


ADMINISTRATION MEMORANDUM

11-24

DATE: September 8, 2011

TO: Honorable Mayor Joyce Downing and City Council Members

FROM:  Bill Simmons, City Manager

SUBJECT: CR-86 – Service Line Warranty Program

Utility Services Private Label, Inc., d/b/a Service Line Warranties of America (SLWA) is requesting the City to enter into a marketing agreement wherein the City agrees to cooperate with SLWA in marketing its service to the City's residents and homeowners.

By entering into this Marketing Agreement, the City grants to SWLA a non-exclusive license to use the City's name and logo on letterhead, marketing and advertising materials to be sent to residents all at SWLA's sole cost and expense.

SWLA provides a home protection program that assists with the costs of unintended water and sewer line repair and replacement costs for broken or damaged utility lines that are not the responsibility of the City to repair.

There is no cost for the City to participate. As consideration for the City entering into the agreement, SWLA will pay to the City 10% of the warranty subscriptions collected from the residents in a calendar year. At the September 1, 2011, Study Session, Council discussed options for the use of the proceeds, including returning it to the subscribers.

STAFF REFERENCE:

Your comments are welcomed. Please contact William Simmons, City Manager at bsimmons@northglenn.org or 303-450-8709 with any questions or comments.

SPONSORED BY: MAYOR DOWNING

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-86
Series of 2011

Series of 2011

A RESOLUTION APPROVING THE MARKETING AGREEMENT BETWEEN THE CITY OF NORTHGLENN AND UTILITY SERVICE PARTNERS PRIVATE LABEL, INC. d/b/a SERVICE LINE WARRANTIES OF AMERICA

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The Marketing Agreement between the City of Northglenn and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America attached hereto as **Exhibit A**, is hereby approved, and the Mayor is authorized to execute the Marketing Agreement on behalf of the City.

DATED at Northglenn, Colorado, this ____ day of _____, 2011.

JOYCE DOWNING
Mayor

ATTEST:

JOHANNA SMALL, CMC
City Clerk

APPROVED AS TO FORM:

COREY Y. HOFFMANN
City Attorney

July 22, 2011

Mayor Joyce Downing
11701 Community Center Drive
PO Box 330061
Northglenn, CO 80233-8061

**RE: Marketing Agreement with Utility Service Partners Private Label, Inc. d/b/a
Service Line Warranties of America (“SLWA”)**

Dear Mayor Downing:

We have discussed entering into a marketing agreement between The City of Northglenn (the “City”) and SLWA.

SLWA provides affordable utility service line warranties to consumers. It is SLWA’s understanding that, in consideration of the License Fee (as defined below) to be paid by SLWA to City, City has agreed to cooperate with SLWA in marketing SLWA’s services to City’s residents and homeowners (the “Residents”) as described below:

1. City hereby grants to SLWA a non-exclusive license to use City’s name and logos on letterhead and marketing materials to be sent to the Residents from time to time, and to be used in advertising, all at SLWA’s sole cost and expense and subject to City’s prior review and approval, which will not be unreasonably conditioned, delayed, or withheld.
2. As consideration for such license, SLWA shall pay to City, within 30 days of the end of the calendar year, 10% of the revenue from USP warranty subscriptions collected from the Residents during such calendar year (the “License Fee”), together with a statement certifying collections of such USP revenue, so long as this marketing agreement remains in effect. City shall have the right, at its expense, to conduct an annual audit, upon reasonable notice and during normal business hours, of SLWA’s books and records pertaining to sales and rentals to the Residents while this marketing agreement is in effect and for one year after any termination of this marketing agreement.
3. The term of this marketing agreement will commence upon execution of the acknowledgement below and this agreement until December 31, 2011, and shall then renew on an annual basis on January 1 of each calendar year unless one of the parties gives the other advance written notice of at least 90 days that it does not intend to renew this marketing agreement. City may terminate this marketing agreement 30 days after giving notice to SLWA that SLWA is in material breach of this agreement if such breach is not cured during such 30-day period. SLWA will be permitted to complete any marketing initiative initiated or planned prior to the effective date of any termination of this marketing agreement and shall pay the License Fee to the City for the calendar year in which this marketing agreement is terminated after which time, except for SLWA’S obligation to permit City to conduct an audit as described above, neither party will have any further obligations to the other and the license described in this letter will terminate.
4. SLWA shall indemnify, hold harmless, and defend City, its elected officials, appointed officials, and employees from and against any loss, claim, liability, damage, or expense that any of them may suffer, sustain or become subject to in connection with any third party claim (each a

“Claim”) resulting from the negligence or willful misconduct of SLWA in connection with, arising out of or by reason of this marketing agreement, provided that the applicable indemnitee notifies SLWA of any such Claim within a time that does not prejudice the ability of SLWA to defend against such Claim.

If City agrees that the foregoing fully and accurately describes the agreement between City and SLWA, please arrange to have a duly authorized representative of City execute and date the acknowledgement below in each of the duplicate original versions of this letter and return one to me in the enclosed self-addressed stamped envelope.

If you have any questions or wish to further discuss this marketing agreement, please do not hesitate to contact me.

Very truly yours,

Utility Service Partners Private Label, Inc.

By: _____

Print Name: _____

Title: _____

By: _____

Print Name: _____

Title: _____

Acknowledged and Agreed:

City hereby acknowledges and agrees that the foregoing letter fairly and accurately describes the agreement between City and SLWA as of the date of this acknowledgement.

The City of Northglenn:

By: _____

Date: _____

Print Name: _____

Title: _____