

TO: Thomas Frutchey, City Manager

FROM: Meg Williamson, Assistant City Manager
Shonna Howenstine, Tourism Coordinator

SUBJECT: Extension of Professional Service Contract – Big Red Marketing

DATE: June 21, 2016

NEEDS: For the City Council to consider authorizing a one-year extension of the professional service contract with Big Red Marketing on behalf of the Travel Paso Robles Alliance (TPRA).

FACTS:

1. The BID and the Travel Paso Robles Alliance (TPRA) were formed in December 2008 at the request of the Paso Robles hoteliers. The BID was formed via ordinance to allow the collection of a two percent (2%) Business Improvement Tax that would be used to implement marketing strategies identified by Paso Robles hoteliers.
2. The City provides administrative support to and coordinates tourism/hospitality efforts with the TPRA. However, it is necessary to engage supplemental professional services to carry out the specialized focus and expanse of marketing work identified in the TPRA Marketing Plans.
3. In February 2013 the City Council authorized a professional service contract with Big Red Marketing for a scope of work that includes: a) Administrative support to the TPRA; b) Destination management to develop and guide tourism goals and objectives; and c) Sales management to generate sales leads. Big Red Marketing's contract was subsequently extended to June 30, 2016.
4. The BID levy is the source of funding for this service contract. Renewal of this contract is contingent on the City Council's renewal of the BID levy through June 30, 2017.
5. A subcommittee of the TPRA conducted an evaluation of Big Red Marketing's work scope performance over this past year, and a copy of their service review letter is attached to this report.
6. On April 26, 2016, the TPRA voted unanimously to recommend the City Council approve a one year extension of the Big Red Marketing contract. The scope of service evaluation summary prepared by the TPRA is attached.
7. On May 17, 2016, the City Council took steps to renew the BID assessment for an additional year and set June 21, 2016 for the public hearing.

8. The proposed one-year contract term with Big Red Marketing is aligned with the renewal of the BID assessment through June 30, 2017.

ANALYSIS &

CONCLUSION: The TPRA has indicated their confidence in Big Red Marketing's service performance this past year. The administrative oversight provided by the Big Red Marketing team has helped in the coordination of multi-agency and special project efforts being spearheaded by the TPRA. Extension of the current contract for an additional year will facilitate the City and hotelier recommended marketing efforts.

POLICY

REFERENCE: Economic Strategy; Ordinance 952 NS, forming the Tourism and Lodging Business Improvement District; BID Committee Bylaws; Streets and Highways Cod Sections 36500 et seq.; City Council May 17, 2016 action of intent to renew the BID levy and approve the TPRA's 2016/2017 marketing scope and budget.

FISCAL

IMPACT: The BID assessment is collected on a monthly basis and accumulates in a separately maintained fund. The FY 2016/2017 assessment levy is estimated to generate approximately \$918,000, all of which shall be spent on marketing and promotions.

The 2017 TPRA Marketing Plan budget allocates up to \$65,000 for the Destination Management service contract (a monthly service/retainer fee of \$5,083.44, plus mileage). There is no fiscal impact to the General Fund.

- OPTIONS:**
- a. For the City Council to approve Resolution No.16-XXX authorizing the City Manager to extend the professional service contract with Big Red Marketing through June 30, 2017 on behalf of the Travel Paso Robles Alliance (TPRA) Committee.
 - b. Amend, modify or reject above option.

Attachments:

1. Resolution authorizing the City Manager to extend the professional service contract with Big Red Marketing through June 2017
2. TPRA contract service review letter

RESOLUTION NO. 16-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
AUTHORIZING THE CITY MANAGER TO EXTEND THE PROFESSIONAL SERVICE
CONTRACT WITH “BIG RED MARKETING” FOR SERVICES ON BEHALF OF THE
TOURISM AND LODGING PROMOTIONS BUSINESS IMPROVEMENT DISTRICT
THROUGH JUNE 2017

WHEREAS, at the request of the lodging industry within Paso Robles, the Business Improvement District (BID) was created by Ordinance 952 NS in December 2008 and has been renewed annually by City Council action; and

WHEREAS, the City Council formed a seven (7) member BID Advisory Committee (also known as the Travel Paso Robles Alliance, or TPRA) and adopted bylaws under which that group would operate to implement tourism and promotion goals associated with the collection and spending of the two percent (2%) BID assessment; and

WHEREAS, the TPRA oversees and guides the direction of BID fund spending and City staff provides fiduciary and administrative support; and

WHEREAS, the TPRA cannot, as an entity themselves, enter into contracts or make direct purchases, but the City can act as agent for those identified needs; and

WHEREAS, in February 2013 the City Council authorized a professional service contract with Big Red Marketing for Destination Management services on behalf of the TPRA which was later extended for one year, then again for 5 months to align with the City’s fiscal term, then again for one year, and whose term would currently conclude on June 30, 2016; and

WHEREAS, on April 26, 2016, the TPRA discussed and approved a FY2016/17 Marketing Plan and Budget (through June 30, 2017) which is subject to City Council’s approval; and

WHEREAS, on May 24, 2016, the TPRA voted to recommend annual renewal of the BID assessment levy and the contract with Big Red Marketing for Destination Management services to oversee those efforts, which is subject to City Council’s approval; and

WHEREAS, renewal of this contract is contingent on City Council action to extend the BID levy through June 30, 2017 along with a Marketing Plan (scope) and budget; and

WHEREAS, it is necessary to engage supplemental professional services to carry out the specialized focus and expanse of marketing work identified in the TPRA’s FY2016/17 Marketing Plan; and

WHEREAS, Big Red Marketing represents that it is fully qualified to provide described services on behalf of the TPRA within a budget of \$65,000 through June 30, 2017 (\$5,083.34 per month retainer fee plus mileage expenses).

THEREFORE BE IT HEREBY RESOLVED that the City Manager is authorized to extend the professional service contract with Big Red Marketing through June 30, 2017, on behalf of the

Travel Paso Robles Alliance, for administrative, strategic and sales/trade show related activities as described in the attached Scope of Work (Exhibit A), contingent upon the City Council's renewal of the BID annual levy.

APPROVED by the City Council of the City of El Paso de Robles at a regular meeting on the 21st day of June 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Kristen L. Buxkemper,, Deputy City Clerk

Destination Manager

Travel Paso Robles Alliance

Scope of Work
(as submitted by TPRA Board)

The overall role of this position will be to work in conjunction with the TPRA Advisory Board, City of El Paso de Robles, tourism industry partners and other stakeholders and organizations with a primary focus to:

- Act as administrator to support the TPRA Advisory Board and its members in all capacities to execute the plans and attain goals, including and not limited to financial growth and laying the groundwork for future success.
- Act as the Destination Manager (DM) to guide the organization to develop and implement strategies to increase occupancy consistent with the annual goals and objectives established by the Paso Robles Tourism and Lodging Promotions Business Improvement District and its annual Sales and Marketing plans.
- Act as the destination Sales Manager responsible for sales lead generation and qualification, solicitation through in-person sales calls as well as telemarketing and tradeshow. Follow through with members in a timely manner to assure the leads convert.

Scope of Work

Administrative:

- Communicate effectively with and between Advisory Board, City Council, Board of Supervisors, City and County liaison and staff, TPRA members, community leaders, and related tourism partners to maintain strong internal and external relationships
- Provide clear and concise recommendations through ongoing communication regarding direction, opportunities, challenges and progress to the TPRA Advisory Board
- Assist the Board in the selection, retention and management of professional services and vendors
- Take a visionary lead role in all activities and ensure TPRA actions are consistent with our strategic goals and direction
- Development and management of timeline and deliverables
 - o Monitor the progress of website development and implementation

- o Communicate with the marketing firm the vision of the TPRA to assist in the development of the Marketing Plan. Assist as needed to assure cohesiveness with the Sales Plan.
- o Work collectively with Marketing firm on timely collateral materials needed for tradeshow and other promotions
- o Execute promotional plans
- o develop measurement criteria and benchmarks
- Register and plan all aspects of industry tradeshow inclusive of materials and travel as directed in the Sales and Marketing plans
- Attendance to all meetings related to the TPRA, including monthly Board meetings and subcommittee meetings, PCC and Paso Robles City Council Board meetings.
 - o Prepare TPRA agenda and deliver to city Tourism Coordinator for posting and distribution in accordance with the Brown Act requirements
 - o Develop and distribute minutes of all TPRA Board meetings
- Represent the TPRA Board and its members by attending county wide events and related professional association meetings
- Prepare and assist with the presentation of the Year End Report to the City Council. Work with the city to manage timelines for the TPRA's annual renewal process.
- Develop and implement communication tools so that all members are informed of the TPRA progress and programs
 - o Create and maintain an accurate member inventory to include individual property contact information, property type and unit count
 - o Plan and coordinate annual event for TPRA members and partners to provide an annual overview
 - o Conduct annual site visits of all member properties and maintain regular communications with all members
- Maintain and provide timely budgets, actual receipts and expenditures information, with monthly progress reports to the TPRA Board
 - o Adhere to City guidelines and submit monthly contractor fee invoice and expenses with back up each month to financial subcommittee for approval. Once approved, submit to City liaison for processing
 - o Review all vendor invoices for accuracy and compliance to budget

Strategy:

- Take a visionary lead role in all activities and ensure TPRA actions are consistent with our strategic goals and direction
- Champion change and innovation to encourage diverse thoughts and contributions
- Participate in the creation and execution of:
 - o Coop opportunities
 - o Sales plan
 - o Marketing plan
 - o Budget development
- Collaborate with local events and tourism partners to maximize the opportunity for members and identify sponsorship opportunities

Sales

- Develop and implement annual Sales Plan as approved by board
- Create FAM trips for SMERF, Corporate and Association and tour markets
- Manage and execute site visits for all PR and sales leads
 - o Seek and coordinate lodging and restaurant partners as needed
 - o Create Welcome Gifts
 - o Provide site visits
 - o Coordinate meals with applicable members
- Actively manage the development and execution of the sales plan. Responsible for strategizing how to seek out, research and qualify business opportunities and sales leads with the purpose to produce definite bookings for members. Duties include preparation of bid proposals, meeting with potential clients, planning and participating in industry trade shows, and working with TPRA member representatives.
- Collaborate with the county VCB and other local stakeholders to ensure we minimize duplication of efforts and focus on how we can collectively increase tourism in the region
- Maximize travel to tradeshow by coordinating sales calls in the venue vicinity

Review of Big Red Marketing Contract

April 15, 2016

For contracted services July 1, 2015 through June 30, 2016

Review Committee:

Victor Popp

Sandra Sage

Matt Masia

Support:

Shonna Howenstine, City Tourism Coordinator

The Travel Paso Robles Alliance appointed a contract review committee to review the contract with Big Red Marketing covering the period of July 1, 2015 to present.

Through the review process Big Red Marketing was assessed for their work in administering their Scope of Work for the City of Paso Robles on behalf of the Travel Paso Robles Alliance and the committee has made the following determinations:

- Big Red Marketing performed their duties in a manner that fully achieved or exceeded the 2015/2016 annual scope of work which included Administration of the Marketing Plan and Budget, Destination Management services and Sales generation.
- For FY 2016/2017, the board would like to see the following changes:
 - A streamlined reporting system implemented
 - A new Sales program developed and launched
 - More of the budget spent, with less resulting rollover in FY17/18.
- Big Red Marketing successfully oversaw the completion of major deliverables noted in the annual Marketing Plan, including but not limited to: a website update, an increased public relations program, a new digital advertising platform and a new, comprehensive marketing campaign.
- Big Red Marketing has successfully helped strengthen relationships with local tourism organizations in the past year, the board would like to see those relationships evolve into true partnerships in the future.

Travel Paso Robles Alliance is satisfied with the overall service provided by Big Red Marketing and recommends renewing the contract to continue Destination Management, Administration and Sales services.

Signed,

Victor Popp, TPRA Chair

Sandra Sage, Co-Chair

Matt Masia