

RESOLUTION NUMBER R- 307491

DATE OF FINAL PASSAGE JUN 13 2012

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO AUTHORIZING THE MAYOR TO ENTER INTO  
A CORPORATE PARTNERSHIP PROGRAM AGREEMENT  
WITH UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.  
RE UTILITY SERVICE LINE WARRANTY PROGRAM

WHEREAS, the City has established a Corporate Partnership Program (CPP) to generate cash and in-kind resources for the City through marketing partnerships with the corporate community; and

WHEREAS, the City issued a Request for Sponsorship (RFS) for a corporate partner in the category of utility service line warranties; and

WHEREAS, utility service line warranties cover the underground water and/or sewer service lines from the point of connection to the city main line to the point of connection to the home and provide coverage for repair of the homeowner's service lines in the event of leaks or breakage; and

WHEREAS, Utility Service Partners Private Label, Inc. (USPPL) demonstrated an interest in the CPP by submitting a proposal in response to the RFS for a corporate partner in the category of utility service line warranties; and

WHEREAS, the City determined that USPPL's proposal meets the objectives of the CPP and is otherwise in the best interests of the City; and

WHEREAS, the proposed partnership will assist in educating residents and homeowners within the City of San Diego of their responsibility for the utility service lines on their property, will provide residents and homeowners with the opportunity to obtain warranty coverage for

their utility service lines at discounted rates from a reputable company and to save money on repair costs, and will facilitate timely repairs to water and sewer lines; and

WHEREAS, the proposed Corporate Partnership Program Agreement between the City and USPPL sets forth the parties' desire to enter into a contractual relationship by which the City names USPPL its "Preferred Service Line Warranty Partner" and grants USPPL certain marketing rights and benefits including the right to limited use of the City's name and seal in a pre-approved letter to City residents and homeowners offering the Service Line Warranty Program, all in exchange for payment by USPPL to the City of a marketing rights fee of \$242,000 paid over three years (\$121,000 by June 15, 2012, \$60,500 by June 15, 2013, and \$60,500 by June 15, 2014) and a licensing fee of 12% of the total gross revenue collected from sales of sewer and water line warranties; and

WHEREAS, implementation of the program is contingent upon USPPL obtaining approval from the California Department of Insurance for its subsidiary to do business in California as a licensed Home Protection Company and should USPPL not obtain such approvals by June 15, 2013, then USPPL shall have the right to terminate the Agreement but shall forfeit any fees already paid to the City under the Agreement; and

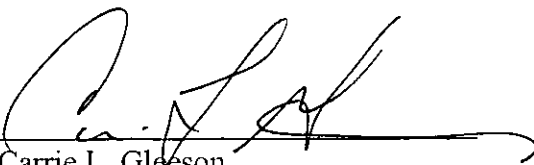
WHEREAS, the proposed Corporate Partnership Program Agreement is for a term of three years with two one-year options for the City to renew, and is on such other terms and conditions as set forth in the proposed Corporate Partnership Program Agreement; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor or his designee be and is hereby authorized and empowered to execute, for and on behalf of said City, an agreement with Utility Service Partners Private Label, Inc. for certain marketing rights and

benefits to Utility Service Partners Private Label, Inc. in exchange for payment to the City of a marketing rights fee of \$242,000 and a licensing fee of 12% of the total gross revenue collected from sales of sewer and water line warranties, for a term of three years with two additional one-year options to renew, all on the terms and conditions as set forth in the proposed Corporate Partnership Program Agreement on file in the office of the City Clerk as Document No.

RR- 307491

APPROVED: JAN I. GOLDSMITH, City Attorney

By   
Carrie L. Gleeson  
Deputy City Attorney

CLG:jf  
05/12/2012  
Or.Dept:Corporate Partnership  
Doc. No. 371810

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of 6/12/12.

ELIZABETH S. MALAND  
City Clerk

By   
Deputy City Clerk

Approved: 6.13.12  
(date)

  
JERRY SANDERS, Mayor

Vetoed: \_\_\_\_\_  
(date)

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JERRY SANDERS, Mayor