



## Agenda Report

21-1084

Agenda Date: 1/12/2021

### REPORT TO COUNCIL

#### SUBJECT

Action on an Agreement with Jones Lang LaSalle Americas, Inc. (JLL) for Consulting Services for the Development, Implementation and Operation of Comprehensive Tourism Strategy

#### COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development  
Enhance Community Engagement and Transparency

#### BACKGROUND

For more than two decades, the City provided funding to the Santa Clara Chamber of Commerce (Chamber) to manage and operate the Santa Clara Convention Center and to provide Convention and Visitors' Bureau (CVB) services. In 2017, Council reviewed Convention Center and CVB models of operation that could help to increase business and visitors, maximize fiscal performance, and enhance the community. Council's vision was to promote the City as a premiere Silicon Valley destination for business and leisure travel which in turn would bring economic benefit to the City overall.

By 2018, Council authorized a series of actions which has allowed for a complete restructure of Convention Center and convention-visitor marketing operations. Since that time a number of significant steps have been taken to create and implement a new operating model for the Convention Center and a new governance structure for overall destination marketing services. These milestones include:

- September 2018 - Completion of TAP audit titled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue".
- February 2019 - Completion of a competitive RFP process for the management and operation of the Santa Clara Convention Center and development of a Management Agreement. This resulted in the successful selection of Global Spectrum L.P. dba Spectra Venue Management (Spectra).
- April 2019 - Council approved a governance model that established the City as the authority to have direct oversight of Spectra (as the Convention Center operator; the CVB (as the official Destination Marketing Organization/DMO); and the Santa Clara Tourism Improvement District (TID) (as the principal funding source of the CVB).
- May 2019 - Council approved of the continued formation of the new DMO entity and appointed the final composition of the initial Board of Directors.
- July 2019 - Execution of a short-term interim agreement for food and beverage services with Spectra Food Services & Hospitality (previously known as Ovations).

- August 2019 - Completion of a competitive RFP process for food and beverage operations resulting in the successful selection of Levy Premium Foodservice Limited Partnership (Levy).
- August 2019 - The new DMO entity, Silicon Valley/Santa Clara DMO, Inc. incorporated as a California nonprofit mutual benefit corporation.
- September 2019 - Appointment of Silicon Valley/Santa Clara DMO, Inc. Board of Directors and Officers.
- April 2020 - Release of SOQ for Consultant Services for Customer Satisfaction Surveys, Analysis and Reporting. This process completed in June 2020 with the successful selection of Mercantile Systems, Inc.
- November 2020 - Execution of an agreement with Silicon Valley/Santa Clara DMO, Inc. for destination marketing services.

While significant progress has been made to restructure and create a new operating model for convention and visitor-related business and marketing, the work is not complete. Staff requires assistance from industry experts in order to assure that Santa Clara positions itself to maximize our ability capture convention, meeting and leisure business. In addition, there is still much work to be done in the areas of governance and organizational development; finance, operations and service delivery; policy development; sales and marketing; and future goal setting.

## **DISCUSSION**

The support provided by a tourism and hospitality consultant to date has proven to be highly beneficial to the City during the significant transition that has occurred over the past several years. The current contract with the City's tourism and hospitality consultant (Jones Lang LaSalle - JLL) expires on December 31, 2020. To that end, staff initiated a competitive SOQ process.

In September 2020, staff issued a Statement of Qualifications (SOQ) for Consulting Services for the Development, Implementation, and Operation of Comprehensive Tourism Strategy using Periscope S2G (formerly BidSync), the City's e-procurement system. A total of 84 firms viewed the SOQ and four proposals were received by the submittal deadline from:

- Coraggio Group (Portland, OR)
- Jones Lang LaSalle Americas, Inc. (JLL) (San Francisco, CA)
- Resonance Consultancy (Vancouver, BC) and HVS (Chicago, IL)
- The Research Associates (New York, NY)

**Proposal Responsiveness:** Staff determined all proposals were responsive and met the initial pass/fail review of the stated submittal requirements.

**Evaluation Process:** Proposals were evaluated and scored independently by a three-member evaluation team (including internal and external representation) from the City Manager's Office, Hyatt Regency Santa Clara (representing the Tourism Improvement District), and California's Great America (representing the new destination marketing organization). The evaluation scores are summarized in the table below:

Criteria	Maximum Points	Corragio Group	JLL	Resonance Consultancy	The Research Associates
Experience/Skills	50	37	42	37	25
Project Approach/Availability	25	18	20	14	6
Fees	25	15	20	20	10
<b>TOTAL</b>	<b>100</b>	<b>70</b>	<b>82</b>	<b>71</b>	<b>41</b>

**Award Recommendation:** Staff recommends award of agreement to Jones Lang LaSalle Americas, Inc. as the most advantageous and best value proposal per the evaluation criteria set forth in the SOQ. JLL demonstrated a high level of expertise and a long history of providing tourism support for destinations throughout the Country. JLL proposed a detailed and seamless approach to the work, a high level of understanding of the needs and interest of the City, and had successfully advised several destinations of similar size and focus such as Charlotte NC, Philadelphia PA, and Miami Beach FL.

References were checked with City of Rochester, Experience Rochester Corporation, and Greater Raleigh Convention & Visitors Bureau. All references came back positive.

**Notice of Intended Award:** A Notice of Intended Award (NOIA) announcing the City's recommended consultant was published November 20, 2020. The SOQ process included a ten-day protest period; no protests were received.

**Term of Agreement:** The initial term of the proposed agreement will be two years. The City may exercise up to three one-year options to extend the agreement at the end of the initial term, at the sole discretion of the City and subject to the appropriation of funds.

**Summary of Agreement:** The scope of work for the proposed Agreement includes activities related to the continued organizational, operational and policy development of the DMO; DMO CEO leadership development; strengthening Convention Center operations, strategic planning, goal setting and performance measure reporting, completing mid-year and year-end operations assessments of the DMO and the Convention Center, and ongoing support and advisement to the City. Additionally, JLL will assist the City in implementing an effective Customer Satisfaction Survey Program (CSSP), support a new proactive sales approach for all partners, and provide support to the Santa Clara Tourism Improvement District (TID).

**Cost Summary:** The initial term of the Agreement is for a total not-to-exceed amount of \$300,000 (\$150,000 annually) inclusive of all expenses. All consultant hourly rates and fees are firm-fixed for the Initial Term of the Agreement.

The cost for the option years after the initial two-year term shall be based on renewal quotes from JLL and any requests for compensation increases must be justified by JLL and are subject to City's acceptance.

**ENVIRONMENTAL REVIEW**

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15378(b)(5) in that it is a government organization or administrative activity that will not result in direct or indirect changes to the environment.

**FISCAL IMPACT**

A 60/40 cost share strategy will be utilized for this agreement. Sufficient funding is available in the Santa Clara Convention Center Contingency Fund and in the TID/DMO FY 2020/21 Operating Budget. Sixty percent of the contract amount, \$180,000, will be funded by the Santa Clara Convention Center Contingency Fund and 40%, \$120,000, will be funded by TID/DMO Funds. The total cost for services will not exceed \$300,000. The TID/DMO will follow the appropriate process to allocate funding for FY 2021/22.

**COORDINATION**

The report has been coordinated with the Finance Department and the City Attorney’s Office.

**PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email [clerk@santaclaraca.gov](mailto:clerk@santaclaraca.gov) <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

**RECOMMENDATION**

1. Approve and authorize the City Manager to execute an agreement with Jones Lang LaSalle Americas, Inc. to provide consulting services for the development, implementation and operation of a comprehensive tourism strategy retroactive to January 1, 2021 and ending on or about December 31, 2023 for a total maximum amount not-to-exceed \$300,000 subject to the appropriation of funds;
2. Authorize the City Manager to execute any minor or administrative amendments to the Agreement which do not increase the compensation for the Agreement.
3. Authorize the City Manager to execute up to three one-year options to extend the term of the agreement after the initial term through December 31, 2026 for ongoing consulting services, subject to the appropriation of funds.

Reviewed by: Ruth Mizobe Shikada, Assistant City Manager

Approved by: Deanna J, Santana, City Manager

**ATTACHMENTS**

1. Agreement with Jones Lang LaSalle Americas, Inc.