



THE CITY OF SAN DIEGO
REPORT TO THE CITY COUNCIL

DATE ISSUED: October 13, 2014 REPORT NO: 14-065
ATTENTION: Honorable Council President Todd Gloria and Members of
the City Council
SUBJECT: Marketing Partnership Agreement with Cardiac Science

REQUESTED ACTIONS:

Authorize the Mayor to enter into a Marketing Partnership Agreement with Cardiac Science Corporation which represents revenue to the City ranging from a minimum of \$420,000 to \$1,050,000 depending on the length of the Agreement. The Agreement is based upon a two-year term with the option to renew for three additional one-year terms.

STAFF RECOMMENDATIONS:

1. Approve the Resolution.

SUMMARY:

Introduction

On June 8, 1999, the City Council approved a Strategic Marketing Plan for corporate partnerships with the City of San Diego called the Municipal Marketing Partnership Program (MMPP). On January 18, 2000, the City Council approved a Marketing Partnership Policy to provide guidelines for the Program.

The MMPP, now called the Corporate Partnerships and Development Program (CPD), develops mutually beneficial business arrangements and philanthropic support between the City and organizations which generate non-tax revenue or new revenue resources for the City and provides marketing benefits and/or recognition to the partners.

The proposal review and sponsorship analysis included staff from San Diego Fire-Rescue, a member of the community and Corporate Partnerships. After the analysis of both the technical and marketing partnership proposals, the Evaluation Committee selected Cardiac Science as the Proposer that best meets the needs of the City.

The Cardiac Science proposal was superior to the other proposals in that it offered a quality product with the greatest economic value to the City as well as support for the Project Heart Beat program.

Cardiac Science Proposal

Included in Attachment A to this Report is the Marketing Partnership Agreement which has been negotiated between the City and Cardiac Science. The Agreement is based upon a two-year term with an option to renew for three additional one-year terms and coincides with the term of the procurement contract.

The benefits to the City under this Agreement are as follows:

- Cardiac Science will pay the City a marketing rights fee in the amount of \$145,000 per year for the term of the Agreement.
- Cardiac Science will pay the City a sales stipend in the amount of \$175 per AED sold on all sales that occur within certain agreed upon zip codes within San Diego County. Cardiac Science will pay the City a minimum of \$50,000 per year for the term of the Agreement regardless of the volume of sales of AEDs.
- Cardiac Science will provide the City with a promotional budget of no less than \$15,000 annually to be used for marketing initiatives that support SDPHB.
- Cardiac Science shall pay the City a 1% finder's fee based upon all leads that result in sales of AEDs after a total of \$210,000 in gross product purchases and sales has been met. In addition, Cardiac Science shall pay the City a 7.5% finder's fee for all leads that result in new purchases of Cardiac Science's Rescue Ready service offerings, with no minimum thresholds required.

The cumulative total of funds paid to the City over a 5 year period will total a minimum of \$1,050,000. Additional funds will be generated by a 1% Finder's Fee for sales leads generated by the City after a minimum threshold of sales has been met.

The marketing rights and benefits provided to Cardiac Science under this Agreement are as follows:

- Official Partner. The right to be designated and referred to as the, "Official AED Partner of the City of San Diego" and to use said designation in marketing efforts.
- Branding. Proposer shall be named on all promotional materials as the, "Official AED Partner of the City of San Diego"
- Vehicles. The Partner Logo will also be placed on the official City vehicles used to operate the PAD Program; provided that the size and location of the PAD Logo placed on the City vehicles are viewable to the traveling public, as determined by both parties.
- Web Site Links. Links provided from the Project Heart Beat Web pages and Corporate Partnerships and Development (CPD) web page to a web page that highlights the PAD Program and sponsor. The PAD Program web page will

- A \$145,000 marketing rights fee to be paid by Cardiac Science to City for each year of the Agreement. The term of the Marketing Partnership Agreement is two years with option to renew three additional one-year terms.
- A \$175 sales stipend per AED on all sales that occur within certain agreed upon zip codes in San Diego County. A minimum of \$50,000 to be paid by Cardiac Science to City for each year of the Agreement regardless of the volume of sales of AEDs.
- A \$15,000 annual promotional budget for SDPHB materials by Cardiac Science to City for each year of the Agreement.
- Cardiac Science shall pay the City a 1% finder's fee based upon all leads that result in sales of AEDs after a total of \$210,000 in gross product purchases and sales has been met. In addition, Cardiac Science shall pay the City a 7.5% finder's fee for all leads that result in new purchases of Cardiac Science's Rescue Ready service offerings, with no minimum thresholds required.

The cumulative total of funds paid to the City over a 5 year period (two-year term with three one-year options) would total a minimum of \$1,050,000. Additional funds will be generated by a 1% Finder's Fee for sales leads generated by the City after a minimum threshold of sales has been met.

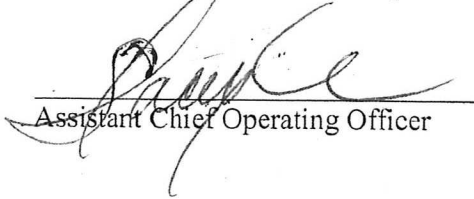
PREVIOUS COUNCIL and/or COMMITTEE ACTION: City Council Approval in 2002 (RR295749). City Council Approval in 2008 (R303642).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None

KEY STAKEHOLDERS AND PROJECTED IMPACTS: Funding off-set for San Diego Fire-Rescue Department's Project Heart Beat Program.



Director, Corporate Partnerships and Development Program



Assistant Chief Operating Officer

Attachments:

- A. City of San Diego Marketing Partnership Agreement with Cardiac Science