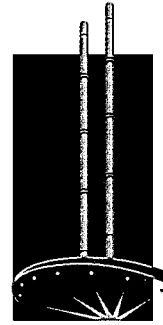


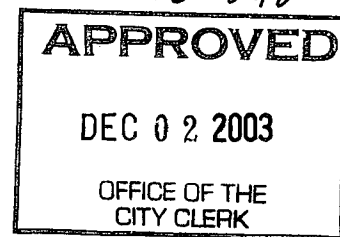
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SACRAMENTO CONVENTION CENTER

November 10, 2003

*AG 2003-212*



City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: APPROVAL TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH ADVANTAGE PRESENTATIONS Inc. FOR THE PREFERRED PROVIDER OF AUDIO VISUAL SERVICES AT THE SACRAMENTO CONVENTION CENTER.**

**LOCATION AND COUNCIL DISTRICT:** 1400 J Street  
Council District 1

**RECOMMENDATION:**

It is recommended that the City Council, by resolution, authorize the City Manager to execute an agreement with Advantage Presentations, Inc. as the preferred provider (not exclusive) of audiovisual services for the Sacramento Convention Center.

**CONTACT PERSON:** Michael Ross, SCC General Manager 264-5291  
Tina McCarty, Administrative Officer 264-8220

**FOR COUNCIL MEETING OF:** December 2, 2003

**SUMMARY:**

This report recommends that the City Manager be authorized to execute a three-year agreement with Advantage Presentation, Inc. as the preferred provider (not exclusive) of audiovisual services for the Sacramento Convention Center. Under the proposed agreement the Convention Center will receive a commission based on a percentage of the gross receipts from AV sales and services by the preferred provider. The proposed agreement will provide a revenue stream as well as improved service consistency and quality control. Twenty thousand dollars (\$20,000) of the commission revenue would be placed annually in the existing Capital Improvement Project (PC21) to repair and replace City-owned audiovisual equipment at the Convention Center.

**BACKGROUND:**

- In June 1999 the City engaged the services of Conventions, Sports and Leisure (CSL), a consulting firm, to identify means to improve the Center's service levels and financial stability. Their recommendations included following the industry trend of negotiating a preferred service vendor agreement for audiovisual services.
- On March 21, 2000, the City Council authorized the City Manager to issue a Request for Proposal (RFP) for a preferred service vendor.
- Following a competitive bidding process, a committee composed of representatives from multiple City departments evaluated the proposals and recommended Projection Presentation Technology (Projection) as the preferred provider.
- Projection has served as the Convention Center's in-house AV provider for the past three years, fulfilling the initial three-year term of their Preferred Provider Agreement. Projection was interested in exercising one of the two-year extensions with the City; however, they wished to re-negotiate the commission and guarantee terms of the original agreement.
- Center Management felt it was prudent to survey the market for commission amounts before accepting a drop in commission percentages. Thus, on October 3, 2003, an RFP was issued by the Purchasing Department for Preferred AV Provider Services for the Center.
- Four responses to the RFP were reviewed by a committee which included representation from the City Purchasing Department, Sacramento Convention and Visitors Bureau, Convention Center Division, and Classique Catering (Center caterer).
- After reviewing the proposals, the committee unanimously chose Advantage Presentations, Inc. (Advantage) based on their generous commission structure, aggressive sales and marketing plan, and their commitment to customer service and

satisfaction. Advantage is also certified as an Emerging and Small Business Enterprise.

Significant provisions in the proposed agreement include:

- **Preferred Provider.** Advantage Presentation Inc., would operate a full-service audiovisual services department in support of clients at the Sacramento Convention Center. Advantage will appoint a Director of Audiovisual Operations, a Director of Sales and Marketing, and an Assistant Director of Operations to manage its activities at the Center. Advantage would be recommended exclusively by the Center to clients requesting AV services, though a client could still choose another AV provider.
- **Commission.** Advantage will pay the Convention Center a commission of 40 percent of the gross receipts generated from rentals and sales of audiovisual equipment to Center clients. If a Center client receives a discount of 20 percent or more for AV services provided by Advantage, the percent commission would be reduced based on a sliding scale. However, the total commission paid to the Center is guaranteed by Advantage to not be less than \$352,000 during the first year of the agreement; \$387,200 in Year 2; and \$426,000 in Year 3.
- **Maintenance and Replacement Fund.** Each year during the budget process, the Convention Center will place twenty thousand dollars (20,000) for maintenance and replacement of City-owned audiovisual equipment at the Center into the existing CIP (PC21).
- **Term of Agreement.** The proposed agreement will run from January 1, 2004, through December 31, 2006. This agreement may be extended for up to two consecutive additional two-year terms.

#### **FINANCIAL CONSIDERATIONS:**

A 40 percent commission would result in approximately \$352,000 to the Community Center Fund, based on Advantage projections of vender sales and the minimum commission guarantee from Advantage. (For comparison purposes, the actual amount received during fiscal year 2003 from the past AV provider was \$280,000.) Each year, twenty thousand dollars (\$20,000) of the received AV revenues would be placed in the existing CIP (PC21) for maintenance and replacement of City-owned audiovisual equipment at the Convention Center during the annual budget process. There is no FY04 budget impact as the remaining commission amount is expected to achieve the current budgeted revenue.

**ENVIRONMENTAL ISSUES:**

According to CEQA guidelines Section 15061(b)(3), and after consultation with the City Attorney, it can be seen with certainty that there is no possibility that the approvals of the proposed agreement may have a significant effect on the environment. Therefore, this activity is exempt from CEQA.

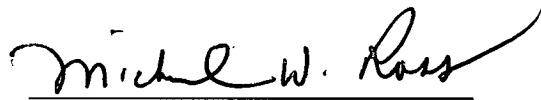
**POLICY CONSIDERATIONS:**

The proposed Audio Visual Preferred Provider Agreement is consistent with the City's Strategic Plan Goal of Promoting and Supporting Economic Vitality by allowing the Convention Center to remain competitive, and thereby drawing visitors and conventioners to the City.

**ESBD CONSIDERATIONS:**

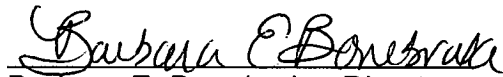
Advantage Presentations, Inc. is an ESBD business.

Respectfully submitted,



Michael W. Ross  
Convention Center General Manager

APPROVED:



Barbara E. Bonebrake, Director  
Convention, Culture & Leisure, Department

RECOMMENDATION APPROVED:



Robert P. Thomas  
City Manager

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**RESOLUTION NO. 2003-828**



ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

**APPROVAL TO ENTER INTO A PROFESSIONAL SERVICES AGREEMENT WITH  
ADVANTAGE PRESENTATIONS Inc. FOR THE PREFERRED PROVIDER OF AUDIO  
VISUAL SERVICES AT THE SACRAMENTO CONVENTION CENTER**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

- 1. The City Manager is authorized to execute an agreement with Advantage Presentations, Inc. as the preferred provider of audiovisual services for the Sacramento Convention Center.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

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\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_