

PURCHASING VIEW



CITY OF MADISON • FINANCE DEPARTMENT • PURCHASING SERVICES

Non-Competitive Selection Request

Date: 01/02/2019

Requisition Number: 19000133 (8 characters)

Requestor Name: Gregg McManners

Requestor Phone Number: 608-261-4020

Requestor Email: scarrizal@mononaterrace.com

Fund: 2140 CONVENTION CENTER

Agency: 80 MONONA TERRACE COMM CONV CTR

- Major:
- 53*** Supplies/Goods
 - 541** Utilities
 - 542** Building/Facility Maintenance/Repair
 - 543** Software/Equipment Maintenance/Repair
 - 544** Public Works Maintenance/Repair
 - 545** Training/HR-Related Services
 - 546** Consulting/Professional Services
 - 548** Grants/Loans/Insurance/Other Services

Total Purchase Amount: \$110,000.00

Vendor Name: The Hiebing Group, Inc.

Product/Service Description: Marketing and Advertising

- \$50,000 and UNDER**
This form will be sent to the Purchasing Supervisor for review.
- OVER \$50,000**
Complete this form and draft a resolution using the sample resolutions provided by the City Attorney to your Budget Analyst. **Your resolution will not be added to the Finance Committee agenda without this form.**

Check the box(es) for the exception criteria you feel are applicable:

- 1. Public exigency (emergency) will not permit the delay incident to advertising or other competitive processes.
 - 2. The services or goods required are available from only one person or firm (i.e., **true** sole source).
 - 3. The services are for professional services to be provided by attorneys.
 - 4. The services are to be rendered by a university, college, or other educational institution.
 - 5. No acceptable bids have been received after formal advertising.
 - 6. Service fees are established by law or professional code.
 - 7. A particular consultant has provided services to the City on a similar or continuing project in the recent past, and it would be economical to the City on the basis of time and money to retain the same consultant.
 - 8. Otherwise authorized by law, rule, resolution, or regulation. Explain:
- If procurement is being paid with Federal or State grant funds, the vendor was identified by name in the approved Grant Application. (OPTIONAL)

REASON FOR REQUEST**WHY A COMPETITIVE SELECTION PROCESS CANNOT BE USED:**

Provide **detailed** explanation below. For a true sole source, provide all information to explain why this product or service can only be purchased from this vendor. For one-of-a-kind items not sold through distributors, explain the unique performance features of the product requested that are not available from any other product. For services, detail the unique qualifications this vendor possesses, or other reason(s) that meet the criteria selected above. Identify specific, measurable factors and qualifications.

The Hiebing Group, Inc. is full-service advertising agency that has provided services to other City Agencies and Monona Terrace on a similar basis in the past and it will be economical and effective for the City on the basis of time, money and quality of services to retain the same consultant.

Hiebing has worked on numerous projects for Monona Terrace since the "Monumental" campaign used to promote the grand opening of Monona Terrace in 1997.

Using Hiebing for the placement of digital and print advertising saves money two ways, rather than charging 10% or 15% of the cost of placing an ad as their commission fee Hiebing charges for this service at an hourly rate. Other ad agencies have a built in conflict because the cheaper they get the ads, the less their 10% or 15% commission will be based on the cost of the ad to the client. The second way is by a combination of expert media placement negotiating skills and leveraging purchasing power to get excellent pricing on advertising placements. This drives down to cost of advertising placements and saved Monona Terrace an estimated \$38,347 in 2018 alone.

Monona Terrace has undertaken multi-year initiatives involving paid search advertising analysis and adjustments, social media analytics analysis, adjustments and creative content generation, web site usability and functionality improvements, and an ongoing advertorial print ad campaign requiring creative and content creation. Hiebing designed the look of all Monona Terrace social media pages and print ads. The continuity of continuing to use Hiebing for ad agency services saves money by saving time, and makes money by obtaining high quality marketing support for Monona Terrace. Hiebing has a history with Monona Terrace and a deep knowledge of our vision, mission, operation and goals. We don't have to spend time educating them on who we are, what we do, and why it matters. We would lose months of productivity and almost 22 years of institutional Monona Terrace account knowledge by using another vendor in the middle of these multi-year initiatives. High quality marketing support makes money by attracting more customers. Hiebing often provides advice and feedback on a pro-bono basis because of the long standing business relationship.

COMMENTS REGARDING PURCHASES OVER \$50,000

The City has paid The Hiebing Group \$437,687 since 2015.

\$400,000 was approved by the Common Council on file 40254 in the form of a \$100,000 per year Monona Terrace POS contract for marketing services. The contract was approved for 2015 through 2018. The current resolution is looking to replace that contract for 2019-2022 for \$110,000 per year.

\$25,000 was part of a DPCED contract related to TID 36 - Capitol Gateway Corridor. Hiebing had originally been competitively selected for this project in 2009, but the work was not completed in the original timeframe. In 2014, Common Council approved an amendment to the contract for an additional \$25,000 of services to be completed in 2015.

The remaining \$12,687 was made up of small purchases of Marketing services by Monona Terrace in 2015 before the POS contract was created.

Date: