TO:   HONORABLE CITY COUNCIL
FROM:   CITY MANAGER        DEPARTMENT: ADMINISTRATIVE SERVICES
DATE:   JANUARY 16, 2007                              CMR: 101:07
SUBJECT: APPROVAL OF AGREEMENT WITH THE PALO ALTO WEEKLY IN THE AMOUNT OF $150,000 FOR NEWSPAPER ADVERTISING SERVICES

RECOMMENDATION
Staff recommends that Council:

1. Approve and authorize the City Manager to execute the attached agreement with the Palo Alto Weekly in an amount not to exceed $150,000 for legal and display advertising services for fiscal year 2006-07.

2. Authorize the City Manager or his designee to exercise the option to renew the contract for the second and/or third year provided the proposed cost of the renewal contract does not exceed the Consumer Price Index for all urban consumers (San Francisco - Oakland - San Jose, CA), the contractor is responsive to the City's needs, and the quality of the contractor's work is acceptable during the first year of the contract.

DISCUSSION
Scope of Services Description
The scope of work to be performed under the contract is the publication of the City’s legal and public notices and display advertisements. The Palo Alto Weekly newspaper was selected because of its large circulation in and around the Palo Alto area and its competitive rates. It is delivered to all Palo Alto households, with a distribution covering the mid-peninsula area of San Francisco. The Palo Alto Weekly charges the City $38 per unit per day, compared to a charge of $86.86 with the San Jose Mercury News for the same service. The Weekly offers the City a special discount off its standard commercial rate of $68.30 per square inch per day. In addition, the Weekly is a free weekly publication whose target audience is the local Palo Alto community. It would be impracticable to bid for advertising in newspapers in surrounding regions that do not directly serve the target market and have a cost associated with distribution.
RESOURCE IMPACT
Funding for this agreement is provided in the 2006-07 Budget. Individual blanket orders have been established with the following departments utilizing the terms in this agreement: Planning $30,000; City Clerk $29,000; Public Works Recycling $28,000; Utilities Marketing $20,000; Public Works Water Quality Control Plant $7,000; and Public Works Refuse $2,000. The individual blanket orders that have been established total $116,000, and may be increased up to a total amount of $150,000 as the year progresses.

POLICY IMPLICATIONS
This recommendation is consistent with current City policies

ENVIRONMENTAL REVIEW
This is not a project under the California Environmental Quality Act (CEQA).

PREPARED BY: ____________________________
KATHY BRADLEY
Contract Administrator

DEPARTMENT HEAD: ____________________________
CARL YEATS
Director, Administrative Services

CITY MANAGER APPROVAL: ____________________________
EMILY HARRISON
Assistant City Manager

ATTACHMENTS
Attachment A: Agreement