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**From:** Cohen, Alan <ALCOHEN@broward.org>

**Sent:** Monday, April 15, 2019 4:14 PM

**To:** Breece, Carol <CBREECE@broward.org>

**Subject:** RE: OIG's Request for CVB Policies and Procedures or Supplemental Status Report

Hello Jodie

Please see below our response to your April 2, 2109 requested update.

The County's previous update on February 4, 2019 indicated that the County was in the process of reviewing other Services needed by the CVB to establish written guidelines and processes to handle their day-to-day operational needs, and that some of these services may be covered under the exemptions authorized by the Procurement code. Rather than provide your office with another generalized statement, please find below a specific accounting of the outstanding issues and their status.

1. The CVB often provides deposits and other advance payments to caterers, entertainers and venues on behalf of its clients. There was a question as to whether these advanced payments were allowed and whether or not the Administrative Code had to be amended to cover these types of expenditures. The following paragraph contains the determination of the County Attorney's Office (CAO) that no amendment to the Code is required.

Section 13.32 of the Broward County Administrative Code was implemented in June of 2018. Pursuant to Section 13.32(c), CVB Sponsorship Agreements "may provide for advance payments or partial payments prior to the Event or Tourism Event, subject to the conditions and obligations set forth in the Agreement." It is our opinion that advance/partial payments made before an event in connection with a written CVB Sponsorship Agreement are not subject to Section 21.45 of the Broward County Administrative Code, which relates to Advance Payments for "maintenance and service contracts" and no amendment to the Code is necessary to address this scenario.

2. CVB staff attend annual conferences targeted at meeting and tourism industry personnel, who are often the key decision makers in where a future conference/meeting will be held or where tourists will travel to. At times, the CVB will also act as a sponsor of these meeting industry personnel conferences, for the purpose of inducing the meeting industry personnel attending the conference to hold more of their future meetings in Broward County or to encourage more leisure tourism to our area..

Section 13.31(h) of the Administrative Code provides “The CVB shall enter into incentive or sponsorship agreements ("Sponsorship Agreements"), in the manner set forth in Section 13.32, with entities or organizations in connection with, or in furtherance of, the promotion and advertising of Broward County as a tourism destination.” Section 13.32 goes on to say “The CVB may provide entities or organizations with monetary or nonmonetary Group Sponsorship Program ("GSP") incentives to induce them to hold an event or convention in Broward County (collectively, an "Event").”

It was not clear whether the CVB can consider the aforementioned meeting and tourism industry personnel conferences to be covered by the language in Sections 13.31 and 13.32. The next paragraph contains the determination of the CAO that this activity is not currently covered under our Code and a revision is required.

The question has been asked whether Sections 13.31 or 13.32 of the Broward County Administrative Code allows the CVB to Sponsor conferences targeted at meeting industry personnel, where the event takes place outside of Broward County. The purpose of sponsoring these events is to have the CVB participate to meet with, influence, and induce travel/tourism industry personnel attending the meetings to bring business to Broward County. While the intention of sponsoring these types of events makes logical sense and fits within the overall goal of the CVB, our opinion is that these sections of the Code do not provide for these types of sponsorships.

Our office recommends adding new subsections to 13.32 to address the sponsoring of events located outside of Broward County which will afford the CVB the ability to induce attendees (or organizations they represent) to hold an event or convention in Broward County. Please confirm this is the direction that CVB and County Administration wish to pursue and I will make the revision a priority project and we can discuss some time estimates for completion.

County Administration has confirmed with CAO that it wants to pursue this Code revision and CAO has provided an estimate of August to bring this item to the Board for its review and approval.

3. In many circumstances, the CVB is asked by one of the organizations holding an event in Broward County to secure a venue (e.g., hotel, reception location, etc.) selected by the organization for an event during their convention. In many circumstances, the CVB is providing financial support in the form of a sponsorship to the organization pursuant to Section 13.32 of the Broward County Administrative Code, either providing funding to the organization directly or through agreeing to pay the venue directly (for example, a Sponsorship Agreement may include an provision whereby the CVB agrees to sponsor

Organization A’s opening reception at the Museum of Science and Discovery by paying the Museum directly up to \$25,000.00). The CVB wanted to make sure that this type of situation did not run afoul of the County’s Procurement Code. The following paragraph contains the determination of the CAO that no amendment to the Code is required.

If the organization being sponsored has selected the venue and the organization is the party to the contract with the venue, then this is not a County procurement since the County/CVB is not contracting for goods or services. In the scenario I just described, all the CVB is doing is making an introduction, facilitating the agreement between the venue and the sponsored organization, assisting in getting the agreement signed, and making the payment under the terms of the Sponsorship Agreement with the organization. If the role of the CVB is going to be different (being a direct party to the agreement, etc.), the analysis may be different and I am looking into that further.

4. The CVB sometimes has a need to procure services for data compilation and other types of research for unplanned events, such as when a disease (e.g. Zika) or hurricane impacts our area and we need to determine what the impact on market perception is. In the past the CVB has procured these types of services through its marketing contractor. After discussions with the County Auditor and Director of Purchasing, it was determined that the best course of action moving forward it to establish a Qualified Vendor Library (QVL) for these types of services. CVB staff has entered a requisition with specifications into the purchasing system and Purchasing Division staff is now working on establishing this QVL.

Regarding the QVL reported on in the previous update, we're in the phase of doing reference checks on the firms that have responded to the solicitation. The goal is to bring this to the Board of County Commissioners for approval prior to the summer recess at the end of June. Within this QVL there are several lines (categories):

1. Audio, Visual and Lighting Services
2. Catering Services
3. Fireworks Services
4. Florist/Gift Baskets/Plant Rentals
5. Photography/Video Production
6. Decorators/Exhibition Services
7. Destination Management Company/special Event Production
8. Party Supplies/Rentals
9. Charter Yachts
10. Banners/Printing/Promo Items
11. Entertainment

Those are the outstanding items. Please let me know if you have any questions.

Thank you

Alan



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