

Meeting Agendas/Info

CITY COUNCIL
COMMUNICATION:

ITEM _____

01-476

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

SEPTEMBER 10, 2001

SUBJECT:

APPROVE
AGREEMENT FOR
DES MOINES PARKS
ADVERTISING AND
PUBLIC RELATIONS
SERVICES

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

DONALD M. TRIPP
PARK AND
RECREATION
DIRECTOR

SYNOPSIS -

A Professional Services Agreement between Porter & Associates (Thomas C. Porter, CEO, 4900 University Ave., West Des Moines, IA) and the Des Moines Park & Recreation Department for advertising and public relations services as a pilot project in lieu of filling the vacancy of the Marketing Supervisor position.

FISCAL IMPACT -

\$240,625 total estimated net revenue.

RECOMMENDATION -

Approval of Professional Services Agreement with Porter & Associates for advertising and public relations services for the Park & Recreation Department.

BACKGROUND -

On February 14, 2000, a Marketing Supervisor and Recreation Program Coordinator went to work as a team to become an "in-house ad agency" for the Park & Recreation Department. Great things were accomplished in the initial year in the area of public relations.

Significant outcomes included:

- Launching a web site with 150 pages created
- Media partners for major special events
- First internal department events calendar
- Improved quality of collateral materials
- Increased attendance at special events
- New logo and marketing message

The Marketing Supervisor resigned her position on June 1, 2001. This departure created an opportunity to rethink the delivery of marketing activities to support the agency's goals.

Administrative staff has concluded that a City staff position cannot provide the specialized marketing services necessary to achieve department benchmarks. In particular, strategic planning, advertising management, and revenue development activities are of utmost importance. We did not accomplish benchmarks in revenue and strategic planning. We believe that an outside agency can bring skills, experience, and time to accomplish all of these tasks. Success in marketing is largely attributed to relationships in the business and media sectors and the ability to build strategic alliances among partners with mutual goals. An outside agency often has these relationships in place.

On August 6, 2001, the Council directed staff to send a request for qualifications (RFQ) for Des Moines Parks Advertising and Public Relations Services. RFQs were sent to nine local marketing and advertising agencies.

The selection committee included: Chris Page, Parks and Recreation Business Manager; Amelia Hamilton-Morris, Chief Communication Officer; Peter Tarpey, Des Moines Park and Recreation Board; Doug Romig, Parks and Recreation Services Manager; Kandi Reindl, City Manager liaison; and Amy McClintock, Parks and Recreation Marketing Coordinator.

The Integer Group and Porter & Associates responded with submittal of written materials. The selection committee read the written materials and conducted a one-hour interview with each agency.

Their proposals were evaluated according to the following criteria:

- Experience, qualifications, expertise - 240 possible points
- Project approach and method - 210 possible points
- Cost - 150 possible points
- Total points possible - 600

The scores resulted in 555 points for Porter & Associates and 459 points for The Integer Group.

The estimated expenses and revenues from Porter & Associates are as follows:

\$-54,000 Salary Savings of marketing position
+25,000 maximum budget for professional services to agency
+20,000 maximum budget for purchase of creative services to agency
(Source: GE001-PKS011200 Marketing)
+9,000 value of trade with three all access media golf badges,
including ½ cart fee to agency

\$0.00 in new expense to the City

Estimated Net Revenue:

Revenue sharing agreement as contingency based on performance:

Des Moines Parks Fun Pass Booklets:

\$171,000 (6,840 booklets @ \$25.00 each)

-30,000 (25% return with \$30,000 revenue cap to agency)

-24,375 (creative time and printing/mailing costs)

\$116,625 net revenue to City

Sponsorship Development:

\$150,000 in sponsorship revenue

-\$26,000 to Agency (25% of gross cash revenue above the existing

\$46,000 of city generated sponsorship revenue in the 2000/01 season)

\$124,000 net revenue to City

Evaluation comments identified strengths in Porter & Associates proposal as follows:

- A commitment by the Executive Vice President to provide active involvement on the City's account.
- Several examples of a Marketing Communication Plan were supplied which the competing agency failed to provide.
- A commitment to one-hour minimum contact with staff each week.
- Demonstration of an understanding of staff competencies and resources by presenting a low risk, doable revenue sharing retail package.
- Revenue generating idea, with a cap on return to the agency, resulting in an increased revenue potential to the City.

A revenue sharing agreement as contingency based on the performance was also evaluated and is presented as an attachment.

This agreement is a pilot project for a term beginning September 11, 2001 through June 30, 2003. At the end of the term, staff will make a recommendation and if it is determined that a consultant is desirable, a process for requests for proposals will begin again.
