

MUNICIPAL MARKETING COMMITTEE OF THE CITY OF CHICAGO

Framework of Operations for 2012 and 2013

INTRODUCTION

This document articulates key strategic and policy elements of the City of Chicago's Municipal Marketing Committee ("Committee") for calendar years 2012 and 2013. This document will guide activities undertaken by City staff, the Municipal Marketing Advisory Council and consultants as they implement marketing initiatives. This framework will be reviewed on an ongoing basis to determine if adjustments are needed to best meet the needs of the City. This framework will be comprehensively reviewed at the end of 2013.

MANAGEMENT ORDINANCE AND GOVERNING LAW

All work of the Municipal Marketing Committee shall be conducted pursuant to Municipal Code Chapter 2-32-055, as passed by the City Council which authorizes the Chief Financial Officer ("CFO") to:

1. Identify specific City assets available for marketing and desirable to potential commercial partners;
2. Prioritize these assets in terms of ease of marketing and short- and/or long-term commercial value;
3. Develop a marketing plan for these assets;
4. Seek out commercial partners for asset-based transactions;
5. Structure marketing programs; and
6. Negotiate the terms of, and execute, asset-based marketing agreements with public and private entities.

BACKGROUND

The Committee was established in November 17, 2011, immediately following passage of the 2011 Budget by the City Council on November 16, 2011 to implement the Municipal code as outlined above. The express purpose of the Committee is to identify ways to generate revenues for the Corporate Fund of the City by marketing the tangible and intangible assets of the City. The Ordinance vests the CFO with the responsibility for overseeing the City's municipal marketing efforts. In turn, the CFO has organized a multi-departmental committee, named the Municipal Marketing Committee, to assist in identifying, evaluating and executing municipal marketing initiatives.

MUNICIPAL MARKETING COMMITTEE COMPOSITION

The Committee is comprised of 5 voting members and numerous representatives from City departments and offices. Of the 5 voting members, the CFO, the Law Department Representative and the Executive Director of the Chicago Board of Ethics have veto rights over any formal action of the Committee. This veto right is intended to assure that any initiatives advanced by the Committee meet the highest fiscal, legal and ethical standards and, if they do not, to stop any such projects from going forward.

Voting Members of the Committee include:

1. Chief Financial Officer (Chair);
2. Executive Director, Board of Ethics;
3. Law Department Representative;
4. Commissioner, CDOT; and
5. Commissioner, Fleet and Facilities Management.

Additional departments and offices represented on the Committee include those listed below. Membership may be expanded or changed from time to time to include other representatives including representatives of the Mayor's Office, to best assess and implement specific proposals and otherwise address the City's needs and concerns.

1. Office of Budget and Management;
2. Department of Procurement Services;
3. Streets and Sanitation;
4. Cultural Affairs and Special Events; and
5. Legal Counsel and Government Affairs

COMMITTEE MEETINGS

During 2012 and 2013, it is anticipated that the Committee will meet weekly. This frequency is necessary to review new proposals in a timely manner as to review existing proposals. Additional meetings will occur at decision points relating to specific proposals. A significant commitment of time is required of each member of the Committee to assure that business, legal and policy implications of each proposal are reviewed from multiple perspectives. All Committee members involved agree to undertake a careful, thorough, collaborative and deliberative process to preserve the character of the City and its assets.

The following actions, among others, may be decided by a vote of the Committee:

- Releasing RFQs and establishing RFQ review process for interested vendors;

- Moving marketing ideas from RFQ stage into actionable programs, including selecting the most-qualified respondent(s);
- When required, preparing ordinance packages for City Council consideration and approval;
- Approving any pilot programs utilizing City assets;
- Deciding to proceed with any new initiative;
- Retaining outside consultants and vendors, when such retention does not legally require or otherwise warrant a competitive bid process

POLICY PARAMETERS

The policy issues to be examined by the Committee may include:

- Tax laws – since many capital facilities of the City were financed with tax-exempt bonds, legal analysis will be required to assure that the city does not unintentionally trigger taxation of interest on the related bond issues;
- Grant agreements – certain facilities and programs are funded by grants from third parties. Legal analysis will be undertaken to assure that any marketing initiatives do not run afoul of related grant agreement commitments;
- First amendment rights – all work of the City through its municipal marketing initiative shall be considered in light of the Freedom of Speech provisions of the Federal and State constitutional protections;
- Job creation, M/WBE and local economic impact – the programs advanced by the City should reflect the City goals of job creation, inclusion and economic impact. Impact on the City’s labor force and work processes will also be considered; and
- Brand identity and visual integrity – The City enjoys a well-earned reputation as a beautiful, world-class city. All efforts of the Municipal Marketing Committee must preserve that brand.

ADVISORY BOARD

To tap into the knowledge and expertise of third party market participants, the CFO has also organized a Municipal Marketing Advisory Council (the “Advisory Council”) comprised of outside professionals. These professionals shall include diverse skills in fields such as corporate marketing, branding, digital design, arts, education, architecture and communications.

The Advisory Council shall serve as a resource and sounding board for the City’s municipal marketing efforts. Key functions of the Advisory Board are outlined in the Municipal Marketing Advisory Council Charter document, and include:

- Providing current market input on valuation ranges for assets, programs and other initiatives being considered by the City;

- Providing feedback on proposed initiatives, such as recommendations on how to maximize economic gain to the City while preserving the integrity of Chicago and its brand;
- Presenting the Advisory Board's view on municipal marketing initiatives to a variety of audiences, including members of the City Council, media and potential marketing partners;
- Presenting expertise in a range of fields that may include Corporate Marketing, Arts, Academics, Branding, Digital Design, Advertising, General Marketing, Architecture and Communications fields; and
- Serving as a sounding board to the City regarding proposed initiatives and provides feedback to help ensure that the City is getting maximum benefit to these proposed initiatives.

EXTERNAL CONSULTANTS

Recognizing that marketing and advertising are highly specialized professional services and that government employees may not have recent depth of experience in those matters, the Committee may retain one or more consultants to advise the Committee on strategies to prioritize and optimize financial outcomes consistent with the policy constraints outlined by the Committee framework for operations described in this summary.

PROGRAM REVIEW PROCESS AND OPPORTUNITY TO SHARE IDEAS

The Committee will use an open and fair process to identify municipal marketing opportunities and provide a clear and consistent approach for potential vendors to navigate. This process will begin with issuance of an RFQ to generate a pool of qualified marketing vendors. The RFQ will provide bidders with the opportunity to present their qualifications for serving the City and their ideas on how the City can generate revenue through marketing its assets. The RFQ will be written broadly to welcome ideas across all the City's assets (categorized so that each vendor can choose which categories it may be qualified for and interested in providing) but otherwise reflect the procurement standards consistent with those used for procuring professional services elsewhere in the City. The first RFQ shall be issued as soon as practical and quarterly thereafter responses may be considered on a rolling basis.

An RFQ process will be used in lieu of a full RFP process in recognition that the City is attempting to identify services and ideas that it may not be able to detail with the same expertise or the precision required for procuring commodities and other standard products. The Committee will therefore use a process designed to be as rigorous as that required of City vendors (precise timing, response requirements, EDS disclosure, etc.), but which will also provide the opportunity to deliver ideas for City consideration and to enable the respondent and City to collaborate in delivering best value for citizens. The process will provide interested parties with clear and repeated opportunities to present qualifications and to drive competition into the process wherever possible to generate good outcomes for the City's residents.

The Committee will coordinate with Department of Procurement Services in the following manner:

- RFQ's will be mailed to the list of interested vendors maintained by the Department of Procurement Services and announced through the Department's "DPS Alerts" system. This list includes about 6,000 companies in a wide range of fields;
- Each RFQ will be posted on the Finance page of the City's website and disseminated via Department of Procurement Services email blasts;
- Bidder conferences following release of each RFQ will be held to provide interested parties the opportunity to ask questions;
- Questions and answers will be documented and circulated to all parties interested in responding to the RFQ;
- EDS forms will be included with the RFQ's to identify on the front-end any issues that might arise at a later time and avoid wasting time with parties unable or unwilling to comply with the City's high standards of ethics and disclosure.

RFQ REVIEW PROCESS

All responses to the Committee's RFQ will be reviewed by a separate RFQ Response Review Committee ("Review Committee") that shall not include any voting member of the Municipal Marketing Committee. The Review Committee will be comprised of representatives of at least four City departments that may include Procurement, DHED (Zoning), Buildings and Finance. For each subsequent RFQ review process, the Review Committee will include as many representatives as possible that have participated in prior reviews to provide consistency and continuity. New members may be added going forward to assure that the process remains open and fair. No voting members of the MMC will participate in deliberations related to the RFQ responses at any time. Specific practices of the Review Committee include:

- Review Committee will review responses within 1-2 weeks of submission dates and meet to deliberate regarding submissions each quarter;
- Review Committee will determine if each Vendor is "Qualified, Not-Qualified or Non-Responsive" based on selection criteria set forth by the deliberating members of the Review Committee and sends recommendations to the Municipal Marketing Committee;
- Respondents are notified within one month of submission;
- Review Committee reports back to the Municipal Marketing Committee on who it has deemed "Qualified" to work on municipal marketing initiatives with the City and what new ideas, if any, have surfaced. The Review Committee does not opine on the viability or probity of any idea surfaced, only on the qualifications of the respondent and its compliance with all RFQ protocols, including EDS disclosure. Furthermore a finding of "Qualified" does not obligate the City in any way to work with an RFQ respondent. Determinations of what initiatives to consider are made by the Municipal Marketing Committee; and

- The list of qualified respondents shall be updated quarterly and posted on the Department of Finance Municipal Marketing web page.

MEETINGS OUTSIDE THE RFQ PROCESS AND OPPORTUNITY FOR INPUT

The Municipal Marketing Committee recognizes that ideas may flow from a wide range of sources. For that reason, a written or oral presentation by members of the Committee may be made to all affected City departments to assure that staff understands the purpose of the municipal marketing efforts and the process to be used if an idea is generated in their work. Departments are directed to refer such opportunities to the CFO as the central repository for municipal marketing ideas. The CFO will then ask members of the Municipal Marketing Committee to meet with that department and any vendors they identify to listen to ideas being presented. If it is confirmed that the idea may relate to municipal marketing but without making a judgment on the applicability of that idea to the City, the vendor will be immediately referred to the next RFQ to be issued. In this way, all vendors will have the opportunity to be heard (assuring opportunity for input) but all vendors will also be subject to the same RFQ process and procedures (assuring fairness and equity).

PROCESS FOR SELECTING INITIATIVES AND CONTRACTING WITH VENDORS

Once a pool of qualified vendors has been referred to the Municipal Marketing Committee by the RFQ Review Committee, Municipal Marketing Committee members will review the ideas presented. Every firm that is deemed qualified will be provided the opportunity to present their ideas in person to members of the Municipal Marketing Committee.

As required by ordinance, the Municipal Marketing Committee will then prioritize municipal marketing efforts in terms of ease of marketing and short- and/or long-term commercial value. Ideas may be generated by the Committee, other City departments, and or the RFQ process. Once an initiative is prioritized by the Committee, the following process shall be used to enter into contracts with vendors:

- As indicated, all qualified respondents will be provided the opportunity to present ideas related to that particular initiative to members of the Municipal Marketing Committee. If multiple vendors are presenting on the same or related concept, the meetings will be comparable in terms of duration of presentation, subject matter, and City sharing of information, and all such meetings will occur at substantially the same time.
- If the product can readily be procured on standard terms without the need for significant discussion or negotiation to assure best terms, the initiative will be referred to the Department of Procurement Services for a full, RFP-based procurement.
- If the initiative depends primarily on professional services, the Committee will procure such services consistent with the procurement of professional services used elsewhere in City government.

- If the process relates to sponsoring City events or services, the Committee will procure such services consistent with sponsorship programs used at that time for other City events or services.
- If the initiative relates to goods or services procured elsewhere in the United States pursuant to a full, traditional RFP process, it may choose to procure similar goods or services in accordance with the Department of Procurement's "Reference Contract" provisions.
- If the initiative represents a new approach to marketing City assets, the Committee may use the following competitive process:
 1. Committee will outline the business and operational parameters of the specific initiative.
 2. The Committee will meet with affected departments to seek input on any initiative that affects that Department.
 3. The Committee will solicit input from the Advisory Board on the initiative.
 4. All respondents in the qualified pool that have presented similar ideas to initiative the Committee seeks to explore the Committee, will be asked to prepare their ideas and make an oral presentation to the Committee on why their ideas and approach are best for the City.
 5. The Committee will discuss the ideas as presented and make modifications as necessary to the parameters for that initiative. Such work will be done through the weekly meetings of the Committee to assure input from all members of the Committee throughout the process.
 6. Qualified respondents may be asked to provide a written indication of interest and financial objectives for that specific initiative. Information provided to the City will not be shared with other respondents to protect against collusion or other actions that would undermine the value of the initiative to the City.
 7. The Committee will review written responses as appropriate and short list one or more firms based on how well a firm and/or idea meets the specific parameters of the City. The Law Department will turn the parameters into a legal contract to assure that policy, operational and legal issues are addressed and there is not uncertainty between the City's goals and the bidder's approach.
 8. Projects undertaken pursuant to this framework shall be undertaken consistent with any commitments of the City under existing City contracts.
 9. The Committee will conduct a competition among the bidders to assure best value is received for City taxpayers, factoring in economic return and compliance with City policies.

LEGISLATIVE STEPS

The Municipal Marketing Committee recognizes that its initiatives may have an effect on residents, businesses, neighborhoods and governmental processes. Yet it also recognizes that the value of those

new initiatives to the City could be jeopardized if they are not managed in a thorough, deliberative and consistent manner. In light of those facts, the Committee will endeavor to identify, prioritize, develop and make actionable ideas that bring value to the City. City officials, including Aldermen, Mayor's Office staff and key Department personnel may be briefed on the initiatives that impact assets in their Department's scope of services. In addition, Aldermanic briefings may occur regarding one or more initiatives that may impact their Ward or to Chairpersons of relevant committees in advance of the City Council approval process.

For certain initiatives, it may be useful and/or necessary to seek further City Council approval or authority. Initiatives that require additional City Council consideration may, depending on the overall structure of the deal, include:

- Initiatives that generate more than \$5 million in annual revenue
- Contracts with a duration 10 years or more
- Initiatives that, in the opinion of the Municipal Marketing Committee, merit full public hearing and public discourse.

The City Council approval process typically takes 6 weeks and 2 full City Council meetings to reach final approval. Such legislative process includes:

- Drafting of materials for City Council consideration (to be completed approximately 2 weeks prior to introduction);
- First Council meeting: Introduction of legislation and referral to appropriate Council Committee;
- Presentation to and approval by the designated Council Committee. The Council Committee may ask that the CFO or other members of the Municipal Marketing Committee discuss the proposed legislation. Representatives of the bidders will be expected to be available to the Council Committee as needed during Council Committee deliberations. An affirmative vote of the relevant Council Committee(s) is needed to proceed to City Council for final consideration.
- Second Council meeting: The Chairman of the relevant Council Committee(s) will put matters on the agenda for the full Council. Brief presentations to the Council may or may not be requested. The Council will vote to pass into law such initiatives as deemed appropriate.

CONTRACT AWARDS

A respondent that is pre-qualified through this RFQ process is not guaranteed a contract.

Contracts may be awarded via an RFP process, by means of a reference contract procedure or through a professional service contract, by the competitive processes outlined in this document, and, when

necessary or appropriate, by additional City Council approval. Regardless of the approval path, the City and the award recipient will finalize terms, negotiate and execute a contract to formalize the municipal marketing project agreements.

PERFORMANCE ASSESSMENT AND COMPLIANCE

The Municipal Marketing Committee and the Municipal Marketing Advisory Council will hold quarterly reviews of all completed Municipal Marketing initiatives. These reviews will be documented in a “Report Card” to the public that summarizes one or more of the following performance measures:

- Compliance with all terms of the Contract entered into between the vendor and the City
- Financial Impact
 1. Revenue numbers as they relate to projections in the contract or proposal
 2. Savings associated with a specific initiative
 3. Budget impact of initiative
- Impact on City Services
 1. Improvement of services
 2. Savings as a result of improved service
 3. Environmental impact, if applicable
 4. Public services provided as a result of the initiative
- Impact on City Brand / Name
 1. Public response to initiatives (which may include but not be limited to news articles)
 2. User Department’s satisfaction as it relates to assets in their scope of services