

CITY COUNCIL
COMMUNICATION:

02-623

AGENDA:

DECEMBER 2, 2002

SUBJECT:

TERMINATION OF
PORTER AND
ASSOCIATES
AGREEMENT FOR
DES MOINES
PARKS
ADVERTISING
AND PUBLIC
RELATIONS
SERVICES

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

DONALD M. TRIPP
PARK AND
RECREATION
DIRECTOR

ITEM _____

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

SYNOPSIS —

Notice of Termination of the Agreement by and between the City and Porter and Associates for Des Moines Parks Advertising and Public Relations Services.

FISCAL IMPACT —

\$20,000 savings in contract amount to be used for cost overruns associated with the contract delivery in Fiscal Year (FY) 2002-03. The total amount of \$45,000 for this contract is currently in the FY2003-04 budget (Marketing GE001-PKS011200).

RECOMMENDATION —

Authorize the City Manager to exercise termination with a 30-day written notice in accordance with Section 5, paragraph B of the Agreement for Des Moines Parks Advertising and Public Relations Services by and between the City of Des Moines and Porter and Associates.

BACKGROUND —

On September 10, 2001, by Roll Call No. 01-2785, the City Council approved the signature of the Mayor Pro-Tem to sign the agreement on behalf of the City. The agreement states that this is considered a pilot project to increase advertising and private financial resources for the Park and Recreation Department programs and services. The term of the agreement ends on June 30, 2003. A full-time marketing position was relinquished to allocate \$45,000 to the Porter and Associates contract.

The proposal received from Porter and Associates estimated \$240,625 in net revenue to the City. This estimate was based on a revenue sharing agreement projected by Porter and Associates in their proposal. The term of the agreement ends on June 30, 2003 with a provision for either party to cancel with a 30-day written notice.

To date, the City has deposited \$9,510 revenue from Fun Pass sales and \$65,000 gross sponsorship revenue. A total, of remaining sponsorship revenue of \$62,000 gross sponsorship revenue is expected to come to the City by December 31, 2002. For their revenue

development activities, Porter and Associates has received \$8,625.50 revenue from Fun Pass sales and will receive \$30,923.75 from the gross sponsorship revenue.

With early termination of the agreement, Porter and Associates will relinquish \$20,000 in creative services and any future compensation for successfully obtaining new sponsorship revenue for the City. The City will dedicate the \$20,000 to address cost overruns associated with the revenue development activities in FY2002-03. The Park and Recreation Department staff will proceed with seeking a benefactor for Parks and media partners for the 2003 program year without the services of a consultant.