



TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, City Manager

DATE: February 18, 2014

TITLE: Marketing agreement with Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America to provide utility service line warranties.

Recommendation

It is recommended that the City Commission approve a marketing agreement with Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America (SLWA), in substantially the form attached, to provide utility service line warranties to consumers, including use of the City of Fort Lauderdale Logo in marketing and authorize the City Manager to execute on behalf of the City.

Background

The National League of Cities and SLWA introduced a service line warranty program available to homeowners. The program provides low cost warranty protection for water and sewer lines.

Homeowners are eligible to purchase low-cost warranties, which provide repairs for broken or leaking utility lines up to \$4,000 for each occurrence. The homeowner warranties transfer the risk of costly repairs if the damage occurs between the City's water meter and the connection to the home. The service line repair work is performed by local, professional plumbers chosen by SLWA.

In accordance with the terms of the marketing agreement, SLWA will pay the City 10% of the revenue from warranty subscriptions collected from homeowners during the calendar year. The City agrees to cooperate with SLWA in marketing services to City homeowners. and grants SLWA use of the City's name and logos on letterhead and marketing materials to be sent to homeowners from time to time and use in advertising. The City will have the right to conduct an annual audit of SLWA's books and records pertaining to sales while this marketing agreement is in effect and for one year after termination of marketing agreement. The City shall also receive a brand license fee of \$37,500 spread across three years (Year 1 - \$18,750, year 2 - \$9,375 and year 3 – \$9,375). The City shall also receive a bonus license payment for three years called a penetration rate, which is based upon the number of products enrolled divided by the number of households mailed.

SLWA asked to include in the agreement the following:

- At the beginning, after the word “shall” of paragraph 13, SLWA added “to the extent required by applicable law”
- At the end of paragraph 13, SLWA added the following: “(e) Nothing contained in this agreement shall be deemed a waiver of the right of SLWA to dispute whether a requested document is required to be disclosed by applicable law.”

Resource Impact

There is a positive fiscal impact to the city in the amount of 10% of the revenue from SLWA warranty subscriptions collected from the neighbors during a calendar year, plus a brand license fee over three years in the amount of \$37,500, plus a possible bonus license payment over three years, based upon number of products enrolled divided by the number of households mailed.

As of January 31, 2014, the City has received \$16,181.48 from its existing relationship with SLWA.

Strategic Connections:

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Internal Support Cylinder of Excellence, specifically advancing:

- **Goal 12:** Be a leading government organization, managing resources wisely and sustainably.
- **Objective 3:** Provide safe, efficient and well-maintained vehicles, equipment and facilities and integrate sustainability into daily operations.

This item advances the *Fast Forward Fort Lauderdale Vision Plan 2035: We are United*.

Attachment

Exhibit 1 – SLWA Agreement

Prepared By: Michael F. Walker, Procurement and Contracts Manager
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Department Director: Kirk W. Buffington, Finance