



CITY COUNCIL STAFF REPORT

DATE: JULY 6, 2016

CONSENT CALENDAR

SUBJECT: APPROVAL OF AMENDMENT NO. 4 TO THE CONSULTING SERVICES AGREEMENT WITH SYMBLAZE INC. OF WEST HOLLYWOOD TO PROVIDE ONGOING SUPPORT AND MARKETING SERVICES FOR THE PALM SPRINGS BUZZ TROLLEY SERVICE PROGRAM OVER THE NEXT TWELVE MONTHS IN THE AMOUNT OF \$3,784 PER MONTH INCREASING THE CONTRACT BY \$45,408 WITH A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$184,365

FROM: David H. Ready, City Manager

BY: Community and Economic Development Department

SUMMARY

Approve Amendment No. 4 to the Consulting Services Agreement with Symblaze Inc. for implementation of the Palm Springs BUZZ marketing including production of promotional materials and ongoing support for marketing and promotion for the Trolley. The ongoing support services include continuing outreach and liaison with community stakeholders and riders, social media and other multimedia activities to promote the brand and working with the City to implement revenue generating activities to help fund the service.

RECOMMENDATION:

1. Approve Amendment No. 4 to Agreement No. 6552 with Symblaze, Inc. for twelve additional months of ongoing support services at an amount of \$45,408 and a revised total contract amount of \$184,365.
2. Authorize the City Manager or his designee to execute all necessary documents.

STAFF ANALYSIS:

The City entered into an agreement with Symblaze, Inc. for the development, marketing, branding and other related services for the Palm Springs BUZZ trolley in June 2014. On February 18, 2015, the City Council approved an amendment of the contract to provide for six months of post launch professional services in the amount of \$5,454 per month plus reimbursable expenses for ongoing support services.

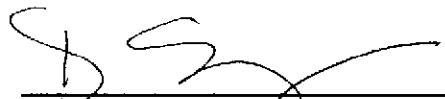
On November 4, 2015, the City Council approved amendment of the contract to provide for twelve months of additional ongoing support services in the amount of \$4,284 per month.

Staff recommends that the City Council approve an extension of the ongoing support services for an additional twelve months at a monthly rate of \$3,784 per month.

Symblaze has been a highly instrumental partner with the City in creating the BUZZ brand as a uniquely Palm Springs experience that is enjoyed by residents and tourists alike. The focus over the next twelve months will be a continuation of the management of really important components such as the brand, social media, the eNewsletter, the Website, the print materials, the app, the Perks program, the prizes, the customer experience, all design, and responding to questions, compliments and complaints; with the addition of a new service area aimed at a new key objective: revenue generating activities. Now that the service is successfully operating well into its second full year, the focus will be shifted from management of in-market advertising to revenue generating opportunities.

FISCAL IMPACT:


The ongoing services and marketing for the 2016-17 season, under Amendment No. 4 of the Consultant Services Agreement, will be over a period of 12 months and will increase the contract by \$45,408, for a total contract value to date of \$184,365.



Diana R. Shay, Redevelopment Coordinator



Lauri Aylaian, Director
Community and Economic Development



David H. Ready, City Manager

Attachments:

Amendment No. 4 to Consultant Services Agreement with Symblaze Inc. for Branding, Marketing, Promoting and Ongoing Support Services

AMENDMENT NO. 4 TO CONSULTING SERVICES AGREEMENT
Branding, Marketing and Consulting

This Amendment No. 4 to the Consulting Services Agreement ("Amendment") is made and entered into this _____ day of _____, 2016, by and between the City of Palm Springs, California, a California Charter City ("City"), and Symbblaze, Inc., a California Corporation, ("Consultant").

RECITALS

- A. City requires the services of a marketing/branding firm, to assist in developing the brand concept, imagery, marketing and promotion for the proposed trolley ("Project").
- B. Consultant has submitted to City a proposal to provide services to provide Branding, Marketing and Consulting services to City under the terms of this Agreement.
- C. Based on its experience, education, training, and reputation, Consultant is qualified and desires to provide the necessary services to City for the Project.
- D. City and Consultant entered into Agreement for Phases 2 and 3 Branding Services on June 9, 2014 for services in the amount of \$15,040.
- E. On December 2, 2014, Amendment No. 1 to the Agreement added Phase 4 Marketing and Promotional Services in the amount of \$39,785.
- F. On February 18, 2015, the City Council approved Amendment No. 2 to the Agreement for ongoing marketing and promotional support services in the amount of \$32,724 for a six month period from February 19, 2015 through August 2015.
- G. On November 4, 2015, the City Council approved Amendment No. 3 to the Agreement for ongoing marketing and promotional support services in the amount of \$51,408 for a twelve month period effective September 1, 2015 through August 31, 2016.
- H. City and Consultant wish to continue marketing and promotional support services over an additional twelve months at a monthly rate of \$3,784 per month, effective September 1, 2016 through August 31, 2017, in an amount not to exceed \$45,408.
- I. City and Consultant desire to modify the Scope of Services/Work as described in Exhibit "B" to this Amendment.

In consideration of these promises and mutual agreements, City agrees to retain and does hereby retain Consultant and Consultant agrees to provide services to the City as follows:

AGREEMENT

In consideration of the promises and covenants contained in this Amendment and other good and valuable consideration, the City and the Consultant agree:

SECTION 1. Section 3.1 of the Agreement is hereby amended as follows:

Consultant shall be compensated and reimbursed for the services rendered under this Agreement in accordance with the schedule of fees set forth in Exhibit "A"-Schedule of Services and Expenses. The total amount of Compensation under this amendment is \$45,408 and total amount of Contract shall not exceed \$184,365.

SECTION 2. Sections 10.2 and 10.3 of the Agreement are hereby amended as follows:

10.2 Conflict of Interest. Consultant acknowledges that no officer or employee of the City has or shall have any direct or indirect financial interest in this Agreement nor shall Contractor enter into any agreement of any kind with any such officer or employee during the term of this Agreement and for one year thereafter. Contractor warrants that Contractor has not paid or given, and will not pay or give, any third party any money or other consideration in exchange for obtaining this Agreement.

10.3 Covenant Against Discrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination or segregation in the performance of or in connection with this Agreement regarding any person or group of persons on account of race, color, creed, religion, sex, marital status, disability, sexual orientation, gender identity, gender expression, national origin, physical or mental disability, medical condition, or ancestry.

SECTION 3. Exhibit "A" to the Agreement is amended to read as provided in Exhibits "A" and "B" to this Amendment.

SECTION 4. City and Consultant agree that the terms of the Agreement, shall remain unchanged and in full force and effect, except as specifically provided in this Amendment.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates stated below.

"CITY"
City of Palm Springs

Date: _____

By: _____
David H. Ready,
City Manager

APPROVED AS TO FORM:

ATTEST:

By: _____
Douglas C. Holland,
City Attorney

By: _____
James Thompson,
City Clerk

"CONSULTANT"
SYMBLAZE, INC.

Attention: Josh Morgerman
8997 1/2 Keith Avenue
West Hollywood, CA 90069

Date: _____

By: _____
Josh Morgerman
EVP & Co-founder

Date: _____

Michael Horton
CEO & Co-founder

Check one: Individual Partnership Corporation

Corporations require two notarized signatures: One signature must be from Chairman of Board, President, or any Vice President. The second signature must be from the Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.

Exhibit A

Schedule of Contracted Services and Expenses through Amendment #4

Branding Services Phases 2 and 3 (Original Agreement June 9, 2014)	\$15,040
Promotional services Phase 4 including development and design of marketing materials and plan (Amendment No. 1 October 1, 2014)	\$39,785
Post Launch-Marketing Implementation and Ongoing Support for six months commencing on February 19, 2015 (Amendment No. 2)	\$32,724
Continuing Marketing Implementation and Ongoing Support for twelve months commencing on September 1, 2015 through August 31, 2016 (Amendment No. 3)	\$51,408
Continuing Marketing Implementation and Ongoing Support for twelve months commencing on September 1, 2016 through August 31, 2017 (Amendment No. 4)	\$45,408
TOTAL Contract Value	\$184,365

Exhibit B

Scope of Services

Contained in Section 2, entitled "Ongoing Support from SMBLZ", a part of the
Ongoing Services & Marketing for the 2016-17 Season
Statement of Work-SymbLaze, Inc. dated June 20, 2016
(Attached)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of _____



On _____ before me, _____

Date

Here Insert Name and Title of the Officer

personally appeared _____

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature _____

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

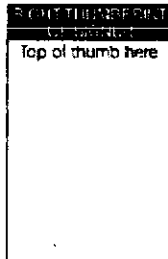
Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____



**Palm Springs BUZZ:
Ongoing Services & Marketing
for the 2016-17 Season**

Statement of Work

client	City of Palm Springs		
Project(s)	Palm Springs BUZZ: Promotional & Advertising Services		
author	J. Morgerman, M. Horton, & Team		
created	20 June 2016	version	1.0

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1. Intro

The amazingness continues! 😊

The Palm Springs BUZZ has become a City institution, delighting residents and tourists alike. It's now a truly integral part of the unique Palm Springs experience. And residents couldn't imagine the city without it.

This past year's goal was to sustain and grow the buzz around the BUZZ (no pun intended)—**to build it into a beloved brand and a Palm Springs institution.**

A year later we can say: **mission accomplished!** In fact, just a few weeks ago—over Memorial Day Weekend—we smashed all previous ridership records! It's up and up.

Our challenge now?

Continue to grow the brand while also developing revenue streams.

So, we still want to do all these things:

- Continually **increase ridership.**
- **Keep people talking about** it around town.
- **Immortalize it as a defining part of the Palm Springs experience** (like the trolleys in San Francisco or the trolleys in New Orleans)
- **Keep residents & visitors informed** Re: route changes, special days of operation, etc.
- **Sustain the magical aura** of the brand.
- **Delight.**

But now we've added one other **central** objective:

- **Design, develop, and execute creative revenue-producing tactics.**

Given this, we've adjusted our service offering from last year's.

The main change?

We've **replaced** the previous **Section 2.3 (Management of In-Market Advertising)** with a new one: **Revenue-Generating Activities**. We think this makes sense since the brand (and ridership) have continued to increase despite minimal advertising over the past year. We just don't think paid advertising is mission-critical right now.

This Statement of Work explains our complete gameplan over the next fiscal year.

Read on...

2. Ongoing Support from SMBLZ

As we head into season, ongoing supervisory and promotional services will help sustain ridership and positive word-of-mouth!

The following mix of services reflects our learnings from the last six months. You'll see that some services are reduced or deemphasized, whereas new ones are added. This revised mix more closely maps to the brand's needs as we've experienced firsthand in managing it since launch.

2.1 Social Media & Outreach

Our ongoing, weekly services entail not just promotional work, but also brand advocacy and light supervision and quality-assurance—not to mention a steady stream of cool, targeted multimedia activities.

Regular Services

- **Daily.** Real-time promotional/management work (3 hours per week) via social media, including:
 - **Posting colorful, engaging content to promote the brand.**
 - **Hosting small contests** with quick prizes.
 - **Spotlighting participating businesses.**
 - **Reporting news**—i.e., new services, special events, special hours, etc.
 - **Advising riders Re: unforeseen problems**—i.e., delays, service interruptions, re-routings, etc.
 - **Responding to riders & fans in real-time**—Re: questions, complaints, lost items, etc.
- **Bi-weekly (every other week)**
 - **Liaising with community stakeholders & riders**—including fielding feedback/concerns (onboard & around town), compiling this feedback, and reporting back to City weekly (up to 2 hours every other week).
 - **Working with City on strategy & improvements** (up to 2 hours every other week).
- **Monthly.** Community & stakeholder outreach, including:
 - **Managing entire Perk Program**—including:
 - Procuring, managing, mapping, & communicating perks.
 - Updating & maintaining user database.
 - Producing new Perk Cards.
 - **Managing Big Prize Program**—including:
 - Procuring, managing, awarding, & announcing prizes.
 - *Note: Procuring these big prizes is **labor-intensive**—involving in-person meetings with Main Street business owners to pitch the program and persuade them to get involved & donate the prizes!*
 - **Maintaining/updating Website** (as needed).
 - **Training Brand Ambassadors.**
 - **Community & trade-group outreach.**

Regular Deliverables

- **A torrent of witty, engaging social-media posting.** 😊
- **Photos**—on-the-fly smartphone photos.

- **Designed collateral** such as colorful memes, new route maps, other simple/moderate pieces (up to 3 per month, including updates of existing pieces).

2.2 eMail Campaign: Creation, Execution, & Management

eMail marketing (eMM) is a potent tool for segmenting audiences and delivering highly-targeted messages and getting results.

We envision a solution with **attractive, eye-catching design**. For brand consistency, it will match the look-and-feel of other BUZZ collateral. From a content standpoint, we'll organize a flexible template that's consistent month-to-month while also having the flexibility to serve up a wide array of news and messaging.

We propose continuing with **1 eMail newsletter (eNewsletter) per month**, near the beginning of the month, to:

- **Report news.**
- **Advise Re: service changes or upgrades** (i.e., route additions, special hours, etc.).
- **Share exciting new perks and/or prizes.**
- **Spotlight local businesses** (which participate in the Perk or Big Prize Programs).
- **Answer FAQs.**
- **Keep the brand on everyone's radar!**

We'll continue to send out eMail blasts that correctly appear on all commonly-used recipient platforms and browsers.

Services

- **Integration of all member data into eMail platform.**
- **Conceptualization, design, content strategy & HTML production** of the eMail template.
- **Copywriting & editing** for blasts related to:
- **Deployment** of the eNewsletter.
- **Monitoring** for issues like heavy bounce rate, unsubscribes, etc.

2.3 Revenue-Generating Activities

The biggest **BUZZgoal** of the coming fiscal year? **Generating revenue!**

The BUZZ has become an intrinsic and much-beloved part of life in Palm Springs. Tourists love it; residents expect it.

But the BUZZ costs money to run. And now that the program has traction—and the brand is well-established—it's a good time to **start enlisting the community's support**.

Given this, we'll devote efforts this fiscal year to the generation of revenue. Tasks will include:

- **Designing** creative programs for generating revenue.
- **Proposing** these programs to City staff and the Council Subcommittee.
- **Developing and executing** the approved programs with City stakeholders (including businesses, trade groups, and even residents).

Some of the first program proposals include:

-
- Auctioning stop names to local businesses.
 - Collection box.
 - Donation drive—with accompanying campaign.
 - Onboard advertising.
 - Hotel outreach.
 - Selling branded merchandise (“schwag”).
 - Raffle contests.

We'll be fleshing exploring and assessing the feasibility of these ideas and others in the coming weeks—and ones deemed feasible will be developed fully and **put into action**.

We'll spend between **8 and 12 hours per month** on these efforts, with a **status update** at least once per month (or more frequently, as we make progress).

3. Terms of Engagement

3.1 Timeframe

This proposal assumes a **12-month term**.

At the beginning of the engagement, we'll create a plan for the entire period, anticipating holidays and other occasions for amplifying BUZZ exposure.

3.2 Pricing Summary

Monthly prices for the services are as follows:

- **Social Media & Outreach: \$3,150/month**
- **eMail Campaign: \$1,020/month**
- **Management of In-Market Advertising: \$1,235/month**

These services total \$5,405 per month, for a total of \$64,860 for the year.

However, assuming a commitment of **12 months**, SMLZ is pleased to offer the entire package of services for **\$3,784** per month, for a total of **\$45,408** for the complete 12-month period. **This represents a substantial (30%) discount.**

We're pleased to give this discount as a show of appreciation for continued collaboration with the City of Palm Springs—and because we believe in the merits of this popular and much beloved City program.

3.3 Payment Terms

Ongoing support would be billed monthly, at the end of each month. Invoices are Net 30.

4. Assumptions

The following assumptions are meant to clarify and quantify the scope of required services as understood at this time. If any assumption changes or is incorrect, then the timeframe and/or budget described above may also change. It is assumed that:

- Project scope and requirements do not change significantly from the scope and requirements described in this proposal.
- SMBLZ has necessary and timely access to necessary City personnel and information.
- SMBLZ receives timely, consolidated creative feedback and sign-off from one City resource at key project milestones according to a mutually agreed-upon schedule to be set at commencement of services.
- The City of Palm Springs is responsible for all legal clearances—including trademarking.
- The City of Palm Springs is responsible for production (e.g., print management, installations, etc.) as well as all media purchases.
- The eMail marketing program will have no more than 5,000 recipients.
- The pricing in this proposal includes **agency labor fees only**. Unless specifically noted otherwise, it does not include:
 - Cost of any hardware or software.
 - Cost of stock media assets (like stock photography, video or music).
 - Printing or print management. (This proposal covers the creation of the print files but not the actual printing or the management of the printing process. SMBLZ would be pleased to offer those services for an additional fee.)
 - Travel expenses.
 - Any other costs other than agency creative, management, & development fees as detailed in this proposal.

No such additional costs will be incurred without prior written authorization from City, and when appropriately incurred invoiced on a consolidated monthly basis.

5. Conclusion

SMBLZ is excited at the opportunity to continue the magic of the BUZZ—and to start efforts toward making it one day self-sustaining!

If you have any questions, or would like additional information, please contact:

Josh Morgerman
EVP / Co-founder
SMBLZ

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Europe / +420 777 722 448

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Thank you for considering us. We look forward to working with you on this!