

METROPOLITAN EXPOSITION RECREATION COMMISSION

Resolution No. 03-39

For the purpose of amending the Personal Services Agreement between the Metropolitan Exposition Recreation Commission and Front Row Marketing Services, Inc. and authorizing the General Manager to execute the amendment on behalf of the Commission.

Whereas, in Resolution No. 02-10, the Commission selected Front Row Marketing Services, Inc. ("Front Row Marketing") to provide consulting services related to the assessment, identification and development of a sponsorship, advertising and naming rights program in two phases, and such agreement was executed by the General Manager; and

Whereas, as required by Phase I of the agreement, Front Row Marketing provided the Commission with the results of a comprehensive analysis of value and benefit associated with a sponsorship, advertising, and naming rights program; and

Whereas, Phase II of the agreement has begun and the sales process is now underway to execute Phase II of the Personal Services Agreement; and

Whereas, MERC staff recommends extending the term of the agreement for selling purposes and changing the sales commission structure of the original agreement; and

Whereas, MERC Purchasing Policies Section 1.3.2 requires Commission approval when the aggregate cost increase resulting from all amendments to a personal services contract exceeds twenty percent of the initial contract amount, or the threshold dollar amount triggering formal purchasing requirements, whichever is greater.

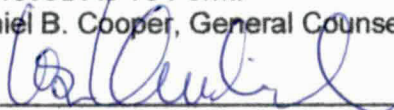
THEREFORE BE IT RESOLVED that the Metropolitan Exposition Recreation Commission approves the third amendment to the Front Row Marketing Services Agreement, in a form substantially similar to the attached Exhibit A, and authorizes the General Manager to execute the Amendment.

Passed by the Commission on August 27, 2003.


Chair


Secretary-Treasurer

Approved As To Form:
Daniel B. Cooper, General Counsel

By: 
Lisa Umscheid, Senior Assistant Counsel

MERC Staff Report

Agenda Item/Issue: Amend the Personal Services Agreement between the Metropolitan Exposition Recreation Commission and Front Row Marketing Services and to extend the agreement.

Resolution No.: 03-39 **Presented By:** Jeffrey A. Blosser **Date:** August 27, 2003

Background and Analysis: The MERC Commission selected and contracted with Front Row Marketing Services to provide consulting services related to the assessment, identification and development of a sponsorship, advertising and naming rights program in two phases. Front Row Marketing provided the Commission with the results of Phase I Scope of Work with a comprehensive analysis of value and benefit associated with the Phase I assessment. Phase II of the program was then approved by the Commission and Front Row proceeded with the sales process, in terms of hiring a sales person, marketing material development and public relations to announce the effort. Several meetings with potential clients have also been scheduled through August 15, 2003.

Fiscal Impact: The fiscal impact is \$6,300 per month to be split among all of the MERC facilities, plus expenses to be approved in advance. Expenses not to exceed \$1,000 per month.

Recommendation: Staff recommends that the Metropolitan Exposition Recreation Commission authorize an amendment and extension to the Personal Services Agreement between the Metropolitan Exposition Recreation Commission and Front Row Marketing Services and directs the General Manager to execute the amendment and extension.

**THIRD AMENDMENT TO THE PERSONAL SERVICES AGREEMENT
BETWEEN MERC AND FRONT ROW MARKETING SERVICES**

This Third Amendment to the Personal Services Agreement ("Third Amendment") is entered into this ___ day of _____, 2003 by and between the Metropolitan Exposition-Recreation Commission (hereinafter "MERC") and Front Row Marketing Services, Inc. (hereinafter "Contractor").

RECITALS

A. MERC and Contractor are parties to a Personal Services Agreement ("Agreement") with an original term of April 1, 2002 to June 1, 2003.

B. MERC and Contractor mutually desire to amend the Agreement to extend the term of the Agreement and to provide for additional payments for Contractor's services during the extended term.

NOW, THEREFORE, in consideration of the mutual covenants of the parties, the parties agree as follows:

1. The term of the Agreement, originally dated April 1, 2002, is extended for the period commencing June 2, 2003 and ending May 31, 2005.

2. Contractor shall furnish all labor, materials, equipment, and technical and professional services, as well as any related items required, to provide the services described in the Agreement's Scope of Work as "Phase II."

3. Upon the execution of this Third Amendment, MERC shall pay Contractor a lump sum payment of \$10,000 (\$6,500 of this amount is for services and \$3,500 of this amount is for startup expenses for the sales person).

4. Commencing on August 1, 2003, MERC shall pay Contractor a monthly payment of \$6,533 for the remainder of the term of this Amendment.

5. The total sum of any commissions Contractor earns (as described in paragraph 6, below) shall be reduced by the amount of one-half of the \$6,500 payment required by paragraph 3 of this Third Amendment plus one-half of the total of all Phase II monthly fees paid by MERC, whether paid to Contractor during the original term of the Agreement or during the extended term provided by this Third Amendment. In addition, any commissions due to Contractor for Phase II services will also be reduced by \$22,500 (one-half of all fees paid by MERC for Phase I work).

6. Paragraph B(3) of the payment section of the Agreement is hereby amended in its entirety as follows:

“B3. In the event that MERC realizes revenue from naming rights, advertising, or sponsorship agreements entered into by MERC during Phase II as a sole result of the work and efforts of Contractor during Phase I, MERC shall pay Contractor a commission as follows:

a. For any naming rights agreement, MERC shall pay Contractor a commission in the amount of seven percent (7%) of the total revenue MERC actually receives from the naming rights agreement. A naming rights agreement is defined as any facility, portion of a facility, room or space that is permanently renamed as a result of the Contractor’s process and approved by MERC, Metro and/or the City of Portland.

b. For any sponsorship agreement with a beverage supplier, MERC shall pay Contractor a commission in the amount of five percent (5%) of the total revenue MERC actually receives from the beverage sponsorship agreement.

c. For advertising or sponsorship agreements other than naming rights agreements and beverage sponsorship agreements, MERC shall pay Contractor a commission in the amount of ten percent (10%) of the total revenue MERC actually receives from the agreements.

d. MERC shall pay any commissions owed in three equal installments over a three-year period beginning on the date MERC actually receives the revenue from the agreements.

e. MERC shall be required to pay commissions to Contractor only if MERC enters into a naming rights, advertising, or sponsorship agreement during the time that this agreement with Contractor is in effect. MERC is not required to pay commissions to Contractor for naming rights, sponsorship, or advertising agreements MERC enters into after this agreement with Contractor is terminated or expires.”

7. All other provisions of the Agreement, as amended by the August 3, 2002 Amendment and the September 25, 2002 Amendment, shall remain in effect through the term of this Third Amendment, unless sooner terminated by the mutual agreement of the parties.

8. This Third Amendment, together with the Personal Services Agreement, the August 3, 2002 Amendment and the September 25, 2002 Amendment, constitute the entire agreement and understanding between MERC and Contractor. No provision of this Agreement may be modified unless mutually agreed to in writing, signed by both parties.

MERC

FRONT ROW MARKETING SERVICES,
INC.

By: _____
Its: _____

By: _____
Its: _____

Date: _____

Date: _____