



REPORT TO COUNCIL

City of Sacramento

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915 I Street, Sacramento, CA 95814-2604
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Consent Report
April 1, 2010

Honorable Mayor and
Members of the City Council

Title: Agreement: Exclusive Ticketing Services

Location/Council District: 1301 L Street, and 1400 J Street, District 1; and
1515 J Street, District 3

Recommendation: Adopt a **Resolution, approving and** authorizing the City Manager or the City Manager's designee to execute an agreement with Tickets.com to provide exclusive ticketing services at the Convention Center Complex.

Contact: Tina McCarty, Administrative Officer, Sacramento Convention Center Complex, 808-8220; Judy Goldbar, Sacramento Convention Center General Manager, 808-5630.

Presenters: N/A

Department: Convention, Culture and Leisure

Division: Sacramento Convention Center Complex

Organization No: 17001151

Description/Analysis

Issue: The Sacramento Convention Center Complex (Complex) relies on an exclusive ticketing services provider to sell tickets to all ticketed events within the Complex, excluding tickets sold at the on-site Complex Box Office. The current ticketing provider agreement will expire on June 30, 2010. It is recommended that the City enter into a new agreement with Tickets.com for the exclusive ticketing provider services for a three year term with the option to extend by mutual agreement for two one-year terms.

Policy Considerations: This report is consistent with the City's Strategic Plan Goal of Promoting and Supporting Economic Vitality.

Environmental Considerations:

California Environmental Quality Act (CEQA): This report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a "project" as defined by the CEQA [CEQA Guidelines sections 15378(b)(2)].

Sustainability Considerations: The ticketing contract has been reviewed for consistency with the goals, policies, and targets of the City's Sustainability Master Plan (SMP).

Other: N/A

Commission/Committee Action: None.

Rationale for Recommendation: The Sacramento Convention Center Complex provides patrons with tickets for events held at the Convention Center, Memorial Auditorium, and the Community Center Theater. The Complex houses approximately 550 events a year, including many ticketed events, generating sales of over 330,000 single tickets, totaling more than \$17 million in sales for Complex events. All Complex tickets are exclusively sold through the ticketing services provider, Tickets.com, or through the Complex's on-site box office, at which patrons may purchase tickets directly without service fee, or by phone with a nominal per order charge. The current contract with Tickets.com will expire on June 30, 2010, therefore it is critical to award a new contract to ensure ticketing operations are maintained.

In April of 2005 Council approved a five-year agreement with Tickets.com for the exclusive ticketing provider services at the Complex. Ticketing services include box office services at multiple ticket centers, ticketing services through the internet, and ticket sales through a toll free phone number at external call centers.

Proposals were solicited in November 2009 through a Request for Proposal process. After reviewing seven proposals, a selection committee determined the proposal submitted by Tickets.com to be the best proposal for the Complex. The selection panel determined that Tickets.com is the best overall vender based on the following:

- Consistent City share on service and processing fees (57%). City retains right to increase fees.
- All needed computer and sales equipment including hand held scanners for door entry to be provided, maintained, and upgraded by Tickets.com at no cost to the City. (\$55,000+ value)
- Ticket purchase on web remains on Complex specific page through completion of sale, meaning patrons view only those events held at our venues.

- Local computer support. Able to meet 2 hour required response time.
- Accounting for season and single ticket sales combined on one system with no need to reconcile nightly. This reduces opportunity for error.
- Existing track record with the Complex - has provided quality customer service under current five-year agreement both to Complex and its clients –no need for conversion, training, or down time.

The proposed agreement would begin on July 1, 2010 and continue until June 30, 2013, with two mutual one-year extensions that could extend the agreement through June 2015.

Financial Considerations: The Convention Center Complex operates as a part of the City's Convention Culture and Leisure Department and is funded through the Community Center Enterprise Fund (6010). Revenue from ticketing service convenience fees added to the price of the ticket is shared between the provider and the Complex. The Complex retains the on-site box office where tickets may be purchased with no service fee to the patron.

The proposed agreement is anticipated to reach \$2 million over the next five years, if all extensions are exercised. The first year annual revenue is estimated at (\$400,000) four hundred thousand dollars and is expected at minimum to remain consistent through year five.

Emerging Small Business Development (ESBD): Respondents to the issued ticketing provider RFP were given 5% preference in overall rating if they were certified as an ESBE, in adherence with the City's ESBE program. Tickets.com is not an ESBE.

Respectfully Submitted by: Judy Goldbar
Judy Goldbar, General Manager
Sacramento Convention Center Complex

Approved by: Barbara E. Bonebrake
Barbara E. Bonebrake, Director
Convention, Culture and Leisure Department

Recommendation Approved:

Cassandra H.B. Jerny
for Gus Vina
Interim City Manager

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2 Exhibit A

Agreement

[Agreement Not Available]

RESOLUTION NO. 2010-

Adopted by the Sacramento City Council

CONTRACT AWARD FOR THE EXCLUSIVE TICKETING PROVIDER SERVICES FOR THE CONVENTION CENTER COMPLEX

BACKGROUND

- A. The Sacramento Convention Center Complex provides patrons with tickets for events held at the Convention Center, Memorial Auditorium, and the Community Center Theater. The Complex houses approximately 550 events a year, including many ticketed events, generating sales of over 330,000 single tickets, totaling more than \$17 million in sales for Complex events.
- B. All Complex tickets are exclusively sold through the ticketing services provider, Tickets.com, or through the Complex's on-site box office.
- C. In April of 2005 Council approved a five-year agreement with Tickets.com for the exclusive ticketing provider services at the Complex. The current contract will expire June 30, 2010.
- D. In November of 2009 a request for proposals was used to determine the best exclusive ticketing provider for the future. The selection panel selected Tickets.com as the best overall vender with regard to customer service, Complex support, and financial proposal.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The Agreement with Tickets.com for the exclusive ticketing provider services at the Convention Center Complex is approved and the City Manager or his designee is authorized to execute the agreement.
- Section 2. Exhibit A is part of this Resolution.