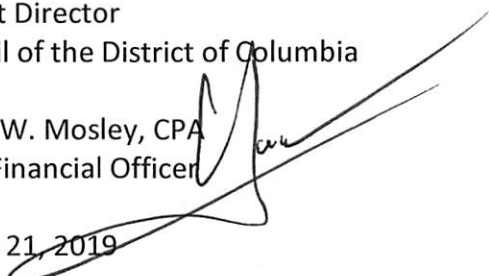


## MEMORANDUM

**TO:** Jennifer Budoff  
Budget Director  
Council of the District of Columbia

**FROM:** Henry W. Mosley, CPA  
Chief Financial Officer 

**DATE:** March 21, 2019

**RE:** Funding Certification for the Contract No. SO-19-002-0001847 with Washington, DC Convention and Tourism Corporation d/b/a Destination DC.

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The purpose of this memorandum is to provide funding certification for the Washington Convention and Sports Authority t/a Events DC ("Events DC") Contract with the Washington, DC Convention and Tourism Corporation d/b/a Destination DC ("Destination DC") (Contract No. SO-19-002-0001847).

The contract amount for the base period is (i) an annual amount equal to 86% of the dedicated hotel taxes deposited into the Washington Convention Center Marketing Fund pursuant to D.C. Code §§ 47-2002.03 and 47-2202.02, but in no event less than Four Million Dollars (\$4,000,000.00) annually; and (ii) pursuant to D.C. Code §§ 47-2002.03a and 47-2202.03a, revenues from the additional hotel tax that are dedicated to Events DC for transfer to Destination DC.

Please feel free to contact me if you have any questions.

cc: Gregory A. O'Dell, President and CEO, Events DC  
Nicole B. Jackson, General Counsel, Events DC

**CONTRACT SUMMARY**  
**WASHINGTON, DC CONVENTION AND TOURISM CORPORATION D/B/A DESTINATION**  
**DC**  
**Provision of Marketing Services**

**(A) Contract Number:**

**Proposed Contractor:** Washington, DC Convention and Tourism Corporation  
d/b/a/ Destination DC (“Destination DC”)

**Contract Number:** SO-19-002-0001847

**Contract Amount:** (i) 86% of the dedicated hotel taxes deposited into the Washington Convention Center Marketing Fund annually pursuant to D.C. Code §§ 47-2002.03 and 47-2202.02, but in no event less than Four Million Dollars (\$4,000,000.00); and (ii) pursuant to D.C. Code §§ 47-2002.03a and 47-2202.03a, revenues from the additional hotel tax that are dedicated to Events DC for transfer to Destination DC

**Unit/Method of Compensation:** Monthly Payments

**Contract Term:** Multi-Year; from date of award through September 30, 2023 with five (5) one-year options

**Contract Type:** Sole Source

**Source Selection Method:** Statutorily Required Marketing Agreement

**(B) The Contract amount for the base period and for each option period:**

The contract amount for the Base Period and each option period will be (i) an annual amount of 86% of the dedicated hotel taxes deposited into the Washington Convention Center Marketing Fund annually pursuant to D.C. Code §§ 47-2002.03 and 47-2202.02, but in no event less than Four Million Dollars (\$4,000,000.00); and (ii) pursuant to D.C. Code §§ 47-2002.03a and 47-2202.03a, revenues from the additional hotel tax that are dedicated to Events DC for transfer to Destination DC.

**(C) The goods or services to be provided, including a description of the economic impact of the proposed contract, the social impact of the proposed contract, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:**

- **Goods and services to be provided:** Destination DC will provide services to market the District of Columbia as a domestic and international location for meetings, conventions, tourism, leisure travel, and sports, entertainment and other special events.
- **Economic Impact:** Destination DC is a 501(c)(6) corporation. Award of this contract is mandated pursuant to D.C. Code § 10-1202.08a(e). Award of the contract will provide revenue to the District of Columbia through taxes generated from visitor spending in the District. In 2017 visitor spending in Washington, DC totaled \$7.5 billion, resulting in \$814 million in tax revenue for the District.
- **Social Impact:** The effect of the contract will be to market the District as a major national and international convention, meeting, sports and leisure travel destination, resulting in increased visitor spending in the District of Columbia. In 2017 the visitor spending in Washington helped support 75,048 local jobs.
- **Method of Delivering Goods and Services:** The services will be provided in accordance with the terms and conditions of the base Contract.
- **Significant Program Changes:** None.

**(D) The selection process, including the number of offerors, the evaluation criteria, and the evaluation results, including price, technical or quality, and past performance components:**

- **Selection process:** The contract was awarded pursuant to D.C. Code § 10-1202.08a. Events DC's Board of Directors Resolution No. 19-09 dated March 14, 2019 approving the award is provided as Tab 6.
- **Number of Offerors:** N/A
- **Evaluation Criteria:** N/A
- **Evaluation Results:** N/A

**(E) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District. Include the identity of the protestor, the grounds alleged in the protest, and any deficiencies identified by the District as a result of the protest:**

None.

- (F) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and performance on past or current government or private sector contracts with requirements similar to those of the proposed contract:**

Destination DC serves as the lead organization to market Washington, DC as a premier domestic and international convention, tourism and sports destination. By developing and executing centralized sales and marketing strategies, Destination DC generates economic development for the District through visitor spending. Destination DC is funded through its contract with Events DC, along with membership dues and co-operative marketing fees. Destination DC, through its predecessor organizations, has been marketing Washington, DC since 1931; in 2008 the organization adopted the trade name of "Destination DC".

- (G) A summary of the subcontracting plan required under section 2346 of the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 et seq. ("Act"), including a certification that the subcontracting plan meets the minimum requirements of the Act and the dollar volume of the portion of the contract to be subcontracted, expressed both in total dollars and as a percentage of the total contract amount:**

Not Applicable

- (H) Performance standards and the expected outcome of the proposed contract:**

Specific performance standards for Destination DC are set forth in the Contract.

- (I) The amount and date of any expenditure of funds by the District pursuant to the contract prior to its submission to the Council for approval:**

None.

- (J) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:**

Events DC's budget is separate from the financial plan and budget adopted by the District of Columbia in accordance with D.C. Code §§ 47-392.01 and 47-392.02. Pursuant to Public Law No. 105-227, Congress has exempted Events DC from the appropriation requirement set forth in the fourth sentence of Section 446 of the Home Rule Act (Public Law No. 105-227, 112 Stat. 1515 (August 12, 1998)). Events DC's Fiscal Year 2019 budget was adopted by its Board of Directors on March 15, 2018 and amended by the Board of Directors on December 13, 2018. By signature below, Events DC's Chief Financial Officer certifies that the Contract is consistent with the Fiscal Year 2019 budget.

The Marketing Fund from which payment for this contract will be made has been established, and is maintained, in accordance with D.C. Code § 10-1202.08a.

**(K) A certification that the contract is legally sufficient, including whether the proposed contractor has any pending legal claims against the District:**

As an independent corporate authority with a legal existence separate from the District (see D.C. Code § 10-1202.02(a)), Events DC is represented by its own General Counsel who serves as Assistant Secretary to its Board of Directors. 19 DCMR § 110.3. By signature below, the General Counsel certifies that the contract with Destination DC is legally sufficient, that Destination DC has no pending claims against Events DC, and that Events DC is unaware of any pending claims the contractor has against the District.

**(L) A certification that Citywide Clean Hands database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, either: (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District; or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding debt as provided under D.C. Official Code § 2-353.01(b):**

Destination DC is current with its tax obligations. See "Tab 4".

**(M) A certification from the proposed contractor that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:**

Destination DC is current with its tax obligations. See "Tab 4".

**(N) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended; D.C. Official Code § 2-218.01 *et seq.*:**

Destination DC is not a Certified Business Enterprise (CBE).

**(O) Other aspects of the proposed contract that the Chief Procurement Officer considers significant:**

None.

**(P) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:**

As of March 12, 2019, Destination DC was not found on the District or Federal Excluded Parties Lists.

**(Q) Any determination and findings issues relating to the contract's formation, including any determination and findings made under D.C. Official Code § 2-352.05 (privatization contracts):**

None.

**Submitted on behalf of the Authority by:**

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Gregory A. O'Dell  
President and  
Chief Executive Officer

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Nicole B. Jackson  
General Counsel



Henry W. Mosley, CPA  
Chief Financial Officer