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City of Las Cruces[®]
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Council Action and Executive Summary

Item # 2 Ordinance/Resolution# 10-11-412

For Meeting of _____
 (Ordinance First Reading Date)

For Meeting of May 2, 2011
 (Adoption Date)

TITLE: A RESOLUTION APPROVING A THREE (3) YEAR CONTRACT WITH THE OPTION TO RENEW FOR THREE (3) ADDITIONAL ONE (1) YEAR TERMS FOR ADVERTISING AGENCY SERVICES TO ESPARZA ADVERTISING OF ALBUQUERQUE, NEW MEXICO SUBJECT TO APPROVED BUDGET APPROPRIATIONS.

PURPOSE(S) OF ACTION:

To award a three (3) year contract for advertising services for the Las Cruces Convention & Visitors Bureau (CVB)

COUNCIL DISTRICT: N/A		
<u>Drafter/Staff Contact:</u> Ken Mompellier <i>Ken Mompellier</i>	<u>Department/Section:</u> Administration/CVB	<u>Phone:</u> 541-2166
<u>City Manager Signature:</u>	<i>[Signature]</i>	

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

The Convention & Visitors Bureau (CVB) relies on the services provided by a professional advertising agency to advertise and promote the City of Las Cruces as a visitor and meetings destination. To further those efforts, the CVB issued a Request for Proposal (RFP) for professional advertising services and received seven (7) responses to RFP No. 10-11-412. As part of the RFP evaluation process, the committee assembled to review the proposals conducted two rounds of evaluations, rating the proposals in accordance with relevant RFP criteria. Three (3) finalists were asked to make formal presentations to the committee on February 2, 2011 and on February 7, 2011. The evaluation committee again rated the proposals in accordance with relevant RFP criteria with Esparza Advertising scoring higher than Hayduk King Advertising and RJC Advertising. Therefore, the committee recommends awarding the contract for professional advertising services to Esparza Advertising. Approval of the contract is needed to ensure that Las Cruces continues to maintain exposure in print, outdoor and electronic media without interruption in effort to bring in additional visitors who stimulate the local economy.

(Continue on additional sheets as required)

The contract between the CVB and Esparza Advertising calls for an annual budget not to exceed \$275,000 which includes a monthly fee of \$3,500, plus applicable New Mexico Gross Receipts Tax, as well as the standard agency commission of 15% for media services and 20% for production services.

SUPPORT INFORMATION:

1. Resolution.
2. Exhibit "A" - Purchasing Manager's Request to Contract.
3. Exhibit "B" - Phase I and II – Proposal Evaluation and Evaluation Report.

SOURCE OF FUNDING:

Is this action already budgeted?	Yes	<input checked="" type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
		<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.
Does this action create any revenue? N/A	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: in the amount of \$ _____ for FY__.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

Existing contract expires June 30, 2011. New contract takes effect July 1, 2011. Budget for new contract is reflective in City Manager's proposed FY 12 Budget.

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
CVB- CVB Convention- Advertising	2710- 27205020- 722104	N/A	\$77,648	N/A	Research and development for FY 12 Advertising Campaign.

(Continue on additional sheets as required)

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will allow the CVB to contract Esparza Advertising to obtain national exposure for the City of Las Cruces as a visitor destination without interruption through print, outdoor and electronic median, and help stimulate the local economy.
2. Vote "No"; and Lodger's Tax, Convention Center Fees, and occupancy rates may be affected in a negative manner without continued exposure of Las Cruces as a visitor destination and promotion of the Las Cruces Convention Center will result in less visitation to the community thus less stimulation to the local economy.
3. Vote to "Amend"; and direct staff to pursue other options. However, this would interrupt the proposed media plans tentatively in place since many commitments are made several months in advance in national publications.
4. Vote to "Table"; this would interrupt the proposed media plans tentatively in place since many commitments need to be made several months in advance.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits.

1. N/A

(Continue on additional sheets as required)

RESOLUTION NO. 10-11-412

A RESOLUTION APPROVING A THREE (3) YEAR CONTRACT WITH THE OPTION TO RENEW FOR THREE (3) ADDITIONAL ONE (1) YEAR TERMS FOR ADVERTISING AGENCY SERVICES TO ESPARZA ADVERTISING OF ALBUQUERQUE, NEW MEXICO SUBJECT TO APPROVED BUDGET APPROPRIATIONS.

The City Council of the City of Las Cruces is informed that:

WHEREAS, the Las Cruces Convention & Visitors Bureau relies on the services provided by a professional advertising agency to advertise and promote the City of Las Cruces and promote the City of Las Cruces as a visitor destination; and

WHEREAS, seven (7) proposals were received in response to the City's RFP No. 10-11-412; and

WHEREAS, a committee evaluated the proposals and recommends contract award to the highest ranked respondent, Esparza Advertising; and

WHEREAS, the contract between the CVB and Esparza Advertising calls for an annual budget not to exceed \$275,000 which includes a monthly fee of \$3,500, plus applicable New Mexico Gross Receipts Tax; and

WHEREAS, the Las Cruces Convention & Visitors Bureau will also compensate Esparza Advertising a standard agency commission in the amount of fifteen percent (15%) for media services and twenty percent (20%) for production services.

NOW, THEREFORE, be it resolved by the governing body of the City of Las Cruces:

(I)

THAT the contract to Esparza Advertising of Albuquerque, New Mexico, for Advertising Agency Services is hereby approved conditioned upon annual budget appropriations.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 20____.

APPROVED:

Mayor

ATTEST:

Clerk

(SEAL)

VOTE:

Mayor Miyagishima	_____
Councillor Silva	_____
Councillor Connor	_____
Councillor Pedroza	_____
Councillor Small	_____
Councillor Sorg	_____
Councillor Thomas	_____

Moved by: _____

Seconded by: _____

APPROVED TO FORM.

City Attorney

CITY OF LAS CRUCES

PURCHASING MANAGER'S REQUEST TO CONTRACT

For Meeting of: May 2, 2011

Resolution No.: 10-11-412

Contract Purchase For Advertising Agency Services

The Las Cruces City Council is provided the following information concerning this request:

RFP SOLICITATION INFORMATION:

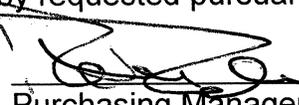
1. RFP No./ Due Date: **RFP No. 10-11-412/December 16, 2010**
2. Description: **Advertising Agency Services**
3. Using Department: **Las Cruces Convention & Visitors Bureau**
4. Number of Responses Accepted: **Seven (7)**
5. Award Recommendation To: **Esparza Advertising of Albuquerque, NM**
6. Total Award Amount (including any tax): **Not to exceed \$275,000 annually**
7. Contract Duration: **Three (3) years with the option to renew for three (3) additional one (1) year terms**

LOCAL PREFERENCE FACTOR

Local Preference Factor Applied Per LCMC §24-100	No		LCMC §24-100 not applicable to this solicitation
	Yes		Made A Difference To Awards(s)
		X	

PROCUREMENT CODE COMPLIANCE:

The City of Las Cruces Procurement Code was administered in the conduct of this procurement and approval to purchase is hereby requested pursuant to **Section 24-92**.


 Purchasing Manager

14/14/2011
 Date

CONFIRMATION OF FUND ENCUMBRANCE:

REQUISITION or PURCHASE ORDER NUMBER:	TBD
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PHASE I - PROPOSAL EVALUATION REPORT

TITLE: CVB Advertising Agency Services		TOTAL POINTS POSSIBLE	Esparza Advertising	Hayduk King Advertising Inc.	RJC Advertising
0					
CRITERIA					
1. Advertising plan		900	840	810	870
2. Qualification/competence of project team members		450	435	420	330
3. Capacity and capability of the firm		450	405	405	360
4. Management structure and approach to the Project		450	405	330	375
5. Performance of the firm with previous clients		300	280	270	210
6. Clarity of proposal		150	125	105	140
7. Current or previous tourism industry w/ min. \$75K placement billing		300	270	250	280
Rating Sheets Raw Scores		3000	2760	2590	2565
Interview Scores					
Rater #1	Rating Sheet Score		2760	2590	2565
Rater #2		175	145.0	145.0	175.0
Rater #3		175	140.0	105.0	175.0
Rater #5		175	105.0	140.0	175.0
		175	145.0	140.0	170.0
PHASE I - INTERVIEW EVALUATION RESULTS		700	535	530	695
TOTAL PHASE I SCORES			3295	3120	3260
PHASE II - EVALUATION REPORT					
LOCAL/STATE PREFERENCE			Local ? (Yes or No)	Local ? (Yes or No)	Local ? (Yes or No)
LOCAL? (YES or NO)			NO	NO	NO
If "YES", Add .05 x PHASE I SCORE			0.0	0.0	0.0
TOTAL PH. I & II SCORES W/O COST FACTOR			3295.0	3120.0	3260.0
TOTAL PHASE II SCORES			0.0	0.0	0.0
PHASE I & II GRAND TOTAL			3295.0	3120.0	3260.0