



# ***CITY COUNCIL AGENDA REPORT***

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MEETING DATE: MAY 15, 2012

ITEM NUMBER: NB-8

**SUBJECT: VIDEO PRODUCTION SERVICES REQUEST FOR PROPOSAL**

**DATE: APRIL 27, 2012**

**FROM: CEO's OFFICE/COMMUNICATIONS AND MARKETING**

**PRESENTATION BY: BILL LOBDELL, COMMUNICATIONS DIRECTOR**

**FOR FURTHER INFORMATION CONTACT: BILL LOBDELL, (714) 754-5288**

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## **RECOMMENDATION:**

Staff recommends that the City Council:

1. Receive and file this report;
2. Reject all bids received for video production services;
3. Continue with the City's in-house video production services; and
4. Authorize staff to rescind layoff notices previously distributed to Video Production employees.

## **BACKGROUND:**

In accordance with Council Policy 100-6, a Video Production Services Contracting Committee was formed to evaluate the potential for contracting of on-going City services. On March 1, 2011, the City Council directed staff to explore the viability of outsourcing various services through Requests for Proposals (RFPs), including Video Production.

On September 26, 2011, a RFP was released for video production services (included in attachment) with the following schedule:

- |                           |                    |
|---------------------------|--------------------|
| • Release of RFP          | September 26, 2011 |
| • Tour of City facilities | October 3, 2011,   |
| • Proposals Due           | October 21, 2011   |

In response to the City's RFP, proposals were received from three vendors (included in attachment).

A four-person evaluation team independently evaluated the three proposals (included in attachment and interviewed the two top candidates on January 30, 2012 (included in attachment).

In the evaluation team's ranking system, Monarch Media and Design finished first with a score of 3003.20. Master Video Takes placed second with a score of 2495.

## **ANALYSIS:**

Video Production Services provides a wide variety of important services to the City, including broadcasting and archiving public meetings, producing the daily "Costa Mesa Minute" news and information video, and filming various community events such as political debates, high school football and basketball games, and summer concerts.

The evaluation team concluded that the proposal submitted by Master Video Takes would not adequately serve the needs of the city, and therefore, will not be recommended for consideration by the Council.

The evaluation team ranked Monarch Media high relative to the quality of video production services they could provide the City of Costa Mesa. The young entrepreneurs will provide cutting-edge video technology to produce highly watchable products, as demonstrated in their promotional video.

The evaluation team did have some concerns about Monarch Media. It is a start-up company with no full-time employees. The City of Costa Mesa would be, by far, its largest account.

The City would have two other challenges if it outsourced video production services. First, the vendor's proposals did not include the cost of a host/personality for the video shows they would produce for the City. If Costa Mesa outsourced video production services, the City would either have to supply a host or pay for one provided by the private video companies.

Second, the City launched the daily "Costa Mesa Minute" video show after the RFPs had been sent out, so the cost of producing the program was not included in the proposals. Any potential savings received from outsourcing would be considerably reduced with the additional costs of the "Costa Mesa Minute" factored in.

The City of Costa Mesa's video production services consists of a two-person team who perform both on- and off-air work, providing both the needed technical expertise and the on-air personalities that have been identified with the City's brand. This does not show up on a balance sheet, but it does have significant value to Costa Mesa.

In review, Monarch Media has the potential to provide the City with excellent video production services, produced on the latest equipment, to give Costa Mesa an updated feeling to its video programs. However, the company is relatively new and untested when it comes to a client the size of Costa Mesa. Also, the City could lose much of its brand created by its two-person, in-house team that has produced more than two decades of award-winning work.

## **INNOVATIVE MERIT:**

By exploring the viability of outsourcing, Video Production Services was able to examine the programming it provided to the community and developed several new shows/projects that significantly added value to the residents and other stakeholders with no additional costs. These include the "Costa Mesa Minute," a daily information and news show; "Costa Mesa Minute: Special Council Edition," featuring upcoming community events; a high-quality Employee of the Month video that honors a city worker and provides insight into his or her job and motivation; and a multi-media council presentation, highlighting outstanding residents and organizations in the community.

In addition, the department re-instituted the filming of the Battle of the Bell football game between Costa Mesa and Estancia high schools, and it now produces videos for Employee of the Month and Council presentations honoring Costa Mesa residents and/or groups.

Monarch Media's proposal did provide the city with the benefit of new, upgraded equipment, something the city is in desperate need of. The newer equipment would improve the quality of this service compared to our current equipment. In addition, their presentation to the evaluation team was also quite impressive for an upstart company staffed with young entrepreneurs.

## **FISCAL REVIEW:**

The preliminary FY 12-13 budget for in-house video production services is \$521,486. This amount includes \$186,007 for the Public Affairs/Communication Manager position, \$34,750 for fixed asset purchases related to production equipment and approximately \$30,000 of cost which would all still be necessary even if the City contracted out video production services. Therefore, the net cost of the City's in-house production services to compare more closely with the proposed cost received is \$270,729.

The City asked that proposals include cost estimates for current video services provided by the City. Monarch Media, ranked highest by the RFP review committee, submitted an annual price estimate of \$198,016, calculated at a \$52 per hour rate. Monarch would also charge \$52 per hour for extra services (and \$75 per hour if unscheduled work is performed outside of standard work hours). While Monarch's proposal of \$198,016, is \$72,713 less than the City's preliminary FY 12-13 budget, additional costs may increase this original proposal.

As stated earlier, the RFPs were released before the development of the daily "Costa Mesa Minute," a video presentations for residents and groups honored by the City Council, and multi-media Employee of the Month packages. The City of Costa Mesa's video production services perform both on- and off-air work, of which the City would incur additional costs if contracted out. These additional services would increase the cost of the proposal significantly.

Also, Costa Mesa's in-house team frequently acts as technical advisors to city departments who need support with their multi-media presentations. This service would be more difficult with an off-site vendor and could generate increased costs.

Ranked second by the RFP review committee was Master Video Services, which submitted an annual cost estimate of \$124,800, which included one full time and one part time staff at a rate of \$48 and \$24 per hour (overtime rates were \$60 and \$30 per hour) respectfully. Along with proposing less services hours than currently provided, they also included a list of fees for additional services which makes the analysis more difficult to compare due to staff not always knowing exactly what they need on a day to day basis. Therefore, staff would not recommend contracting with Master Video Services either.

**ALTERNATIVES CONSIDERED:**

The Council could consider selecting Monarch Media to provide video production services. The City would benefit from new video technology and a fresh visual style, but it also would be contracting with a relatively new company with no government experience.

**LEGAL REVIEW:**

No legal review is necessary.

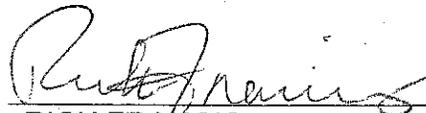
**CONCLUSION:**

The City Council should receive and file this report and continue with the City's in-house video production services, which provide value, quality, familiar branding and flexibility. The RFP process has served as a catalyst for the City's Video Production Department to explore new concepts and launch several new products such as the "Costa Mesa Minute" at no additional cost.



BILL LOBDELL

Director of Communications



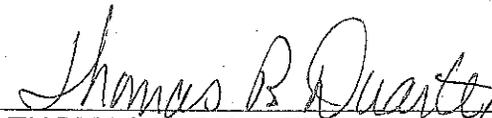
RICK FRANCIS

Assistant Chief Executive Officer



BOBBY YOUNG

Director of Finance



THOMAS P. DUARTE

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ATTACHMENTS: 1 RFP Determination Book