnership, or

Option B – City pays 12% of revenue and budgeted cost avoidance items received from partnerships procured by consultant for the term of the partnership.

The term of the Agreement would remain effective for a period of three (3) years from the Commencement Date of the Agreement, February 10, 2005. The City would also have the sole option to renew the Agreement for two (2) additional one (1) year periods, subject to City Council approval.

The Proposed FY 2005-06 Budget estimates the Program will generate \$130K in net additional revenue across all funds in the first year, an additional \$271K in net revenue in FY 2007, and more significant increases in revenue in future fiscal years as additional partnerships are formed. Future expansion of the program will be determined through a review of program revenues and expenses.

### **POLICY ANALYSIS**

Approval of this ordinance will evidence City Council's support of establishing policies for the use of City assets, both real and intangible, for revenue generation.

### **FISCAL IMPACT**

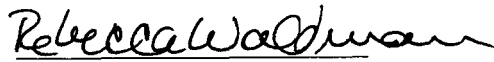
There is no fiscal impact related to this action at this time.

### **COORDINATION**

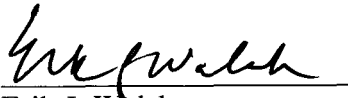
This item has been coordinated with the Contract Services Department and the City Attorney's Office.

## **SUPPLEMENTARY COMMENTS**

The Municipal Marketing Partnership Program Policy is attached.



Rebecca Waldman, Director  
Department of Asset Management



Erik J. Walsh  
Assistant to the City Manager

**CITY OF SAN ANTONIO**  
**MUNICIPAL MARKETING PARTNERSHIP PROGRAM POLICY**  
Effective Month XX, 2005

**I. PURPOSE**

The purpose of this policy statement is to provide guidelines and procedures for the development, implementation and management of the City of San Antonio's Municipal Marketing Partnership Program ("Program"), in order to ensure that all resultant partnership agreements support the City's goal, while remaining responsive to the public's needs and values.

**II. DEFINITIONS**

- A. City Assets – Items of tangible and intangible value owned by the City which include facilities, vehicles, intellectual property, programs, activities, events, contracts, purchases, proposed capital improvements and the City's positive reputation, image and market presence.
- B. Municipal Marketing Partnership Program – A comprehensive and integrated program to identify opportunities and strategies, allowing the City to generate cash, goods, and services over a specified period of time.
- C. Marketing Partnership – A mutually beneficial business arrangement between the City and an outside party, wherein the outside party provides cash, in-kind goods or services and/or other resources to the City in return for access to the commercial marketing potential and/or other benefits associated with the partner's specified uses of City assets. These Marketing Partnerships may include sponsorship of one or more of the City's programs, projects, events, facilities or activities.
- D. Marketing Partnership Agreement – A written contractual relationship with a specified term, which clearly indicates the contribution, the contribution value, and the obligations of the outside party in consideration for access and/or use of clearly identified City assets and any resulting obligations of the City.
- E. Marketing Partnership Opportunity – Proposals by an outside party, solicitation by the City or other satisfactory circumstances for a Marketing Partnership, which may or may not result in a Marketing Partnership Agreement.
- F. Request for Proposals – An open and competitive formal proposal process employed to give outside parties the chance to express their interest in participating in partnership opportunities with the City of San Antonio. All

Requests for Proposals ("RFP") will include a summary of the partnership opportunity, benefits for participation, and a description of the open and competitive procedure for expressing interest in participating in partnership opportunities.

### III. GOAL

The goal of the Program is to identify opportunities and strategies that will generate additional revenue, goods and services for the City over a specified period of time.

### IV. OBJECTIVES

The specific objectives of the Municipal Marketing Partnership Program Policy are as follows:

- To establish guidelines and procedures for entering into Marketing Partnership Agreements with parties who will adhere to the City's commitment to deliver quality services and provide a widely respected civic environment throughout the City of San Antonio.
- To generate revenue from Marketing Partnership Agreements that can be used to fund City programs, activities, and facilities.
- To ensure that Marketing Partnership Agreements are consistent with and appropriate to the City's mission and show sensitivity to the ethnic, cultural, and historic uniqueness of San Antonio, while maximizing the revenues and public benefits they generate.

### V. RESPONSIBILITY

- A. All Program activities will be coordinated through the Director of the Department of Asset Management or an appointed designee (hereinafter referred to as "Municipal Marketing Program Manager").
- B. The Department of Asset Management will be responsible for:
  - 1) Providing oversight and coordination of the Program;
  - 2) Providing guidance to all City departments regarding the interpretation and application of this policy;
  - 3) Providing assistance and advice to departments regarding Program activities;
  - 4) Reviewing and assisting in the development of Marketing Partnership Agreements; and
  - 5) Assisting departments with administration and monitoring of all Marketing Partnership Agreements developed through the Program as requested.

## VI. POLICY STATEMENT

### A. It is the policy of the Program that:

- 1) Marketing Partnership Agreements will exist in accordance with guidelines and procedures set forth in this policy.
- 2) Marketing Partnership Agreements must support the mission and goals of the City.
- 3) Marketing Partnership Agreements will not result in any loss of City jurisdiction or authority nor will they circumvent or override any existing local, state or federal regulations.
- 4) The City will utilize an open and competitive selection process for the establishment of Marketing Partnership Agreements.
- 5) The City is not bound to accept any offers for potential partnerships and may reject any or all such offers at its sole discretion.
- 6) Staff will coordinate potential Marketing Partnership Agreements with appropriate boards, commissions, such as the Historic Design and Review Commission, and other entities prior to submission for City Council approval, as required.
- 7) All applicable Marketing Partnership Agreements shall comply with the City's Small Business Economic Development Advocacy Program, contained in San Antonio Ordinance No. 100873, and any amendments thereto.
- 8) Marketing Partnership Agreements will be subject to City Council approval, except for Marketing Partnership Agreements specifically excluded from the Program by Article VI (B) (3).

### B. Exclusions to Program Policies:

- 1) Gifts or unsolicited donations to a department or the City in which no benefits are granted to the corporation and where no business relationship exists.
- 2) Proposals forwarded to the City may not be subject to a competitive solicitation process if the proposed partnership is determined through a good faith effort to be unique and without interested competitors.
- 3) Marketing Partnership Agreements with a value of less than \$3,000 per sponsor on a per event basis. Department Directors may enter into these Marketing Partnership Agreements without a competitive solicitation, upon written notification to the Department of Asset Management, prior to execution of Agreement.

### C. In general, the following industries and products are not eligible for partnerships with the City:

- 1) Companies whose business is substantially derived from the sale or manufacture of tobacco products or alcoholic beverages.
- 2) Parties involved in a lawsuit with the City.
- 3) Sexually-oriented businesses.
- 4) Any other industry, business or product which the City determines, in its sole discretion, is not in the best interest of the City and/or not consistent with the goals of the Program.

However, the City may elect to enter into certain Marketing Partnership Agreements with restricted companies, as defined above, when it is deemed appropriate and beneficial by the City. All Marketing Partnership Agreements with restricted companies must be approved by City Council.

## VII. PROCEDURE

- A. Prior to the beginning of each fiscal year recommendations will be presented to City Council regarding possible partnerships to pursue during the subsequent fiscal year. This list may not be all-inclusive as unanticipated opportunities may arise during the year. Any unanticipated partnership opportunities will be presented to City Council as they occur.
- B. City departments will adhere to the following procedures for developing, implementing and administering Marketing Partnership Agreements:
  - 1) In coordination with the Municipal Marketing Program Manager, ("Program Manager") identify potential partnership opportunities through a review of assets or from outside party interests and assess whether to proceed under the Program.
  - 2) In coordination with the Program Manager, define scope of marketing partnership, including a description of the community need, financial goals and general marketing strategy and specification of assets to be included.
  - 3) Refer to the City's Contracting Policy and Process Manual for guidelines and procedures regarding the preparation, advertisement, and issuance of the solicitation document, review and evaluation of bids/proposals, and contract award.
  - 4) Manage the implementation of the Marketing Partnership Agreement. Conduct ongoing administration of the Marketing Partnership Agreement to ensure all parties adhere to the requirements of the contract.
- C. All Marketing Partnership Agreements shall be formalized in a written contract. Contractual language shall be consistent with all applicable City policies and ordinances and good business practices. In general, Marketing Partnership Agreements should include:
  - 1) Specified Term of Agreement
  - 2) Renewal Options, if any

- 3) Consideration, such as:
  - a. Partnership Rights Fee
  - b. Commissions
  - c. In-kind Goods
  - d. In-kind Services
- 4) Description of Programs, Projects and Activities
- 5) Rights and Benefits of all parties
- 6) Termination Provisions
- 7) Provision of adequate insurance coverage and indemnity

#### VIII. GENERAL PROVISIONS

- A. The City of San Antonio accepts the principle that outside parties may become partners with the City in the sponsorship of City-approved programs, projects, events, facilities or activities where such partnerships are mutually beneficial to both parties and in a manner consistent with all applicable policies and ordinances set by the City. In no event shall such a partner be considered an employee, agent, officer or servant of the City.
- B. At all times, recognition for partners must be evaluated to ensure the City is not faced with undue commercialism, is consistent with the scale of each partner's contribution and complies with all applicable policies and ordinances set by the City.
- C. Certain Marketing Partnership Agreements may require the development of additional guidelines and procedures solely related to that category. As required, staff will coordinate the development of additional guidelines and procedures with appropriate city departments, boards, commissions, and other entities prior to submission for City Council approval.