



REPORT TO COUNCIL City of Sacramento

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www.CityofSacramento.org

CONSENT REPORT
December 14, 2010

Honorable Mayor and
Members of the City Council

**Title: Award of Professional Service Agreement: Sacramento Convention Center
Audio Visual Provider**

Location/Council District: District 1 and District 3

Recommendation: Adopt a **Resolution:** 1) awarding a Professional Service Agreement for the exclusive provision of audio visual services at the Sacramento Convention Center Complex to Sight and Sound Audio Visual, Inc. d.b.a. Corporate Staging Events, Inc. (CSE); and 2) authorizing the Interim City Manager or his designee to execute the Professional Service Agreement with CSE.

Contact: Judy Goldbar, General Manager, 808-5630; Tina McCarty, Administrative Officer, 808-8220;

Presenters: Judy Goldbar

Department: Convention Culture and Leisure

Division: Convention Center Complex

Description/Analysis

Issue: The current Professional Service Agreement for preferred audio visual provider services within the Convention Center expires on December 31, 2010. It is necessary to award a new Agreement for audio visual (AV) services to avoid service interruption to Convention Center clients. Staff recommends that the new AV Agreement be awarded as an exclusive provider to increase customer service levels, protection of convention center infrastructure equipment, and revenue.

Following the use of a Request for Proposal (RFP) process, staff recommends awarding a Professional Service Agreement for exclusive AV provider services at the Sacramento

Convention Center to Corporate Staging Events, Inc. (CSE).

Policy Considerations: The recommendations in this report are consistent with the City's Strategic Plan Goal of Promoting and Supporting Economic Vitality by allowing the Convention Center Complex to remain competitive. The recommendations in the report are consistent with the provisions of Sacramento City Code Chapter 3.64.

Committee/Commission Action: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The actions recommended in this report are exempt from review under State CEQA Guidelines, California Code of Regulations, title 14, Section 15302.

Sustainability Considerations: Energy efficiency and sustainability are included in the goals for the Agreement. The AV provider will use energy efficient equipment when available.


Rationale for Recommendation: On August 25, 2010, the City issued a RFP for exclusive AV services for the Sacramento Convention Center Complex. On September 22, 2010, the City received two proposals for AV services and one letter declining to respond. The two proposals received were from CSE and Audio Visual Management Solutions, Inc. A panel of selection members including representatives from the Convention and Visitors Bureau, Cal Expo, venue management consulting firm Ward Enterprises, and City staff from IT and Convention Culture & Leisure departments reviewed the proposals. Following the interview selection process, the panel unanimously recommended CSE as the company to provide audio visual services for the Convention Center Complex.

Use of the RFP process to solicit a new Professional Service Agreement with an exclusive provider for AV services allows for proposers' references, capabilities, quality assurance, and customer service to be used as determining factors along with the analysis of financial benefit to the City. The exclusive AV provider of the Convention Center Complex is a reflection of the Complex itself and can be a determining factor in a client's overall satisfaction. The exclusive AV provider can directly influence a client's intention to book another event with the Complex, thus impacting the Complex's ability to generate revenue.


Financial Considerations: The Convention Center Complex operates as a part of the City's Convention, Culture & Leisure Department and is funded through the Community Center Enterprise Fund (Fund 6010). Revenue from AV services is shared between the provider and the Complex, with the Complex receiving not less than 20% of gross revenue regardless of discounts. In addition, CSE will pay an additional \$10,000 annually to be placed in the Center's AV CIP (M17100300) for future infrastructure needs.

The proposed agreement is anticipated to reach \$1.5 million over the next five years, if all extensions are exercised. The first year annual revenue is estimated at \$210,000 and is expected to increase through year five up to \$360,000. The commission from this Agreement has been anticipated in the Community Center revenue budget.

Emerging Small Business Development (ESBD): CSE is an emerging/small business enterprise.

Respectfully Submitted by: 

for: Judy Goldbar, General Manager
Sacramento Convention Center Complex

Approved by:  FOR

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

Recommendation Approved:


for Gus Vina
Interim City Manager

APPROVED AS TO FORM:


CITY ATTORNEY

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Background

The award of an exclusive audio visual (AV) Professional Service Agreement is a change from Sacramento's past practice of a preferred provider. However based on the following research, staff recommends this new relationship as the most prudent business model for the convention center.

The following points illustrate how an Exclusive Audio-Visual agreement can benefit the Sacramento Convention Center and the City of Sacramento to both enhance revenue and customer service.

Exclusive Vendors provide:

1. More consistent revenue stream to the City/Center - preferred and non-exclusive AV vendor relationships only capture a portion of revenue and the venue receives no AV commission revenue from events not captured by the in-house vendor; whereas, an exclusive provider pays a percentage to the City for all events in the facility.
2. Long-term, extensive capital improvements – The exclusive vendor will make an additional investment of (\$10,000) annually to the Center's AV CIP (M17100300) for future infrastructure needs.
3. Service consistency for venue clients – An exclusive AV vendor will be better suited to provide a consistent level of service to all clients of the venue. This helps the venue and the Convention Visitors Bureau to maintain repeat business and solicit referral business. Whereas, clients who use a different AV vendors from event to event will have inconsistent levels of service which reflects poorly on the venue to the client, attendees of the event, and the Sacramento community as a whole.
4. Responsibility of one vendor overseeing the venue's sound and lighting systems and infrastructure significantly increases projected life span of equipment compared to Multiple AV users of typically results in more frequent repairs and replacement of misplaced, damaged, and lost venue equipment and/or damage to venue's physical structure.
5. Familiarity with building and business – Having an exclusive vendor creates operational efficiencies because of the vendor's familiarity with venue policies and procedures. Specifically, Critical systems and/or services (rigging) – Multiple, non-exclusive AV vendors on site requires more oversight to ensure compliance with I.A.T.S.E. and O.S.H.A. rigging and electrical safety standards.
6. Easy access to Center space – With on-site storage and privately held insurance coverage for AV staff working at the venue, an exclusive vendor is more productive in their ability to set-up events in advance without requirement for on-site staff from the venue.
7. Connection with Convention Center Communication system – Ungerboeck (booking software) – MS Outlook (email software), Room Viewer (room diagram

software), Internal Phone Systems, On-site Two Way Radios will allow exclusive provider to communicate more efficiently with all parties (IE catering, building, AV, decorators, etc.) regarding a client's event and required programming for the event. This creates more of a one-stop service experience for a client, which is preferable to multiple contacts/meetings.

8. Cooperation with Centers Green Practices – An exclusive vendor will be required to abide by the venue's Green Practices.
9. Better, more flexible pricing– An exclusive AV vendor, due to having a larger volume of business, will be better able to provide flexible and competitive pricing.
10. Fewer last minute surprise charges to client – Often, a preferred or non-exclusive AV or production company may seem to be the least expensive to a client, but only because certain costs are left off the bill such as required Union Labor or venue electrical charges. It is then, only after the client has contracted with the "lower priced" vendor that they realize they must pay for these charges on top of their AV bill. An exclusive in-house provider will be able to quote any such charges directly to the client in advance and will likely have lower costs for these items due to frequency of use and experience in managing such costs.

Comparable California Venues

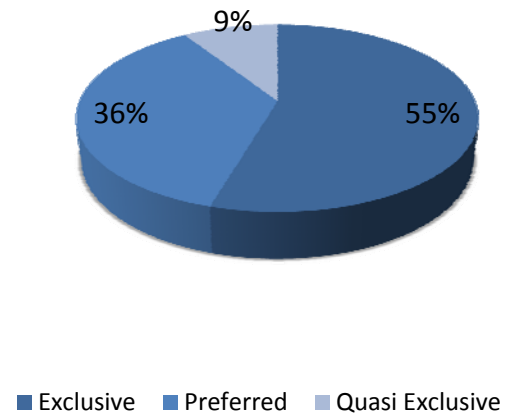
The business model for AV services varies from venue to venue. Several venues within California are switching to the exclusive provider model. We seek to compete with many of these venues for Sacramento's market share of conventions and conferences. It is believed that by offering consistent service via an exclusive AV vendor we will provide a more even playing field for capturing this market share. The data below represents the California convention center market in which Sacramento competes for conference and convention business.

Note the two sets of data. Although San Francisco is not technically exclusive, the requirements for an outside AV vendor to work in the building are extremely cost prohibitive. Nonetheless, the data still shows a majority of California convention centers with an exclusive A-V provider in each scenario.

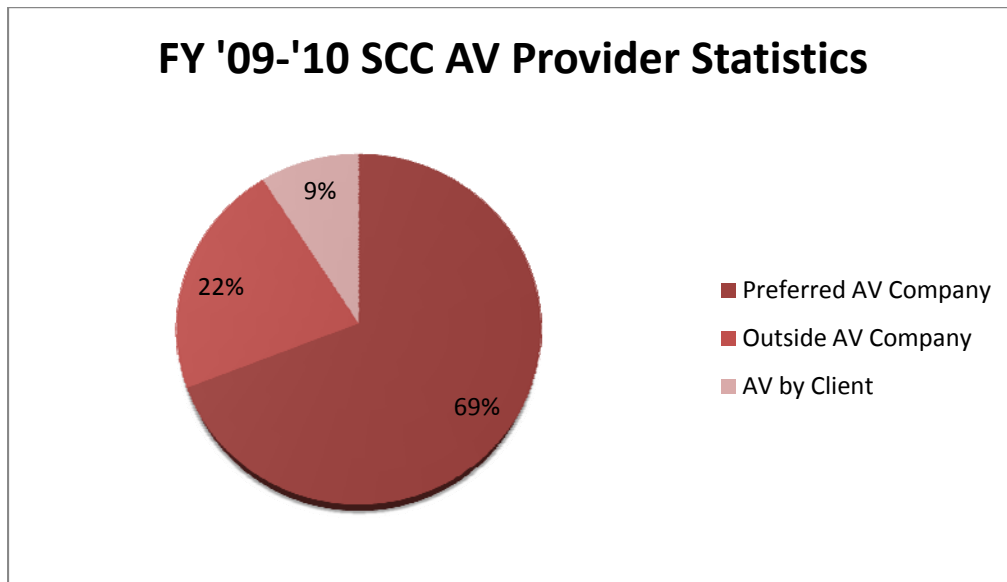
California-Based Convention Centers

Convention Center	Provider	Exclusive	Preferred
Anaheim	Presentation Services PSAV	x	
Long Beach	Projection Presentation Technology		x
Los Angeles	Own Department	x	
Monterey	Visual Aid Electronics	x	
Ontario	Projection Presentation Technology		x
Palm Springs	Swank AV		x
Pasadena	Presentation Services PSAV		x
San Diego	AV Concepts	x	
San Francisco	Projection Presentation Technology	x	x
San Jose	Visual Aid Electronics	x	
Santa Clara	Presentation Services PSAV	x	

Breakdown of Exclusive vs Preferred



AV Companies that have done business at the Sacramento Convention Center





RESOLUTION NO. 2010-

Adopted by the Sacramento City Council

PROFESSIONAL SERVICE AGREEMENT: SACRAMENTO CONVENTION CENTER AUDIO VISUAL PROVIDER

- A. The Sacramento Convention Center provides clients with venues for events such as conventions, conferences, tradeshow, consumer shows, meetings, etc. Audio visual services are required for many of these events and have been provided by a preferred vendor in order to service client needs.
- B. A Request for Proposal (RFP) process was used in 2000 and again in 2003 to award a preferred audio visual Agreement for services at the Sacramento Convention Center.
- C. On December 12, 2006 Council approved a four-year extension with the current audio visual provider, Advantage Presentations, Inc. The current Agreement will expire December 31, 2010.
- D. In August 2010, a RFP was issued to determine the best exclusive audio visual provider for the future. Corporate Staging Events, Inc. was unanimously selected by the selection panel as the best company with regard to customer service, quality assurance, experience, and financial proposal.

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

- Section 1. A Professional Service Agreement for the exclusive provision of audio visual services at the Sacramento Convention Center Complex is awarded to Corporate Staging Events, Inc.
- Section 2 The Interim City Manager or his designee is authorized to execute the Professional Service Agreement with Sight and Sound Audio Visual, Inc. d.b.a. Corporate Staging Events.