



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
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Consent
October 30, 2007

**Honorable Mayor and
Members of the City Council**

Title: Amendment Agreement: Sacramento Convention Center Complex.

Location/Council District: Districts 1 and 3

Recommendation: Adopt a Resolution authorizing the City Manager to: (1) execute Amendment Number 2 to City Agreement Number 2005-0062 with Tickets.com; and (2) execute future Amendments to City Agreement No. 2005-0062 regarding non-financial changes to the Agreement, such as updating the Equipment inventory.

Contact: Tina McCarty, Administrative Officer, Convention Center, #808-8220

Presenters: N/A

Department: Convention, Culture, and Leisure

Division: Convention Center

Organization No: 4321

Description/Analysis

Issue: In July 2005, Council awarded Tickets.com a new Agreement to provide ticketing services for a three-year term with up to two one-year extensions. The Convention Center ("Center") has requested that the Agreement be amended to incorporate revenue share due to the City from 'Tickets@Home' fees; and to incorporate additional pieces of equipment provided by Tickets.com into the existing equipment list.

All tickets for events occurring at the Center are sold through Tickets.com multiple ticket outlets, Website, and call centers; or through the Center's on-site Box Office. Currently, tickets sold through Tickets.com Website or call centers are either mailed to patrons or held at the SCC Box Office 'Will-Call' for pick-up. Alternately, Tickets.com now offers patrons the ability to print tickets purchased through their Website directly from patron's home computer for a fee of \$1.75. The proposed amendment will provide the City a \$.50 revenue share of this fee.

In addition, as part of the original Agreement, Tickets.com has provided and maintains on-site ticketing and Data communication equipment. This Agreement Amendment

updates the current equipment provided by Tickets.com to include additional equipment recently added on-site. Also, Staff recommends that authorization be given to the City Manager to execute further Amendments, as needed, for non-financial issues, such as updating the Equipment list.

Policy Considerations:

This report is consistent with the City's Strategic Plan Goal of Promoting and Supporting Economic Vitality by allowing the Convention Center Complex to remain competitive, thereby, drawing visitors and conventioners to the City.

Environmental Considerations:

The actions recommended in this report are not a "project" under State CEQA Guidelines, California Code of Regulations, Title 14, Section 15378; and therefore, are not subject to environmental review.

Rationale for Recommendation:

The City will benefit from increased revenue share due from ticket sales which utilize the 'Tickets@Home' functionality. Additionally, it is prudent to account for all equipment currently on-site at the Center that is owned and maintained by Tickets.com

Financial Considerations:

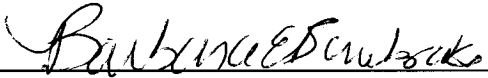
The Convention Center Complex operates as an Enterprise Fund and is primarily supported by the Transient Occupancy Tax and user fee revenues.

The current Agreement has brought \$450,000 for the 2005/2006 fiscal year, and is anticipated to meet or exceed projected revenue over the remaining term of the agreement. As 'Tickets@Home' is a new service for Tickets.com, revenue share of \$0.50 per order will have a minimal financial impact on the current Agreement. It is anticipated that approximately 3500 patrons will choose the 'Tickets@Home' service during FY08. Hence, the additional revenue share to the City is expected to be approximately \$1,750.00.

Emerging Small Business Development (ESBD):

Tickets.com is not an ESBD business.

Respectfully Submitted by: 
Judy Goldfar, General Manager
Sacramento Convention Center Complex

Approved by: 
Barbara E. Bonebrake, Director
Convention, Culture, and Leisure Department

Recommendation Approved:



for Ray Kerridge
City Manager

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Attachment 1

Background Information:

- The Sacramento Convention Center Complex (“Center”) provides patrons with tickets for Events held at the Convention Center, Memorial Auditorium, and the Community Center Theater.
- The Center housed approximately 600 events in fiscal year 2006 including many ticketed events, generating sales of over 250,000 single tickets, totaling more than \$12.6 million in sales for Center events.
- All Center tickets are exclusively sold through Tickets.com ticket outlets, the internet, and a toll-free phone number at external call centers; or through the Center’s on-site Box Office.
- In June 2000, Council approved a five-year Agreement with Tickets.com for the exclusive ticketing provider services at the Sacramento Convention Center Complex.
- In July 2005, after a Request for Proposal process, Council awarded Tickets.com a new Agreement to provide ticketing services for a three year term with up to two additional one year extensions.
- Tickets.com was selected as the best overall Vendor based on their current Customer Service track record; increased City share on service and processing fees; increased annual marketing payment of \$75,000; on-site ticketing and Data communication equipment provided and maintained by Vendor; local computer support; season and single ticket sales combined on one system; and enhanced software for internet purchase and season ticket sales.
- In March 2007, Council approved Addendum #1 to the Agreement with Tickets.com changing the Settlement payment obligations from post event to weekly payments, and to revise the Exhibit B “Equipment” to incorporate additional pieces of Equipment provided by the Vendor.

RESOLUTION NO. 2007-

Adopted by the Sacramento City Council

AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NUMBER 2 TO CITY AGREEMENT NUMBER 2005-0062 WITH TICKETS.COM, AND TO EXECUTE FUTURE AMENDMENTS TO THE AGREEMENT RELATED TO NON-FINANCIAL CHANGES TO AGREEMENT

BACKGROUND

- A. In June of 2000, Council approved a five-year Agreement with Tickets.com for the exclusive ticketing provider services at the Sacramento Convention Center Complex.
- B. In July 2005, after a Request for Proposal process, Council awarded Tickets.com a new Agreement to provide ticketing services for a three-year term with up to two one-year extensions.
- C. In March 2007, Council approved Addendum Number 1 to the Agreement with Tickets.com changing the Settlement payment obligations from post event to weekly payments, and to revise the Exhibit B "Equipment" to incorporate additional pieces of Equipment provided by the Vendor.
- D. Tickets.com has provided and maintains on-site ticketing and Data communication equipment.
- E. Amendment Number 2 to the Agreement would amend the Exhibit A "Pricing Provisions" to incorporate revenue share due City from 'Tickets@Home' fees; revise the Exhibit B "Equipment List" to incorporate additional pieces of Equipment provided by Vendor; and authorize the City Manager to execute future Amendments regarding non-financial changes to the Agreement, such as updating the Equipment inventory.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager is authorized to execute Amendment Number 2 to City Agreement Number 2005-0062.
- Section 2. The City Manager is authorized to execute future Amendments to City Agreement Number 2005-0062 regarding non-financial changes to the Agreement.