

# STAFF REPORT



ITEM NO. 11  
CITY OF OCEANSIDE

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DATE: August 2, 2006

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

FROM: Economic Development and Redevelopment Department

SUBJECT: **APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH THE SAN DIEGO NORTH CONVENTION AND VISITORS BUREAU IN THE AMOUNT OF \$20,000 FOR FISCAL YEAR 2006-2007 AND \$25,000 FOR FISCAL YEAR 2007-2008 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 the amount of \$45,000 for Fiscal Years 2006-2008. The funds will be paid from the Redevelopment Fund (\$10,000 each year) and the General Fund (\$10,000 in 2006-07 and \$15,000 in 2007-08). These funds are included in the 2006-07 and 2007-08 budget recently approved.

## 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 and 2007-08 budget there is \$10,000 allocated for each fiscal year in the Redevelopment Downtown Business Development fund, \$10,000 in the General Fund for 2006-07 and \$15,000 in the General Fund for 2007-08.

San Diego North CVB has provided the City with services such as editorial 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 purposes of increasing the tourism market in the City.

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 Economic Development Commission and the City Council once a year.

The time period covered by this agreement shall be from July 1, 2006 to June 30, 2008.

## **FISCAL IMPACT**

San Diego North CVB is seeking the City's support in the amount of \$20,000 for Fiscal Year 2006-2007 and \$25,000 for Fiscal Year 2007-2008, to help in the marketing of Oceanside. The Redevelopment Fund will invest \$10,000 toward each fiscal year payment and the General Fund will invest \$10,000 in 2006-07 and \$15,000 in 2007-08. This funding is included in the FY 2006-07 and 2007-08 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 August 1, 2006, meeting and supports the proposed professional services agreement.

The Redevelopment Advisory Committee reviewed this staff report at its July 24, 2006, meeting and supports the proposed professional services agreement.

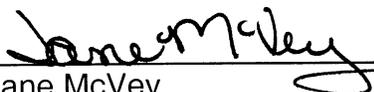
## **CITY ATTORNEY'S ANALYSIS**

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

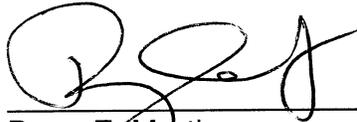
**RECOMMENDATION**

Staff recommends that the City Council/Community Development Commission approve the professional services agreement with the San Diego North Convention and Visitors Bureau in the amount of \$45,000 (\$20,000 for Fiscal Year 2006-2007 and \$25,000 for Fiscal Year 2007-2008) and authorize the City Manager to execute the agreement.

PREPARED BY:

  
\_\_\_\_\_  
Jane McVey  
Economic Development &  
Redevelopment Director

SUBMITTED BY:

  
\_\_\_\_\_  
Barry E. Martin  
Interim City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Assistant to the City Manager

  
\_\_\_\_\_

ATTACHMENTS:

1. Professional Services Agreement

**CITY OF OCEANSIDE**

**PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT is made and entered into this \_\_\_ day of August, 2006, 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 2006-2008, 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. 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. Referrals will be provided to Oceanside businesses from the SAN DIEGO NORTH CVB's visitor's guide and visitor's 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

<u>Automobile Liability Insurance</u>	\$ 1,000,000
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\*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 2006/07 shall not exceed the total contract price of **Twenty Thousand and <sup>00</sup>/<sub>100</sub> Dollars (\$20,000.00)**. Four quarterly payments of \$5,000 will be made to the SAN DIEGO NORTH CVB. Compensation for all work performed in Fiscal Year 2007/08 shall not exceed the total contract price of **Twenty-five Thousand <sup>00</sup>/<sub>100</sub> 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, 2006 and terminate on June 30, 2008. 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 Development/Redevelopment 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:

Barry E. Martin, Interim 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  
SAN DIEGO NORTH CVB**

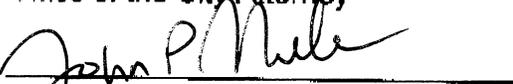
**CITY OF OCEANSIDE  
City**

  
CAMI MATTSON  
Chief Executive Officer

\_\_\_\_\_  
BARRY E. MARTIN  
Interim City Manager

Dated: 7-24-06

Dated: \_\_\_\_\_

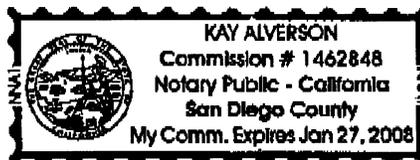
Approved as to form:  
Office of the City Attorney  
  
City Attorney

STATE OF CALIFORNIA            )  
  ) ss.  
COUNTY OF SAN DIEGO        )

On July 24, 2006 before me, Kay Alverson, a Notary Public, personally appeared Cami Mattson, personally known to me (or ~~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.

WITNESS my hand and official seal.

Kay Alverson



**SAN DIEGO NORTH CONVENTION &  
VISITORS BUREAU**

**&**

**CITY OF OCEANSIDE**

**2006-2007**

**2007-2008**

**WORKPLAN**



## 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 *2007 & 2008 Travel Planning and Conference Guides*, including Oceanside photos and *insider's tips*. Maintain at least 80 Oceanside references in the guide.

Enhance and update the Bureau's web site, [www.sandiegonoorth.com](http://www.sandiegonoorth.com), including Oceanside information, online reservations, itineraries, events and direct links to Oceanside businesses and Oceanside City Hall. Maintain at least 200 Oceanside mentions on the 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.

Distribute Oceanside information and capture email addresses at the *Los Angeles Times* travel show.

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.

Host two educational tours of the San Diego North region, including Oceanside, for product buyers targeting the tour and travel industry.

Develop new tour and travel business through direct-mail pieces, email marketing, phone solicitations, sales calls, and the following trade shows: Pow Wow, The California Travel Market (CTM) and North American Journeys (NAJ).

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.