



## CLIENT SERVICES CONTRACT

When completely executed by the undersigned, this writing shall constitute a binding contract (hereinafter "Agreement") between Explore Butte County (hereinafter "Client") and PORTER COMMUNICATIONS, INC. (hereinafter "PCI") as of the date of execution of this Agreement concerning services, materials, and intellectual property to be provided by PCI and the fees, commissions and other compensation to be paid by Client to PCI. PCI and Client shall hereinafter be referred to herein as the "Parties".

### 1. CONDITIONS

This Agreement will not take effect, and PCI will have no obligation to provide such services as are defined herein, until Client returns a signed copy of this Agreement.

### 2. APPOINTMENT AND AUTHORIZATION OF AGENCY

Client agrees to retain and appoint PCI to perform such services as are described in the "**Schedule of Rates**" attached hereto, subject to the terms and conditions of this Agreement. Client agrees to appoint PCI to act as its authorized agent with full actual authority to enter into contracts with third parties on behalf of Client to provide such services and otherwise effectuate the purposes of this Agreement. Client shall be solely responsible to such third parties for all payments due to such third parties under such contracts as PCI may enter into with third parties on behalf of Client.

### 3. SCOPE OF SERVICES

Client hereby engages PCI to provide a variety of services, materials, and intellectual property which may include but is not limited to those activities (hereinafter, "Services") as are listed in the Scope of Work and Schedule of Rates which is attached hereto and incorporated herein. PCI shall not incur any obligations or provide any Services for Client's account without first obtaining direction from Client. Initially, this direction shall be provided at the time the Client executes this Agreement. Future services shall be as provided under Section 4 (Future Services).

### 4. FUTURE SERVICES

As the need for additional Services may arise, PCI and Client shall communicate the need for such Services. Client and PCI agree that it shall not be necessary to execute a new or different Agreement between themselves as new matters or further requests for Services arise. It is instead agreed that this Agreement will govern all immediate and future Services performed by PCI on behalf of Client. Additional services shall be performed under this Agreement as the discussions and/or correspondence between those Parties so indicate.

### 5. COMPENSATION AND BILLING PRACTICES

(a) Compensation for the Services to be performed by PCI pursuant to Paragraph 2 herein shall be paid in one or the other of three ways, as set forth in the Schedule of Rates, attached hereto and incorporated herein by reference. Compensation shall either be in the form of payment on an hourly basis



for Services provided; or compensation shall be paid on an agreed per project basis; or it shall be paid on a commission basis, depending on the type of Services provided, or it may in certain circumstances be a combination of two or all three. The rates set forth in the attached Schedule of Rates are subject to review and change by PCI on an annual basis on 30 days written notice.

(b) Client hereby acknowledges that although PCI may from time to time for Client's convenience furnish Client with estimates of the amount of fees and costs that PCI anticipates will be charged with respect to Services to be performed under this Agreement, it is agreed that such estimates are by their nature inexact and are not binding on either Client or PCI.

(c) Since PCI's billings are detailed, PCI expects Client to carefully review the billings before payment is due and to raise any questions or concerns before the next billing statement. If PCI is not contacted by Client within that time, PCI will reasonably conclude Client agrees with the charges stated and will pay them in full.

(d) In the case of billings on an *hourly basis*, PCI will bill for such hourly services as indicated in the billing. In the case of billings on a *per project* basis the billings shall be as indicated in the billing.

(e) In case of billings for work on a *commission basis*, PCI will place the order to purchase advertising time and production with the media outlet (e.g. television, radio, cable, internet, print, billboard, etc.). The billing from the media outlet will at a future date be sent by the media outlet to the PCI address (to Client c/o PCI). PCI shall review the media outlet billing for accuracy and PCI shall then issue its own billing to Client. The PCI billing shall have the media outlet billing attached. Client shall pay the media outlet the amount of their billing in full and send that payment directly to the media outlet. Client shall pay PCI the commission indicated on the billing by a separate check made payable to "Porter Communications, Inc." and sent to PCI at PCI's business address.

## 6. COSTS AND OTHER CHARGES

(a) In General. PCI will incur various costs and expenses in performing Services under this Agreement. Client hereby agrees to pay for those costs and expenses in addition to the hourly fees and commissions referenced herein, including but not limited to the following:

- i. Hard costs related to promotional execution
- ii. All media outlets incurred and expenditures made in connection with the media plan

(b) Post-Purchase Revisions: If Client has approved and authorized purchase of media plan, and media schedules and expenditures change and require revision, PCI will perform up to one revision of the initial media at no additional expense.

(c) Post-Approval Cancellation Costs: If Client has approved any media plan and thereafter cancels all or any part thereof, Client shall be responsible for payment of any and all costs incurred to date of cancellation and any unavoidable costs incurred thereafter, including any non-cancelable commitments for time or space.



(d) Retaining Others. To aid in providing the Services provided for herein, it may become necessary for PCI to hire writers, producers, directors, actors, designers, camera persons, equipment operators, editors, talent, makeup artists, equipment rental, props, copy writers, artists, web designers and other individuals and companies. PCI will consult with Client before proceeding to hire such individuals if cost is 20% or greater of contract. Client is solely responsible for the charges billed by these individuals and companies and PCI will not advance these costs unless otherwise agreed in writing by PCI. If PCI does agree in writing to advance these costs, Client hereby agrees to reimburse PCI for such charges as PCI directs.

(e) Outside Billings. Client shall be responsible for timely payment of media outlets, vendors, and other third parties in connection with Services provided as billed by PCI or by others to Client at the direction of PCI. Copies of contracts and invoices will be sent to, and reviewed and verified by, PCI prior to payment by Client as directed by PCI.

#### 7. BILLING STATEMENTS

PCI will send Client a Billing Statement or Invoice for fees and costs incurred on a monthly basis. Payment as to each Billing Statement or Invoice will be due within thirty (30) days of its issuance. PCI will send Client a Billing Statement or Invoice for fees and costs incurred on a monthly basis. Payment as to each Billing Statement or Invoice will be due within thirty (30) days of its issuance. Explore Butte County [cd1] [LP2] will receive one monthly bill inclusive of all charges incurred for the prior month. Billing to include documentation on time spent, media reconciliation and affidavits, project fees and hard costs (if any). Media Billing will be invoiced in advance of schedule for vendor payment at time of ordering. Any discrepancies are reconciled and reported in next invoice cycle.

#### 8. LATE PAYMENT

Interest at the rate of one point five percent (1.5%) per month will be payable by Client on any balance that is unpaid after seventy five (75) days from the date of the Billing Statement or Invoice. PCI reserves the right to discontinue services and cancel all applicable contracts if payment of a PCI Billing Statement or Invoice is not made within seventy five (75) days.

#### 9. OWNERSHIP OF INTELLECTUAL PROPERTY

Contract for Services Only. This is a contract only for services to be performed by PCI in a workmanlike manner according to industry standards. Services include, but are not limited to, Media Planning & Buying, Brand Strategy, Marketing Strategy, Research, Advertising Management, Creative Services, Digital Marketing, and related work.

PCI and Client intend this agreement to be a contract for services and each considers the products and results of the services to be rendered by PCI hereunder (the "Materials") to be a work made for hire. PCI acknowledges and agrees that the Materials (and all rights therein, including, without limitation, copyright and patent) belongs to and shall be the sole and exclusive property of Client. Each project Scope of Work



will include a timeline and cost associated. EBC will own creative materials produced under the contract once the project is paid in full. PCI and Client agree that the minimum term of contract is twelve (12) months, at which time PCI and Client have option to renew for another twelve (12) months. If PorterCo is terminated within twelve (12) months of creation of work product, EBC is subject to a creative buy out fee which will be 50% of billings for work product created including any work product completed during the final billing cycle.

10. INDEMNIFICATION CLAUSE

Each party agrees to indemnify, defend, and hold harmless the other party from any claim, liability, or loss (including reasonable attorneys' fees) arising out of or resulting from the actor or omissions for the indemnifying party, or any of its agents or employees or its, or their performance of or failure to perform the provisions of this Agreement. Each party shall notify the other immediately in writing of any claim of injury or damage related to activities performed pursuant to this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities performed pursuant to this Agreement, provided that nothing shall require either party to disclose any documents, records, or communications which are protected under the peer review privilege, the attorney-client privilege, or the attorney work-product privilege. The provisions of this section shall survive the termination of this Agreement.

11. DISPUTE RESOLUTION

Any and all disputes regarding the terms of this Agreement or performance by the Parties under the agreement shall be resolved by binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the dispute arises. The matter shall be heard before a single arbitrator. The arbitration shall be heard in Sacramento, California, unless the Parties mutually agree on a different location. The prevailing Party in the arbitration shall be entitled to all reasonable attorney fees and costs, including expert fees and costs and all fees and costs billed by the arbitrator and the arbitration forum which may be administering the arbitration proceeding. The arbitration award may be filed with the Sacramento Superior Court for the issuance of a Judgment consistent with the arbitration award.

12. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the Parties with respect to the subject matter contained herein, and supersedes all previous agreements with respect to the same.

13. REVIEW OF COUNSEL

It is agreed between the Parties that each Party has had the opportunity to have this document reviewed by legal counsel of its own selection and has had the opportunity to revise the document as agreed between the Parties. Since this opportunity has been provided it is agreed between the Parties that the rule that an ambiguity or perceived inequity shall be resolved against the drafter of the agreement shall not apply. Instead the parties shall be viewed as equally contributing to the language of the Agreement.



IN WITNESS WHEREOF the parties hereby execute this Agreement on the date set forth below.

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Signature \_\_\_\_\_

Lori S. Porter, President  
For PORTERCOMMUNICATIONS INC.

Signature \_\_\_\_\_

Bruce Spangler  
For EXPLORE BUTTE COUNTY



**Explore Butte County  
Scope of Work  
May 1, 2018**

The Scope of Work, Budget, and Terms provided to Explore Butte County for the provision of Advertising Services are as follows: Term - 12 months; Cost - \$150,000 as outlined below.

1. Services:
  - a. Media planning, buying, and management of paid advertising.
    - i. Media services are as outlined in Section D, labeled “Project Approach” of the RFP.
    - ii. It is understood that the media plan is subject to change following client discovery.
  - b. Development of creative assets to deploy in paid advertising.
    - i. Creative sets preliminarily include assets as presented in Section D, labeled “Project Approach” of the RFP.
    - ii. It is understood that the creative assets are subject to change following client discovery.
  - c. Client onboarding, contract management and consulting, as outlined in Section F, labeled “Fee Schedule”, of the RFP.
  
2. Budget:
  - a. The budget for the initial Scope of Work as outlined in the RFP is \$150,000. The initial allocation of time and resources is provided below.
  - b. It is understood that the budget may increase and that incremental services may be desired from PorterCo. Additional services will be handled as outlined in Section F, labeled “Fee Schedule” of the RFP, and copied below.
  
3. Fees and payment terms are outlined in Section F, labeled “Fee Schedule” of the RFP and includes:
  - a. Projects, Hard Costs & Travel
    - i. Budget estimates of \$150,000 are inclusive of all service hours and hard costs.
    - ii. Outside vendors engaged for execution (i.e., printers, video crews, etc.), will be billed through PorterCo as a pass-through.
      1. Hard Costs to be paid in advance when possible.
    - iii. Travel costs. Travel to Butte County (mileage) for meetings provided at no additional charge. Overnight lodging and meals to be reimbursed expenses, and should be pre-approved by EBC. Out of town travel costs (lodging / meals / transportation) to be reimbursed utilizing county scale.
  - b. Transparent Invoicing:
    - i. Butte County will receive one monthly bill inclusive of all charges incurred for the prior month. Billing to include documentation on time spent, media reconciliation and affidavits, project fees and hard costs (if any). Media Billing



will be invoiced in advance of schedule for vendor payment at time of ordering. Any discrepancies are reconciled and reported in next invoice cycle.

1. *Payment for media schedules will be billed quarterly with payment to be received one quarter in advance of scheduled start. Payment to be received a minimum of 30 days in advance of schedule start.*
2. *Payment for hard costs associated with project activation may be requested in advance.*

c. Hourly Rates

- i. Hourly rates are established for specific team members and services provided.

<b>Agency Staff</b>	<b>Title / Role</b>	<b>Rate</b>
Lori Porter	Agency Principal	\$150
Doug LaPlaca	Tourism Director	\$150
Casey Catlett	Creative Director	\$135
Shelly James	Accounts Director	\$125
Tami Travis	Media Director	\$125
Michael Fortunato	Sr. Designer	\$125
Dawn Palmer	Designer	\$100
Darryl Lardizabal	Digital Developer	\$100
TBA	Account Manager	\$100
TBA	Project Manager	\$ 90
Katie Ahern	Account Coordinator	\$ 75
Claudia Hernandez	Social Media	\$ 75
TBA	Admin	\$ 50

- ii. Blended rates are a combination of hourly rates for specific contributions of individual team members to complete a particular task.
- iii. Services related to media planning & buying are compensated under Media Commission structure outlined below.
  - I. No additional overhead multipliers are included.

d. Media Planning, Buying, and Commissions:

- i. Media commission to be paid at 15% of gross amount ordered.
- ii. Media commission includes all services related to media planning and buying process, including media strategy, planning, negotiation, placement, management, reconciliation, and measurement.
- iii. Revisions beyond two rounds may require hourly fees at blended rates.



- e. Onboarding – Complimentary
  - i. PorterCo’s executive team will provide an upfront onboarding and discovery meeting at no charge. Time and services for this meeting is expected to be approximately 40 staff hours.
  
- f. Projects Beyond the RFP.
  - i. Minimal project needs beyond the RFP stated budget and scope of work can be provided on an hourly basis (as described below) for simple turn-key executions for less than \$5,000.
  - ii. New projects, beyond the RFP stated budget and scope of work, that are estimated at more than \$5,000, will be estimated and scope of work outlined in a new addendum. The new addendum will be presented for approval and signature prior to commencement of the new projects.

COMPONENT	RATE	HOURS	AMOUNT	% TO BUDGET
<b>Media Spend</b>	NA	NA	\$90,000.00	60%
- Media Planning, Buying, Mgmt, & Reconciliation	15% of spend			
<b>Discovery &amp; Research</b>				
-Onboarding & Strategy Meeting		40	\$0.00	<i>Complimentary</i>
-Asset Collection & Organization	Blended	20	\$2,500.00	2.50%
-Research (beyond data included in RFP)	Blended	10	\$1,000.00	0.50%
-Creative Brief	Blended	12	\$1,620.00	1%
<b>Account Management - Sustained Activity</b>	Blended	160	\$24,000.00	16%
- Deliverable Management				
- Account Administration				
- Client Communication w/ bi-weekly calls				
- Media Oversight				
- Market Visits - minimum of 2x w/ 3 staff				
- Monthly Budget Tag-Up Meeting		36		<i>Complimentary</i>
<b>Creative Development - Sustained Activity</b>	Blended	184	\$30,880.00	20%
- Message Strategy				
- Creation of Advertising Assets				
-Delivery to Media				
<b>Management &amp; Refinement - Sustained</b>				
-Monthly Media Reporting to KPI's		Included	\$0.00	
-Annual Post Analysis		Included	\$0.00	





TOTAL			\$150,000.00	100%
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### Schedule of Rates

#### **Activities Billed and Paid on a Commission Basis:**

The following services shall be performed on a commission basis of 15 % of the price paid by Client to the media outlet (including television, cable, radio, and internet): All placement of advertisements on and purchase of production services from all television, cable, radio, and internet outlets pursuant to this Agreement.

1. Research the most effective markets and mediums to reach defined consumers
2. Develop media plan and recommended budget(s) for client
3. Establish criteria for, and requests for, proposal submissions
4. Contact and communicate with media outlets for media proposal submission
5. Competitive media analysis
6. Negotiate media time and space for Client
7. Develop media buys
8. Present media schedules for Client approval
9. Place client approved orders
10. Verify contracts for accuracy
11. Coordinate and submit traffic / creative
12. Manage integrity of media schedule during air time to track delivery goals
13. Invoice audit for accuracy & discrepancy resolution
14. Post campaign evaluation to track delivery goals
15. Execution of one change order to plan

It is agreed between the Parties that if PCI plans media schedules at Client's request and which would result in commissions payable to PCI if the media schedule was implemented by the media outlet but Client elects not to book the schedules with the media outlet, then PCI shall be paid by Client on an hourly basis as indicated in this Schedule of Rates for the work that went into producing the schedule. It is also agreed between the Parties that if the media schedule is booked with the media outlet by PCI and Client seeks to make changes in the media schedule that PCI shall be paid by Client on an hourly basis for the work that went into making those changes with the media outlet. Finally, in regard to activities billed and paid on a commission basis, it is agreed between the Parties that if a media buy is placed and then cancelled by Client, then PCI shall be paid by Client sums which are equal to the commissions which would have been earned and would have been payable to PCI by Client as if the media schedule had run and had not been cancelled.



**Activities Billed and Paid on an Hourly Basis:**

Services shall be performed at an hourly rate of \$125 to \$175 per hour, and billable in 1/10<sup>th</sup> hour units. Such services shall include but not be limited to the list below. PCI reserves the right to bill a minimum of .2 hours for any single activity billed thereafter in increments of 1/10<sup>th</sup> hour:

**Media Planning & Buying:**

1. Assist client in identifying and qualifying target consumer
2. Conduct competitive, qualitative, quantitative & consumer research
3. Conduct competitive spending research
4. Research the most effective mediums to reach defined consumers
5. Develop media plan and recommended budget(s) for client
6. Establish criteria and goals for media planning and buying
7. Develop requests for proposals
8. Communication with media outlets
9. Competitive media analysis
10. Negotiate media time and space for Client
11. Develop media buys
12. Present media schedules for Client approval
13. Place client approved orders
14. Verify contracts for accuracy
15. Coordinate and submit traffic / creative
16. Manage integrity of media schedule during air time to track delivery goals
17. Invoice audit for accuracy & discrepancy resolution.
18. Post campaign evaluation to track delivery goals

**Brand Strategy, Marketing Strategy, Research, Advertising Management**

1. Brand discovery, positioning, and development
2. Brand identity creation – logo, slogan, color, style guidelines
3. Brand execution across company materials including cards, letterhead, trucks, exhibits, signage, collateral, etc.
4. Strategic Planning and Brand Management
5. Market Research and Focus Groups – qualitative; quantitative
6. Concept, Campaign, and Promotional development and execution
7. Partnership development with third parties to build strategic alliances (i.e., not for profits, business verticals, associations, etc.,)
8. Media planning & implementation and management (as outlined)
9. Production services and creative distribution management (as outlined)



**Creative Services:**

1. Brand Identity including but not limited to archetype, positioning, slogans, taglines, logos
2. Brand style guides
3. Copywriting
4. Graphic Design
5. Events and Displays
6. Film, videography, photography, post production
7. Audio and radio production
8. Visual assets for social media and public relations
9. Advertising materials from concept to execution for media
10. Promotion execution and packaging

**Digital Marketing**

1. Website Development
2. Integrated campaign planning, execution, and management
3. Search Engine Marketing and Search Engine Optimization
4. Social Media Marketing strategy, development, and management
5. Content development including created and curated blogs, posts, and videos

**Other:**

All print advertising (including newspaper and magazine) outdoor advertising, direct mail advertising, and tradeshow work shall be on an hourly basis.

**Activities Billed on a Per Project Basis:**

Activities billed on a per project basis will be billed as indicated in the discussions and correspondence between the Parties.

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End of document.