



# Pinellas County

## Staff Report

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**File #:** 19-2363A, **Version:** 1

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### **Subject:**

Third Amendment to the contract with Miles Partnership, LLLP for requirements of digital marketing services.

### **Recommended Action:**

Approval of the Third Amendment with Miles Partnership, LLLP (Miles) for requirements of digital marketing services.

- This contract is task order based and provides for development and management of the Convention and Visitors Bureau's websites, digital media marketing, analytics, search engine optimization and search engine marketing, etc.
- The requested increase to the agreement is \$2,000,000.00 (\$1M annually) for a revised annual expenditure of \$5,550,000.00 and total expenditure of \$22,850,000.00
- The increase is necessary to support planned direct digital media purchases for the purpose of influencing overnight visitation to the County.
- This contract was competitively solicited and awarded by the Board of County Commissioners on December 13, 2016.

Contract No. 156-0447-P (JJ); increase in the amount of \$2,000,000.00 for a revised total contract value of \$22,850,000.00 through December 31, 2021. The revised annual expenditure is a not to exceed \$5,550,000.00. Authorize the Chairman to sign and the Clerk of the Circuit Court to attest.

### **Strategic Plan:**

Foster Continual Economic Growth and Vitality

4.6 Support a vibrant community with recreation, arts and culture to attract residents and visitors

### **Summary:**

The Third Amendment increases the annual contract expenditure with Miles by \$1,000,000.00 annually to provide for additional budgeted digital media marketing expenditures through December 31, 2021 including paid search, display, social media and premiere publisher partnerships. This increase will allow the CVB to influence overnight visitation and grow the economic impact from tourism to the County.

### **Background Information:**

This contract provides for CVB's digital marketing services, consumer websites, departmental websites, and industry and niche micro-sites. Services include, but are not limited to website development and management, content creation and maintenance, concept development, SEO and SEM activities.

The consumer's journey from intent-to-travel, to booking, has become more complicated due to increased dependency on digital devices and shortened attention spans. This further complicates

the CVB's work in reaching the consumer during that journey. The Third Amendment will provide the funding necessary for the CVB to reach the consumer at as many different points in the travel journey as possible and influence their decision to travel to the destination with the goal of increasing tourism's economic impact to the County.

In addition, the CVB will use this increase to more effectively complement the traditional marketing funds currently invested in brand awareness through out-of-home, radio, TV, etc. This follows the current trend of leading brands who are increasing digital marketing budgets to close the gap between digital and traditional marketing.

The CVB uses Adara Impact, a third-party digital data tool, to track the ROI and effectiveness of its digital marketing program. In Fiscal Year (FY) 2019, the CVB expended \$2,555,000.00 on digital marketing which resulted in an economic impact of over \$78M generated in hotel revenue and more than \$4.6M in Tourist Development Taxes (TDT). The hotel revenue reflects more than a 30:1 return on investment. If approved, this amendment will increase the allocation dedicated to digital marketing to a total of \$3.55M. From this, the CVB anticipates a return of more than 20:1 in hotel revenue and TDT collections in excess of the program cost.

Associated costs for the digital program above the \$3.55M include \$177,500.00 for Total Acceleration/Ad Service Charge (a direct pass-through from Ad platforms), and \$528,840.00 for Miles' monthly management/optimization and reporting of the program.

On May 15, 2019, the CVB presented the \$1M increase to the Tourist Development Council during the annual Budget Workshop and the council members were in support of the increase.

The Board awarded this contract on December 13, 2016, for a sixty (60) month term. The County Administrator approved the First Amendment on June 27, 2017, for the purpose of clarifying reimbursement procedure. On July 17, 2018, the Board approved the Second Amendment to realign the digital media marketing program to Miles through December 31, 2021, from Birdsall, Voss and Associates, Inc.

**Fiscal Impact:**

Current approved to date expenditure not to exceed:	\$20,850,000.00
Increase expenditure not to exceed:	<u>\$ 2,000,000.00</u>
Revised total not to exceed expenditure thru 12/31/2021:	\$22,850,000.00
Revised annual expenditure:	\$ 5,550,000.00

Funding is derived from the Tourist Development Tax Fund.

**Staff Member Responsible:**

Steve Hayes, Director, Convention and Visitors Bureau  
Merry Celeste, Division Director, Purchasing and Risk Management, Administrative Services

**Partners:**

Tourist Development Council

**Attachments:**

Third Amendment