



CITY MANAGER'S OFFICE

CITY HALL
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255
TELEPHONE: (408) 777-3223 • FAX: (408) 777-3366
CUPERTINO.ORG

CITY COUNCIL INFORMATIONAL MEMORANDUM

Date: March 7, 2023

To: Cupertino City Council

From: Pamela Wu, City Manager

Re: Response to Council Inquiries

Background: On June 21, 2022, Councilmembers Chao and Moore moved to provide the following direction to staff:

Bring back a future agenda item for a study session to review past partnership and support for Cupertino Chamber of Commerce and discuss options of future partnership with the Chamber.

Staff is working on drafting an agreement with the Chamber of Commerce. Responses to the remaining items numbered 1 - 10 are included in this memorandum.

Including information:

1. *Information on other cities and their relationship with Chamber*

In 2022, staff conducted research on 10 cities in the County and their relationship with the local Chamber of Commerce. All cities surveyed have partnerships with their Chambers. Only 4 out of the 10 cities surveyed had a formal agreement in place. Some cities have one-time agreements with their Chamber for specific projects. Funds provided to the Chambers in various cities have ranged from \$295 to \$1,461,601 annually.

The following table shows the details on the partnership other cities in Santa Clara County currently have in place with their Chambers.

City	Chamber Partnership (Yes/No)	Payment Amount to Chamber (annually)	Type of Agreement	Additional Details
Campbell	Yes	\$295 membership fee	No formal agreement	Annual membership
Gilroy	Yes	\$200,000	Formal agreement in place until FY 19-20	Collaborated on the Welcome Center. City paid the Chamber \$200,000 annually for the Economic Development Corporation function until FY 19-20.
Gilroy	Yes	\$15,000-\$20,000	No formal agreement	The Chamber facilitated business grants for the City and were paid 15% of each approved application.
Los Gatos	Yes	\$60,000	Formal agreement	Chamber operates the Visitor Center as well as Leadership Los Gatos
Milpitas	Yes	\$1,000 membership fee	No formal agreement	Chamber partners on economic development projects. Chamber representative serves on the Economic Development Trade Commission
Morgan Hill	Yes	\$550 membership fee	No formal agreement	Annual membership plus support for events and initiatives
Mountain View	Yes	\$10,000 (for Tech Showcase event)	Lease agreement	Chamber leases City-owned building for nominal rent. Visitor Center is also operated by the Chamber, City covers the rent

City	Chamber Partnership (Yes/No)	Payment Amount to Chamber (annually)	Type of Agreement	Additional Details
San Jose (these are one-time agreements, unless stated otherwise)	Yes	\$95,000 in 2009	Formal agreement with the Hispanic Chamber of Commerce in 2009	Chamber to help low to moderate income entrepreneurs in the City through programming and integration of newly formed businesses with Business Owner Place online platform
		\$50,000 in 2014	Formal agreement to San Jose Silicon Valley Chamber of Commerce in 2014	Chamber to develop a Business Development Strategy to support job growth, business retention, expansion, attraction, and promote City's positive attributes
		\$76,000 in 2017	Formal agreements with the Hispanic Chamber (\$40,000) and Black Chamber (36,000) in 2017.	Ethnic Chambers to provide technical assistance to small and ethnic businesses. City is currently negotiating a new agreement with the Hispanic Chamber for FY 22-23
		\$50,000 in 2018	Formal agreement with San Jose Silicon Valley Chamber in 2018	Chamber to provide services to enhance the environment for small business community, branding the City, workforce readiness of residents and meet with visiting international business delegations
		\$100,000 in 2020	Formal agreement with Black Chamber of Commerce (\$35,000) and Hispanic Chamber of Commerce (\$65,000) in 2020	Chamber to raise consciousness to buy local and focus on supporting local businesses impacted by COVID-19 and facilitating small businesses reopening
Santa Clara	Yes	\$1,461,601	Formal agreement (one-time) with Chamber in 2017	Chamber to provide Convention and Visitors Bureau Services

City	Chamber Partnership (Yes/No)	Payment Amount to Chamber (annually)	Type of Agreement	Additional Details
Saratoga	Yes	\$17,137 membership fee in 2022	Formal agreement	Chamber to provide services for walk-in, telephone, email, or fax requests on tourism & information materials, city information & materials, quarterly report
Sunnyvale	Yes	\$1,000 membership fee	No formal agreement	Annual membership

2. *What other payments are made to contracts which do not have any written agreements?*

The chamber is the only contract we are aware of that had a verbal agreement.

3. *What other payments are made for evergreen contracts, which will continue without any Council approval?*

The City's contract management system (Cobblestone) shows that there are no evergreen contracts.

The City has drafted a new Purchasing Policy, which is being reviewed by staff and the City's internal auditors for conformance with industry best practices and which will establish procedures for recurring procurement of goods and services from the same vendor. This review will include evergreen contracts. Once staff has completed their review, this policy will be brought to City Council.

4. *What process is there to confirm an invoice contains enough information to justify the amount of the invoice?*

The City has a multi-step process for invoice entry and approval. Department staff are responsible for reviewing the invoice and determining if there is sufficient information to pay. The same staff person enters the invoice and documentation into the City's financial system and routes it for approval. The invoice is then sent to a Supervisor or Analyst for invoice review and payment approval. This approval includes a review of the invoice for sufficient information for payment. Once approved the invoice is routed via the City's financial system for Finance's review. This review ensures an invoice is attached, the amount on the invoice and amount entered match and the selected account being billed to is reasonable.

5. *Whether Chamber qualifies for nonprofit fees for facility rental*

The Cupertino Chamber of Commerce is registered as a nonprofit and has received the nonprofit rental rate for booking City facilities. The Chamber provides the City the IRS 501 c Determination letter per City's [Fee Schedule](#) requirements.

6. *What communication methods do we have with all businesses who have Cupertino business licenses?*

There are several methods of communication in place for all business license holders in Cupertino including annual renewal notices, email, Business Connect newsletter, Cupertino Scene, and Minimum Wage Mailers.

7. *How do we support ALL Cupertino businesses?*

The Economic Development Division aims to connect with and support all new, existing, and even prospective businesses in the City. The Division works closely with various City departments including CDD, Administrative Services, IT, and Public Works, as well as external partners such as the SBDC, Chamber, and SVEDA to help understand the needs of our local businesses and share resources with them. In addition to these efforts, Economic Development staff has recently launched several initiatives to provide support to and connect with all businesses in Cupertino including the Cupertino Business Outreach Program, Business Connect Newsletter, and local economy survey, with more programs currently in the pipeline.

8. *Liability insurance certificate from Chamber or waiver signed by staff?*

Liability insurance is not required for groups renting facilities unless alcohol is being served. Organizations running festivals are required to provide liability insurance, and staff receives this insurance from the Chamber of Commerce.

9. *I Love Cupertino contract and subscription and itemized expenses*

In 2022, City Council had directed staff to provide a report on payments made by the City to the Chamber for I Love Cupertino Program. In 2018, per Council's direction at the time to develop the program, the City partnered with the Chamber to launch the I Love Cupertino program.

The amounts paid by the City for I Love Cupertino program are shown in the table below. These costs include design and development of the platform and concept implementation during program launch, as well ongoing cost for database subscription, website hosting and website maintenance. There have not been any invoices submitted or payments made for the program since July 1, 2021.

Fiscal Year	Cost
FY 17-18	\$30,215 Logo concept and design Program implementation Data subscription Website concept, design, layout and deployment Domains Social media content
FY 18-19	\$25,175 Data subscription Website hosting Website Maintenance
FY 19-20	\$5,556 - Member management subscription for business directory (Membee)
FY 20-21	\$4,224 - Member management subscription for business directory (Membee)
FY 21-22	\$0
FY 22-23	\$0
Total	\$65,170

10. Why IT Department did not help build the website

IT was not involved in this project. When this program was created, IT was working on multiple critical projects and would not be able to deliver to meet desired timeline. Therefore, staff did not ask IT to work on this project. Instead, staff partnered with the Chamber of Commerce to design and host the program.

Next Steps: Although the future agenda item added by Councilmember Moore and Councilmember Chao at the June 21 council meeting calls for a study session in order to get answers to the questions in this report, staff has addressed all the questions in detail via this informational memo. If Council wishes to discuss this further, this can be added as a future agenda item by Council.

Sustainability Impact: No sustainability impact.

Fiscal Impact: No fiscal impact.

Prepared by: Tina Kapoor, Economic Development Manager

Reviewed by: Matt Morley, Assistant City Manager
Chris Jensen, City Attorney

Approved for Submission by: Pamela Wu, City Manager