

**Procurement Authorization Request for Contract for Convention Sales and Services
(9/13/18 TDC Meeting – OGC Handout #2)**

Motion authorizing TDC staff to obtain a procurement award to execute a First Amendment to the Contract for Convention Sales and Services between the City and Jacksonville and the Beaches Convention & Visitors Bureau, Inc. (“Visit Jacksonville”) as noted below, and authorizing the Office of General Counsel to draft and execute a contract amendment in accordance with the procurement award with no further necessary action by the TDC:

- 1) Increase the maximum indebtedness by \$2,066,570 for Fiscal Year 2018-2019 for a new cumulative maximum indebtedness of \$4,158,340 (Section 5 –Maximum Indebtedness; Restrictions on Use of Funds)
- 2) Add an “advance payment” provision to contract that permits the TDC, in its sole discretion, to make a one-time lump sum advance payment to Contractor of up to ten percent (10%) of the maximum indebtedness amount for each fiscal year, including renewal terms, to provide necessary start-up funds for the Contractor to commence the Services under the Contract. Contractor would make the request in writing and TDC would need to approve the request at a TDC meeting (Section 5 –Maximum Indebtedness; Restrictions on Use of Funds)
- 3) Amend contract to allow for the TDC to request the Contractor to include a separate line item and/or itemized expenditures for travel and entertainment expenses on the annual approved budget (Section 6 - Annual Budget Approval)
- 4) Amend contract to delete reference to use of 2015-2016 Fiscal Year as a benchmark for the TDC’s evaluation of Contractor and amend to refer to revised Performance Measures and Goals contained on Exhibit B (Section 8 - Annual Convention Sales, Services and Marketing Plan)
- 5) Amend contract to reference that a schedule of Monthly Overhead Expenses Payments will be adopted for each fiscal year (Section 9- Invoice and Payment); also allow Contractor to make three payment requests the last month of the Contract year (September)
- 6) Amend contract to state that the Contractor’s Evaluation Period will be based on a fiscal year (October 1-September 30th) and that the TDC will evaluate Contractor in the November immediately following the end of the fiscal year, but by no later than the January immediately following the end of the fiscal year. Additionally, Contractor will also be required to provide a fiscal year end report on or before October 20th of each Contract year that includes the outcomes of the Performance Measures and Goals. Also clarify that a “Contract year” and “fiscal year” refers to October 1st through September 30th. (Section 10 - Annual Performance Evaluation; TDC’s Right to Allocate or Reallocate Funding)
- 7) Amend Exhibit B Performance Measures to include revised performance measures and goals as adopted in June 2017 TDC meeting (see attached)
- 8) Amend Exhibit F (Payment Schedule for Monthly Overhead Expenses) to include payment schedule for Fiscal Year 2018-2019 (12 installments from October-September at the end of each month for approx. \$111,102.92 and total payment amount of \$1,333,235.05)

- 9) Authorize Office of General Counsel to make additional technical and non-substantive changes to the contract as needed to align contract provisions with the above items listed above.

Exhibit B (Performance Measurements)

The Tourist Development Council shall use the following five (5) performance measures and goals as outlined below to evaluate Contractor's performance under this Contract. The Tourist Development Council in its sole discretion shall weight each of the performance measures below in the Annual Performance Evaluation as it deems appropriate.

I. Overall Contract Performance Measures and Goals. Contractor's satisfactory performance under this Contract for each fiscal year (October 1-September 30th) during the Contract Term shall be directly tied to the following five (5) overall objective performance measures and goals listed below:

- 1) Room Night Production: Annual 5% increase in new room night future production (contracts obtained in a given calendar year for the current year and future years) over baseline of 85,000 (see Table 1.1 below);
- 2) Annual 5% increase for room night actualization (current calendar year actual occupancy) over baseline of 85,000 (see Table 1.1 below);
- 3) Annual .25% minimum REV PAR group segment growth based on the Group Segment Trend Report data per year over each year's actual rate over baseline of \$14.54 for first Contract year;
- 4) 2% increase in awareness growth of Jacksonville as a destination (to 8% from a base of 6%) as measured by Smith Travel Research as part of the Destination MAP report and surveys); and
- 5) Maintain a minimum base of 50% of room night production and room night actualization that is new business (booked and actualized).

The goals for each Contract year for performance measures 1 and 2 above shall be based on the immediate preceding Contract year period as identified in Table 1.1 below.

II. Table 1.1 Performance Measures and Goals by Contract Year for PM 1 and PM 2 Only

Abbreviation Key

FY Eval Period – Fiscal Year Evaluation Period; ECD – Evaluation Completion Period; EVAL – Evaluation; PM- Performance Measure; RNP – Room Night Production; RNA – Room Night Actualization

Contract Fiscal Year	Contract Fiscal Year Budget	Fiscal Year EVAL Period (ECY)	TDC Annual ECP	Required RNP For CY Eval Period (PM 1 Goal 5% increase per year)	Required RNA For CY Eval Period (PM 2 Goal (5% per year))
Year 1 Oct. 1, 2017- Sept. 30, 2018	FY17-18	Oct. 1, 2017- Sept. 30, 2018	November 2018, but no later than January 2019	85,000 (baseline)	85,000 (baseline)
Year 2 Oct. 1, 2018- Sept. 30, 2019	FY18-19	Oct. 1, 2018- Sept. 30, 2019	November 2019, but no later than January 2020	89,250	89,250
Year 3 Oct. 1, 2019- Sept. 30, 2020	FY19-20	Oct. 1, 2019- Sept. 30, 2020	November 2020, but no later than January 2021	93,712	93,712
Year 4 Oct. 1, 2020- Sept. 30, 2021	FY20-21	Oct. 1, 2020- Sept. 30, 2021	November 2021, but no later than January 2022	98,398	98,398
Year 5 Oct. 1, 2021- Sept. 30, 2022	FY21-22	Oct. 1, 2021- Sept. 30, 2022	No review if contract is not renewed; or review November 2022, but no later than January 2023	103,317	103,317

PM 3 Goal: Annual .25% minimum REV PAR group segment growth based on the Group Segment Trend Report data per year over each year's actual rate over baseline of \$14.54 for first Contract year (i.e., FY17-18 \$14.54; FY18-19-\$14.58; FY19-20-\$14.62; FY20-21 \$14.66; FY21-22-\$14.70)

PM 4 Goal: 2% increase in awareness growth of Jacksonville as a destination (to 8% from a base of 6%) as measured by Smith Travel Research as part of the Destination MAP report and surveys); and

PM 5 Goal: Maintain a minimum base of 50% of room night production and room night actualization that is new business (booked and actualized).

