



STAFF REPORT

To: Honorable Mayor & City Council
From: Byron Pope, City Clerk
Subject: Ad Hoc Committee Recommendation for FY 2014/2015 Legal Notices and Advertising

Attachments:

1. Overview of Bid Results
2. Cost Analysis

INTRODUCTION

On June 4, 2014, the City Clerk's Office received Request for Bids for advertising and notices for the City of Beverly Hills for the upcoming fiscal year 2014-2015. Bids from two locally adjudicated newspapers eligible to publish legal notices in the City of Beverly Hills, *The Beverly Hills Courier* ("the Courier") and the *Beverly Hills Weekly* ("the Weekly") were received. No other submittals were received for consideration. Bids were sought to secure competitive price quotes for legal notices and advertising. The bid included the option to secure pricing for Citywide display advertising for fiscal year 2014-2015.

DISCUSSION

Adjudication

Public Contracts Code Section 20169 provides that annually, before the beginning of the fiscal year, where more than one newspaper of general circulation is printed and published, the legislative body must: (1) publish a notice inviting bids; and (2) contract for the publication of legal notices required to be published in such a newspaper during the fiscal year. If there is only one newspaper, the legislative body may contract with it without advertising for bids. Once the City receives the bids, the City is not required to award the contract to the lowest bidder. The legislative body has discretion to determine which is the better bid, keeping in mind both price and other matters affecting the value to the public, including the extent of circulation of the newspaper. While there is no case law on point, the City could contract with both newspapers if advertising in both newspapers will best suit the needs of the City to ensure the greatest number of readership. The Public Contracts Code provision leaves the discretion with the City Council.

Meeting Date: June 17, 2014

Spending Trend

The total amount spent on notices and advertising with the Courier and the Weekly in the current fiscal year-to-date are:

<u>Year</u>	<u>Courier</u>	<u>Weekly</u>	<u>Total</u>
FY 2013-2014 Citywide*	\$79,186.80 (67%)	\$38,260.86 (33%)	\$117,447.66

*Citywide totals (year-to-date) include legal notices and non-legal display advertising.

Beginning in FY 2003-2004, a concerted effort was made to place ads (legal and non-legal/display) in both publications when deadlines permitted. For the past five fiscal years, the City Council awarded the bid to the Courier with the pricing that was included in their bid proposal. The City Council also entered into a contract all five of these years with the Weekly, but reduced their pricing in the contract to reflect their circulation numbers in a three-tiered pricing structure. For the first time in the past six years, the Courier has submitted a bid with slightly increased pricing. The Weekly has submitted a bid with reduced pricing for Tier 1, and the same pricing for Tiers 2 and 3 for the sixth year.

FISCAL IMPACT

In the City Clerk's Office proposed budget there is currently \$60,000 for legal advertising and notices for FY 2014/15. Should the City Council choose to award the bid to one newspaper and contract with a second newspaper as was done in last year's three-tier pricing format, the budgeted amount should be sufficient assuming a similar amount of notices and advertising.

The recommended three-tiered pricing for the FY 2014/2015 contracts is:

TIER 1 (65%)
Legal Advertising and Notices

<u>Category</u>	<u>Beverly Hills Courier</u>	<u>Beverly Hills Weekly (bid price)</u>	<u>Beverly Hills Weekly</u>
Schedule of Rates / Legal Square inch			
Public notices up to page 5 with*	\$12.10	\$10.20	\$7.86
Public notices up to page 5 without**	\$15.10	\$10.20	\$9.82
Legal/classified ads with	\$9.90	\$10.00	\$6.44
Legal/classified ads without	\$12.90	\$10.00	\$8.39
Display advertising pages 1-5 with	\$12.10	\$10.20	\$7.86
Display advertising pages 1-5 without	\$15.10	\$10.20	\$9.82
Legal display advertising with	\$9.90	\$10.00	\$6.44
Legal display advertising without	\$12.90	\$10.00	\$8.39

* with = with digitally transmitted text
** without = without digitally transmitted text

Meeting Date: June 17, 2014

TIER 2 (65%)

Non-legal display advertising intended to reach the entire City of Beverly Hills

	<u>Beverly Hills Courier</u>	<u>Beverly Hills Weekly (bid price)</u>	<u>Beverly Hills Weekly</u>
1/8 page	\$325.00	\$200.00	\$211.25
1/5 page	\$435.00	N/A	\$282.75
1/4 page	\$546.00	\$400.00	\$354.90
1/2 page	\$1,060.00	\$800.00	\$689.00
Full page	\$1,888.00	\$1,600.00	\$1,227.20

TIER 3 (50%)

Non-legal display advertising intended to reach an audience **wider** than the City of Beverly Hills

	<u>Beverly Hills Courier</u>	<u>Beverly Hills Weekly (bid price)</u>	<u>Beverly Hills Weekly</u>
1/8 page	\$325.00	\$200.00	\$162.50
1/5 page	\$435.00	N/A	\$217.50
1/4 page	\$546.00	\$400.00	\$273.00
1/2 page	\$1,060.00	\$800.00	\$530.00
Full page	\$1,888.00	\$1,600.00	\$944.00

RECOMMENDATION

The City of Beverly Hills provides as much public notice as possible through multiple outreach channels, and require private development applicants to pay for more extensive public noticing in local adjudicated newspapers.

Mayor Bosse selected Councilmember Mirisch and Councilmember Krasne as the Advertising and Notices Ad Hoc for this year's bidding process. Staff met with the Ad Hoc on Wednesday, June 11, 2014 to review the bids and obtain the recommendation.

With two bid submittals this year, the Ad Hoc is recommending to:

1. Award this year's bid to The Beverly Hills Courier;
2. Enter into a contract with the Beverly Hills Weekly with the same discounted agreement rate structure; and
3. Require bidders to submit verified audited circulation reports every four years, instead of every two years.

Council concurrence is requested to award the bid and prepare agreement(s) for the July 1, 2014 Regular City Council Meeting for consideration and adoption.

Byron Pope
Approved By



Attachment 1

OVERVIEW OF BID RESULTS - 2014

<u>Categories</u>	<u>Beverly Hills Courier</u>	<u>Beverly Hills Weekly</u>
Adjudicated	Yes	Yes
Adjudication date	2/20/75	11/22/03
Circulation map	Yes	Yes
Submission deadline	Wednesdays at 5pm	Tuesdays at 5pm
Publication date	Fridays	Thursdays
Average Beverly Hills weekly distribution	24,400	14,890
Valid Publication Audit Report submitted	Yes	Yes
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Pricing up to page 5	<u>2014/2015</u>	<u>2014/2015</u>
1/8 page	\$325.00	\$200.00
1/5 page	\$435.00	N/A
1/4 page	\$546.00	\$400.00
1/2 page	\$1,060.00	\$800.00
Full page	\$1,888.00	\$1,600.00
Pricing after page 5		
1/8 page	\$325.00	\$200.00
1/5 page	\$435.00	N/A
1/4 page	\$546.00	\$400.00
1/2 page	\$1,060.00	\$800.00
Full page	\$1,888.00	\$1,600.00
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Schedule of rates/Legal square inch		
Public notices up to page 5 with	\$12.10	\$10.20
Public notices up to page 5 without	\$15.10	\$10.20
Legal/classified ads with	\$9.90	\$10.00
Legal/classified ads without	\$12.90	\$10.00
Display advertising pages 1-5 with	\$12.10	\$10.20
Display advertising pages 1-5 without	\$15.10	\$10.20
Legal display advertising with	\$9.90	\$10.00
Legal display advertising without	\$12.90	\$10.00
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with = with digitally transmitted text		
without = without digitally transmitted text		

Attachment 2

COST ANALYSIS - 2014

Display Ads	Distribution	1/8 Page	1/5 Page	1/4 Page	1/2 Page	Full Page
BH Courier	24,400	\$ 325	\$ 435	\$ 546	\$ 1,060	\$ 1,888
Cost per Paper	N/A	\$ 0.013	\$ 0.018	\$ 0.022	\$ 0.043	\$ 0.077
BH Weekly	14,975	\$ 200	N/A	\$ 400	\$ 800	\$ 1,600
Cost per Paper	N/A	\$ 0.013	N/A	\$ 0.027	\$ 0.053	\$ 0.107

Legal/Classified Ads	Pub. Notice Digital	Pub. Notice Not Digital	Legal Class. Digital	Legal Class. Not Digital	Display Advert. Digital	Display Advert. Not Digital	Legal Display Advert. Digital	Legal Display Advert. Not Digital
BH Courier	\$ 12.10	\$ 15.10	\$ 9.90	\$ 12.90	\$ 12.10	\$ 15.10	\$ 9.90	\$ 12.90
Cost per Paper	\$ 0.00050	\$ 0.00062	\$ 0.00041	\$ 0.00053	\$ 0.00050	\$ 0.00062	\$ 0.00041	\$ 0.00053
BH Weekly	\$ 10.20	\$ 10.20	\$ 10.00	\$ 10.00	\$ 10.20	\$ 10.20	\$ 10.00	\$ 10.00
Cost per Paper	\$ 0.00068	\$ 0.00068	\$ 0.00067	\$ 0.00067	\$ 0.00068	\$ 0.00068	\$ 0.00067	\$ 0.00067

Note: Distribution numbers taken from Circulation Audit Reports in two categories (carrier delivery and controlled bulk) in zip codes 90210, 90211 and 90210. Did not factor in office/restock count.

Question 1: Which bidder is the low cost winner solely based on these numbers?

The Weekly has lower costs across the board except for their charge for digital legal classified ads and legal display advertising.

Question 2: Which bidder is the low cost winner when you factor in the circulation numbers?

The Courier's circulation is more than 60% higher than the Weekly's, and taking the above data into consideration, is more cost effective per newspaper.

Question 3: What is the percentage between:

- | | |
|--------------------------|--|
| a) Residential | 51% higher circulation for the Courier |
| b) Other/bulk deliveries | 92% higher circulation for the Courier |
| c) Total | 167% higher total circulation for the Courier |