

METROPOLITAN EXPOSITION-RECREATION COMMISSION

RESOLUTION NO. 70


Authorizing the Chairman and Secretary/Treasurer to execute a Marketing Services Agreement, identified as Exhibit A attached, with the Portland/Oregon Visitors Association (POVA), wherein POVA will provide national marketing of the Oregon Convention Center for the Metropolitan Exposition-Recreation Commission (Commission) for the period July 1, 1990 through June 30, 1993.

The Metropolitan Exposition-Recreation Commission finds:


1. That on January 17, 1990, the Commission passed Resolution No. 42 authorizing the General Manager to enter into negotiations with POVA to develop an agreement for the national sales and marketing of the Oregon Convention Center.
2. That MERC staff has prepared the attached Marketing Services Agreement and recommends that it be executed on behalf of the Metropolitan Exposition-Recreation Commission.

BE IT THEREFORE RESOLVED that the Chairman and Secretary/Treasurer are hereby authorized on behalf of the Metropolitan Exposition-Recreation Commission to execute the Marketing Services Agreement, which is attached to this resolution.

Passed by the Commission on June 13, 1990.



Chairman



Secretary/Treasurer

APPROVED AS TO FORM:



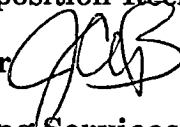
Metro General Counsel



1111 S.W. Broadway, Portland, Oregon 97205 • (503) 274-6555

June 11, 1990

MEMORANDUM

TO: Metropolitan Exposition-Recreation Commission
FROM: Jeffrey A. Blosser 
SUBJECT: POVA Marketing Services Agreement

Attached for your review is the Portland/Oregon Visitors Association Marketing Services Agreement for July 1, 1990 through June 30, 1993. The Agreement includes the Budget and Scope of Work for the first year, Fiscal Year 1990-91.

Background

On January 17, 1990, the Commission passed Resolution No. 42 authorizing the General Manager to enter into negotiations with POVA to develop a three-year agreement for the national sales and marketing of the Oregon Convention Center.

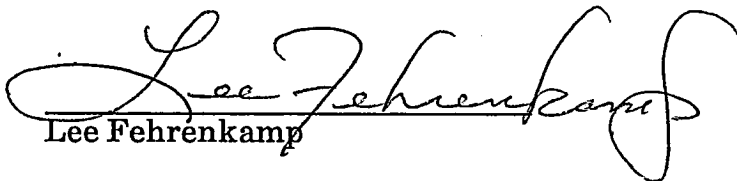
On February 14, 1990, the Commission approved the FY 1990-91 Budget which allocates \$1,189,415.00 for the period from July 1, 1990 through June 30, 1991 to POVA to continue their national marketing program for the Oregon Convention Center.

Recommendation

Staff recommends that the Commission authorize the MERC Chairman and Secretary/ Treasurer to execute the attached Marketing Services Agreement.

JAB/II
Attachment

General Manager's Concurrence:


Lee Fehrenkamp

Metropolitan Exposition - Recreation Commission

MARKETING SERVICES AGREEMENT

THIS AGREEMENT dated this 13 day of June, 1990, is between the METROPOLITAN EXPOSITION-RECREATION COMMISSION [hereinafter referred to as "COMMISSION"], which was established by the Metropolitan Service District, a municipal corporation, and whose address is 2000 S.W. First Avenue, Portland, Oregon 97201-5398, and the PORTLAND/OREGON VISITORS ASSOCIATION [hereinafter referred to as "CONTRACTOR"] whose address is 26 S.W. Salmon, Portland, Oregon 97204, for the period of July 1, 1990, through June 30, 1993.

WITNESSETH:

CONTRACTOR AGREES:

1. For the period July 1, 1990 to June 30, 1991, to perform the services and deliver to the COMMISSION the materials described in the Scope of Work attached hereto; for subsequent fiscal years the Scope of Work shall be modified as provided for herein;
2. To provide all services and materials in a competent and professional manner in accordance with the Scope of Work;
3. To comply with all applicable provisions of ORS Chapters 187 and 279, and all other terms and conditions necessary to be inserted into public contracts in the State of Oregon, as if such provisions were a part of this Agreement;
4. To maintain records relating to the Scope of Work on a generally recognized accounting basis and to make said records available to the COMMISSION at mutually convenient times;
5. To present to the COMMISSION quarterly and year-end financial statements and progress reports on CONTRACTOR's budget, sales activities and DBE/WBE goals as described by the COMMISSION's Purchasing Guidelines. An independent certified audit will be presented to the COMMISSION upon its completion each year for activities conducted during each fiscal year.

6. To indemnify and hold the COMMISSION, Metro, and their agents and employees harmless from any and all claims, demands, damages, actions, losses

and expenses including attorney's fees, arising out of or in any way connected with its performance of this Agreement; and

7. To comply with any other "Contract Provisions" attached hereto as so labeled.

8. To evaluate and assess the current advertising / marketing program and provider of such services during Fiscal Year 1990-1991. CONTRACTOR shall, upon request by Commission, conduct a process for such evaluation to include accepting proposals from other advertising providers. This may be a formal or informal process with participation by pertinent Commission staff. Such a process will determine if a new company will provide necessary advertising / marketing services for CONTRACTOR.

THE COMMISSION AGREES:

1. For the period July 1, 1990 to June 30, 1991, to pay CONTRACTOR for services performed and materials delivered in the maximum sum of ONE MILLION ONE HUNDRED EIGHTY-NINE THOUSAND FOUR HUNDRED FIFTEEN and NO/100THS DOLLARS (\$1,189,415.00) and in the manner and at the time designated in the Scope of Work, as set forth in the FY 1990-91 operating budget of the COMMISSION adopted in Resolution No. 46 on February 14, 1990; for subsequent fiscal years payments to CONTRACTOR shall be determined as provided for herein;

2. To exclusively maintain the bookings schedule, "The Book", for the Oregon Convention Center events for the efficient management and operation of the OCC facility and to assure that the policies established by the COMMISSION are adhered to and maintained, while allowing CONTRACTOR authority to hold dates and space at the OCC facility eighteen months and beyond in concert with their marketing efforts.

BOTH PARTIES AGREE:

1. The term of this Agreement shall be for the period commencing July 1, 1990, through and including June 30, 1993;

2. That the COMMISSION may terminate this Agreement upon giving CONTRACTOR thirty (30) days' written notice without waiving any claims or remedies it may have against CONTRACTOR;

3. That, in the event of termination, the COMMISSION shall pay CONTRACTOR for services performed and materials delivered prior to the date of termination; but shall not be liable for indirect or consequential damages;

4. That, in the event of any litigation concerning the Agreement, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to an appellate court;

5. That this Agreement is binding on each party, its successors, assigns and legal representatives and may not, under any condition, be assigned or transferred by either party; and

6. That this Agreement may be amended only by the written agreement of both parties.

PORTLAND/OREGON VISITORS
ASSOCIATION

THE METROPOLITAN EXPOSITION-
RECREATION COMMISSION

By: _____
EXECUTIVE DIRECTOR

By: Ted C. M.
CHAIRMAN

Date: _____

By: Stephen Walsh
SECRETARY/TREASURER

Date: 6-13-90

APPROVED AS TO FORM:

D. A. Rose
METRO GENERAL COUNSEL

CONTRACT PROVISIONS

I. Determination of Scope of Work for Fiscal Years 1991-1992 and 1992-1993:

A. By November 1, 1990 and November 1, 1991, CONTRACTOR shall provide COMMISSION's General Manager with preliminary estimates of a budget and scope of work for the subsequent fiscal year.

B. Thereafter, CONTRACTOR and COMMISSION shall negotiate in good faith to develop a scope of work and budget with a goal of approving a final scope of work and budget at the COMMISSION's first meeting in January.

C. The scope of work for Fiscal Year 1991-1992 and 1992-1993 shall be as adopted by the COMMISSION in its annual budget process subject to formal approval and adoption of the COMMISSION's budget and as agreed to by CONTRACTOR. Failure of the COMMISSION to adopt a budget or approve a scope of work agreed to by CONTRACTOR for a subsequent fiscal year shall cause this Agreement to terminate at the end of the current fiscal year .

II. First Opportunity Program

To the maximum extent possible, CONTRACTOR shall provide a first opportunity hiring program for all positions funded pursuant to this contract. The program shall be consistent with the COMMISSION's adopted first opportunity hiring program and shall offer employment opportunities to the target area as defined by the COMMISSION. CONTRACTOR's program shall be approved by COMMISSION's General Manager.

SCOPE OF WORK

This scope of services outlines tasks, the proposed time schedule and budget requirements for a continuation of long-range national and international marketing activities for the Oregon Convention Center by CONTRACTOR for the twelve-month period from July 1, 1990, to June 30, 1991. The project will be conducted by the CONTRACTOR under the direction of the CONTRACTOR's Executive Director.

SERVICES/PRODUCTS PROVIDED:

CONTRACTOR will provide the following services and/or products:

1. Direct Sales

These services constitute all CONTRACTOR's direct, person-to-person sales work required to obtain commitments for future use of the Oregon Convention Center for conventions and trade shows. Included are telephone calls and correspondence by sales staff with some 3,100 organizations known to need convention center facilities. The work also involves attendance and exhibits at trade shows where these potential clients gather in large numbers. Also included are familiarization visits, bringing prospects to Portland either in groups or individually.

CONTRACTOR's direct sales program is led by the director of sales and supported by four national sales managers, one regional sales manager and an east coast sales manager located in Washington, D.C. The Washington, D.C. sales office is budgeted at \$119,795.

Substantial direction and participation in sales work is provided by the executive director.

| | | |
|--------------------|------------------------|------------------|
| Budgeted Expenses: | Salaries and Benefits | \$445,285 |
| | Overhead | 96,185 |
| | Materials and Services | <u>145,042</u> |
| | | <u>\$686,512</u> |

2. Marketing and Advertising

Spending in this area includes design and placement of advertising, direct mail pieces and collateral pieces to reach the total market of potential convention center users. Of the 3,100 meetings and trade shows held annually in the U.S. requiring convention center facilities, the CONTRACTOR shall develop and implement an advertising campaign that is carefully targeted to a select few major national trade publications read by most of this market.

Supporting the advertising, the CONTRACTOR shall conduct a direct mail campaign, at least three times a year, targeting at least 600 most promising potential clients. CONTRACTOR shall develop and distribute three new direct mail pieces.

Included in this category is the reprinting of collateral pieces at a cost of \$35,000.

CONTRACTOR shall conduct market research as needed to assess the effectiveness of the advertising and sales effort with a written report to the COMMISSION on a quarterly basis. Baseline data gathered will provide a point of comparison for measuring the success of convention center marketing strategies over time.

Budgeted Expenses: Materials and Services \$254,000

3. Public Relations

This category supports convention sales and promotion by leveraging non-paid editorial and media coverage of the Portland region as a convention destination. CONTRACTOR will produce news and feature articles describing and promoting the convention center in national trade and consumer publications. Locally, it will create public awareness of convention center successes -- important bookings, construction milestones, grand opening activities, etc. On the local level, public relations activities will be coordinated with those of the Commission staff and Metro public affairs staff.

| | | |
|--------------------|------------------------|------------------|
| Budgeted Expenses: | Salaries and Benefits | \$ 31,350 |
| | Overhead | 6,772 |
| | Materials and Services | <u>23,046</u> |
| | | \$ <u>61,168</u> |

4. Convention Services

The convention services program takes over after the sales have been made to assist convention organizers with hotel reservations, transportation, conference programming, registration, spousal programs and tour packages, and off-property meal functions. A favorable impression is essential to develop Portland's reputation as a convention city and to attract repeat business.

In this fiscal year, the CONTRACTOR will direct a large percentage of its efforts to the conventions that have booked the convention center for 1990 and 1991. This work will include developing of housing programs, conducting on-site inspections, negotiating contracts with hotels, and participating on local host committees.

| | | |
|--------------------|------------------------|------------------|
| Budgeted Expenses: | Salaries and Benefits | \$ 51,352 |
| | Overhead | 11,092 |
| | Materials and Services | <u>19,291</u> |
| | | \$ <u>81,735</u> |

5. Special Grand Opening Marketing

In correlation with the OCC Grand Opening, CONTRACTOR will direct certain marketing efforts to enhance their exposure in the convention industry.

| | |
|------------------------|-------------------|
| Materials and Services | \$ <u>106,000</u> |
|------------------------|-------------------|

COMPENSATION

1. The COMMISSION shall pay CONTRACTOR up to the maximum of \$1,189,415 for CONTRACTOR's actual and reasonable cost in performing this Agreement according to the following provisions.

2. CONTRACTOR's budget for the performance of services under this Agreement is \$1,189,415. The budget breakdown for major project elements is shown below:

| | |
|---------------------------------|---------------------|
| Direct Sales | \$ 686,512 |
| Marketing and Advertising | 254,000 |
| Public Relations | 61,168 |
| Convention Services | 81,735 |
| Special Grand Opening Marketing | <u>106,000</u> |
| | \$ <u>1,189,415</u> |

Breakdown by major type of expenditure is:

| | |
|------------------------|---------------------|
| Salaries and Benefits | \$ 527,987 |
| Overhead | 114,049 |
| Materials and Services | <u>547,379</u> |
| | \$ <u>1,189,415</u> |

3. Payment will be on a quarterly basis as an advance on anticipated expenditures over the coming three months. CONTRACTOR shall submit invoicing as follows:

On the 15th of each month beginning a calendar quarter, the CONTRACTOR shall submit and invoice accompanied by financial statements and a short report summarizing progress. The invoice shall:

- a. Summarize and document actual and reasonable costs incurred by major element identified under this Agreement as of the most recent accounting period.
- b. Summarize all past payments made to CONTRACTOR under this Agreement.
- c. Calculate the difference between past payments and actual expenses under this Agreement.

d. Estimate the costs to be incurred under this Agreement during the succeeding quarter, broken down by major project elements. (The invoice in advance of the first quarter's activities will contain this information only.)

e. Calculate a total due from the COMMISSION as the difference of (c) and (d) as described above.

4. CONTRACTOR shall maintain records which comply with generally accepted accounting practices to support all estimated billings and subsequent spending. CONTRACTOR shall maintain records documenting actual time spent on Oregon Convention Center work.

5. Expenditures shall be documented as appropriate, such as by itemized invoices from advertising agencies, printers and market research firms. All expenditures made by CONTRACTOR pursuant to this Agreement shall be reasonable under the circumstances.

6. Billings for staff services shall display the hours charged by CONTRACTOR at an hourly rate, including benefits, not to exceed:

| | |
|-----------------------------|---------|
| Executive director | \$63.50 |
| Director of sales | 37.00 |
| Sales manager | 26.00 |
| Convention services manager | 23.00 |
| Public relations manager | 30.50 |
| Secretary | 12.50 |
| Records/research | 10.00 |

7. CONTRACTOR will invoice the COMMISSION only for expenditures related to marketing the Oregon Convention Center. In the case of expenditures benefiting also other purposes, CONTRACTOR will bill the COMMISSION in proportion to the benefit of the expenditure to the Oregon Convention Center.

8. CONTRACTOR may include, in costs billed for staff services, reasonable and necessary overhead. CONTRACTOR's overhead allocation plan is shown in Attachment A.

9. At the conclusion of the contract period, actual overhead shall be calculated based on actual expenses, and the COMMISSION shall pay or be rebated the difference between estimated overhead allocated to this Agreement and actual overhead allocated to this Agreement, providing that in no event shall the maximum sum due from the COMMISSION pursuant to this Agreement be exceeded.

10. The cost of rent and operating costs for the Washington, D.C. office shall be eligible for reimbursement and are not part of the overhead calculation, which is limited to costs of operating the Portland office of CONTRACTOR.

11. The COMMISSION shall pay all approved invoices within 30 days of receipt.

SUBCONTRACTED WORK

When any subcontractors are retained to be used in the performance of this Agreement, CONTRACTOR agrees to make a good faith effort to reach the goals of subcontracting seven percent (7%) of the contract amount to disadvantaged businesses and five percent (5%) of the contract amount to women-owned businesses. CONTRACTOR shall comply with all relevant provisions of the COMMISSION's approved Purchasing Guidelines.

REVIEWS

CONTRACTOR will report as outlined in Paragraph 5, under "Contractor Agrees" of Marketing Services Agreement, to the COMMISSION with respect to progress on the tasks outlined above including quarterly sales reports, budget reports and DBE/WBE participation. CONTRACTOR will meet with the COMMISSION staff as requested in order to review draft materials and plans and to preview all advertising, collateral and direct mail materials prior to their public release.

COORDINATION AND COMMUNICATION

The CONTRACTOR will closely coordinate activities under this Agreement with the COMMISSION staff, particularly the convention center marketing staff and OCC Manager. Coordination will be achieved by such means as:

- * Regular sales meetings.
- * Coordination with sales staff to follow up leads.
- * Coordination of bookings.
- * Marketing meetings at key points in development of advertising and collateral materials.
- * Coordination of sales efforts at national conventions and trade shows.
- * Other communication as needed.
- * Coordination of computerization, both at the Convention Center and CONTRACTOR's office, as well as the sharing of information as a result of the computer linkage.

VISITOR INFORMATION CENTER

Objectives of Visitors Information Center - OCC

The objectives of operating a Visitors Information Center (VIC) at the Oregon Convention Center (OCC) are:

▶ To provide convention delegates and others attending functions at the OCC with information on local, regional and statewide attractions, activities, resorts, lodging, restaurants, etc., and to encourage these visitors to extend their visit in Oregon and/or to make a return trip.

▶ To provide an attractive space that informs and educates visitors about what to see and do in the city, in the region and in the state through brochure racks and displays in a way that is functional both when the Center is staffed and is not staffed.

▶ To provide OCC facility information and to serve as a gathering area for OCC facility tours for the general public (OCC Public Tour Program).

VIC-OCC Administration and Management

The VIC-OCC programming and operations will be administered by CONTRACTOR with direct coordination with the OCC management and quarterly reporting to MERC and P/OVA Boards. The Public Tour Program schedule and timing will be directly coordinated with OCC management. The VIC will be networked into the State Welcome Center Program through training, brochure procurement and overall information coordination.

VIC-OCC Staffing

Staffing will include one full-time supervisor responsible for the Center's operation and one part-time visitor service representative for weekend coverage (see hours of operation). Salaried staff will be supplemented with volunteers. CONTRACTOR will be responsible for hiring the full-time supervisor and the part-time representative and will work with OCC and COMMISSION management to recruit volunteers. Salaried staff and volunteers will both serve in the VIC as well as provide scheduled facility tours for the public. Such cross-training provides job enrichment generally not available at other visitor centers or in other tour programs.

VIC-OCC Staff Training

CONTRACTOR will be responsible for staff (both paid and volunteer) training, visitor servicing and visitor tracking. All staff and volunteers will participate in the "We Put the Oh! in Oregon" program in addition to other visitor services training. CONTRACTOR will coordinate with OCC staff on facility information and the development and implementation of the facility public tour program.

Collateral Materials

CONTRACTOR will be responsible for securing and inventorying all collateral material including continuous loop videos. CONTRACTOR will follow the State Tourism Division's "Guidelines for Tourism Brochure Distribution at State Welcome Center". Brochure updating and stocking will be CONTRACTOR's responsibility.

Hours of Operations

Because this is a new venture for both CONTRACTOR and COMMISSION, it is recommended that staffing needs be closely monitored and remain somewhat flexible for an initial period of time. It may be desirable to have the center staffed only when the facility is in use. Having the facility staffed during weekends for the first six months may be desirable to support the public tour program. Following is a suggested staffing schedule:

First Six Months: 8:30 a.m. to 5:00 p.m., Monday-Friday
11:00 a.m. to 4:00 p.m., Saturday & Sunday

Beginning April 1991: 8:30 a.m. to 5:00 p.m., Monday-Friday
Weekends when facility in use

Tracking of Visitor Audience/Inquiries

CONTRACTOR will be responsible for developing and implementing a visitor inquiry / center usage tracking system. Numbers of visitors seeing the center will be tracked as well as type of information requested and center visitor demographics. A monthly tracking report will be submitted to OCC management and a quarterly tracking report will be submitted to COMMISSION by CONTRACTOR.

Funding

Funding for the VIC-OCC will be a joint venture between CONTRACTOR and COMMISSION. COMMISSION will provide operations support and all materials relating to the facility; CONTRACTOR will provide staffing and management support.

Review

Given that this is a new venture, both COMMISSION and CONTRACTOR management may review this portion of the agreement at any time, and upon concurrence by both parties duly acknowledged in writing, make changes and/or adjustments as are deemed necessary.