



CITY OF KIRKLAND

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay

From: Park Board
Mike Metteer, Business Services Programs Manager
Carrie Hite, Deputy Director
Jennifer Schroder, Director

Date: May 20, 2008

Subject: Business Partnership Policy

RECOMMENDATION

Park Board recommends City Council approve the Business Partnership Policy.

BACKGROUND

Attached is the Business Partnership Policy. The purpose of this Policy is to establish guidelines and procedures for qualified sponsors and business partners for the City of Kirkland.

The City recognizes the need and value for outside entities to support City-approved programs, projects, events, facilities, and other activities where such partnerships are done in a manner consistent with all applicable policies and ordinances set by the City. Under these conditions, and with this policy, City staff may actively pursue Business Partnerships that are mutually beneficial.

Many programs offered by the City and by the Parks and Community Services Department are supported through fees, subsidized by the general fund, and in some cases, supplemented by sponsorships. Currently, we solicit sponsorships to assist with the cost of the Summer Performing Arts Series at Marina Park, the production of the recreation brochure, the youth scholarship fund, and various youth programs. For example, this year the title sponsors for the Summer Performing Arts Series are Feek–Justice Financial and Evergreen Health Care, paying a combined \$15,000 to support this annual program.

Because of the expressed interest by local businesses and various City departments to engage in business partnerships, there is value in adopting a policy that would create consistent business practice within the City. The Business Partnership Policy outlines the guidelines and procedures for all City departments to consistently engage in business partnership opportunities.

IEG, Inc. (not an acronym, www.sponsorship.com) is the worldwide authority on sponsorships and the leading provider of sponsorship advisory services, valuation, and research. According to the IEG

Sponsorship Report, North American businesses are expected to spend \$16.8 billion sponsoring events in 2008. That's an increase of 12.6 percent over 2007, the biggest jump since 2000. This can be credited to the increase to experimental marketing, the idea that the best way to deepen the emotional bond between a company and its customers is by creating a memorable experience. This policy will create opportunities for the City to support the local businesses who would like to create this experience for their customers, and assist the City in providing experiences for its citizens.

On April 9, 2008 Business Services presented the Business Partnership Policy to Park Board. The Park Board approved the policy and is forwarding it for recommendation to be adopted by the City Council.

POLICY

Subject to the terms of the Policy, certain facilities, programs and activities of the City may be made available for Business Partnerships. Special Events or any programs that the City sponsors are very visible to the public and offer the opportunity for positive exposure to interested businesses. Examples of events that could be sponsored are the Celebrate Kirkland (4th of July) 5K and 10K races, and Kirkland Uncorked.

PROCEDURES

The City will solicit proposals from qualified organizations that may be interested in participating in a partnership opportunity. All Requests for Partnerships will include a summary of the partnership opportunity, benefits of participation, and a description of the competitive process and selection criteria. The City shall always have the right to reject any submitted proposal. All partnership agreements shall be subject to all state, federal and local laws, ordinances, rules and regulations while being consistent with the goals and purposes of the City.

The City will determine and use selection criteria, based upon the nature and character of each proposed agreement, to evaluate potential Business Partnership opportunities. The selection criteria used to evaluate a prospective partnership may include, but are not limited to:

- The compatibility of the business's products, customers and promotional goals with the City's mission.
- The operating and maintenance costs associated with the proposed partnership.
- The timeliness or readiness of the business to enter an agreement..
- The actual value in cash, or in-kind goods or services given to the City.
- At all times, recognition for business partners must be evaluated to ensure the City is protecting the public's interest.
- The proposal is consistent with the monetary scale of each partner's contribution.
- All agreements must protect the City's assets and interests, and result in benefits to the City and its residents. No partnership agreement will impair or diminish the authority of the City and its responsibilities with respect to any City facility, event or program that is subject to the agreement.
- All gifted products, materials, services and financial contributions require City Manager (or designee) approval and must meet the specifications and standards used by the City in the purchase of similar material.

RESTRICTIONS

The City of Kirkland will not enter into Business Partnerships with any of the following:

- Partners that do not align with the City's mission and values.
- Police-regulated business, such as, but not limited to, adult businesses (activities restricted to adults); tobacco firms or marketers; groups advocating hate or violence; firms or groups advocating illegal or inappropriate use of drugs or other illegal activity; businesses or entities promoting adult materials or services or with sexual associations such as massage parlors, escort services or establishments featuring, for show or sale, X-rated or pornographic movies or materials; false, misleading or deceptive sponsorships/underwriters; businesses or entities whose materials, services or products are harmful to children.
- Parties involved in a lawsuit with the City.
- Companies that promote alcoholic beverages when the target market of the event, program or facility is under the legal drinking age.
- Parties involved in any stage of negotiations for a City contract; where a Business Partnership could impact negotiations.

This policy creates a consistent business practice internally and a valuable opportunity for our local businesses to partner and promote community values and their own businesses externally.

Business Partnership Policy
Chapter
Policy
Effective Date:

A. GENERAL

The City of Kirkland is committed to enhance Kirkland as a community for living, working, and leisure, with an excellent quality of life which preserves the City's existing charm and natural amenities.

The City welcomes partnership opportunities that enhance the delivery of City services as long as the services and products of those partners are consistent with and appropriate to the City's mission and lines of business.

The City recognizes the need for outside agencies and/or entities to support City-approved programs, projects, events, facilities, and/or other activities where such partnerships are done in a manner consistent with all applicable policies and ordinances set by the City. Under these conditions, City staff may actively pursue Business Partnerships that are mutually beneficial for all partners.

This policy provides guidelines for entering into Business Partnership agreements; developing and managing municipal and private partnership goals while remaining responsive to the public's needs and values. The following guidelines are established to maintain flexibility in developing mutually beneficial relationships with the business sector.

B. PURPOSE

The purpose of the policy is to outline the guidelines and procedures for entering into Business Partnership agreements.

This policy recognizes that Business Partnerships provide an effective means of generating new revenues and alternative resources to support City programs and facilities.

This policy is not applicable to gifts, grants or unsolicited donations in which there is no benefit granted to the corporation and where no business relationship exists.

This policy is not intended to cover or supplant such things as franchise agreements or regional efforts.

C. POLICY

It is the policy of the City of Kirkland that:

1. Business Partnerships will exist in accordance with guidelines and procedures set forth in the Business Partnership policy.
2. Business Partnerships must support the mission and policies of the City of Kirkland.
3. Business Partnerships will not result in any loss of the City's jurisdiction or authority.

D. DEFINITIONS

1. The City of Kirkland Mission and Values

Mission:

We are committed to the enhancement of Kirkland as a community for living, working and leisure, with an excellent quality of life which preserves the City's existing charm and natural amenities.

Basic Values

- Integrity
- Excellence
- Respect for the Individual
- Responsiveness

2. Business

Any licensed entity acting under a legal charter having its own rights, privileges and liabilities.

3. Business Partnership

A mutually beneficial business arrangement between the City and a business entity, wherein the entity provides direct financial support, contributions (i.e. pledge to raise funds) and/or in-kind services to the City in return for access to the commercial marketing potential associated with the City. Business Partnerships may include sponsorship of one or more of the City's programs, projects, events, facilities or activities.

A Business Partnership is distinct from corporate donations or gifts for which there is no recognition or compensation.

4. City

City of Kirkland and any of its full-time staff, elected and appointed officials, volunteers or anyone else representing the City of Kirkland

5. City Facility

All structures and real property owned by the City.

6. Business Services

A unit of the City of Kirkland Parks and Community Services department that explores opportunities and implements marketing, partnerships, contract administration and resource development.

7. Interdepartmental Business Partnership Committee (IBPC)

A committee which will include members from Parks and Community Services, City Manager's Office, Finance and Administration, City Attorney's Office, Planning and other departments, as appropriate, to review all Business Partnership requests for partnership and sponsorship agreements.

8. Request for Partnership

An open and competitive process whereby the City of Kirkland solicits proposals from qualified organizations that may be interested in participating in a partnership opportunity. All Requests for Partnerships will include a summary of the partnership opportunity, benefits of participation, and a description of the competitive process and selection criteria.

9. Partnership Categories

Type A – Site-specific Business Partnership: Any business, local merchant or branch of a business sponsors a time-limited event or program at an individual City facility.

i.e. – A dinner hosted at the Peter Kirk Community Center in conjunction with a specific event such as the Kirkland Steppers program.

Type B – City-wide Business Partnership: A business sponsors a time-limited program that is held at multiple City facilities or has a citywide presence.

i.e. – A ride your bike to work program with multiple sites hosting refreshments on various days throughout the bike riding season.

Type C – Temporary Logo or Recognition Display Partnership: A Business Partnership agreement that includes a display of recognition on City property for more than seven calendar days and less than one year in exchange for financial support and/or goods or services.

i.e. – The Scoreboard at Lee Johnson Baseball field displaying a logo on an annual basis

Type D – Long-term Business Partnership: An agreement that includes a business relationship for more than one year.

i.e. – A primary sponsor for a new indoor recreation center receiving naming rights for said facility.

E. RESPONSIBILITY

The City Manager (or designee) is authorized to enter into Business Partnership agreements.

The City Manager will consult with City Council, City Boards and Commissions and affected departments to seek recommendations as necessary and appropriate.

The Finance and Administration department will coordinate and track all Business Partnership agreements for the City, assuring a consistent, competitive and non-duplicative business practice.

The City shall always have the right to reject any submitted proposal. All partnership agreements shall be subject to all state, federal and local laws, ordinances, rules and regulations.

An existing City of Kirkland facility, event or program may be named by an individual, corporation, or other entity as recognition for financial support, where such naming is consistent with the City of Kirkland mission and values, and as authorized by City Council.

F. PROCEDURE AND PROCESS FOR DEVELOPING BUSINESS PARTNERSHIPS

The Interdepartmental Business Partnership Committee (IBPC) will meet on an as-needed basis to review all Business Partnership solicitations and sponsorship agreements.

Partnership levels or ranges for events, facilities, programs and venues will be developed annually to best maximize opportunities.

Each department soliciting a partnership will define the scope of the Business Partnership program or project, including a description of the community need, financial goals and general marketing strategy, and coordinate this with the IBPC.

The City may elect to advertise a Request for Partnership and implement an open and competitive bidding process for interested partners.

The IBPC will review and analyze all responsive proposals received through the Request for Partnership process and may award partnerships as appropriate.

All partnership proposals must be approved by the City Manager or designee.

The City will develop partnership agreements with business partners who comply with all applicable City policies and ordinances.

The City Attorney's Office will develop and maintain a boilerplate agreement to be used for all Business Partnership contracts. The contract will include the contractual relationship, terms, renewal, consideration of mutual value, description of programs, projects and activities, partnership rights and benefits, and termination provisions.

Each Business Partnership contract will be routed consistent with current contract routing procedures, including approval by the City Attorney's office.

Each department entering into a Business Partnership agreement will be responsible for:

- Coordinating efforts with the City Manager, or designee, for approval of each Business Partnership.

- Coordinating with the IBPC and all other affected City departments regarding the interpretation and application of this policy.
- Report all Business Partnership developments by said department to the Finance and Administration department for tracking purposes and to ensure consistency of business practices.
- All signage, displays and advertising proposed by sponsor will be reviewed by the IBPC, including the City's Code Enforcement Officer.

G. SELECTION CRITERIA

The City will determine and use selection criteria, based upon the nature and character of each proposed agreement, to evaluate potential Business Partnership opportunities. The selection criteria used to evaluate a prospective partnership may include, but are not limited to:

- The compatibility of the business's products, customers and promotional goals with the City's mission.
- The operating and maintenance costs associated with the proposed partnership.
- The timeliness or readiness of the business to enter an agreement.
- The actual value in cash, or in-kind goods or services given to the City.
- At all times, recognition for business partners must be evaluated to ensure the City of Kirkland is protecting the public's interest.
- The proposal is consistent with the monetary scale of each partner's contribution.
- All agreements must protect the City's assets and interests, and result in benefits to the City and its residents. No partnership agreement will impair or diminish the authority of the City and its responsibilities with respect to any City facility, event or program that is subject to the agreement.
- All gifted products, materials, services and financial contributions require City Manager (or designee) approval and must meet the specifications and standards used by the City in the purchase of similar materials.

H. RESTRICTIONS OF PARTNERSHIPS

The City of Kirkland will not enter into Business Partnerships with any of the following:

- Partners that do not align with the City's mission and values.
- Police-regulated business, such as, but not limited to, adult businesses (activities restricted to adults); tobacco firms or marketers; groups advocating hate or violence; firms or groups advocating illegal or

inappropriate use of drugs or other illegal activity; businesses or entities promoting adult materials or services or with sexual associations such as massage parlors, escort services or establishments featuring, for show or sale, X-rated or pornographic movies or materials; false, misleading or deceptive sponsorships/underwriters; businesses or entities whose materials, services or products are harmful to children.

- Parties involved in a lawsuit with the City.
- Companies that promote alcoholic beverages when the target market of the event, program or facility are youth under the legal drinking age.
- Parties involved in any stage of negotiations for a City contract; where a Business Partnership could impact negotiations.