



Agenda Item No. 2

To: Governmental Affairs and Public Information Committee/Committee of the Whole Meeting of November 9, 2006

From: Kellee Hopper, Director of Marketing and Communications  
Joseph M. Wire, Auditor-Controller  
Celia G. Kupersmith, General Manager

Subject: **AUTHORIZE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH SPONSORSHIP STRATEGIES, LLC, RELATIVE TO REQUEST FOR PROPOSALS (RFP) NO. 2007-D-2, DEVELOPMENT AND IMPLEMENTATION OF A CORPORATE SPONSORSHIP PROGRAM**

**Recommendation**

The Governmental Affairs and Public Information Committee recommends that the Board of Directors authorize the execution of a Professional Services Agreement with Sponsorship Strategies, LLC of Novato, CA, relative to Request for Proposals (RFP) 2007-D-2, *Consultant to Provide Development and Implementation of a Corporate Sponsorship Program*, in an amount not to exceed \$89,920 for the asset identification and program development phase (Phase I), with the understanding that funds are available in the District's FY 06/07 Operating Budget, and with the further understanding that Phase II of the project will not be undertaken unless specifically approved by a separate action of the District's Board of Directors.

This matter will be presented to the Board of Directors at its November 17, 2006, meeting for appropriate action.

**Summary**

The District's approved *Strategic Plan for Achieving Long-Term Financial Stability* calls for the development of revenue from non-traditional sources, including the investigation of a corporate sponsorship program. On July 28, 2006, the Board of Directors approved the issuance of a Request for Proposal (RFP) for consultant services to analyze the potential for a corporate sponsorship program and to implement said program, if directed. The primary objective of this RFP was to seek proposals from firms with extensive experience in designing and implementing sponsorship programs that will maximize revenue by turning the District's assets into revenue generators. These programs must take into account and be sensitive to the fact that the Golden Gate Bridge is a public facility owned and managed by a public agency with the duty to preserve the Bridge's dignity and safety. An equally important goal is that the sponsorship program must enhance the value of the Golden Gate Bridge "brand" and its image as an internationally recognized icon of historical engineering and architectural significance.

The RFP was issued on August 28, 2006, to seek proposals from experts in the sponsorship field to first identify District assets, explore the potential for sponsorships and develop criteria to guide program implementation (Phase I), and then, subject to specific approval by the Board, move forward with actual implementation(Phase II of the project).

The RFP was posted on the District's website and mailed to 22 potential proposers. Five proposals were received. The evaluation committee reviewed each proposal using the following criteria:

- a) Firm qualifications and experience
- b) Project team qualifications and experience
- c) Project approach and understanding
- d) Proposed cost for each Phase of the project (for comparison in the evaluation process, staff assumed \$1 million in annual gross revenue)

Interviews were then conducted by the evaluation committee with the three highest ranking firms that demonstrated their ability and experience in providing sponsorship consulting services The three firms invited were:

1. Sponsorship Strategies, LLC.  
Novato, CA
2. The Active Network, Inc.  
Huntington Beach, CA
3. The Superlative Group, Inc.  
Cleveland, OH

Based on the evaluation of both the written proposals and the results of the oral interviews, staff recommends award of RFP No. 2007-D-2 to Sponsorship Strategies, LLC of Novato, CA. Established in 1999, Sponsorship Strategies, LLC, provides the most relevant experience and approach to developing customized sponsorship programs such as the District is seeking. For example, they developed and negotiated a \$40 million deal between CSU-Fresno, Pepsi-Cola and Save-Mart Supermarkets, which was the largest U.S. marketing-based university sponsorship to date. More recently, they have worked with NASA-Ames and a partner foundation to create a sponsorship program aimed at recruiting sponsors to build a new visitors' center. They were also the broker for the San Jose Grand Prix, the Champ Car event in San Jose, CA. Finally, the agency's Principal was the developer of the Pacific Bell Park naming rights agreement for the San Francisco Giants downtown baseball stadium.

Of particular interest to the evaluation committee was the clear understanding by Sponsorship Strategies, LLC of the sensitivity that this project will require. This firm clearly demonstrated their understanding of the need to respect the District's position as a public entity charged with the preservation and operation of a landmark facility. Their local knowledge of the sensitivities associated with examination and possible implementation of a sponsorship program for the District most closely reflected the values and concerns of the District as relates to this project.

In summary, staff is recommending award to Sponsorship Strategies, LLC, in recognition of the following:

- Established track record of developing and delivering sizable customized sponsorship programs
- Quality and sensitivity of the proposed work plan and approach
- Responsive and reasonable approach to costing of their proposal

To assist staff in carrying out Phase I of the Corporate Sponsorship Program, the President of the Board of Directors has decided to establish an advisory committee that will provide staff with guidance and oversight of this project. Director Boro will serve as Chair of this advisory committee. If the Board decides to move forward with Phase II program implementation, the Board President will decide at that time if an advisory committee for Phase II should be created for that phase as well.

### **Fiscal Impact**

Phase I of the professional services relative to RFP No. 2007-D-2 will not exceed \$89,920 and should take approximately six months to complete. While only \$25,000 was budgeted in this year's operating budget specifically for this project, full funding for Phase I will be found in the current year Operating Budget through savings that accrue as the year progresses.

At the conclusion of Phase I, if the Board approves activating the implementation phase (Phase II), and subject to final negotiation of compensation details, the compensation structure will be based on revenues generated, as follows:

- 10% commission on gross revenues generated that amount to \$1 million or less, accrued on an annual basis
- 8% commission on gross revenues generated that exceed \$1 million, accrued on an annual basis
- 6% commission on gross revenues generated that exceed \$3 million or more, accrued on an annual basis

with an advance against future commissions of \$7,500 per month for the first eight months of Phase II.

Upon Board approval to move forward with Phase II of the project, the District's operating budget will be adjusted accordingly.