

STAFF REPORT**CITY OF OCEANSIDE**

DATE: July 2, 2008

TO: Honorable Mayor and City Councilmembers
Chairman and Members, Community Development Commission

FROM: Economic and Community Development Department

SUBJECT: **APPROVAL OF A TWO-YEAR PROFESSIONAL SERVICES AGREEMENT WITH THE SAN DIEGO NORTH CONVENTION AND VISITORS BUREAU IN AN ANNUAL AMOUNT OF \$25,000 FOR SERVICES RELATED TO MARKETING THE CITY OF OCEANSIDE TO VISITORS**

SYNOPSIS

Staff recommends that the City Council/Community Development Commission approve a two-year professional services agreement with the San Diego North Convention and Visitors Bureau ("San Diego North CVB") for services related to marketing the City of Oceanside to visitors in an annual amount of \$25,000; and authorize the City Manager to execute the agreement.

BACKGROUND

In 2004-05 the San Diego North CVB was paid a total of \$10,000 and in 2005-06 they received a total of \$15,000. For the 2006-07 budget, they were paid \$20,000 (\$10,000 was allocated from Redevelopment Fund and \$10,000 from the General Fund). For the 2007-08 budget, the total amount paid to the San Diego North CVB was \$25,000, (\$10,000 from the Redevelopment Fund and \$15,000 from the General Fund).

San Diego North CVB has provided the City with services such as editorials and photographs in its annual Visitors Guide; Web site promotion with Oceanside links, and online reservations; public relations efforts to the travel media; Oceanside hotel contracts/bookings with Internet travel sites, sporting events, and conferences; trade show attendance; promotion of Oceanside attractions and events; participation in the Oceanside Tourism Summit and Economic Development Tourism Committee. San Diego North CVB aggressively markets the region as a preferred visitor destination.

ANALYSIS

The City of Oceanside desires to contract with San Diego North CVB for services related to the promotion of Oceanside for the purpose of increasing the tourism market in the City.

The San Diego North CVB works to create awareness of San Diego North County as a region and a tourism destination. They have regional marketing materials and a Website that is linked to the California Oceanside Welcome Center – Oceanside. They also place ads aimed at awareness of the region. The San Diego North CVB hosts groups of travel writers and other media representatives. In addition, the San Diego North CVB has a sales force that solicits group sales such as small meetings, tours and groups to Oceanside.

The San Diego North CVB will prepare a written report to the City Council twice a year, detailing the activities of the prior six months. A verbal presentation will also be made to the City Council, the Economic Development Commission and the Redevelopment Advisory Committee once a year.

The time period covered by this agreement shall be from July 1, 2008, to June 30, 2010.

FISCAL IMPACT

San Diego North CVB is seeking the City's support in the amount of \$25,000 for Fiscal Year 2008-2009 and \$25,000 for Fiscal Year 2009-2010, to help in the marketing of Oceanside. The Redevelopment Fund 591.309406.5241 will invest \$12,500 and the General Fund 101.604825.5252 will invest \$12,500 toward each fiscal year payment. This funding is included in the FY 2008-2010 budgets.

INSURANCE REQUIREMENTS

Through the term of the agreement, the San Diego North CVB will maintain the City's normal insurance coverage requirements.

COMMISSION OR COMMITTEE REPORT

The Economic Development Commission reviewed this staff report at its July 1, 2008, meeting and supports the proposed professional services agreement.

The Redevelopment Advisory Committee will review this staff report at its June 25, 2008, meeting. The Committee's comments will be reported in writing prior to the Commission/Council meeting.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council/Community Development Commission approve a two-year professional services agreement with the San Diego North Convention and Visitors Bureau ("San Diego North CVB") for services related to marketing the City of Oceanside to visitors in an annual amount of \$25,000; and authorize the City Manager to execute the agreement.

PREPARED BY:



Jane McVey
Economic and Community
Development Director

SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager
Teri Ferro, Financial Services Director



ATTACHMENTS:

1. Professional Services Agreement
2. 2008-2010 Workplan

CITY OF OCEANSIDE
PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of July, 2008, by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "City", and the SAN DIEGO NORTH CONVENTION AND VISITORS BUREAU, hereinafter designated as "SAN DIEGO NORTH CVB".

RECITALS

WHEREAS, the City desires to have a partnership with SAN DIEGO NORTH CVB to market the City of Oceanside for the purpose of increasing visitor spending and tourism to the City.

WHEREAS, SAN DIEGO NORTH CVB has the primary objective of regionally promoting the City of Oceanside as a travel destination.

WHEREAS, SAN DIEGO NORTH CVB has submitted a proposal to promote Oceanside attractions, accommodations and events during fiscal years 2008-2010, and the City desires to support SAN DIEGO NORTH CVB's efforts in providing such services in accordance with the conditions, obligations and provisions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants hereinafter contained and for other valuable consideration, the parties hereto agree as follows:

1. SCOPE OF WORK. The services to be performed are more particularly described in the remainder of Section 1 and in Exhibit A, which is incorporated herein by reference.

1.1. PROFESSIONAL SERVICES PROVIDED BY SAN DIEGO NORTH CVB. The professional services to be performed and provided by SAN DIEGO NORTH CVB shall consist of, but not be limited, to the following:

1.1.1. SAN DIEGO NORTH CVB shall market the City of Oceanside with the goal of promoting Oceanside attractions, accommodations and events, and increasing travel and tourism to the City, promoting Oceanside as travel destination. SAN DIEGO NORTH CVB shall highlight Oceanside in the SAN DIEGO NORTH CVB Travel Planning and Conference Guide and the SAN DIEGO NORTH CVB web site. The SAN DIEGO NORTH CVB's web site will be enhanced and updated including Oceanside information, online reservations, itineraries and direct links to Oceanside businesses and Oceanside City Hall. Referrals will be provided to Oceanside businesses from the The SAN DIEGO NORTH CVB's visitor guide and visitors' center.

1.1.2. SAN DIEGO NORTH CVB shall prepare a written report to the City Council twice a year, detailing the activities of the prior six months. The report shall be submitted no later than 30 days after the end of the six-month period in a format acceptable to the

City. A verbal presentation will also be made to the Economic Development Commission and the City Council once a year.

2. TIMING REQUIREMENTS. Time is of the essence in the performance of work under this Agreement. When called upon by the City for specific performance of any provision or obligation herein contained, SAN DIEGO NORTH CVB shall respond in the most expedient and appropriate manner under the circumstances by means of telephone, fax, hand delivery, electronic mail or regular mail.

3. CRITERIA AND STANDARDS. All work shall be performed in accordance with applicable City, State and Federal codes and criteria. In the performance of professional services, SAN DIEGO NORTH CVB shall use the degree of care and skill ordinarily exercised by similar organizations under similar conditions.

4. INDEPENDENT CONTRACTOR. SAN DIEGO NORTH CVB's relationship to the City shall be that of an independent contractor. SAN DIEGO NORTH CVB shall have no authority, expressed or implied, to act on behalf of the City as an agent, or to bind the City to any obligation whatsoever, unless specifically authorized in writing by the City. SAN DIEGO NORTH CVB shall be solely responsible for the performance of any of its employees and agents under this Agreement.

5. WORKER'S COMPENSATION. Pursuant to Labor Code Section 1861, SAN DIEGO NORTH CVB hereby certifies that SAN DIEGO NORTH CVB is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and SAN DIEGO NORTH CVB will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

6. LIABILITY INSURANCE.

6.1. SAN DIEGO NORTH CVB shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of SAN DIEGO NORTH CVB, its agents and employees, performed in connection with this Agreement including but not limited to premises.

6.2. SAN DIEGO NORTH CVB shall maintain the following minimum limits:

Comprehensive General Liability Insurance
(bodily injury and property damage)

| | |
|--------------------------------------|---------------|
| Combined Single Limit Per Occurrence | \$ 1,000,000 |
| General Aggregate | \$ 2,000,000* |

Commercial General Liability Insurance
(bodily injury and property damage)

| | |
|--------------------------------|--------------|
| General limit per occurrence | \$ 1,000,000 |
| General limit project specific | \$ 2,000,000 |

Automobile Liability Insurance

\$ 1,000,000

*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

6.3. All insurance companies affording coverage to SAN DIEGO NORTH CVB shall be required to name the City of Oceanside as "additional insured" under the insurance policy for all work performed in accordance with this Agreement. Insurance coverage provided to the CITY as an additional insured shall be primary insurance and other insurance maintained by the CITY, its officers, agents and employees shall be excess only and not contributing with insurance provided pursuant to this Section.

6.4. All insurance companies affording coverage to SAN DIEGO NORTH CVB pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.

6.5. SAN DIEGO NORTH CVB shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.

6.6. SAN DIEGO NORTH CVB shall provide, upon request of the City, a true and correct copy of all applicable insurance policies.

6.7. SAN DIEGO NORTH CVB shall insure that a substitute certificate of insurance be provided no later than thirty (30) days prior to the policy expiration date. Failure by SAN DIEGO NORTH CVB to provide such a substitution and extend the policy expiration date shall be considered a default by SAN DIEGO NORTH CVB and may subject SAN DIEGO NORTH CVB to a suspension or termination of work under the Agreement.

6.8. Maintenance of insurance by SAN DIEGO NORTH CVB as specified in this Agreement shall in no way be interpreted as relieving SAN DIEGO NORTH CVB of any responsibility whatever and SAN DIEGO NORTH CVB may carry, at its own expense, such additional insurance as it deems necessary.

7. SAN DIEGO NORTH CVB'S INDEMNIFICATION OF CITY. SAN DIEGO NORTH CVB shall defend, indemnify and hold harmless the City and its officers, agents and employees against all claims for damages arising out of or relating to the conduct of SAN DIEGO NORTH CVB or its employees, agents, subcontractors, or others in connection with or related to the execution of the work covered by this Agreement, except only for those claims arising from the sole or active negligence or sole willful conduct of the City, its officers, agents, or employees. SAN DIEGO NORTH CVB's indemnification shall include any and all costs, expenses, attorneys' fees and liability incurred by the City, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not.

Further, SAN DIEGO NORTH CVB at its own expense shall, upon written request by the City, defend any such suit or action brought against the City, its officers, agents, or employees resulting related to this particular Agreement.

SAN DIEGO NORTH CVB's indemnification of City shall not be limited by any prior or subsequent declaration by SAN DIEGO NORTH CVB.

8. COMPENSATION.

SAN DIEGO NORTH CVB's compensation for all work performed in accordance with this Agreement for fiscal year 2008/09 shall not exceed the total contract price of **Twenty-five Thousand and ⁰⁰/₁₀₀ Dollars (\$25,000.00)**. Four quarterly payments of \$6,250 will be made to the SAN DIEGO NORTH CVB. Compensation for all work performed in fiscal year 2009/2010 shall not exceed the total contract price of **Twenty-five Thousand ⁰⁰/₁₀₀ Dollars (\$25,000)**. Four quarterly payments of \$6,250 will be made to the SAN DIEGO NORTH CVB.

The parties recognize that the funds provided pursuant to this Agreement are from City general funds, and that the amount of funds available to the City's General Fund is subject to the finalization of the State budget and other City funding resources. Thus, notwithstanding the preceding paragraph, the amount of funds provided pursuant to this section may be subject to reduction as set forth in Section 12.

9. TERMINATION OF AGREEMENT. Either party may terminate this Agreement for any reason by providing thirty (30) days written notice to the other party.

If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay SAN DIEGO NORTH CVB for any work completed up to and including the date of termination or abandonment of this Agreement, in accordance with Section 8. The CITY shall be required to compensate SAN DIEGO NORTH CVB only for work performed in accordance with the Agreement up to and including the date of termination.

10. ASSIGNMENT AND DELEGATION. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of SAN DIEGO NORTH CVB's duties be delegated, without the express written consent of the City. Any attempt to assign or delegate this Agreement without the express written consent of the City shall be void and of no force or effect. A consent by the City to one assignment shall not be deemed to be consent to any subsequent assignment.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

11. DURATION OF AGREEMENT. The time period covered by this agreement shall be from July 1, 2008 and terminate on June 30, 2010. This Agreement may be amended or extended by the City in one-year increments up to a maximum of two (2) years, upon receipt of written request by SAN DIEGO NORTH CVB not less than sixty (60) days in advance of the contract termination date. Any extension to this agreement is subject to City Council approval as well as the terms and conditions and compensation amount.

12. RE-OPENER. This Agreement shall be subject to re-opener by the City as set forth herein.

- A. Based on changes in federal and state law impacting the CITY's continued ability to provide the funds set forth in this Agreement.
- B. Events that subject the CITY to a "significant reduction" in the funding available to its general fund. A significant reduction in General Fund revenues is defined as any loss of revenue sufficient to require a reduction in CITY services, as determined in the sole discretion of the City.
- C. The CITY shall not re-open this Agreement more than once per year for the purposes set forth in Subsection B above. Should this Agreement be re-opened by the CITY, not less than ninety (90) days notice shall be provided to CONTRACTOR advising them that the CITY has or expects to suffer a significant revenue loss and indicating how much the City Manager proposes to reduce payments to CONTRACTOR. During the ninety (90) days prior to the implementation of the decrease in payments to CONTRACTOR, the parties shall negotiate in good faith to arrive at a new agreement regarding the particular services that may be reduced in accordance with the proposed reduction in payments. The parties agree that any reduction in funding to SAN DIEGO NORTH CVB may result in a commensurate reduction in SAN DIEGO NORTH CVB's obligations under this Agreement.
- D. The City Manager may delegate to the Economic and Community Development Director the authority to re-open this Agreement for the purposes set forth in this Section and to effectuate any funding reductions or changes required in accordance with the terms of this Agreement.

13. ENTIRE AGREEMENT. This Agreement comprises the entire integrated understanding between City and SAN DIEGO NORTH CVB concerning the work to be performed under this Agreement and supersedes all prior negotiations, representations, or agreements.

14. INTERPRETATION OF THE AGREEMENT. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. The Agreement does not limit any other rights or remedies available to City.

SAN DIEGO NORTH CVB shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

15. AGREEMENT MODIFICATION. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

16. NOTICES. All notices, demand, request, consents or other communications which this Agreement contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

To CITY:

To SAN DIEGO NORTH CVB:

Peter Weiss, City Manager
City of Oceanside
300 N. Coast Highway
Oceanside, CA 92054-2885

Cami Mattson, Chief Executive Officer
San Diego North Convention & Visitors Bureau
360 N. Escondido Boulevard
Escondido, CA 92025

Either party may change its address by notice to the other party as provided herein.

Communications shall be deemed to have been given and received on the first to occur of (i) actual receipt at the offices of the party to whom the communication is to be sent, as designated above, or (ii) three working days following the deposit in the United States Mail of registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of the party to whom the communication is to be sent, as designated above.

17. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of SAN DIEGO NORTH CVB and the City.

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the day and year respectfully written herein below.

**SAN DIEGO NORTH CONVENTION
& VISITORS BUREAU**

CITY OF OCEANSIDE



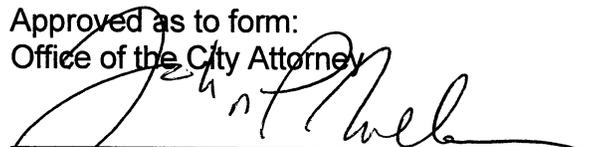
Cami Mattson
Chief Executive Officer

Peter Weiss
City Manager

Dated: 6-9-08

Dated: _____

Approved as to form:
Office of the City Attorney


City Attorney

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego

On June 9, 2008 before me, Kay Alverson, Notary Public

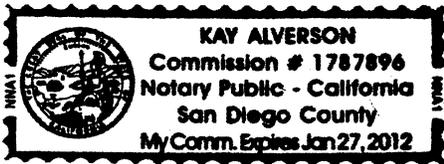
personally appeared Cameron Mattson

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Kay Alverson
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

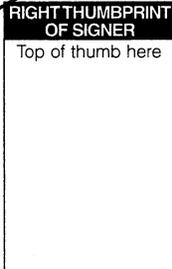
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

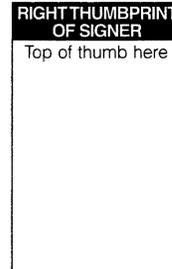
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

EXHIBIT NO. A

San Diego
NORTH

Room to fill your senses

SAN DIEGO NORTH CONVENTION & VISITORS BUREAU

**SAN DIEGO NORTH CONVENTION &
VISITORS BUREAU**

&

CITY OF OCEANSIDE

2008-2009

2009-2010

WORKPLAN



Room to fill your senses

SAN DIEGO NORTH CONVENTION & VISITORS BUREAU

EXHIBIT A

INDEPENDENT LEISURE MARKET:

Objective 1:

Create trackable visitor spending to Oceanside through the independent leisure market.

Strategies:

Generate editorial on Oceanside and its visitor products and events through news releases, editorial contacts, media site visits, an online story angle book, and updates to travel guides.

Generate co-op advertising opportunities for Oceanside businesses to increase sales.

Actively participate in Oceanside's Tourism Summit, Economic Development Tourism Committee, the California Welcome Center, & the Highway 101 Association.

Maintain a high level of exposure for Oceanside in the Bureau's *2009 & 2010 Travel Planning and Conference Guides*, including Oceanside photos and *insider's tips*. More than 78 Oceanside references are in the guide.

Enhance and update the Bureau's web site, www.sandiegonoorth.com, including Oceanside information, online reservations, itineraries, events and direct links to Oceanside businesses and Oceanside City Hall. More than 218 Oceanside mentions are included on our web site. Capture names in an opt-in database and email Oceanside events and hot deals to our customers quarterly.

Conduct visitor inquiry research to determine visitor demographics and economic impact to Oceanside.

Enhance the Bureau's photo library with increased images of Oceanside to be used by the media and travel trade in newspapers, travel publications, brochures as well as the Bureau's visitors guide, direct mail, and trade show booth.

Promote membership among Oceanside businesses in an effort to increase exposure of Oceanside.

Provide referrals to Oceanside businesses from the Bureau's visitor guide response card and inquiries at the San Diego North visitors' center.

GROUP SALES:

The Bureau's four-member sales team will promote Oceanside as a group travel destination through phone solicitations, personal sales call trips, direct mail, web and email initiatives, familiarization tours and a minimum of 10 travel trade shows. Direct-mail promotions and the Bureau's trade show booth will include Oceanside highlights.

Smerf Market (Social, Military, Educational Religious, Fraternal)

Objective 1:

Solicit group business from sporting teams and sporting events.

Strategies:

Contact local sporting event organizers to assist in placing sports groups in Oceanside.

Attend the TEAMS trade show with the San Diego International Sports Council and partner with the Sports Council to secure new sporting events for Oceanside.

Objective 2:

Generate group business by pursuing social and fraternal clubs.

Strategies:

Participate in the National Association of Reunion Managers and utilize its magazine and website to target reunion activities.

Review local club directories, newspapers and magazines and solicit regional meetings to be held in Oceanside.

Travel Industry

Objective 1:

Solicit leisure travel planners to contract with Oceanside businesses and highlight the Oceanside Harbor and Pier, Historic Highway 101, California Surf Museum, Mission San Luis Rey, Oceanside Museum of Art, Heritage Park, Buena Vista Nature Center, shopping, restaurants, & events.

Strategies:

Develop sample travel itineraries for tour planners and wholesalers.

Develop new tour and travel business through email marketing, online promotions, and appropriate trade shows.

Host contracting workshops for major e-commerce companies such as Expedia.com, Hotels.com, ARES, Inc. and Travelworm.com to educate and encourage Oceanside hotels to enter contracts with these high producing on-line booking engines.

Work with internet consolidators to ensure their travel sites optimize bookings to Oceanside and San Diego North by providing destination photos, event listings, local contacts, correct mapping, destination placement, branding, etc.

Work with Oceanside hotels and attractions to make sure their placement on the travel sites are optimized as well.