

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION 03-44

For the purpose of approving FY 2003-04 Goals and Objectives for the Portland Oregon Visitors Association (POVA) Marketing Services Agreement and establishing FY 2003-04 Revised Budgeted Contract Amount.

WHEREAS, the Metropolitan Exposition Recreation Commission and the Portland Oregon Convention and Visitors Association are parties to a Marketing Services Agreement, which includes the annual establishment of contractual performance goals and associated incentive payments; and

WHEREAS, the staffs of the Oregon Convention Center and the Portland Oregon Convention and Visitors Association have meet and agreed upon POVA contract goals for FY 2003-04; and

WHEREAS, the staff recommends these goals as economic reasons have forced the Oregon Convention Center to make reductions in costs to balance the budget and a \$250,000 reduction was approved by the MERC Commission for POVA funding.

WHEREAS, the Metropolitan Exposition Recreation Commission has, through its budget process, established the FY 2003-04 revised budgeted Marketing Services Agreement amount as \$2,258,776.00.

BE IT THEREFORE RESOLVED as follows:

1. The Metropolitan Exposition-Recreation Commission approves the FY 2003-04 Goals and Objectives, attached as Exhibit A, for the Portland Oregon Visitors Association (POVA) Marketing Services Agreement, and

2 The Metropolitan Exposition-Recreation Commission establishes FY 2003-04 Revised Budgeted Contract Amount for the Portland Oregon Visitors Association Marketing Services Agreement as \$2,258,776.00.

Passed by the Commission on December 17, 2003

Approved as to Form:
Daniel B. Cooper, Metro Attorney

By: 

Lisa Umscheid, Senior Attorney



Chair



Secretary/Treasurer

MERC Staff Report

Agenda Item/Issue: For the purpose of approving FY 2003-04 Goals and Objectives for the Portland Oregon Visitors Association (POVA) Marketing Services Agreement and establishing FY 2003-04 revised budget contract amount.

Resolution No.: 03-44

Presented By: Jeffrey A. Blosser

Date: December 17, 2003

Background and Analysis: The new extension of the POVA agreement called for the annual establishment of goals for POVA's marketing of OCC. As part of the agreement, these goals are to be established each year by the MERC General Manager. With the fiscal year 2003-04 budget cuts, POVA adjusted their goals to better reflect the deduction of approximately \$250,000 from their previous funding levels. The goals attached to the resolution reflect POVA's downsizing of the sales efforts due to budget cuts and the incentive for this fiscal year has been eliminated. Attached to this staff report, are the original goals for FY 2003-04.

Fiscal Impact: \$250,000 savings to MERC.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission approves the FY 2003-04 goals and objectives for the Portland Oregon Visitors Association (POVA) marketing services agreement and establishes FY 2003-04 revised budgeted contract amount.

Res. 03-44 / Exhibit A

POVA Business Goals and Measurements for the MERC/OCC Contract FY 2003-04

(After MERC Budget Reductions)

(Goals for FY 2004-2005 will be set prior to that year)

Goal #1: Book New Convention Groups

- > POVA will book new convention groups during FY 2003-04:
MEET: POVA will book a total of 15 new groups
EXCEED: POVA will book a total of 16 new groups
OUTSTANDING: POVA will book 17 or more new groups

- > POVA will book new groups during fiscal year 2003-2004 that meet the following preferred OCC booking guidelines:

<u>Years</u>	<u>Gross Sq. Ft. Exhibit Space</u>	<u>Peak Night Rooms</u>
5+	120,000	800
3-5	90,000	600
18 months - 3	60,000	500
0-18 months	OCC controls space	

- MEET:** POVA books 7 new groups that meet the above criteria
- EXCEED:** POVA books 8 new groups that meet the above criteria
- OUTSTANDING:** POVA books 9 new groups that meet the above criteria

Goal #2: Sales & Marketing Goals

- > Economic impact for OCC business:
MEET: Achieve \$33.5 million for FY 2003-04
EXCEED: Achieve \$35 million for FY 2003-04
OUTSTANDING: Achieve \$36.5 million for FY 2003-04

- > Generate return on investment for MERC contract expenditure:
MEET: Achieve a rate of \$47 to \$1
EXCEED: Achieve a rate of \$48 to \$1
OUTSTANDING: Achieve a rate of \$49 to \$1

- > Book definite room nights of future OCC business during FY 2003-04:
MEET: Book 123,000 definite room nights of future OCC business
EXCEED: Book 126,000 definite room nights of future OCC business

OUTSTANDING: Book 128,000 definite room nights of future OCC business

Goal # 2: Sales & Marketing (cont.)

- > Conduct airlifts during FY 2003-04:

MEET: Conduct one executive airlift
EXCEED: Conduct 2 executive airlifts

OUTSTANDING: N/A

Deleted: 1

- > Attend trade shows and/or conventions to promote Portland and OCC during FY 2003-04:

MEET: Attend 14 industry trade shows and/or conventions
EXCEED: Attend 15 industry trade shows and/or conventions
OUTSTANDING: Attend 16 industry trade shows and/or conventions

Goal #3: Minority Market

POVA's role in successful minority marketing would include management of the annual budget and assistance to OCVSN during the year in: 1) producing 20,000 tentative room nights, 2) 4,500 definite room nights, 3) OCVSN will conduct at least one industry educational training session for local groups on minority issues and 4) will ensure 3 meeting planners with minority organizations attend and participate in Airlifts and/or site visits.

Ratings

MEET: OCVSN will achieve 2 out of 4 of the above goals
EXCEED: OCVSN will achieve 3 out of 4 of the above goals
OUTSTANDING: OCVSN will achieve 4 out of 4 of the above goals

Goal #4: Budget Development and Reporting

- > POVA will give MERC a draft copy of its proposed budgetary needs with work plan for the next budget year within 30 days of request.
- > POVA will maintain quarterly invoice expenditure detail.
- > All invoices and reconciliation of receipts and monies spent will be maintained on file for four years and available upon request.

Ratings

MEET: POVA will comply with due dates for all work above
EXCEED: POVA will complete all necessary work prior to the due dates
OUTSTANDING: N/A

Goal #5: Promotion, Public Relations & Advertising

- Develop and implement two direct mail campaigns sent to targeted and qualified meeting planners and association executives during the fiscal year.
- Generate \$95,000 worth of convention center related editorial placements in trade media during the fiscal year.
- For the fiscal year, develop a marketing and advertising plan to promote the "branding strategies" as well as advertising to association executives and meeting planners in targeted publications.

Ratings

MEET: POVA will achieve 2 of the 3 above goals

EXCEED: POVA will achieve all 3 of the above goals

OUTSTANDING: POVA will accomplish the **EXCEED** rating and surpass the criteria in any one or more of the above goals

Goal # 6: Convention Services

- Services personnel will participate in 75 site visits or sales trips during the year.
- Distribute 100,000 promotional pieces on behalf of meeting planners.
- Provide assistance to 15 convention groups with the goal of building convention attendance.
- Provide housing assistance, if requested by meeting planners, to 100% of OCC convention groups.
- Participate in one focus group and/or study during the year with national meeting planners and associations to judge Portland's product and/or service capabilities.
- POVA will conduct exit surveys with meeting planners and delegates after their meeting in Portland to gauge customer satisfaction. Conduct a minimum of four surveys during the year.

Ratings

MEET: POVA will achieve 4 out of 6 of above goals

EXCEED: POVA will achieve 5 out of 6 of the above goals

OUTSTANDING: POVA will achieve 6 out of 6 of the above goals

Final documentation and outcomes will be completed at the end of the fiscal year and a report will be given to MERC.

cc: Jeff Brown

**POVA Business Goals and Measurements for
the MERC/OCC Contract FY 2003-04**

(After/Before MERC Budget Reductions)
(Goals for FY 2004-2005 will be set prior to that year)

Goal #1: Book New Convention Groups

- > POVA will book new convention groups during FY 2003-04:

MEET: POVA will book a total of 14 (~~16~~) new groups = 8 points
EXCEED: POVA will book a total of 15 (~~17~~) new groups = 9 points
OUTSTANDING: POVA will book 16 (~~18~~) or more new groups = 10 points

- > POVA will book new groups during fiscal year 2003-2004 that meet the following preferred OCC booking guidelines:

<u>Years</u>	<u>Gross Sq. Ft. Exhibit Space</u>	<u>Peak Night Rooms</u>
5+	120,000	800
3-5	90,000	600
18 months - 3	60,000	500
0-18 months	OCC controls space	

MEET: POVA books 7 (~~9~~) new groups that meet the above criteria = 8 points
EXCEED: POVA books 8 (~~10~~) new groups that meet the above criteria = 9 points
OUTSTANDING: POVA books 9 (~~11~~) new groups that meet the above criteria = 10 points

Goal #2: Sales & Marketing Goals

- > Economic impact for OCC business:

MEET: Achieve \$33.5 (~~\$35~~) million for FY 2003-04 = 3 points
EXCEED: Achieve \$35 (~~\$38~~) million for FY 2003-04 = 4 points
OUTSTANDING: Achieve \$36.5 (~~\$40~~) million for FY 2003-04 = 5 points

- > Generate return on investment for MERC contract expenditure:

MEET: Achieve a rate of \$47 to \$1 = 3 points
EXCEED: Achieve a rate of \$48 to \$1 = 4 points
OUTSTANDING: Achieve a rate of \$49 to \$1 = 5 points

- > Book definite room nights of future OCC business during FY 2003-04:

MEET: Book 123,000 (~~135,000~~) definite room nights of future OCC business = 3 points
EXCEED: Book 126,000 (~~138,000~~) definite room nights of future OCC business = 4 points
OUTSTANDING: Book 128,000 (~~140,000~~) definite room nights of future OCC business = 5 points

Goal # 2: Sales & Marketing (cont.)

- > Book definite room nights of future business during FY 2003-04:

MEET: Book 245,000 (~~252,000~~) definite room nights of future business = 3 points
EXCEED: Book 255,000 (~~262,000~~) definite room nights of future business = 4 points
OUTSTANDING: Book 272,000 definite room nights of future business = 5 points

- > Conduct airlifts during FY 2003-04:

MEET: Conduct one (~~two~~) executive airlift = 7 points (~~6 points~~)
EXCEED: Conduct 2 executive airlifts with a minimum of 8 highly qualified OCC pieces of business per airlift = 8 points (~~7 points~~)
OUTSTANDING: N/A Conduct three executive airlifts = N/A (~~8 points~~)

- > Attend trade shows and/or conventions to promote Portland and OCC during FY 2003-04:

MEET: Attend 12 (~~16~~) industry trade shows and/or conventions of which 7 would include OCC staff = 5 points
EXCEED: Attend 13 (~~17~~) industry trade shows and/or conventions of which 8 would include OCC staff = 6 points
OUTSTANDING: Attend 14 (~~18~~) industry trade shows and/or conventions of which 9 would include OCC staff = 7 points

Goal #3: Minority Market

~~POVA's role in successful minority marketing would include management of the annual budget and assistance to OCVSN during the year in: 1) producing 20,000 (~~22,000~~) tentative room nights, 2) 4,500 (~~5,000~~) definite room nights, 3) OCVSN will conduct at least one industry educational training session for local groups on minority issues and 4) will ensure 3 (~~6~~) meeting planners with minority organizations attend and participate in Airlifts and/or site visits.~~

Ratings

MEET: OCVSN will achieve 2 out of 4 of the above goals = _____ 3 points
EXCEED: OCVSN will achieve 3 out of 4 of the above goals = _____ 4 points
OUTSTANDING: OCVSN will achieve 4 out of 4 of the above goals = _____ 5 points

Goal #4: Budget Development and Reporting

- POVA will give MERC a draft copy of its proposed budgetary needs with work plan for the next budget year within 30 days of request.
- POVA will submit a quarterly invoice expenditure detail no later than 45 days after each quarter ends.
- All invoices and reconciliation of receipts and monies spent will be given to MERC no later than 45 days after the fiscal year closes.

Ratings

MEET: POVA will comply with due dates for all work above =	9 points
EXCEED: POVA will complete all necessary work prior to the due dates =	10 points
OUTSTANDING: N/A =	N/A

Goal #5: Promotion, Public Relations & Advertising

- Develop and implement two direct mail campaigns sent to targeted and qualified meeting planners and association executives during the fiscal year.
- Generate \$95,000 (100,000) worth of convention center related editorial placements in trade media during the fiscal year.
- For the fiscal year, develop a marketing and advertising plan to promote the "branding strategies" as well as advertising to association executives and meeting planners in targeted publications.

Ratings

MEET: POVA will achieve 2 of the 3 above goals =	13 points
EXCEED: POVA will achieve all 3 of the above goals =	14 points
OUTSTANDING: POVA will accomplish the EXCEED rating and surpass the criteria in any one or more of the above goals =	15 points

Goal # 6: Convention Services

- ~~POVA will conduct exit surveys with meeting planners and delegates after their meeting in Portland to gauge customer satisfaction. Conduct a minimum of four surveys during the year.~~
- ~~Participate in at least one focus group and/or study during the year with national meeting planners and associations to judge Portland's product and/or service capabilities.~~
- Services personnel will participate in 75 (100) site visits or sales trips during the year.
- Provide assistance to 15 (20) major convention groups with the goal of building convention attendance.
- Distribute 100,000 promotional pieces on behalf of meeting planners.
- Provide housing assistance, if requested by meeting planners, to 100% of OCC convention groups.

Ratings

MEET: POVA will achieve 3 (4) out of 4 (6) of above goals =	13 points
EXCEED: POVA will achieve all 4 (6) of the above goals =	14 points
OUTSTANDING: POVA will accomplish the EXCEED rating and surpass the criteria in any one or more of the above goals =	15 points

Each goal has a potential point value and will receive a score based on performance. From those, an overall total score will be given based on how POVA performed in achieving those goals. Based on that overall total score, POVA will begin to receive its incentive payment (a potential of \$250,360 per the Marketing Services Agreement). The incentive payment will be made to POVA based on the following sliding scale:

* 0 to 60 total points	=	zero incentive payment
* 61 to 69 total points	=	70% of incentive potential (\$175,252)
* 70 to 74 total points	=	80% of incentive potential (\$200,288)
* 75 to 79 total points	=	85% of incentive potential (\$212,806)
* 80 to 84 total points	=	90% of incentive potential (\$225,324)
* 85 to 100 total points	=	100% of incentive potential (\$250,360)

Final documentation and scoring will be completed at the end of the fiscal year and a final report will be given to MERC.