

Sole Source Purchase
UMSL Public Radio Station Underwriting Representation Services

In accordance with the Collected Rules and Regulations 80.010, the University of Missouri-St. Louis (UMSL) and St. Louis Public Radio (KWMU) request approval for the sole source purchase of Underwriting Representation Services, with Market Enginuity, Inc. (Enginuity), Phoenix, Arizona, for an estimated total cost of \$3,700,000 for a five-year term.

KWMU has outsourced administration and management of local public radio media underwriting sales to Enginuity for the past five years and desire to enter into another five-year contract. Enginuity is an integral part of daily operations of KWMU. They employ a sales manager and five account representatives whose offices are located at UMSL in the Grand Center building, the home of KWMU, alongside radio station staff.

Enginuity expects to generate \$2.3M in FY 20, which is 27% of total KWMU development revenue. The fee paid to Enginuity is 32% of underwriting and sponsorship sales obtained. Based on industry experience from KWMU leadership, this fee is a reasonable percentage of raising development revenue and is similar to some large and successful public radio stations in the country, including Chicago, Southern California and Washington, DC. It covers the six Enginuity employees, as well as industry specific marketing expertise of several corporate office staff, marketing and sales collateral, and benefits of Enginuity's leadership in specialized knowledge of public media underwriting marketing and sales.

At present, no other company can fulfill the unique public media niche provided by Enginuity. Their expertise has been gained through extensive experience in the public media industry that currently does not have competition. KWMU leadership consulted with Greater Public, a public media industry leader in providing innovative strategies for public media development, as to other firms available who can provide the same service as Enginuity. Greater Public confirmed no other firms currently exist that support public radio media underwriting sales.

Total estimated expenditure of \$3,700,000 for the five-year term will be paid from expected KWMU underwriting revenue of \$11,600,000. It is important to note the expenditure is directly related to the amount of underwriting and sponsorship sales. This source of development revenue is vitally important to sustaining KWMU station operations.

September 26, 2019

