

RESOLUTION No. 2011-2927

A RESOLUTION APPROVING AN AGREEMENT WITH THE CHEHALEM VALLEY CHAMBER OF COMMERCE FOR VISITOR INFORMATION CENTER SERVICES AND APPROVING EXEMPTION FOR THE SOLICITATION METHOD BY THE AUTHORITY OF THE CITY COUNCIL AS THE CONTRACT REVIEW BOARD

RECITALS:

1. The City has previously entered into agreements with the Chehalem Valley Chamber of Commerce (Chamber) to operate a Visitor Information Center under the authority of Resolution No. 1996-1970, Resolution No. 1998-2121, and Resolution No. 2003-2483.
2. The City desires to continue that relationship and enter into an agreement with the Chamber of Commerce to provide Visitor Information Center services for the City.
3. The Chamber is willing to provide promotional development for the City, which includes services to market, solicit, advertise, promote, sponsor, and participate in conventions, sales meetings, trade shows, athletic or other exhibitions and competitions, film commission activities, and other activities in the City to help attract tourism to the City of Newberg area.
4. The City desires to support the Chamber with a portion of the transient room tax levied throughout the City, and the Chamber shall provide support in part by private sector contributions.
5. The City desires to improve the quality and efficiency of managing the Visitor Information Center, and finds the Chamber is duly qualified and able to provide that role.
6. The City Council, as the contract review board, has the authority to grant an exemption to the approval of the agreement based upon the criteria set out in Newberg City Code §34.07.

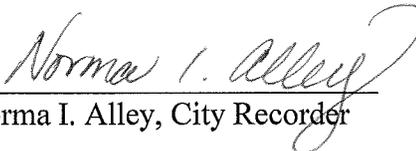
THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The City Manager is hereby authorized to sign the agreement attached as Exhibit "A" and by this reference incorporated, providing for a City Visitor Information Center to be operated by the Chehalem Valley Chamber of Commerce.

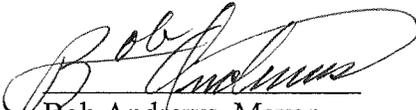
2. The City Council as the contract review board approves an exemption to the normal solicitation process based upon the findings of fact attached is Exhibit "B" and by this reference incorporated.

➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: February 23, 2011.

ADOPTED by the City Council of the City of Newberg, Oregon, this 22nd day of February, 2011.


Norma I. Alley, City Recorder

ATTEST by the Mayor this 24th day of February, 2011.


Bob Andrews, Mayor

LEGISLATIVE HISTORY

By and through _____ Committee at ____ / ____ / ____ meeting. Or, None.
(committee name) (date) (check if applicable)

AGREEMENT
between
CITY OF NEWBERG
and
CHEHALEM VALLEY CHAMBER OF COMMERCE

This Agreement is entered into this _____ day of February, 2011, between the Chehalem Valley Chamber of Commerce, hereinafter referred to as "Chamber," and the City of Newberg a municipal corporation, hereinafter referred to as "City." This agreement supersedes all prior agreements between the City and Chamber.

RECITALS

1. Intent – The intent of the parties is to form a partnership arrangement in order for the Chamber to provide visitor information services. These services will be provided through a Visitor Information Center, referred to as "Center," for a period of five (5) years beginning July 1, 2010, and ending June 30, 2015.
2. Funding – Both the Chamber and the City will furnish funding for the Visitor Information Center's operations.
3. Exemption from Normal Solicitation Process – The City as the Contract Review Board is granting an exemption from the normal solicitation process. The exemption is specifically granted in the resolution (Resolution No. 2011-2927) authorizing the City to enter into this agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

I. TERM OF AGREEMENT

The term of this Agreement is for five (5) years subject to approval of the annual business plan as follows:

1. Initial Five (5) Year Term – The five (5) year term will be from July 1, 2010, until June 30, 2015, subject to the provisions in paragraph b.
2. Annual Business Plan Approval – The business plan for the first year is attached as Exhibit "A" and by this reference incorporated. Approval of the contract will constitute acceptance and approval of the first year business plan. Thereafter, an annual business plan for the following fiscal year as used by the City (July 1st through June 30th) will be presented to the City on or before May 1st. The City will take action concerning the business plan on or before June 30th that year. The City's rejection of the business plan will suspend the City's obligation to make payments under the contract. The City and the Chamber will discuss in good faith any issues concerning the business plan with the objective to continue to operate the Center.
3. Renewal After Five (5) Year Term – There will be no automatic renewal after five- (5-) year term, unless the parties agree to such renewal. The contract will terminate at the end of the initial term (June 30, 2015). However, the parties will meet and discuss renewal of the contract in order to continue operation of the Center. These discussions will begin no later than October of 2014.

II. SERVICES TO BE PROVIDED

The scope of services that the Chamber shall provide is as follows:

1. Management and Administration – Management and administration of the Center located in the City of Newberg. Chamber shall provide all necessary staff, materials, and services to adequately represent the City in meeting with visitors, dispensing information regarding the area, developing necessary informational programs and coordinating with associated agencies and entities.
2. Visitor Promotion Activities – Chamber shall provide all functions, literature, advertising, staff, supplies, equipment and support associated with an educational awareness program designed to promote the City of Newberg area as a destination for tours and visitors. Membership with the Chamber will not be a prerequisite for representation within the Center or its activities. Chamber shall coordinate its activities, as appropriate, with affiliated organizations such as the Oregon Travel Council and other visitor promotional entities.

III. BUDGETING

In consideration of the services provided in this agreement, the City agrees to provide public sector funds to Chamber for the operation, management and performance of services outlined in this agreement.

The City will make monthly payments to the Chamber equal to 25% of the actual collected Transient Lodging Tax (TLT) revenue. The payment will be made within 30 days of the hotels quarterly reporting/payment deadline. Payment for the first half of fiscal year 2010/2011 shall be equal to 25% of the actual collected TLT less any payments already made to Chamber.

The City expects that the Chamber shall maintain a financial investment in the operation and management of the Center. For the first year of this agreement, the Chamber shall contribute a minimum of \$40,725. The amount of the Chamber's annual contribution shall hereafter be established in each year's business plan.

IV. REPORTING

1. Annual Business Plan – On May 1 of each year, Chamber shall submit a Business Plan containing a detailed budget and identification of activities and a statement of performance goals for all activities contemplated pursuant to this agreement. The Business Plan for the first year of this agreement is attached as Exhibit "A".

Chamber shall notify City in writing of any significant change made to the Business Plan.

2. Quarterly Reports – Chamber shall report to the City on a quarterly basis. Such reports shall be furnished to the Newberg City Council no later than the first regular meeting of the City Council during the second month following the end of the calendar quarter. Each report shall be for the previous quarter. The reports shall be furnished to the City in writing in time to meet the regularly scheduled City Council agenda deadline. Such deadline is 10:00am two Fridays prior to the City Council meeting. Such deadline time may be changed by the City. Notification of deadline change

shall be submitted to Chamber.

The report shall include the following information:

1. Financial reports, including Statement of Revenues & Expenditures which are specifically applicable to the Chamber's operation of the Center.
2. Activity report detailing progress on goals, objectives and tasks identified in the Business Plan.

V. RECORDS AND ACCOUNTING

Chamber shall maintain records and accounts that will allow the City to assure a proper accounting for all funds paid for the performance of this agreement. Within three business days of a written request by the City, Chamber shall make such records available for review by the City and other authorized entities requiring such records.

VI. HOLD HARMLESS

Chamber shall indemnify and hold harmless the City against any claims, damages or suits resulting from the operation of the Center. The Chamber shall furnish to the City a Certificate of Insurance showing that adequate insurance coverage has been provided and that the City has been named as an additional insured on the Chamber insurance policy. Such certificate shall be furnished to the City upon execution of the Agreement and additional proof of continued insurance coverage shall be furnished upon request by the City.

VII. TERMINATION OF AGREEMENT

This Agreement can be terminated as follows:

- a. At-will – By either party at will, without cause by giving notice of termination prior to January 1 for termination as of June 30 during the term of the agreement. Nothing in this notice of termination shall prohibit the parties from mutually agreeing to terminate the agreement at any time.
- b. Failure to Furnish Reports – If the Chamber fails to furnish quarterly or annual reports in a timely fashion as indicated under paragraph four (4) herein, the City may terminate the agreement subject to the notice and Chamber may be subject to reimburse the City for all payments made during the quarter for which the report has not been timely submitted; provided that Chamber has not within thirty (30) days, after written notice, provided a quarterly report.
- c. For Cause – The City has the right to terminate the Agreement for cause after notice to the Chamber if the Chamber has not corrected the situation where they are in violation of the contract within thirty (30) days after the notice.
- d. Notice – Notice required by the Agreement and under this paragraph will be mailed to the address indicated below for each party:

City Manager

Executive Director

City of Newberg
PO Box 970
Newberg, OR 97132

Chehalem Valley Chamber of Commerce
415 E. Sheridan St.
Newberg, OR 97132

- e. Liability for Payments – The City will have no liability for any payments after termination of the Agreement. Chamber has no rights to rely upon this Agreement in making any obligations to any person about future funding of any position with the Center.

VIII. BUDGET LAWS OF THE STATE OF OREGON

The City of Newberg is a municipal corporation and is obligated under the budget laws of the State of Oregon known as the Local Budget Law. Any provision of the Agreement which is not in conformance with the Local Budget Law is null and void. Further, the City cannot expend monies beyond the revenues received. The City authorizes expenditures in accordance with the City’s Transient Lodging Tax Ordinance and its budget and revenue projections. If the City does not receive revenues in accordance with its projections, expenditures must be decreased.

IN EVIDENCE THE UNDERSIGNED HAVE EXECUTED THIS AGREEMENT:

CITY OF NEWBERG

414 E. First Street
Newberg, OR 97132
By Authority of
Resolution No. 2011-2927
(passed January 18, 2011).

**CHEHALEM VALLEY CHAMBER
OF COMMERCE**

415 E. Sheridan Street
Newberg, OR 97132

BY:

BY:

Daniel J. Danicic, City Manager Date

Sheryl Kelsh, Executive Director Date

APPROVED AS TO FORM AND CONTENT:

Terrence D. Mahr, City Attorney Date

**VISITOR INFORMATION CENTER
CONTRACT FOR SERVICES**

The Chehalem Valley Chamber of Commerce will contract with the City to manage the Newberg Area Visitor Information Center, currently located at 415 E. Sheridan Street, Newberg. It is the mission of the Newberg Visitor Information Center to grow the economic impact of tourism through enriching local experiences.

The Chehalem Valley Chamber of Commerce will carry out that mission by providing the following services:

1. Maintain regular open hours:
Minimum: 9am – 5pm, Monday through Friday
Summer: Memorial Day to September 30th, weekends four hours minimum
Total Hours: Minimum 2,000 hours, open to public
2. Plans and procedures to respond to visitor and resident inquiries via telephone, and internet in a timely manner.
3. Trained staff with destination and customer service expertise. All new employees to acquire Q-Service certification within 90 days of employment.
4. Copies of the appropriate and current local visitor information including maps, community profile, demographics, brochures or information about events, activities tourist destinations and points of interest. (Currently stocking over 600 different maps and brochures)
5. Maintain availability of current statewide travel materials provided by Travel Oregon and the Oregon Department of Transportation.
6. Access to basic visitor information after hours through an outdoor brochure rack.
7. Provide information and directions to local and area businesses and organizations including access to the computer and printed mapquest directional guides.
8. Assemble and provide Newberg Destination information as part of relocation requests, visitor requests and/or New Employee information.
9. Participate and seek destination marketing "best practices" through membership with Travel Yamhill County and the Oregon Destination Marketing Association.
10. Compile, organize and distribute an annual community information guide and Newberg area street map.
11. Maintain an online calendar of community events.
12. Maintain a website with visitor information.
13. Supply large employers such as George Fox University, A-dec, Climax and others materials for their

new employee packets.

14. Automobile parking within walking distance.
15. Drinking fountain or access to water during open hours.
16. Restrooms within walking distance, accessible to all members of the traveling public during open hours.
- 17 ADA Accessibility.
18. A landline telephone for staff or guest emergency use.
19. Report to City of Newberg:
 - a. Quarterly Financial Reports
 - b. Activity Report
 - c. Information relevant to local tourism

2010 - 2011 Visitor Information Center Budget
Chehalem Valley Chamber of Commerce

Income

		10-11	
		BUDGET TOTALS	09-10 BUDGET
City of Newberg*		\$56,000	\$30,000
Chehalem Valley Chamber of Commerce Contribution		\$40,725	\$57,971
*Estimate provided by City of Newberg for period			
	TOTAL	\$96,725	\$85,971

Expenses

Personnel - 1.5 FTE		\$44,975	\$44,975
Executive Director			
Director of Marketing & Programs			
Visitor Information Center Coordinator			
Visitor Information Center - Seasonal Help			
Bookkeeper (P/T)			
Benefits - Health Insurance & Retirement			
Taxes			
Marketing Expense		\$14,000	\$9,246
Newberg Graphic Tourism			
Travel Yamhill Valley - Co-op Ad Opportunities			
Willamette Valley Visitors Association - Co-op Ad Opportunities			
Governors Conference on Tourism - Oregon Destination Marketing Conference			
Visitor Information Center Brochure - Reprints & Tourism Inserts			
Website			
Travel Yamhill Valley - Membership			
Travel Oregon Co-op Advertising Opportunities			
Overhead		\$37,750	\$31,750
Calculated on 1/3 of overhead in Chamber Budget applicable to tourism			
Includes: Dues/Subscriptions, Admin. Insurance, Internet/Web,			
Miscellaneous, Supplies, Postage, Leases, Rent, Capital			
Improvements, Repair/Maintenance, Telephone, Utilities			
Yamhill Valley Visitors Association dues, Professional Fees			
Portland Oregon Visitors Association dues			
Rent* New starting 1/1/2011			
	TOTAL	\$96,725	\$85,971

Findings of Fact for Exemption

to Enter into the Agreement Between the City of Newberg and the Chehalem Valley Chamber of Commerce for Visitor Information Center Services

The City Council is the Contract Review Board (Board) pursuant to Newberg Municipal Code Chapter 34. The City Council in its authority as the Board grants an exemption from the normal solicitation process and approves entering into an agreement with Chehalem Valley Chamber of Commerce (Chamber) based on the following Findings of Fact:

1. Notice has been given through electronic advertisement pursuant to Code provision 34.12. The use of the electronic publication will be as effective as publication in a newspaper and will provide cost-savings to the City.
2. The City Council has considered this exemption at their January 18, 2011, meeting and took public comments at that time. The matter was continued to the February 22, 2011, meeting, in which it was considered in the open public session.
3. This is in the form of a partnership arrangement in which the City furnishes partial funding through the transient room tax and the Chamber contributes funding as well, thus, being a joint funding effort.
4. The Chamber reports to the City through quarterly reports and an annual business plan concerning the operations. This reporting gives accountability in a public way for expenditure of funds and serves as a report to the community on the services provided by the Visitor Information Center.
5. The method of funding the Visitor Information Center is similar to a grant method with contributions of matching funds by the Chamber.
6. Grants would ordinarily be exempt from Public Contracting Rules. This agreement actually provides for more accountability through the reporting mechanisms than would be found if a grant was issued.
7. The City has been a long time partner of the Chamber in furnishing a Visitor Information Center to the community.
8. This partnership arrangement method with the Chamber's participation will have cost savings to the City as compared with the City totally funding the Visitor Information Center.
9. With the sharing of costs by the Chamber and the partnership arrangement with accountability, this exemption would be unlikely to encourage favoritism in the awarding of public contracts.
10. The awarding of the agreement would substantially promote the public interest in a manner that could not practically be realized by complying with the solicitation requirements, such as a Request for Proposals. This is because this agreement requires partial funding of the Visitor Information Center through private sector funds from the Chamber.
11. Awarding of the agreement, in which documents that have resulted from a long-term relationship with the Chamber in operating the Visitor Information Center, will not diminish competition for public contracts. This is because the relationship has existed for such a long period of time.

Exhibit “B”

To Resolution No. 2011-2927

12. This agreement entered into with the Chamber as the sole source for the Visitor Information Center services is justified because:
 - a. The Chamber is furnishing partial funding of the services, which will save the City and the public costs from having to totally having to fund a Visitor Information Center.
 - b. The Chamber has operated the Visitor Information Center for a number of years with partial funding from the City and therefore has developed contacts and other methods of operation.
 - c. The Chamber is in a unique situation to have the relationships with the businesses that operate tourist industries within the city and surrounding areas, which are the destination and visited by the visitors using the services for the Visitor Information Center.
 - d. Through the business plan approval process, the Chamber and City will consult and confer concerning the continual adaptation and expansion of Visitor Information Center services.

13. Based on the above Findings of Fact and in consideration of the long-term, ongoing relationship, the Council authorizes the City to enter into the agreement with the Chamber to operate the Visitor Information Center. This agreement has been reached through direct negotiations with the Chamber. The process is exempt from the normal public contracting process. This exemption applies only to this particular agreement.