

Meeting Date: 6/18/2013

Report Type: Consent

Report ID: 2013-00519



City Council Report

915 I Street, 1st Floor

www.CityofSacramento.org

Title: Contract Amendment: Convention Center Complex Exclusive Ticketing Services

Location: District 4

Issue: Approval by Council is needed to extend the contract term of the agreement in exchange for software, equipment upgrades, and cash bonus/incentive for changing computer systems.

Recommendation: Pass a Motion authorizing the City Manager or the City Manager's designee to execute Amendment No. 1 to City Agreement No. C2010-0253 with Tickets.com, Inc. (TDC).

Contact: Tina McCarty, Administrative Officer, (916) 808-8220; Judy Goldbar, General Manager, (916) 808-5630, Convention, Culture and Leisure Department

Presenter: N/A

Department: Convention Culture & Leisure

Division: Conv Ctr Operational Admn

Dept ID: 17001151

Attachments:

1-Description/Analysis

2-Tickets.com Addendum 1 (TDC sig)

City Attorney Review

Approved as to Form
Kourtney Burdick
6/12/2013 4:09:04 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
John Colville
5/31/2013 9:21:57 AM

Approvals/Acknowledgements

Department Director or Designee: Barbara E. Bonebrake - 6/11/2013 3:56:56 PM

Description/Analysis

Issue: On April 1, 2010, City Council adopted Resolution No. 2010-0164, approving Tickets.com (TDC), Inc. as the exclusive ticketing provider of the Convention Center Complex (Complex).

Without exercising the two, one-year extensions, the initial term of the current ticketing provider agreement with TDC will expire on June 30, 2013. It is recommended that the City amend the current contract term to provide for a five-year term extension commencing on July 1, 2013, and ending on June 30, 2018. In return for this contract extension, TDC will migrate the City to its updated software platform (ProVenue); provide all needed user hardware (computers, printers, licenses, etc.); and pay the City a total of twenty-five thousand dollars \$25,000 (\$5,000 annually over five years) as incentive for the City migrating away from the antiquated software platform.

Policy Considerations: Per Sacramento City Code, the City Council's approval is necessary to amend the current contract term. **Economic Impacts:** None.

Environmental Considerations: 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 California Environmental Quality Act (CEQA) [CEQA Guidelines sections 15378(b)(2)].

Sustainability: None.

Commission/Committee Action: None.

Rationale for Recommendation: The Complex relies on an exclusive ticketing service provider to sell tickets to all ticketed events within it, excluding tickets sold at the on-site Complex box office. The Request for Proposal (RFP) process was used in 2005, and again in 2009, to select an exclusive ticketing provider for the Complex. TDC was selected each time as the best provider of ticketing services and customer support for the Complex.

Updating the current ticketing software platform is needed to maximize current TDC technology and functionality. The new platform, ProVenue, is web-based and is user friendly in addition to providing components for the City's performing arts groups, such as donor and season ticket sales tracking and marketing opportunities.

Amending the current contract term to include five additional years commencing on July 1, 2013, through June 30, 2018, will provide the City updated ticketing technology, new computers, and other ticketing equipment at no cost to the City.

Additionally, TDC will pay the City \$5,000 annually for a total of \$25,000 over the life of the new term as incentive for migrating off of a platform that is being phased out.

Financial Considerations: The Complex operates as a part of the City's Convention, Culture & Leisure Department and is funded through the Community Center Enterprise Fund (Fund 6010). Revenue from ticketing service convenience fees added to the price of the ticket is shared between TDC 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 contract amendment is anticipated to reach \$1 million dollars in revenue to the City over the next five years, with annual proceeds of approximately \$200,000. Budgeted amounts will remain as presented in the FY2013/14 Operating Budget.

Emerging Small Business Development (ESBD): Respondents to the issued ticketing provider RFP (2009) were given 5% preference in overall rating if they were certified as an ESBE, in adherence with the City's ESBE program. TDC is not an ESBE.



Requires Council Approval: No YES Meeting: 6/18/2013

Real Estate Other Party Signature Needed Recording Requested

General Information

Type: Professional Services	PO Type: Select PO Type	Attachment: Addendum No.:
\$ Not to Exceed: \$		Original Doc Number:
Other Party: Tickets.com		Certified Copies of Document: 1
Project Name: Convention Center Complex Exclusive Ticketing Services		Deed: <input checked="" type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate
Project Number: N/A	Bid Transaction #:	E/SBE-DBE-MWBE: No

Department Information

Department: CCL Division: Convention Center
 Project Mgr: Tina McCarty Supervisor: Judy Goldbar
 Contract Services: Tina McCarty Date: June 12, 2013 Division Mgr: Judy Goldbar
 Phone Number: 808-8220 Org Number: 17001151
 Comment: Pleaew call Tina x8220 for pick up. Thank you!

Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	<i>[Signature]</i>	6.12.13
Accounting:	<i>[Signature]</i>	6.12.13
Contract Services:	<i>[Signature]</i>	6.12.13
Supervisor:	<i>[Signature]</i>	6.12.13
Division Manager:	<i>[Signature]</i>	6.12.13

City Attorney	Signature or Initial	Date
City Attorney:	<i>[Signature]</i>	6/12/13

Send interoffice Mail Notify for Pick Up

Authorization	Signature or Initial	Date
Bonebrake, Barbara Department Director:		
City Mgr: yes <input type="checkbox"/> No <input type="checkbox"/>		

For City Clerk Processing

Finalized:

Initial: _____

Date: _____

Imaged:

Initial: _____

Date: _____

Received:
(City Clerk Stamp Here)

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, is not part of the contract. (01-01-09)

Project Title and Job Number: **Convention Center Complex Exclusive Ticketing Provider**
Date: 6/18/13 Supplemental Agreement No.: 2010-0253



**AMENDMENT NUMBER 1
TO THE TICKETING SERVICES AGREEMENT**

THIS AMENDMENT NUMBER 1 TO THE TICKETING SERVICES AGREEMENT (City Agreement No. 2010-0253) ("**Amendment**") is effective as of the date of last signature hereto, by and between **Tickets.com, Inc. ("TDC")**, a Delaware corporation having its place of business at 555 Anton Boulevard, 11th Floor, Costa Mesa, California 92626 and **City of Sacramento ("Client")**, with its principal place of business located at 1030 15th Street, Sacramento, California 95814

WHEREAS, TDC and Client entered into a Ticketing Services Agreement dated July 1, 2010 (the "Agreement"); and,

WHEREAS, TDC and Client wish to amend the Agreement as set forth herein.

NOW, THEREFORE, the parties do hereby mutually agree as follows:

1. Definitions. All capitalized terms not defined in this Amendment will bear the same meaning as set forth in the Agreement.
2. Migration to ProVenue® Ticketing System. TDC and Client agree that Client will be migrated from the current Ticket System which utilizes the Advantix software platform to TDC's ProVenue Ticketing System (as hereinafter defined) on a mutually agreed to date(s) in 2013. For purposes of this Agreement "**ProVenue Ticketing System**" shall be defined as the advanced ticketing platform developed, owned and hosted by TDC for the management, sale and issuance of tickets. Effective on the date on which Client is migrated to the ProVenue Ticketing System, all references to "Ticket System" within the Agreement shall be replaced with "ProVenue Ticketing System."
3. Section 4 of the Agreement ("Term") is amended as follows:

"TDC and Client agree that the Agreement shall be extended for a period of five (5) years from the expiration of the Initial Term, through June 30, 2018 (the "**Renewal Term**"). Thereafter, this Agreement may only be further extended or renewed upon mutual written agreement of TDC and the Client, acting through the City Manager or his designee."
4. Section 10.A of the Agreement ("Equipment Provided by Client") is amended and restated in its entirety as follows:

"A. **Equipment Provided by TDC.** Following TDC's approval of the physical facilities where the Equipment will be located, TDC shall provide to Client all items set forth on the attached Exhibit B. TDC agrees that such Equipment shall meet the specifications set forth by Client for purposes of connecting to Client's Local Area Network ("LAN")."

5. Section 10.C of the Agreement (“Client’s Responsibilities”) is amended and restated in its entirety as follows:

“C. **Client’s Responsibilities.** Client will provide, at its sole expense, any and all applicable power connections necessary to access or otherwise use the Equipment provided herein. In addition, Client will be solely responsible for all costs associated with applicable utilities consumed by operation of the Equipment at the Facilities. Client further agrees that it shall be responsible for installation of any required updates, including security patches, on the Equipment provided by TDC.”

6. Section 10 of the Agreement (“Equipment”) is amended to include the following new sub-section I:

“I. **Equipment Repair/Replacement.** TDC shall be responsible for all costs related to Equipment repair and/or replacement necessary to maintain such Equipment in good working condition during the Renewal Term. TDC further agrees that if any Equipment which exists at the Facilities prior to migration to the ProVenue Ticketing System is required to be replaced so as to meet minimum specifications for use with the ProVenue Ticketing System, TDC shall provide such replacement Equipment to Client at no additional cost.”

7. Section 13.A of the Agreement (“Central Computer Facility”) is deleted in its entirety. All applicable data connectivity obligations are set forth in Section 31 below.

8. The Agreement is amended to include the following new Section 30 titled “Data Conversion”.

“30. **DATA CONVERSION.**

A. **Active Event Data Conversion.** At no additional cost to Client, TDC agrees to convert patron sales data for Active Events residing in the Client’s Advantix Ticket System to the ProVenue Ticketing System as set forth herein. For purposes of this Agreement, an (“**Active Event**”) is defined as any event, as of the date such data conversion commences, for which tickets are currently on sale, or for which Tickets go on sale prior to the Launch Date (as hereafter defined), and the performance for such event shall occur after the Launch Date. As part of such conversion, TDC will convert patron information associated with Active Events, including demographic details, patron remarks and/or comments (“**Notes**”) and related tags, attributes and/or flags (“**Traits**”).

B. **Non-Active Event Data Conversion.** At Client’s election, TDC shall also convert patron information, including demographic details and related Notes and/or Traits for those patrons not associated with Active Events, for patron accounts with sales activity occurring within a mutually agreed time period, provided however, that such sales activity period shall not exceed twenty-four (24) months.

C. Pre-Conversion Assessment. Client acknowledges and agrees that the scope, nature and results of any such data conversion services shall be subject to, among other things, a pre-conversion operational assessment by TDC and review of sample data concerning data format, quality and integrity. Client further acknowledges and agrees that formal acceptance of such data conversion services by Client is required prior to the date upon which the sale of tickets through the ProVenue ticketing system in a live, production environment commences (the "**Launch Date**").

6. The Agreement is amended to include the following new Section 31 titled "Data Connectivity":

"31. DATA CONNECTIVITY.

A. Client Responsibilities.

- i. Client agrees that it shall be solely responsible for the procurement of, and all costs associated with the installation and continued maintenance of a business class, commodity Internet connection at each Facility in which a ticketing terminal is located. Furthermore, Client agrees to allow TDC to utilize Client's commodity Internet connection for purposes of establishing Virtual Private Network ("VPN") connection to the applicable TDC environment.
- ii. Client agrees that it shall be solely responsible for all necessary data connectivity from each Facility to Client's data center location.
- iii. Client shall be solely responsible for all costs associated with internal wiring and related LAN hardware within each Facility (including without limitation, all switches and routers) which may be necessary to access or otherwise utilize the ProVenue Ticketing System and any other products or functionality provided by TDC or Client hereunder.
- iv. Client shall be solely responsible for all costs associated with the procurement of and continued maintenance of any and all power connections (including all cabling) necessary to enable the ProVenue Ticketing System and any other products or functionality provided by TDC or Client hereunder to remain operational.
- v. Client agrees to assign one (1) publically accessible, non-blocking, static IP address to each VPN hardware device provided by TDC herein for the purpose of configuring Site-to-Site VPN network connectivity. The hand-off method for such connection is agreed to be in the form of Ethernet over CAT5 or CAT6 copper cable.
- vi. Client and TDC agree that the attached Exhibit C which depicts applicable data connectivity is hereby incorporated into the Agreement.

B. TDC Responsibilities.

- i. TDC agrees to provide Client with one (1) ^{W - DMK} VPN hardware device (including applicable support and maintenance on such VPN hardware device) for use during the Renewal Term at no additional cost. Specific terms and conditions applicable to the VPN hardware device are set forth in the attached Exhibit D. In the event Client desires to procure additional VPN hardware devices from TDC during the Renewal Term, such additional VPN hardware devices shall be subject to TDC's then prevailing rate. Notwithstanding the foregoing, in the event a redundant VPN hardware device is determined to be necessary during the Renewal Term, TDC agrees to provide such VPN hardware device (including applicable support and maintenance on such VPN hardware device) at no additional cost to Client.
 - ii. TDC agrees to provide Client with five (5) Secure Socket Layer ("SSL") VPN connections for use during the Renewal Term at no additional cost. Specific terms and conditions applicable to the SSL VPN connections are set forth in the attached Exhibit D.
 - iii. TDC will operate and maintain, at its sole cost and expense, commodity Internet connection and a VPN concentrator at the TDC hosting location(s) to terminate Client facing VPN data connection.
7. Exhibit A of the Agreement ("Pricing Provisions") is amended to include the following new Section 6:
 6. **Annual Sponsorship Commitment.** TDC agrees to pay Client an annual fee in the amount of five thousand dollars (**\$5,000.00**) during each Contract Year of the Renewal Term (the "Annual Sponsorship Commitment"). Such Annual Sponsorship Commitment shall be due and payable by TDC on or before March 1 of each Contract Year during the Renewal Term, commencing March 1, 2014. Use of the funds provided herein shall be at Client's sole discretion.
8. Exhibit B of the Agreement ("Equipment") is amended and restated in its entirety with the attached revised Exhibit B.
9. Incorporation of Recitals. All facts set forth in the recitals of this Amendment are incorporated into this Amendment and made a part hereof.
10. No further Amendment. With the exception of the foregoing, the terms and conditions of the Agreement will remain unchanged and each party shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this Amendment.

11. Each party warrants and represents that the person or persons executing this Amendment on its behalf has or have been duly authorized to sign this Amendment and bind such party to the terms hereof.

The parties hereby indicate their agreement to this Amendment Number 1 by their signatures hereunder.

CITY OF SACRAMENTO

TICKETS.COM, INC.

Authorized Signature

Authorized Signature

Name (Type or Print)

Name (Type or Print)

Title (Type or Print)

Title (Type or Print)

City of Sacramento Business
Op. Tax Cert. Number: 132973

Sales Contact: Jen Zick

Federal I.D. Number: 06-1424841

California Corp. Number: 1970860

TYPE OF BUSINESS ENTITY (*check one*):

____ Individual/Sole Proprietor

____ Partnership

Corporation

____ Limited Liability Company

____ Other (*please specify*: _____)

APPROVED TO AS FORM:

Deputy City Attorney

**EXHIBIT B
EQUIPMENT**

The following items of Equipment are provided to Client pursuant to the terms and conditions of the Agreement. TDC reserves the right to substitute or replace, at its expense, any or all of such items.

TICKETING/DATACOMM EQUIPMENT	QUANTITY	CLIENT COST
Data Communication Equipment	As needed	\$0.00
PC's per Client Specifications	20	\$0.00
Ticket Printer	20	\$0.00
Credit Card Swipes	12	\$0.00
Report Printer	3	\$0.00
Barcode Reader	6	\$0.00
ACCESS CONTROL SYSTEM EQUIPMENT	QUANTITY	CLIENT COST
GateLink Software	1	\$0.00
Wirless Access Points	4	\$0.00
Handheld Scanners	Up to 19	\$0.00
Remote Charger	Up to 6	\$0.00

In addition to the Equipment set forth above, TDC agrees to provide Client with a mobile Access Control System for temporary use at the Complex up to four (4) times per Contract Year (the "Temporary AC System"). The specific Equipment to be included in the Temporary AC System, along with dates of use will be mutually determined by the parties and are subject to Temporary AC System availability. Client acknowledges and agrees that the Temporary AC System (including all associated Equipment) shall be subject to the terms of Section 10 and Section 11.B of the Agreement. TDC agrees that there will be no rental fees associated with the Temporary AC System. However, Client will be responsible for all actual costs related to shipping and handling of the Temporary AC System to and from the Complex.

EXHIBIT C
Data Connectivity
(see attached page 8 for applicable diagram)

CONNECTIVITY FOR PROVENUE

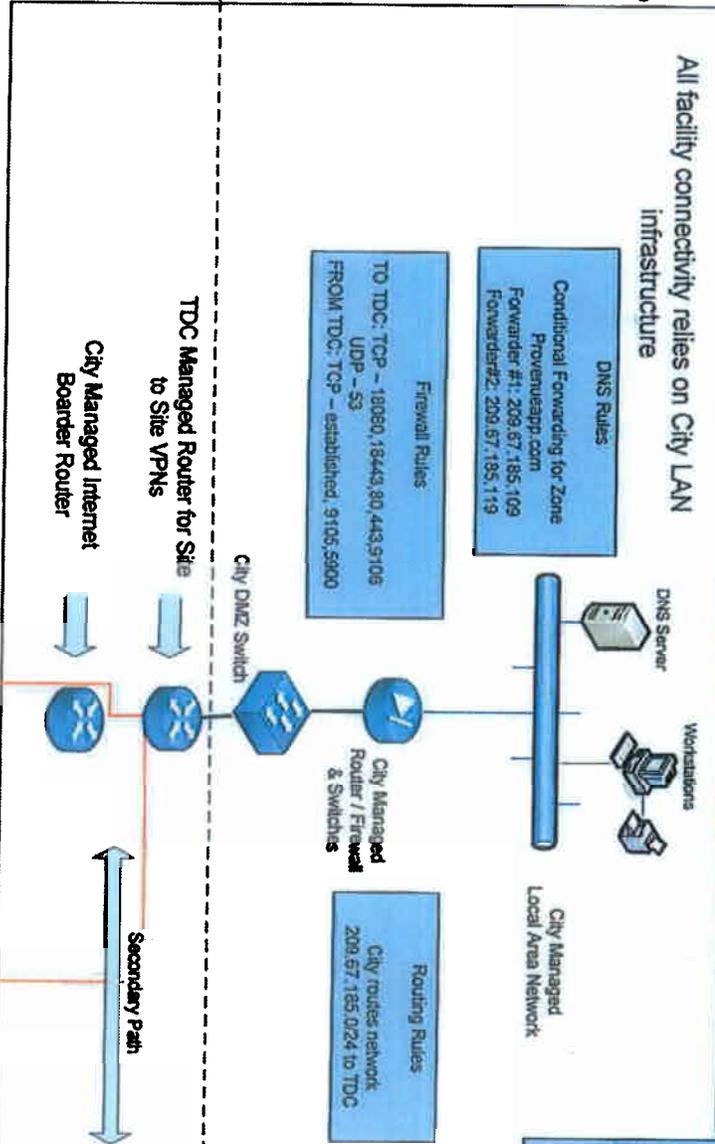
Workflow

- A user will open Internet Explorer web browser on Client workstation and go to the URL [http://\(clienturl\).provenueapp.com:18080/portal](http://(clienturl).provenueapp.com:18080/portal)
- The workstation will query local DNS server for (clienturl.provenueapp.com) name resolution
- The DNS server will forward the DNS request to Tickets.com DNS server
- Tickets.com DNS server will reply with the proper IP address to route the clienturl to host application server
- In the event of application failover or DR, the tickets.com DNS server will automatically update and redirect clients request to the new location
- Client workstation will connect to Provenue application and proceed with their work.
- To print a ticket the Ticket Printing Service application will pickup print jobs by connecting to the Provenue server (tcp 9105) at TDC facility.

Workstation Specifics

- Static IP address assignment for each workstation that has a local printer attached.
- Minimum Network/Operating System Requirements
 - Pentium 4, 1.8 GHz or faster processor
 - Operating System: Windows XP SP3 or Windows 7
 - Screen resolution of 1280x1024 or higher with a 32-bit color depth
 - 2 GB RAM
 - 5 GB minimum free disk space
 - CD-ROM Drive
 - Microsoft Internet Explorer Version 7.0.5.2 (or compatible model)
 - 17" monitor or larger (recommended)
 - Network connection to access the application
- Schedule Requirements
 - Applications Require Prior to PV Installation
 - Adobe Flash Version 10.1 (or latest version)
 - Java (JRE) (Latest version)
 - Adobe Reader (Latest version)
 - Ticket Printing Services
 - Software supplied by Tickets.com
 - Details for installation are contained in a separate document.

Sacramento Managed Infrastructure



Tickets.com Managed Infrastructure



Router Configuration Requirements

TDC Router

Inside interface would connect to City Network in a DMZ segment.

Outside interface would connect City Public network.

City provides public IP address for TDC to use on outside interface.

Connectivity is provided by City for the Primary path. Secondary path is provided by County. All routing for this network is managed by City Border Router.

EXHIBIT D

ProVenue™ Managed VPN Service

The "ProVenue Managed VPN Service" is a full-service, secure hardware and software Virtual Private Network ("VPN") between the Client's Facility and TDC's ProVenue hosting facility.

Managed VPN Hardware – TDC will provide the following VPN hardware and services to create a VPN tunnel between the local area network at the Client's Facility and the TDC ProVenue data center:

- One (1) VPN hardware appliance
- Configuration and setup of hardware and software backup access
- Next Business Day advanced hardware failure replacement
- 24x7 remote monitoring by TDC National Operation Center
- DOES NOT include Internet access

Managed VPN Software – Secure Socket Layer ("SSL") VPN Connection. TDC will provide the following managed VPN software/SSL VPN connections and services to create a VPN tunnel between workstation(s) connected to the local area network at the Client's Facility and the TDC ProVenue data center:

- One (1) third-party VPN software license
- Configuration and setup of software VPN access
- Five (5) SSL VPN software access licenses
- DOES NOT include Internet access

Terms and Conditions:

Client acknowledges and agrees that the components of the ProVenue Managed VPN Service are licensed by TDC from one or more third party vendors (each a "**Third Party Vendor**"). As part of the ProVenue Managed VPN service, TDC agrees to route support services issues to the applicable Third Party Vendor.

Client further acknowledges and agrees that the ProVenue Managed VPN Service is subject to the following provisions.

- A. Ownership.** The ProVenue Managed VPN Service and any and all software that is or may become embedded therein is the proprietary property of the Third Party Vendor and is made available to Client exclusively through TDC. Client will not acquire any rights or licenses other than the right to use the ProVenue Managed VPN Service as expressly provided herein. Client agrees that it will not, nor will it enable or otherwise allow any other person or entity to distribute, copy, reverse engineer, reverse compile, disassemble, enhance, modify or make derivative works of the ProVenue Managed VPN Service or any portion thereof. Client assumes all responsibility and liability arising under any breach of this provision by Client, its employees and agents.
- B. Client Acknowledgements and Responsibilities.**
1. Client will provide commodity Internet access
 2. Client will provide one Public IP address
 3. Client will provide one Private IP address
- C. Permitted Use.** Client agrees that in its use of the ProVenue Managed VPN Service it shall remain at all times in compliance with all applicable Federal and State legislation.