



## AGENDA REPORT

**Meeting Date:** July 7, 2011  
**Item Number:** E-3  
**To:** Honorable Mayor & City Council  
**From:** Cheryl Friedling, Deputy City Manager for Public Affairs  
**Subject:** APPROVAL OF AN INTERIM FUNDING AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL YEAR 2011-2012; AND APPROVAL OF A PURCHASE ORDER IN A NOT-TO-EXCEED AMOUNT OF \$358,350 TO THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR THESE SERVICES.

**Attachments:**

1. Agreement
2. Letter from CVB Requesting Interim Funding

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### **RECOMMENDATION**

It is recommended that the City Council approve an interim funding agreement between the City of Beverly Hills and the Beverly Hills Conference and Visitors Bureau for promotion of the City for Fiscal Year 2011-2012 and approve a purchase order in a not-to-exceed amount of \$358,350 for these services.

### **INTRODUCTION**

This item requests City Council approve an interim funding agreement with the Beverly Hills Conference and Visitors Bureau (CVB) for \$358,350 for visitor marketing and attraction services for the months of July and August, 2011.

### **DISCUSSION**

The Beverly Hills Conference and Visitors Bureau is contracted by the City to conduct a variety of tourism and marketing programs promoting Beverly Hills. This item provides the Beverly Hills Conference and Visitors Bureau with funding to meet ongoing expenses through August, 2011. Although the CVB's current fiscal year funding will end on June 30, 2011, additional time is required to align the organization's scope of work with its Fiscal Year 2011-2012 budget request and present both to the City Council in August. This interim agreement will provide funding to bridge the funding gap until the work plan is approved by the City.

**FISCAL IMPACT**

Funding for the Conference and Visitors Bureau has been budgeted in the Tourism and Marketing Program account 0101311 for Fiscal Year 2011-2012. Any change in the CVB's annual funding amount will result in an adjustment in the CVB's remaining budget appropriation.

  
\_\_\_\_\_  
Scott Miller  
Finance Approval

Cheryl Friedling   
\_\_\_\_\_  
Approved By

# **Attachment 1**

INTERIM FUNDING AGREEMENT BETWEEN THE CITY OF  
BEVERLY HILLS AND THE BEVERLY HILLS  
CONFERENCE AND VISITORS BUREAU FOR PROMOTION  
OF THE CITY FOR FISCAL YEAR 2011-2012

THIS AGREEMENT is made and entered into in the City of Beverly Hills by and between the City of Beverly Hills, a municipal corporation ("City") and the Beverly Hills Conference and Visitors Bureau ("CVB"), a non-profit corporation.

RECITALS

A. CVB is located in the City of Beverly Hills and has special knowledge and experience to conduct or participate in promotional, publicity, and advertising activities for the benefit of City.

B. The City's agreement between the City and CVB is set to terminate on June 30, 2011.

C. City desires to continue to engage the services of the CVB for promotional activities for an interim period while the CVB and City conclude its negotiations for promotional and other services for fiscal year 2011-2012.

D. Section 37110 of the State Government Code authorizes the expenditure of monies for promotion.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, the parties hereby agree as follows:

Section 1. Fund Authorization/Use of Funds.

a. For the interim period of July 1, 2011 through August 31, 2011 ("Interim Period"), City shall provide the CVB with interim funding in an amount not to exceed \$358,350 for expenditures in support of the City and CVB's visitor and marketing programs as detailed in Exhibit A, attached hereto and incorporated herein. If there are any funds remaining from this allocation to the CVB, such funds shall be reallocated to the CVB for the remainder of fiscal year 2011-2012 at discretion of City.

b. CVB shall use such funds for the visitor and marketing programs set forth in Exhibit A to be performed during the Interim Period.

c. In connection with CVB's marketing and promotional programs, CVB may, on behalf of and at the sole discretion of City, use the funds to produce, purchase, install and de-install light pole banners or other displays in the public-right-of-way. All such light pole banners shall comply with the City's adopted Banner Policy, copies of which are available from the Office of Communications and Marketing, and shall be approved in writing in advance by City

prior to installation. City shall have sole discretion over the design, placement, and duration of display and shall retain ownership of all banners funded under this Agreement.

Section 2. Payments. CVB shall submit written requests for advanced payments for expenditures based on the CVB's adopted budgets for the various projects as set forth in Exhibit A. City shall provide payment to the CVB upon approval of the request by the City's Chief Financial Officer. City shall use its best efforts to make payment to CVB within 15-days of receipt of request. Any monies not expended in the Interim Period may be carried over to the remainder of fiscal year 2011-2012 at the discretion of the City. If not carried over, any excess monies not expended shall be returned to the City. In any event, the funding provided herein shall be made part of any future agreement for support of the CVB's funding during fiscal year 2011-2012.

Section 3. Reports.

a. Prior to the conclusion of the Interim Period, the CVB shall submit a report to City and shall be in a form and content acceptable to the City Manager or his designee. The reports shall include, without limitation, information on overall project management and achievement of goals in relation to CVB's work plan and budget as set forth in Exhibit A, including the percentage of services completed and defined measurements of goal achievement for the Interim Period. If the City and CVB enter into an agreement for funding for the remainder of Fiscal Year 2011-2012, the CVB shall be relieved of compliance with this paragraph (a) and is not required to provide the report set forth herein.

b. CVB shall also supply the City with an Audited Annual Financial report prepared by a Certified Public Accountant for the Interim Period. Such report shall provide consolidated financial reporting for CVB as a whole, and separately detailed accounts for each program funded by City. The report shall be due within six months of the end of CVB's 2011-2012 fiscal year. At City's sole discretion, consolidated annual accounts may be substituted for full audited accounts. This provision shall survive termination of this Agreement. Notwithstanding, if the City and CVB enter into an agreement for funding for the remainder of Fiscal Year 2011-2012, the CVB shall be relieved of compliance with this paragraph (b) and is not required to provide the Audited Annual Financial report required herein.

c. With reasonable notice from City, CVB shall provide to City copies of any and all work product, documents reports, property and books produced by CVB in fulfillment of this Agreement ("Documents"). This shall be solely for the purpose of confirming and evaluating the execution of the programs described in this Agreement and shall not include records and documents unrelated to the execution of such programs (e.g., personnel records). CVB's obligation to maintain such Documents shall continue for three years after the termination of this Agreement. If the City and CVB enter into an agreement for funding for the remainder of Fiscal Year 2011-2012, the CVB shall be relieved of compliance with this paragraph (c).

d. CVB shall establish and maintain an accounting system in accordance with generally accepted accounting principles and standards. The system shall detail all costs

chargeable to City under this Agreement and shall substantiate all such costs, and comply with any applicable State and Federal standards.

e. CVB shall endeavor to develop, in consultation with City, a program-based budget for all City-funded programs. Implementation of a program-based budget is not intended to affect the requirements outlined in paragraph (d) of this Section relating to generally accepted accounting principles.

Section 5. Ownership of Work Product.

a. Unless otherwise agreed upon in writing, all reports, documents, or other written or visual material or any other material in any media, including any images, taglines, logos, or other media created or developed by CVB or any third party contracted by the CVB, in the performance of this Agreement, whether or not paid in whole or in part by the funding provided by this Agreement (“Work Product”) shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. All Work Product shall be considered to be “works made for hire”, and all such Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City. CVB shall not obtain or attempt to obtain copyright protection as to any of the Work Products.

b. CVB hereby irrevocably assigns exclusively to City, all right, title and interest in such trademarks and/or copyrights or other intellectual property rights in the Work Products. CVB shall take all acts requested by the City in order to enforce City’s rights under this Section.

c. CVB shall not retain ownership of or any right, title or interest in any of the Work Products, including, but not limited to, in any related trademarks, copyrights, or other proprietary rights. The City and CVB agree that the Work Product and all such rights, title and interest in or to the Work Products belong to and are being sold and assigned in their entirety to City for whatever use it desires, and that City does and shall at all times own, solely and exclusively, complete and unencumbered, all right, title and interest in and to all of the Work Product worldwide, any modifications thereto and any derivative works based thereon (including, but not limited to, all patent, copyright, trademark, service mark and trade secret rights). Nothing contained herein shall be deemed to constitute a mere license or franchise in City. The parties further agree that City will be free to use, modify, distribute, sell, license or otherwise exploit all such Work Products and any modifications to or derivative works based thereon without any restrictions or limitations or any obligations or payments to CVB and that CVB shall have no such rights.

d. From time to time the CVB will engage photographers to take photographs or will purchase images for use in CVB's marketing campaigns, collateral or other uses. As to those third party photographs or images whereby the CVB negotiates to purchase not only the photograph or image but also the copyright or other intellectual property rights, the provisions of this Section 5 will apply. As to those third party photographs or images whereby the CVB negotiates to purchase only the use of the photograph or image and the copyright is maintained with the photographer, the provisions of this Section 5 will not apply.

e. This section shall survive termination of this Agreement.

Section 6. Assignment. This Agreement shall not be assigned by CVB without the written consent of City.

Section 7. Independent Contractor. At all times during the term of this Agreement CVB shall be independent contractors and CVB, their officers, employees and agents shall not be employees of City.

Section 8. Term. This Agreement shall remain in full force and effect from July 1, 2011 until August 31, 2011 unless terminated earlier as provided in Section 9 of this Agreement.

Section 9. Termination of Agreement. City may terminate this Agreement at any time, with or without cause, upon fifteen days (15) days written notice to CVB. In the event of such termination, City shall pay CVB for all costs and obligations reasonably incurred by CVB for Visitors Bureau activities in performing its services under this Agreement prior to the date of termination and such payment shall be in full satisfaction of City's obligations hereunder. City shall not be obligated to pay additional funds after issuance or receipt of such notice.

Section 10. Notice. Whenever it shall be necessary for any party to serve notice on another respecting this Agreement, such notice shall be served by certified mail addressed to the City Clerk of the City of Beverly Hills, 455 North Rexford Drive, Beverly Hills, California 90210; or to Beverly Hills Conference and Visitors Bureau, 239 South Beverly Drive, Beverly Hills, California 90212, unless and until a different address may be furnished in writing by any party, and such notice shall be deemed to have been served within seventy-two (72) hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

Section 11. Indemnification and Insurance.

a. CVB agree to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all claims, liability or financial loss resulting from any suits, claims, losses or actions, and from all cost and expenses of litigation, brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the actions or omissions of CVB or

their officers, employees, agents or others employed by CVB in the conduct of the projects funded by this Agreement.

b. CVB shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CVB.

c. CVB shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive Vehicle Liability insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by Contractor in performing the services required by this Agreement.

d. CVB agrees to maintain in force at all times during the performance of work under this Agreement workers' compensation and employer's liability insurance as required by law.

e. CVB shall require each of its sub-consultants or sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement unless otherwise determined by the City's Risk Manager.

f. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

g. If CVB fails to keep the aforesaid insurance in full force and effect, City shall notify CVB that it is in breach of the Agreement and CVB has three (3) days to cure such breach. If such breach is not cured by CVB as required in this paragraph, City may terminate the Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at CVB's expense, the premium thereon.

h. At all times during the term of this Agreement, CVB shall maintain on file with the City Clerk a certificate or certificates of insurance on the form required by the City, showing that the aforesaid policies are in effect in the required amounts. CVB shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The policies of insurance required by this Agreement shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

i. The insurance provided by CVB shall be primary to any coverage available to City. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

j. Any deductibles or self-insured retentions must be declared to and approved by City prior to commencing work under this Agreement.

Section 12. Extent of Agreement This Agreement represents the entire and integrated Agreement between the parties on the matters included herein and supersedes any and all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by all parties to the Agreement.

Section 13. City Not Obligated to Third Parties. The City shall not be obligated or liable under this Agreement to any party other than CVB.

Section 14. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the  
\_\_\_\_ day of \_\_\_\_\_ 2011, at Beverly Hills, California.

CITY OF BEVERLY HILLS,  
A municipal corporation

\_\_\_\_\_  
BARRY BRUCKER  
Mayor of the City of Beverly Hills

ATTEST:

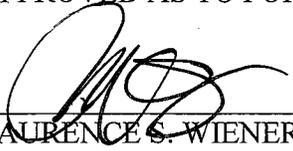
\_\_\_\_\_  
(SEAL)  
BYRON POPE  
City Clerk

BEVERLY HILLS CONFERENCE AND  
VISITORS BUREAU

A handwritten signature in cursive script, appearing to read "Julie Wagner", written over a horizontal line.

JULIE WAGNER  
Executive Director

APPROVED AS TO FORM:

  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

\_\_\_\_\_  
JEFFREY KOLIN  
City Manager

  
\_\_\_\_\_  
CHERYL FRIEDLING  
Deputy City Manager for Public Affairs

  
\_\_\_\_\_  
KARL KIRKMAN  
Risk Manager

## EXHIBIT A

### SCOPE OF SERVICES

The City shall provide funding in the amount of \$358,350.00 to support the activities and programs outlined below during the period of July 1, 2011 through August 31, 2011. Interim funding shall cover operating and marketing expenses forecasted for July and August 2011 and expenses include but are not limited to salaries, taxes and benefits; rent and utilities; and marketing initiatives targeted to domestic and international consumers and trade. The CVB shall conduct the following activities (which activities are part of the CVB's overall marketing plan) during the term of this Agreement:

a. Develop and promote events

i. Tactics include:

1. Support signature events with collateral, advertising and tie-in promotions. Events to be supported in the interim include The TASTE and Fashion's Night Out. While both events take place in early September all marketing support, development and implementation will take place in July and August.
2. Event development – BHCVB is working with several third parties to flesh out ideas and opportunities for new events that the city can “own” for the Holidays and Family as well as ongoing monthly activities.
3. Support signature events – BHCVB will support all existing city events (ex.: Farmers Market, Affaire in the Gardens, etc.) through collateral development and communications support in all BHCVB materials.

ii. Metrics – success of initiatives will be measured as follows:

1. Marketing Index questionnaire to businesses to measure traffic and revenue for each event.
2. Social Media activity – postings, retweets and increase in audience.
3. eCommunications and collateral activity – quick response code results on printed materials; click through rates; open rates, etc.
4. Website statistics – click through rates for advertising, landing page visits, bookings, and unique visitors.

b. Enhance the Visitor Experience

i. Tactics include:

1. Development of a mobile website and application that will allow visitors to interact with Beverly Hills at home and while in town.

- a. Application will be promoted via online media campaign, social contests awarding visitors for downloading, and pay-per-click advertising.
- ii. Metrics:
  1. Advertising results – click through rates.
  2. Specific number of downloads.
  3. Social activity from contests including entries, site activity, email sign-up, and increase in followers/likes.
- c. Geo-targeted U.S. marketing
  - i. Tactics Local:
    1. Create menu of local offers to tie-in with signature events for The TASTE.
    2. Brainstorm with Local Marketing Task Force to develop seasonal offerings and activities for the Holidays.
    3. Create an online opt-in Insider Program that provides exclusive specials and offers to locals who sign up for participation.
    4. Develop Marketing Tool Kit for local businesses to provide turn-key opportunities for promoting specials and offers to BHCVB consumers.
    5. Form strategic alliances with third parties to expand Beverly Hills reach – example: Pacific Standard Time Art and Culture event and Cirque du Soleil Iris tie-ins.
  - ii. Tactics Domestic:
    1. Create overnight packages to tie in with signature events –The TASTE discounted ticket booking incentive hotel campaign.
    2. Brainstorm with hotels to develop overnight Holiday campaign and local PR tie-in.
    3. Planning for New York Sales Mission CEO and Hotel General Manager luncheon.
  - iii. Metrics
    1. Advertising metrics – click through rates and return on investment (roi) from traffic and revenue.
    2. PR results -- # of stories and leads.
    3. Interactive results including social site followers, website activity and eCommunications open rates and click through rates.
- d. International Marketing
  - i. Tactics
    1. Planning for the CTTC Australia Sales Mission in August.
    2. Create in-language landing pages for French, German and Korean (Portuguese tbd).

3. Website development on Chinese sites to build individual traveler (FIT) traffic.
  4. Ongoing group support.
  5. Expansion of Chinese Commission program incentivizing Tour Operators to bring Chinese to city to shop and stay.
- ii. Metrics
1. Number of groups by market.
  2. Revenue generated from groups.
  3. Website activity on BHCVB site and Chinese representative's sites.
  4. Number of partners participating in the Chinese Commission Program.
  5. Revenue generated from the Chinese Commission Program.
- e. Online Marketing
- i. Develop specific promotion feature functionality – dedicated page that will feature all offers and events (ex: The TASTE).
  - ii. Create Insider Program and couponing functionality to allow local businesses to participate in offering exclusive specials and services to domestic feeder markets (see Local tactics).
  - iii. Pay-per-click advertising to drive revenue to BHCVB's booking engine.
  - iv. Search Engine Optimization (SEO) of all new content.
  - v. Social campaign/contest promoting the *Love* filters to drive email sign ups and build followers/likes.
  - vi. Ongoing communications of activities through eNews to partners, consumers, media and trade.
- f. Metrics
- i. Response to promotions: number of page visits, coupon downloads, partner revenue.
  - ii. ROI from booking engine pay-per-click advertising.
  - iii. SEO results (listing and ranking on search sites, click throughs).
  - iv. Increase in website activity year-over-year and month-over-month.
  - v. Specific number of email sign-ups.
  - vi. Number of increase in followers, likes and reposting/retweets.
  - vii. Specific number of eNews open rates and click through rates.
- g. Collateral
- i. Review all existing collateral and look for ways to streamline and reduce costs.
  - ii. Refresh materials with revised branding and photography to be consistent with the website.
  - iii. Review emerging markets and develop new materials if needed.

- h. Metrics
  - i. Consumer feedback on materials via online survey.
  - ii. Specific amount of cost reduction or reduction in the number of versions of materials.
- II. Research and Metrics
  - a. Tactics
    - i. Regular online reporting through Google Analytics
    - ii. Marketing Index questionnaire to measure traffic and revenue from events (see Events).
    - iii. Obtain information from city when possible (parking lot information via license plate readers and revenue generated, pedestrian counts, etc.) (see Events).
    - iv. Market performance from Smith Travel Research reporting.
    - v. Piggy-back onto LA Inc data gathering initiatives to obtain spend information cost effectively.
    - vi. Quarterly reporting to the city outlining results from all activities.
- III. Visitor Center
  - a. Tactics
    - i. Conduct Visitor Center competitive analysis.
    - ii. Execute RFP to select design/construction consultants.
    - iii. Explore third-party tie-ins and sponsorships.
    - iv. Competitive loyalty program analysis.

# **Attachment 2**



CONFERENCE &  
VISITORS BUREAU

*Love Beverly Hills*

June 16, 2011

Cheryl Friedling  
City of Beverly Hills  
455 North Rexford Drive  
Beverly Hills, CA 90210

Dear Cheryl,

Cheryl, as you know we are working on finalizing the requested Scope of Work document which will serve as the basis for BHCVB's contract with the City for FY 2011/12. We understand the provision of funding to cover all BHCVB activities for next year will commence once the contract is completed. As we anticipate that it might take some time to finalize the contract, we would like to request interim funding to cover our operating and marketing expenses forecasted for July and August 2011. These expenses include: salaries, taxes and benefits; rent and utilities; marketing initiatives targeted to domestic and international consumers and trade.

Attached please find the CVB 1st Quarter Interim Funding (July- August) request invoice in the amount of \$358,350.00 to cover those projected expenses. Please let me know if you have any questions or need any additional information.

Thank you for your continued support.

Sincerely,

Julie Wagner  
Executive Director  
Beverly Hills Conference & Visitors Bureau

cc: Bill Wiley – Chairman, Beverly Hills CVB Board of Directors