

**PORT OF SEATTLE**  
**MEMORANDUM**

**COMMISSION AGENDA**

|                        |                     |
|------------------------|---------------------|
| <b>Item No.</b>        | <u>5b</u>           |
| <b>Date of Meeting</b> | <u>Oct 27, 2009</u> |

**DATE:** October 14, 2009

**TO:** Tay Yoshitani, Chief Executive Officer

**FROM:** Jane Kilburn, Director, Public Affairs  
BJ Stokey, Senior Manager, International Tourism Development

**SUBJECT:** New Procurement for United Kingdom Tourism Representation Services

**Amount of This Request:** \$300,000 - \$450,000 **Source of Funds:** External Affairs/Public Affairs

**ACTION REQUESTED:**

Authorization for the CEO (Chief Executive Officer) to authorize all work, execute Category III procurement process for IDIQ (Indefinite Delivery, Indefinite Quantity) contract, and execute the contract for tourism representation services in the United Kingdom to maintain the Port's tourism marketing and promotional strategies and messages in this market. The initial period of performance of this contract will be one (1) year from the date of contract execution. The contract includes two one-year options to extend to be exercised at the Port's sole discretion. The estimated value of this contract is the \$300,000 to \$450,000 range for the three potential contract years combined.

**BACKGROUND/SYNOPSIS:**

Travel and tourism is a \$15.4 billion industry in Washington State. Statewide, the sector supports 150,800 jobs and \$1.1 billion in state and local tax revenue. In 2008, visitors to King County spent an estimated \$7.5 billion, or about half of total state tourism revenues, here. Over 50,000 local jobs are dependent on tourist dollars, and tourism generates about \$452.9 million in state and local tax revenues in King County. Tourists contribute directly to the Port's bottom line by traveling through the Airport to their destinations, and many embark on cruises from one of the Port's cruise terminals.

The Port's International Tourism Division works in partnership with Seattle's Convention and Visitors Bureau, Washington State Tourism and the private and public travel industry sector to contract with public relations firms in target foreign markets to develop and oversee a strategy to bring international visitors to the region. The partnership also includes private sector companies throughout the State committed to international tourism. Promotional efforts for the partnership focus on five overseas tourism markets that generate the most potential for Seattle, King County

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and the Puget Sound region: Japan, United Kingdom, France, China and Germany. Partnership activities for the Japan, France and China markets are included within a contract with the Seattle Visitors' and Convention Bureau that was approved by the Commission by unanimous consent in January of this year. Washington State Tourism holds the contract on behalf of the partnership for the German market. The representatives retained under these contracts have years of hard-to-duplicate experience that contributes to the development of effective marketing strategies, as well as providing valuable local contacts and "market intelligence" otherwise not available to us.

Even in an era of internet travel bookings, one of the most effective ways to promote international tourism to our region is to maintain an "on the ground" presence with media, travel industry and airline representatives in target foreign markets. These representatives promote Seattle, King County and Washington State to tourists who live in these countries. Like many aspects of "foreign policy," personal, on-going relationships with key players in these markets are essential. They allow the Port to build successful tourism programs and strategies with minimum investment, develop attractive tour product, and anticipate and react to changing market trends.

The Port's international tourism program, a section of the Public Affairs Department, leads the partnership effort in the United Kingdom. The representatives hired under this procurement act as partnership liaisons to the United Kingdom media and travel industry. The United Kingdom market effort is the longest sustained effort of all of the international tourism markets – 24 years. In accordance with the Port's new purchasing guidelines, we propose to solicit proposals for continued tourism representation in the United Kingdom for 2010 and beyond.

The United Kingdom remains the top generating overseas country (not including Canada and Mexico) to the United States and the second largest generator of international overseas traffic to Washington State. According to the Office of Travel and Tourism Industries/International Trade Administration, in 2008, 4,564,895 British tourists visited the United States from the United Kingdom. The travel profile for the U.K. visitor is a minimum of two weeks in a destination with travel generally by car which is an excellent fit for this destination. Presently 109 U.K. tour operators feature Seattle and Washington State as a destination. Product offerings include web programs, niche products like wine and birding tours, adventure product, fly-drive, cruise and city break options.

In 2008, an estimated \$1,527,446 was generated in media coverage for our region as a result of on-going tourism promotion programs. The media effort helps to publicize our destination to potential visitors as budgets do not provide for advertising campaigns in the traditional sense. It is even more important to continue to promote the state and region as an attractive destination during the economic downturn when competition for tourist dollars is even greater.

### **STRATEGIC OBJECTIVES:**

International tourism development supports the Port's strategic objective of developing and promoting economic growth and opportunities for the region and the Port. Travel and tourism is

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one of the largest industries in Washington State in terms of revenue. In 2008, the state of Washington generated \$15.4 billion in direct visitor spending, supporting 150,800 state jobs and contributing \$1.1 billion in state and local tax revenues. In King County alone, 53,410 jobs were supported from the tourism industry, with visitors spending \$7.5 billion in 2008. Direct tax receipts in King County resulting from travel spending amounted to \$452.9 million in 2008 (\$186.2 million in local taxes and \$266.7 in state taxes). Tourism also contributes to seaport and airport vitality by bringing passengers through our gateway at Seattle-Tacoma International Airport and to our cruise terminals.

### **PROJECT DESCRIPTION:**

Using IDIQ contracts provides the Port with a more efficient, cost-effective and flexible way to meet business requirements as they arise by issuing individual Service Directives to accomplish tasks with a general, pre-defined Scope of Work on an as-needed basis for a fixed period of time and a maximum contract amount. Competitively-bid IDIQ (Indefinite Delivery, Indefinite Quantity) contracts are a widely used public sector contracting tool, consistent with the Port's Resolution No. 3605 and governed by CPO-1 policy.

Under this contract we would receive services which include on-site tourism representation and consultant services in the United Kingdom, monthly management of a strategic tourism plan, representation on our behalf to the British travel industry and management of all duties required to promote Seattle, King County and Washington State as tourism destinations in the United Kingdom. Public Affairs will manage and oversee all programs, schedules and work processes.

### **SOURCE OF FUNDS:**

The first year contracted amount is included in the External Affairs/Public Affairs budget.

### **PROJECT SCHEDULE:**

An RFQ has been issued and advertised in accordance with CPO procedures and the first year of the contract would begin in January 2010 with a request for two one-year options to extend the contract through December 2012.