



Memorandum

TO: RULES & OPEN GOVERNMENT
COMMITTEE

FROM: Edward K. Shikada

**SUBJECT: CONVENTION AND
CULTURAL FACILITIES
MANAGEMENT SERVICES
REQUEST FOR PROPOSAL**

DATE: March 25, 2011

RECOMMENDATION

Accept the Administration's Work plan and schedule related to development of a Request for Proposal for management services of the City's Convention and Cultural Facilities.

BACKGROUND

On December 7, 2010 the City Council directed the City Manager to prepare a work plan and schedule for issuing a new Request for Proposal (RFP) for management of the City's Convention and Cultural Facilities for review by the Rules and Open Government Committee. Additional direction included presenting main elements of the RFP to the Public Safety, Finance and Strategic Support Committee, after February 2011, and final RFP to the City Council for approval no later than June 2011. Given the depth of information yet to be collected and analyzed by the Administration the workplan assumes City Council consideration by December 2011.

The "Analysis" section of this memorandum outlines the work plan and schedule to meet this direction.

ANALYSIS

The workload to develop a RFP includes a number of steps over a short period of time. To help complete this process the City has enlisted Conventions, Sports & Leisure, International (CSL) to assist with development of the RFP. The Office of Economic Department's Downtown Manager will function as the project manager during this process. Below is a work plan and schedule staff is following to meet the June 2011 target for City Council consideration.

Task	Timeframe
Develop Workplan & Schedule	January – February 2011
Finalize CSL Contract	March 2011
Rules & Open Government Committee	March 2011
Convention Center Industry Management "Best-Practices" Report	May 2011

Task	Timeframe
Team San Jose Benchmarking Study	May-July 2011
City Staff Update to City Council	August 2011
City/CSL Planning Process	July-August 2011
RFP Development	August - September 2011
Finalize RFP	October 2011
RFP Consideration by City Council	November - December 2011

Convention Center Industry Management “Best-Practices” Report

CSL will prepare a written summary report outlining the approach to convention center management undertaken within seven to ten destinations nationally. CSL’s focus will be to present a concise summary of the methods, structures and policies in place for each of the case studies, as well as a description of the strengths and weaknesses of each approach. As part of this focus CSL will research linkages between convention center management models and the ability to expand services to other facilities. For example, San Jose is unique in that Team San Jose not only manages the convention center but City cultural facilities. It is important the City better understand various management models so that the City can either include the cultural facilities as part of the RFP, or advertise them separately. CSL will focus on markets that represent a variety of approaches to center management, and will also include cities comparable to San Jose in terms of market and convention center size. This report will be available for review by the Administration and City Council.

Team San Jose Benchmarking Study

The current Management Agreement between the City and Team San Jose (TSJ) requires, during the second and fourth year, producing a benchmarking study comparing TSJ to at least five designated Convention Centers based on a set of comparison metrics. On December 7, 2010, the Administration outlined a number of actions related to TSJ, one being contracting with a Hospitality Industry and Convention Center Advisor as a resource in monitoring and analyzing convention center operations. This City is currently advertising a Request for Qualifications (RFQ) and the scope included the benchmarking study. In addition to the benchmarking study the Industry Advisor will assess the appropriate economic return and possible return on investment from each facility.

City Council Update

In August City staff will update the full City Council on conclusions from the “Best-Practices” report and benchmarking study. Both of these reports will help inform the Council and City staff on desired outcomes and development of RFP.

City/CSL Planning Process

The City and CSL will engage in up-front planning to ensure that the appropriate priorities are in place as the RFP is developed. A day-long workshop will take place to address issues such as various management models, desired outcomes and critical performance measures. In addition, issues and timing related to respondent site visits, information made available during the process to respondents, timing for interview of general management candidates and related topics will be discussed during the planning process.

RFP Development

After the planning process is complete, CSL will develop a draft of key components of the RFP for review by the City. The City and CSL will take part in a second workshop to review the draft RFP with appropriate City staff and incorporate revisions as requested by the City. CSL will be responsible for working with the City's procurement staff to ensure the City's RFP format is being used and City processes are being followed in accordance with City's purchasing standards and rules.

Finalize RFP

Once City staff and CSL have finished a final draft of the RFP, the Administration will bring forward a final RFP for City Council consideration. If the City Council wishes to proceed with the issuance of an RFP for convention center contract management, CSL will assist with advertising the RFP to ensure key firms are notified.



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For questions please contact Lee Wilcox, Downtown Manager, at 408-535-8172.