

**FIRST AMENDMENT TO THE INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
THE CITY OF MESA AND THE CITY OF TEMPE  
FOR ADMINISTRATION OF THE WATER - USE IT WISELY ADVERTISING MATERIALS  
AND CAMPAIGN**

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This First Amendment to the Intergovernmental Agreement (this "First Amendment") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2019 by and between the City of Mesa ("Mesa"), an Arizona municipal corporation, and the City of Tempe ("Tempe"), an Arizona municipal corporation. Mesa and Tempe may also be referred to jointly as "Parties," and each separately as a "Party."

**RECITALS**

A. Mesa and Tempe, on or about May 23, 2013, entered into an Intergovernmental Agreement for Administration of the Water - Use It Wisely Advertising Materials and Campaign (the "Agreement") to provide, among other things, for Tempe's use and reproduction of advertising materials developed by Park & Co., an advertising firm contracted by Mesa, as part of Tempe's participation in the Water - Use It Wisely advertising campaign.

B. The Agreement between the Parties expired on June 30, 2017 but, by mutual written consent, the Agreement may be extended for one additional term of five years.

C. On or about June 15, 2017, the Parties agreed to extend the term of the Agreement for one additional five-year term.

D. Thereafter, on December 6, 2018, Mesa solicited a Request for Proposals ("RFP") for the advertising and marketing services for the Water – Use It Wisely campaign.

E. Pursuant to the solicitation, and after reviewing the proposals, Mesa entered into a new advertising agreement on or about March 12, 2019 with Hackett Advertising Public Relations Interactive ("HAPI") (attached hereto and incorporated herein as Exhibit A, hereinafter referred to as the "HAPI Agreement") to provide advertising services for the Water – Use It Wisely campaign beginning on July 1, 2019.

F. The Parties now wish to amend the Agreement to reflect that HAPI will now be providing the advertising services for the Water – Use It Wisely campaign previously provided by Park & Co.

**AGREEMENTS**

1. Recitals. The Recitals set forth above are incorporated herein and made a part hereof by this reference.

2. Water – Use It Wisely Advertising Materials. Section 4 of the Agreement is hereby deleted and replaced in its entirety with the following:

4. Water – Use It Wisely™ ADVERTISING MATERIALS

4.1 To the extent permitted by law, and subject to the limitations set forth in the Agreement between Mesa and Park & Co. dated November 2, 1999, attached hereto and incorporated herein as Exhibit B, during the term of this Agreement and surviving for a period of five (5) years thereafter, Tempe shall have a nonexclusive authorization from

Mesa to use, to publicly display, and reproduce in the same or other mediums, and, subject to approval by Mesa's Authorized Representative, which will not be unreasonably withheld, to modify any Advertising Materials, which right shall be limited to areas within the State of Arizona.

4.2 To the extent permitted by law and, during the term of this Agreement and surviving for a period of five (5) years thereafter, Tempe shall have a nonexclusive authorization from Mesa to use, to publicly display, to reproduce in the same or other mediums, and, subject to approval by Mesa's Authorized Representative, which approval will not be unreasonably withheld, to modify any materials, messaging, resources, or any other product which results from the HAPI Agreement, Exhibit A, Item 3, "Scope of Work." This nonexclusive authorization shall be limited to areas within the State of Arizona.

3. Agreement Ratified. Except as amended hereby, the remaining provisions, terms, and conditions of the May 23, 2013 Agreement and the June 15, 2017 extension remain in full force and effect and are hereby ratified.

IN WITNESS WHEREOF, Mesa and Tempe have executed this First Amendment as of the date first above written.

**MESA:**

CITY OF MESA,  
an Arizona municipal corporation

By: \_\_\_\_\_  
Christopher J. Brady, City Manager

Approved as to form

\_\_\_\_\_  
Alfred J. Smith  
Deputy City Attorney

**TEMPE:**

CITY OF TEMPE,  
an Arizona Corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to form

\_\_\_\_\_  
Judith R Bauman  
City Attorney

**EXHIBIT A**  
**(HAPI AGREEMENT)**



**AGREEMENT PURSUANT TO SOLICITATION**

**CITY OF MESA AGREEMENT NUMBER 2019090  
MARKETING AND COMMUNICATIONS SERVICES FOR WATER – USE IT WISELY CAMPAIGN**

**CITY OF MESA, Arizona ("City")**

Department Name	City of Mesa – Purchasing Division
Mailing Address	P.O. Box 1466 Mesa, AZ 85211-1466
Delivery Address	20 East Main St, Suite 400 Mesa, AZ 85201
Attention	Brandy Andersen, CPPB, MPA Procurement Officer
E-Mail	<a href="mailto:brandy.andersen@mesaaz.gov">brandy.andersen@mesaaz.gov</a>
Phone	(480) 644-6426
Fax	(480) 644-2655

**AND**

**HACKETT ADVERTISING PUBLIC RELATIONS INTERACTIVE dba HAPI, ("Contractor")**

Mailing Address	4642 N. 32 <sup>nd</sup> Street Phoenix, AZ 85018
Delivery Address	4642 N. 32 <sup>nd</sup> Street Phoenix, AZ 85018
Attention	Jason Hackett
E-Mail	<a href="mailto:jason@livehapi.com">jason@livehapi.com</a>
Phone	602-919-4000

## CITY OF MESA AGREEMENT PURSUANT TO SOLICITATION

This Agreement pursuant to solicitation ("Agreement") is entered into this \_\_\_\_ day of \_\_\_\_\_, 2019, by and between the City of Mesa, Arizona, an Arizona municipal corporation ("City"), and Hackett Advertising Public Relations Interactive dba HAPI, a(n) Arizona company ("Contractor"). The City and Contractor are each a "Party" to the Agreement or together are "Parties" to the Agreement.

### RECITALS

- A. The City issued solicitation number 2019090 ("Solicitation") for **MARKETING AND COMMUNICATIONS SERVICES FOR WATER – USE IT WISELY CAMPAIGN**, to which Contractor provided a response ("Response"); and
- B. The City Selected Contractor's Response as being in the best interest of the City and wishes to engage Contractor in providing the services/materials described in the Solicitation and Response.

In consideration of the reciprocal promises contained in the Agreement, and for other valuable and good consideration, which the Parties acknowledge the receipt and sufficiency of, the Parties agree to the following Terms & Conditions.

### TERMS & CONDITIONS

1. **Term**. This Agreement is for a term beginning on **July 1, 2019** and ending on **June 30, 2022**. The use of the word "Term" in the Agreement includes the aforementioned period as well as any applicable extensions or renewals in accordance with this Section 1.
  - 1.1 **Renewals**. On the mutual written agreement of the Parties, the Term may be renewed up to a maximum of six (6) years. Any renewal(s) will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
  - 1.2 **Extension for Procurement Processes**. Upon the expiration of the Term of this Agreement, including any renewals permitted herein, at the City's sole discretion this Agreement may be extended on a month-to-month basis for a maximum of six (6) months to allow for the City's procurement processes in the selection of a vendor to provide the services/materials provided under this Agreement. The City will notify the Contractor in writing of its intent to extend the Agreement at least thirty (30) calendar days prior to the expiration of the Term. Any extension under this Subsection 1.2 will be a continuation of the same terms and conditions as in effect immediately prior to the expiration of the then-current term.
2. **Scope of Work**. The Contractor will provide the necessary staff, services and associated resources to provide the City with the services, materials, and obligations attached to this Agreement as **Exhibit A ("Scope of Work")**. Contractor will be responsible for all costs and expenses incurred by Contractor that are incident to the performance of the Scope of Work unless otherwise stated in **Exhibit A**. Contractor will supply all equipment and instrumentalities necessary to perform the Scope of Work. If set forth in **Exhibit A**, the City will provide Contractor's personnel with adequate workspace and such other related facilities as may be required by Contractor to carry out the Scope of Work.

The Agreement is based on the Solicitation and Response which are hereby incorporated by reference into the Agreement as if written out and included herein. In addition to the requirements specifically set forth in the Scope of Work, the Parties acknowledge and agree that the Contractor shall perform in accordance with all terms, conditions, specifications and other requirements set forth within the Solicitation and Response unless modified herein.
3. **Orders**. Orders be placed with the Contractor by either a: (i) Purchase Order when for a one-time purchase; (ii) Notice to Proceed, or (iii) Delivery Order off of a Master Agreement for Requirement

Contract where multiple as-needed orders will be placed with the Contractor. The City may use the Internet to communicate with Contractor and to place orders as permitted under this Agreement

4. **Document Order of Precedence.** In the event of any inconsistency between the terms of the body of the Agreement, the Exhibits, the Solicitation, and Response, the language of the documents will control in the following order.
- a. Agreement
  - b. Exhibits
    - 1. Mesa Standard Terms & Conditions
    - 2. Scope of Work
    - 3. Other Exhibits not listed above
  - c. Solicitation including any addenda
  - d. Contractor Response

5. **Payment.**

- 5.1 **General.** Subject to the provisions of the Agreement, the City will pay Contractor the sum(s) described in **Exhibit B ("Pricing")** in consideration of Contractor's performance of the Scope of Work during the Term.

- 5.2 **Prices.** All pricing shall be firm for the Term and all extensions or renewals of the Term except where otherwise provided in this Agreement, and include all costs of the Contractor providing the materials/service including transportation, insurance and warranty costs. No fuel surcharges will be accepted unless allowed in this Agreement. The City shall not be invoiced at prices higher than those stated in the Agreement.

The Contractor further agrees that any reductions in the price of the materials or services covered by this Agreement will apply to the undelivered balance. The Contractor shall promptly notify the City of such price reductions.

No price modifications will be accepted without proper request by the Contractor and response by the City's Purchasing Division.

- 5.3 **Price Adjustment.** Any requests for reasonable price adjustments must be submitted in accordance with this Section 5.3. Requests for adjustment in cost of labor and/or materials must be supported by appropriate documentation. There is no guarantee the City will accept a price adjustment therefore Contractor should be prepared for the Pricing to be firm over the Term of the Agreement. The City is only willing to entertain price adjustments based on an increase to Contractor's actual expenses or other reasonable adjustment in providing the services/materials under the Agreement. If the City agrees to the adjusted price terms, the City shall issue written approval of the change.

During the sixty (60) day period prior to Contract expiration date of the Agreement, the Contractor may submit a written request to the City to allow an increase to the prices in an amount not to exceed the twelve (12) month change in the **Consumer Price Index for All Urban Consumers** (CPI-U), US City Average, All Items, Not Seasonally Adjusted as published by the U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov/cpi/home.htm>). The City shall review the request for adjustment and respond in writing; such response and approval shall not be unreasonably withheld.

- 5.4 **Renewal and Extension Pricing.** Any extension of the Agreement will be at the same pricing as the initial Term. If the Agreement is renewed in accordance with Section 1, pricing may be adjusted for amounts other than inflation that represent actual costs to the Contractor based on the mutual agreement of the parties. The Contractor may submit a request for a price adjustment along with appropriate supporting documentation demonstrating the cost to the

Contractor. Renewal prices shall be firm for the term of the renewal period and may be adjusted thereafter as outlined in the previous section. There is no guarantee the City will accept a price adjustment.

5.5 **Invoices.** Payment will be made to Contractor following the City's receipt of a properly completed invoice. Any issues regarding billing or invoicing must be directed to the City Department/Division requesting the service or material from the Contractor. A properly completed invoice should contain, at a minimum, all of the following:

- a. Contractor name, address, and contact information;
- b. City billing information;
- c. City contract number as listed on the first page of the Agreement;
- d. Invoice number and date;
- e. Payment terms;
- f. Date of service or delivery;
- g. Description of materials or services provided;
- h. If materials provided, the quantity delivered and pricing of each unit;
- i. Applicable Taxes
- j. Total amount due.

5.6 **Payment of Funds.** Contractor acknowledges the City may, at its option and where available use a Procurement Card/e-Payables to make payment for orders under the Agreement. Otherwise; payment will be through a traditional method of a check or Electronic Funds Transfer (EFT) as available.

5.7 **Disallowed Costs, Overpayment.** If at any time the City determines that a cost for which payment was made to Contractor is a disallowed cost, such as an overpayment or a charge for materials/service not in accordance with the Agreement, the City will notify Contractor in writing of the disallowance; such notice will state the means of correction which may be, but is not limited to, adjustment of any future claim/invoice submitted by Contractor in the amount of the disallowance, or to require repayment of the disallowed amount by Contractor. Contractor will be provided with the opportunity to respond to the notice.

## 6. **Insurance.**

6.1 Contractor must obtain and maintain at its expense throughout the term of Contractor's agreement, at a minimum, the types and amounts of insurance set forth in this Section 6 from insurance companies authorized to do business in the State of Arizona; the insurance must cover the materials/service to be provided by Contractor under the Agreement. For any insurance required under the Agreement, Contractor will name the City of Mesa, its agents, representatives, officials, volunteers, officers, elected officials, and employees as additional insured, as evidenced by providing either an additional insured endorsement or proper insurance policy excerpts.

6.2 Nothing in this Section 6 limits Contractor's responsibility to the City. The insurance requirements herein are minimum requirements for the Agreement and in no way limit any indemnity promise(s) contained in the Agreement.

6.3 The City does not warrant the minimum limits contained herein are sufficient to protect Contractor and subcontractor(s) from liabilities that might arise out of performance under the Agreement by Contractor, its agents, representatives, employees, or subcontractor(s). Contractor is encouraged to purchase additional insurance as Contractor determines may be necessary.

6.4 Each insurance policy required under the Agreement must be in effect at or prior to the execution of the Agreement and remain in effect for the term of the Agreement.

- 6.5 Prior to the execution of the Agreement, Contractor will provide the City with a Certificate of Insurance (using an appropriate "ACORD" or equivalent certificate) signed by the issuer with applicable endorsements. The City reserves the right to request additional copies of any or all of the policies, endorsements, or notices relating thereto required under the Agreement.
- 6.6 When the City requires a Certificate of Insurance to be furnished, Contractor's insurance is primary of all other sources available. When the City is a certificate holder and/or an additional insured, Contractor agrees no policy will expire, be canceled, or be materially changed to affect the coverage available without advance written notice to the City.
- 6.7 The policies required by the Agreement must contain a waiver of transfer rights of recovery (waiver of subrogation) against the City, its agents, representatives, officials, volunteers, officers, elected officials, and employees for any claims arising out of the work of Contractor.
- 6.8 All insurance certificates and applicable endorsements are subject to review and approval by the City's Risk Management Division.
- 6.9 **Types and Amounts of Insurance.** Contractor must obtain and retain throughout the term of the Agreement, at a minimum, the following:
- 6.9.1 Worker's compensation insurance in accordance with the provisions of Arizona law. If Contractor operates with no employees, Contractor must provide the City with written proof Contractor has no employees. If employees are hired during the course of this Agreement, Contractor must procure worker's compensations in accordance with Arizona law.
  - 6.9.2 The Contractor shall maintain at all times during the term of this contract, a minimum amount of \$1 million per occurrence/\$2 million aggregate Commercial General Liability insurance, including Contractual Liability. For General Liability insurance, the City of Mesa, their agents, officials, volunteers, officers, elected officials or employees shall be named as additional insured, as evidenced by providing an additional insured endorsement.
  - 6.9.3 Automobile liability, bodily injury and property damage with a limit of \$1 million per occurrence including owned, hired and non-owned autos.
  - 6.9.4 Professional Liability (Errors and Omissions Liability), the Contractor shall maintain at all times during the term of this contract, a minimum amount of \$1 million per occurrence Professional Liability insurance.
7. **Requirements Contract.** Contractor acknowledges and agrees the Agreement is a requirements contract; the Agreement does not guarantee any purchases will be made (minimum or maximum). Orders will only be placed when the City identifies a need and issues a purchase order or a written notice to proceed. The City reserves the right to cancel purchase orders or a notice to proceed within a reasonable period of time of issuance; any such cancellation will be in writing. Should a purchase order or notice to proceed be canceled, the City agrees to reimburse Contractor for any actual and documented costs incurred by Contractor. The City will not reimburse Contractor for any avoidable costs incurred after receipt of cancellation including, but not limited to, lost profits, shipment of product, or performance of services.
8. **Notices.** All notices to be given pursuant to the Agreement will be delivered to the Contractor as listed on Page 1 of this Agreement. Notice will be delivered pursuant to the requirements set forth the Mesa Standard Terms and Conditions that is attached to the Agreement as Exhibit C.




9. **Representations of Contractor.** To the best of Contractor's knowledge, Contractor agrees that:
- Contractor has no obligations, legal or otherwise, inconsistent with the terms of the Agreement or with Contractor's undertaking of the relationship with the City;
  - Performance of the services called for by the Agreement do not and will not violate any applicable law, rule, regulation, or any proprietary or other right of any third party;
  - Contractor will not use in the performance of Contractor's responsibilities under the Agreement any proprietary information or trade secret of a former employer of its employees (other than City, if applicable); and
  - Contractor has not entered into and will not enter into any agreement, whether oral or written, in conflict with the Agreement.
10. **Mesa Standard Terms and Conditions.** Exhibit C to the Agreement is the Mesa Standard Terms and Conditions as modified by the Parties, which are incorporated by reference into the Agreement as though fully set forth herein. In the event of any inconsistency between the terms of the Agreement and the Mesa Standard Terms and Conditions, the language of the Agreement will control. The Parties or a Party are referred to as a "party" or "parties" in the Mesa Standard Terms and Conditions. The Term is referred to as the "term" in the Mesa Standard Terms and Conditions.
11. **Counterparts and Facsimile or Electronic Signatures.** This Agreement may be executed in two (2) or more counterparts, each of which will be deemed an original and all of which, taken together, will constitute one agreement. A facsimile or other electronically delivered signature to the Agreement will be deemed an original and binding upon the Party against whom enforcement is sought.
12. **Incorporation of Recitals and Exhibits.** All Recitals and Exhibits to the Agreement are hereby incorporated by reference into the Agreement as if written out and included herein. In the event of any inconsistency between the terms of the body of the Agreement and the Exhibits, the language of the Agreement will control.
- Exhibits to this Agreement are the following:
- (A) Scope of Work / Technical Specifications
  - (B) Pricing
  - (C) Mesa Standard Terms and Conditions
  - (D) Other
13. **Attorneys' Fees.** The prevailing Party in any litigation arising out of the Agreement will be entitled to the recovery of its reasonable attorney's fees, court costs, and other litigation related costs and fees from the other Party.
14. **Additional Acts.** The Parties agree to execute promptly such other documents and to perform such other acts as may be reasonably necessary to carry out the purpose and intent of the Agreement.
15. **Headings.** The headings of the Agreement are for reference only and will not limit or define the meaning of any provision of the Agreement.

By executing below, each Party acknowledges that it understands, approves, and accepts all of the terms of the Agreement and the attached exhibits.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**CITY OF MESA, ARIZONA**


By:  Digitally signed by Edward Quedens  
DN: cn=Edward Quedens, o=City of  
Mesa, Arizona, ou=Business Services,  
email=ed.quedens@mesaz.gov,  
c=US  
Date: 2019.05.07 07:08:24 -07'00'  
Adobe Acrobat version:  
2019.010.20099

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

**CONTRACTOR NAME**

By: 

Printed Name JASON C. HACKETT

Title PRESIDENT

Date 3/13/19

REVIEWED BY: 

3/12/19

By: \_\_\_\_\_  
Brandy Andersen, CPPB, MPA  
Procurement Officer

## **EXHIBIT A SCOPE OF WORK**

1. **DEFINITIONS:** The following terms will be used throughout this contract document.  
  
"MESA" as used throughout the document will mean the City of Mesa  
"WUIW CAMPAIGN" as used throughout the document refers to the existing Water – Use It Wisely Regional Campaign.  
"REGIONAL PARTNERS" as used throughout the document refers to the Regional Campaign Partners composed of municipalities, water-related organizations, and private water companies who have joined into a partnership, requiring an annual financial contribution, to promote and support the Water – Use It Wisely Campaign. There are currently 20 partners.  
"STEERING COMMITTEE" refers to Regional Campaign Partners who contribute \$15,000 or greater to the Water – Use It Wisely Campaign.
2. **ANNUAL BUDGET:** Contractor will work with Mesa and the Steering Committee members to implement the plan to meet the WUIW Campaign goals and existing budget. The annual budget is variable and is determined each year by partner contributions. At this time, the combined 2018 collective budget for these services is \$367,500.00 (the annual budget is variable and determined each year by partner contributions). This budget needs to cover all aspects of the campaign elements, including, but not limited to planning, agency fees, creative production, strategy, media planning and placement (both offline and online), technology, and account management fees.
3. **SCOPE OF WORK:** Contractor will be expected to implement and build upon the existing WUIW CAMPAIGN. Marketing efforts focus on general conservation tips and practices, tools and games for teachers, students and youth, outdoor water efficiency including appropriate desert plants and Xeriscape landscaping techniques, and REGIONAL PARTNERS' special events and workshops. The campaign also includes some general marketing and outreach materials for Spanish-speaking audiences. With a mission of keeping water conservation in the forefront of people's minds, the outreach campaign strives to educate and increase awareness about Arizona's conservation, water resource, and water efficiency efforts, water conservation resources and online tools available to the public, as well as the community's water infrastructure and the value of reliable water systems. The scope of activities may include, but is not limited to:
  - 3.1 **Account management**
    - Develop campaign goals, objectives, and strategies in partnership with the REGIONAL PARTNERS
    - Create an annual marketing and communication plan to support campaign goals in partnership with the STEERING COMMITTEE
    - Manage account services for annual campaign funds
      - Provide appropriate, detailed, and accurate monthly agency billings (invoicing for services)
      - Invoice contributing partners for campaign funds
      - Create and maintain the annual budget and provide monthly reporting
      - Provide estimates for signed approval for media plans or large expenditures as part of the project approval process
      - Process campaign purchases and accounts payable items (such as membership fees and the purchase of event items)

- Maintain the WUIW CAMPAIGN memberships with outside organizations (monitor renewals, make payments)
- Manage an online collaborative management tool for partner communication and file sharing
- Manage the monthly traveling water tower, including scheduling and logistics coordination
- Attend meetings to communicate campaign/project ideas, status, and/or results to the STEERING COMMITTEE and REGIONAL PARTNERS

### **3.2 Campaign marketing and creative execution**

- Develop creative content to promote key initiatives, messaging, events, and campaign resources
- Note relevant marketing or communication trends and develop ideas and strategies
- Conduct surveys and/or market research to understand audience and to identify effective messaging concepts prior to implementation
- Provide copy editing and art direction for all aspects of the campaign
- Publish a Fiscal Year-End Summary Report annually to market the WUIW CAMPAIGN to REGIONAL PARTNERS' upper management and for outside organizations to help solicit new funding opportunities (writing copy, collecting annual accomplishments and measurables such as media impressions and social media impacts)

### **3.3 Media planning and buying services**

- Develop and execute media strategies to reach identified target audience and campaign objectives
- Create and implement annual media plans to support major initiatives to include but not be limited to:
  - Traditional and online television, radio, and print media as well as outdoor advertising
  - Collateral materials (brochures, table tents, information and promotional materials, event displays, and more)
  - Digital media including Web, Facebook, Twitter, YouTube, Instagram, Pinterest, and a recent presence on LinkedIn and Google+
  - Digital marketing such as paid social media, digital ads, and incentives to gain followers or newsletter subscribers
  - Potential recommendations for strategic partnerships and sponsorships
- Provide media recommendations and market research that quantifies effectiveness
- Negotiate added value for media buy
- Select media opportunities that will spotlight individual REGIONAL PARTNERS
- Work in partnership with the STEERING COMMITTEE for technical advice and direction

### **3.4 Online, digital, and social media**

- Actively manage all campaign online and social media channels
- Provide website maintenance, updates, and modifications needed as well as to enhance Search Engine Optimization (SEO) performance

- Create online graphic elements such as web banners and water-saving tips posters
- Identify known successful trends and opportunities to optimize, enhance, and add digital media channels
- Manage content marketing:
  - Schedule, review, and facilitate the coordination of weekly blog content
  - Share weekly blog content via social media channels
  - Create and distribute the monthly eNewsletter (setup via template, write attention-grabbing copy for blog titles, monitor subscriber list)
  - Manage incoming email inquiries
  - Manage online water-wise event calendar featuring REGIONAL PARTNERS' programs

### **3.5 Events and promotions**

- Provide support and logistics for special events 2-3 times a year which may include existing assets such as our Wayne Drop mascot, or the creation of marketing pieces appropriate for the event, and/or the purchase of event-specific materials or displays
- Help identify and establish partnerships and sponsors for additional funding and/or access to additional events and markets
- Promote events by the REGIONAL PARTNERS through the online events calendar and through social media channels
- Purchase promotional items and giveaways for events or for REGIONAL PARTNERS to distribute at their own events

### **3.6 Research and measurement**

- Provide monthly social media performance reports
- Provide quarterly or post-analysis reports on marketing efforts and media buys
- Monitor, collect, and analyze trends and issues relevant to the WUIW CAMPAIGN
- Provide best return on investment or cost comparison analysis for media plans or programming
- Research media trends, market conditions, and demographics data

**EXHIBIT B  
PRICING**

Hapi has a blended hourly rate of **\$150.00** for all services provided.

Hapi **does not charge media commissions** on paid media.

**EXHIBIT C**  
**MESA STANDARD TERMS AND CONDITIONS**

1. **INDEPENDENT CONTRACTOR.** It is expressly understood that the relationship of Contractor to the City will be that of an independent contractor. Contractor and all persons employed by Contractor, either directly or indirectly, are Contractor's employees, not City employees. Accordingly, Contractor and Contractor's employees are not entitled to any benefits provided to City employees including, but not limited to, health benefits, enrollment in a retirement system, paid time off or other rights afforded City employees. Contractor employees will not be regarded as City employees or agents for any purpose, including the payment of unemployment or workers' compensation. If any Contractor employees or subcontractors assert a claim for wages or other employment benefits against the City, Contractor will defend, indemnify and hold harmless the City from all such claims.
2. **SUBCONTRACTING.** Contractor may not subcontract work under this Agreement without the express written permission of the City. If Contractor has received authorization to subcontract work, it is agreed that all subcontractors performing work under the Agreement must comply with its provisions. Further, all agreements between Contractor and its subcontractors must provide that the terms and conditions of this Agreement be incorporated therein.
3. **ASSIGNMENT.** This Agreement may not be assigned either in whole or in part without first receiving the City's written consent. Any attempted assignment, either in whole or in part, without such consent will be null and void and in such event the City will have the right at its option to terminate the Agreement. No granting of consent to any assignment will relieve Contractor from any of its obligations and liabilities under the Agreement.
4. **SUCCESSORS AND ASSIGNS, BINDING EFFECT.** This Agreement will be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.
5. **NO THIRD PARTY BENEFICIARIES.** This Agreement is intended for the exclusive benefit of the parties. Nothing set forth in this Agreement is intended to create, or will create, any benefits, rights, or responsibilities in any third parties.
6. **NON- EXCLUSIVITY.** The City, in its sole discretion, reserves the right to request the materials or services set forth herein from other sources when deemed necessary and appropriate. No exclusive rights are encompassed through this Agreement.
7. **AMENDMENTS.** There will be no oral changes to this Agreement. This Agreement can only be modified in a writing signed by both parties. No charge for extra work or material will be allowed unless approved in writing, in advance, by the City and Contractor.
8. **TIME OF THE ESSENCE.** Time is of the essence to the performance of the parties' obligations under this Agreement.
9. **COMPLIANCE WITH APPLICABLE LAWS.**
  - a. **General.** Contractor must procure all permits/licenses and pay all charges and fees necessary and incidental to the lawful conduct of business. Contractor must stay fully informed of existing and future federal, state, and local laws, ordinances, and regulations that in any manner affect the fulfillment of this Agreement and must comply with the same at its own expense. Contractor bears full responsibility for training, safety, and providing necessary equipment for all Contractor personnel to achieve compliance throughout the term of the Agreement. Upon request, Contractor will demonstrate to the City's satisfaction any programs, procedures, and other activities used to ensure compliance.
  - b. **Drug-Free Workplace.** Contractor is hereby advised that the City has adopted a policy establishing a drug-free workplace for itself and those doing business with the City to ensure the safety and health of all persons working on City contracts and projects. Contractor will require a drug-free workplace for all Contractor personnel working under this Agreement. Specifically, all Contractor personnel who are working under this Agreement must

be notified in writing by Contractor that they are prohibited from the manufacture, distribution, dispensation, possession, or unlawful use of a controlled substance in the workplace. Contractor agrees to prohibit the use of intoxicating substances by all Contractor personnel and will ensure that Contractor personnel do not use or possess illegal drugs while in the course of performing their duties.

- c. **Federal and State Immigration Laws.** Contractor agrees to comply with the Immigration Reform and Control Act of 1986 (IRCA) in performance under this Agreement and to permit the City and its agents to inspect applicable personnel records to verify such compliance as permitted by law. Contractor will ensure and keep appropriate records to demonstrate that all Contractor personnel have a legal right to live and work in the United States.
  - i. As applicable to Contractor, under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the City that Contractor and each of its subcontractors will comply with, and are contractually obligated to comply with, all federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter collectively the "Contractor Immigration Warranty").
  - ii. A breach of the Contractor Immigration Warranty will constitute a material breach of this Agreement and will subject Contractor to penalties up to and including termination of this Agreement at the sole discretion of the City.
  - iii. To ensure Contractor and its subcontractors are complying with the Contractor Immigration Warranty, the City retains the legal right to conduct random verification of the employment records of any Contractor or subcontractor employee who works on this Agreement, including the inspection of the papers of such employees. Contractor agrees to assist the City in regard to any random verification performed.
  - iv. Neither Contractor nor any subcontractor will be deemed to have materially breached the Contractor Immigration Warranty if Contractor or subcontractor establishes that it has complied with the employment verification provisions prescribed by Sections 274a and 274b of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A).
- d. **Nondiscrimination.** Contractor understands and acknowledges that it is the policy of the City of Mesa to promote non-discrimination. As such, Contractor represents and warrants that it does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, national origin, age, disability, religion, sex, sexual orientation, gender identity and expression, veterans' status, marital status, or genetic information, and represents and warrants that it complies with all applicable federal, state, and local laws and executive orders regarding employment. In performance under this Agreement, Contractor and Contractor's personnel will comply with applicable provisions of the following laws (as amended): Title VII of the U.S. Civil Rights Act of 1964, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 *et seq.*), and any other applicable non-discrimination laws and rules.
- e. **State Sponsors of Terrorism Prohibition.** Per A.R.S. § 35-392, Contractor must not be in violation of section 6(j) of the Federal Export Administration Act and subsequently prohibited by the State of Arizona from selling goods or services to the City.
- f. **Israel Boycott Divestments.** In accordance with the requirements of A.R.S. § 35-393.01, if the Agreement requires Contractor to acquire or dispose of services, supplies, information technology or construction, then, by entering into this Agreement, Contractor certifies that it is not currently engaged in, and agrees for the duration of the Agreement to not engage in, a boycott of Israel.



10. **SALES/USE TAX, OTHER TAXES.**

a. Contractor is responsible for the payment of all taxes including federal, state, and local taxes related to or arising out of Contractor's services under this Agreement, including by way of illustration but not limitation, federal and state income tax, Social Security tax, unemployment insurance taxes, and any other taxes or business license fees as required. If any taxing authority should deem Contractor or Contractor employees an employee of the City, or should otherwise claim the City is liable for the payment of taxes that are Contractor's responsibility under this Agreement, Contractor will indemnify the City for any tax liability, interest, and penalties imposed upon the City.

b. The City is exempt from paying certain federal excise taxes and will furnish an exemption certificate upon request. The City is not exempt from state and local sales/use taxes.

11. **AMOUNTS DUE THE CITY.** Contractor must be current and remain current in all obligations due to the City during the performance of services under the Agreement. Payments to Contractor may be offset by any delinquent amounts due the City or fees and charges owed to the City.

12. **PUBLIC RECORDS.** Contractor acknowledges that the City is a public entity, subject to Arizona's public records laws (A.R.S. § 39-121 et. seq.) and that any documents related to this Agreement may be subject to disclosure pursuant to state law in response to a public records request or to subpoena or other judicial process.

12.1. If Contractor believes document related to the Agreement contains trade secrets or other proprietary data, Contractor must notify the City and include with the notification a statement that explains and supports Contractor's claim. Contractor also must specifically identify the trade secrets or other proprietary data that Contractor believes should remain confidential.

12.2. In the event the City determines it is legally required to disclose pursuant to law any documents or information Contractor deems confidential trade secrets or proprietary data, the City, to the extent possible, will provide Contractor with prompt written notice by certified mail, fax, email or other method that tracks delivery status of the requirement to disclose the information so Contractor may seek a protective order from a court having jurisdiction over the matter or obtain other appropriate remedies. The notice will include a time period for Contractor to seek court ordered protection or other legal remedies as deemed appropriate by Contractor. If Contractor does not obtain such court ordered protection by the expiration of said time period, the City may release the information without further notice to Contractor.

13. **AUDITS AND RECORDS.** Contractor must preserve the records related to this Agreement for six (6) years after completion of the Agreement. The City or its authorized agent reserves the right to inspect any records related to the performance of work specified herein. In addition, the City may inspect any and all payroll, billing or other relevant records kept by Contractor in relation to the Agreement. Contractor will permit such inspections and audits during normal business hours and upon reasonable notice by the City. The audit of records may occur at Contractor's place of business or at City offices, as determined by the City.

14. **BACKGROUND CHECK.** The City may conduct criminal, driver history, and all other requested background checks of Contractor personnel who would perform services under the Agreement or who will have access to the City's information, data, or facilities in accordance with the City's current background check policies. Any officer, employee, or agent that fails the background check must be replaced immediately for any reasonable cause not prohibited by law.

15. **SECURITY CLEARANCE AND REMOVAL OF CONTRACTOR PERSONNEL.** The City will have final authority, based on security reasons: (i) to determine when security clearance of Contractor personnel is required; (ii) to determine the nature of the security clearance, up to and including fingerprinting Contractor personnel; and (iii) to determine whether or not any individual or entity may provide services under this Agreement. If the City objects to any Contractor personnel for any reasonable cause not prohibited by law, then Contractor will, upon notice from the City, remove any such individual from performance of services under this Agreement.

16. **DEFAULT.**

- a. A party will be in default if that party:
  - i. Is or becomes insolvent or is a party to any voluntary bankruptcy or receivership proceeding, makes an assignment for a creditor, or there is any similar action that affects Contractor's capability to perform under the Agreement;
  - ii. Is the subject of a petition for involuntary bankruptcy not removed within sixty (60) calendar days;
  - iii. Conducts business in an unethical manner as set forth in the City Procurement Rules Article 7 or in an illegal manner; or
  - iv. Fails to carry out any term, promise, or condition of the Agreement.
- b. Contractor will be in default of this Agreement if Contractor is debarred from participating in City procurements and solicitations in accordance with Article 6 of the City's Procurement Rules.
- c. **Notice and Opportunity to Cure.** In the event a party is in default then the other party may, at its option and at any time, provide written notice to the defaulting party of the default. The defaulting party will have thirty (30) days from receipt of the notice to cure the default; the thirty (30) day cure period may be extended by mutual agreement of the parties, but no cure period may exceed ninety (90) days. A default notice will be deemed to be sufficient if it is reasonably calculated to provide notice of the nature and extent of such default. Failure of the non-defaulting party to provide notice of the default does not waive any rights under the Agreement.
- d. **Anticipatory Repudiation.** Whenever the City in good faith has reason to question Contractor's intent or ability to perform, the City may demand that Contractor give a written assurance of its intent and ability to perform. In the event that the demand is made and no written assurance is given within five (5) calendar days, the City may treat this failure as an anticipatory repudiation of the Agreement.

17. **REMEDIES.** The remedies set forth in this Agreement are not exclusive. Election of one remedy will not preclude the use of other remedies. In the event of default:

- a. The non-defaulting party may terminate the Agreement, and the termination will be effective immediately or at such other date as specified by the terminating party.
- b. The City may purchase the services required under the Agreement from the open market, complete required work itself, or have it completed at the expense of Contractor. If the cost of obtaining substitute services exceeds the contract price, the City may recover the excess cost by: (i) requiring immediate reimbursement to the City; (ii) deduction from an unpaid balance due to Contractor; (iii) collection against the proposal and/or performance security, if any; (iv) collection against liquidated damages (if applicable); or (v) a combination of the aforementioned remedies or other remedies as provided by law. Costs includes any and all, fees, and expenses incurred in obtaining substitute services and expended in obtaining reimbursement, including, but not limited to, administrative expenses, attorneys' fees, and costs
- c. The non-defaulting party will have all other rights granted under this Agreement and all rights at law or in equity that may be available to it
- d. Neither party will be liable for incidental, special, or consequential damages.

18. **CONTINUATION DURING DISPUTES.** Contractor agrees that during any dispute between the parties, Contractor will continue to perform its obligations until the dispute is settled, instructed to cease performance by the City, enjoined or prohibited by judicial action, or otherwise required or obligated to cease performance by other provisions in this Agreement.

19. **TERMINATION FOR CONVENIENCE.** The City reserves the right to terminate this Agreement in part or in whole upon thirty (30) calendar days' written notice.

20. **TERMINATION FOR CONFLICT OF INTEREST (A.R.S. § 38-511).** Pursuant to A.R.S. § 38-511, the City may cancel this Agreement within three (3) years after its execution, without penalty or further obligation, if any person significantly involved in initiating, securing, drafting, or creating the Agreement for the City becomes an employee or agent of Contractor.
21. **TERMINATION FOR NON-APPROPRIATION AND MODIFICATION FOR BUDGETARY CONSTRAINT.** The City is a governmental agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. If the City reasonably determines that it does not have funds to meet its obligations under this Agreement, the City will have the right to terminate the Agreement without penalty on the last day of the fiscal period for which funds were legally available. In the event of such termination, the City agrees to provide written notice of its intent to terminate thirty (30) calendar days prior to the stated termination date.
22. **PAYMENT TO CONTRACTOR UPON TERMINATION.** Upon termination of this Agreement, Contractor will be entitled only to payment for those services performed up to the date of termination, and any authorized expenses already incurred up to such date of termination. The City will make final payment within thirty (30) calendar days after the City has both completed its appraisal of the materials and services provided and received Contractor's properly prepared final invoice.
23. **NON-WAIVER OF RIGHTS.** There will be no waiver of any provision of this agreement unless approved in writing and signed by the waiving party. Failure or delay to exercise any rights or remedies provided herein or by law or in equity, or the acceptance of, or payment for, any services hereunder, will not release the other party of any of the warranties or other obligations of the Agreement and will not be deemed a waiver of any such rights or remedies.
24. **INDEMNIFICATION/LIABILITY.**
- a. To the fullest extent permitted by law, Contractor agrees to defend, indemnify, and hold the City, its officers, agents, and employees, harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including costs, attorneys', witnesses', and expert witnesses' fees, and expenses incident thereto, relating to, arising out of, or resulting from: (i) the services provided by Contractor personnel under this Agreement; (ii) any negligent acts, errors, mistakes or omissions by Contractor or Contractor personnel; and (iii) Contractor or Contractor personnel's failure to comply with or fulfill the obligations established by this Agreement.
  - b. Contractor will update the City during the course of the litigation to timely notify the City of any issues that may involve the independent negligence of the City that is not covered by this indemnification.
  - c. The City assumes no liability for actions of Contractor and will not indemnify or hold Contractor or any third party harmless for claims based on this Agreement or use of Contractor-provided supplies or services.
25. **WARRANTY.** Contractor warrants that the services and materials will conform to the requirements of the Agreement. Additionally, Contractor warrants that all services will be performed in a good, workman-like and professional manner. The City's acceptance of service or materials provided by Contractor will not relieve Contractor from its obligations under this warranty. If any materials or services are of a substandard or unsatisfactory manner as determined by the City, Contractor, at no additional charge to the City, will provide materials or redo such services until in accordance with this Agreement and to the City's reasonable satisfaction.
- Unless otherwise agreed, Contractor warrants that materials will be new, unused, of most current manufacture and not discontinued, will be free of defects in materials and workmanship, will be provided in accordance with manufacturer's standard warranty for at least one (1) year unless otherwise specified, and will perform in accordance with manufacturer's published specifications.
26. **THE CITY'S RIGHT TO RECOVER AGAINST THIRD PARTIES.** Contractor will do nothing to prejudice the City's right to recover against third parties for any loss, destruction, or damage to City property, and will at the City's request and expense, furnish to the City reasonable assistance and

cooperation, including assistance in the prosecution or defense of suit and the execution of instruments of assignment in favor of the City in obtaining recovery.

27. **NO GUARANTEE OF WORK.** Contractor acknowledges and agrees that it is not entitled to deliver any specific amount of materials or services or any materials or services at all under this Agreement and acknowledges and agrees that the materials or services will be requested by the City on an as needed basis at the sole discretion of the City. Any document referencing quantities or performance frequencies represent the City's best estimate of current requirements, but will not bind the City to purchase, accept, or pay for materials or services which exceed its actual needs.
28. **OWNERSHIP.** All deliverables, services, and information provided by Contractor or the City pursuant to this Agreement (whether electronically or manually generated) including without limitation, reports, test plans, and survey results, graphics, and technical tables, originally prepared in the performance of this Agreement, are the property of the City and will not be used or released by Contractor or any other person except with prior written permission by the City.
29. **USE OF NAME.** Contractor will not use the name of the City of Mesa in any advertising or publicity without obtaining the prior written consent of the City.
30. **PROHIBITED ACTS.** Pursuant to A.R.S. § 38-504, a current or former public officer or employee within the last twelve (12) months shall not represent another organization before the City on any matter for which the officer or employee was directly concerned and personally participated in during their service or employment or over which they had a substantial or material administrative discretion. Further, while employed by the City and for two (2) years thereafter, public officers or employees are prohibited from disclosing or using, without appropriate authorization, any confidential information acquired by such personnel in the course of his or her official duties at the City.
31. **FOB DESTINATION FREIGHT PREPAID AND ALLOWED.** All deliveries will be FOB destination freight prepaid and allowed unless otherwise agreed.
32. **RISK OF LOSS.** Contractor agrees to bear all risks of loss, injury, or destruction of goods or equipment incidental to providing these services and such loss, injury, or destruction will not release Contractor from any obligation hereunder.
33. **SAFEGUARDING CITY PROPERTY.** Contractor will be responsible for any damage to City real property or damage or loss of City personal property when such property is the responsibility of or in the custody of Contractor or its employees.
34. **WARRANTY OF RIGHTS.** Contractor warrants it has title to, or the right to allow the City to use, the materials and services being provided and that the City may use same without suit, trouble or hindrance from Contractor or third parties.
35. **PROPRIETARY RIGHTS INDEMNIFICATION.** Without limiting the foregoing, Contractor will without limitation, at its expense defend the City against all claims asserted by any person that anything provided by Contractor infringes a patent, copyright, trade secret or other intellectual property right and must, without limitation, pay the costs, damages and attorneys' fees awarded against the City in any such action, or pay any settlement of such action or claim. Each party agrees to notify the other promptly of any matters to which this provision may apply and to cooperate with each other in connection with such defense or settlement. If a preliminary or final judgment is obtained against the City's use or operation of the items provided by Contractor hereunder or any part thereof by reason of any alleged infringement, Contractor will, at its expense and without limitation, either: (a) modify the item so that it becomes non-infringing; (b) procure for the City the right to continue to use the item; (c) substitute for the infringing item other item(s) having at least equivalent capability; or (d) refund to the City an amount equal to the price paid, less reasonable usage, from the time of installation acceptance through cessation of use, which amount will be calculated on a useful life not less than five (5) years, plus any additional costs the City may incur to acquire substitute supplies or services.
36. **CONTRACT ADMINISTRATION.** The contract will be administered by the Purchasing Administrator and/or an authorized representative from the using department. All questions

regarding the contract will be referred to the administrator for resolution. Supplements may be written to the contract for the addition or deletion of services. Payment will be negotiated and determined by the contract administrator(s).

37. **FORCE MAJEURE.** Failure by either party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control, including acts of nature, acts of the public enemy, riots, fire, explosion, legislation, and governmental regulation. The party whose performance is so affected will within five (5) calendar days of the unforeseeable circumstance notify the other party of all pertinent facts and identify the force majeure event. The party whose performance is so affected must also take all reasonable steps, promptly and diligently, to prevent such causes if it is feasible to do so, or to minimize or eliminate the effect thereof. The delivery or performance date will be extended for a period equal to the time lost by reason of delay, plus such additional time as may be reasonably necessary to overcome the effect of the delay, provided however, under no circumstances will delays caused by a force majeure extend beyond one hundred-twenty (120) calendar days from the scheduled delivery or completion date of a task unless agreed upon by the parties.
38. **COOPERATIVE USE OF CONTRACT.** The City has entered into various cooperative purchasing agreements with other Arizona government agencies, including the Strategic Alliance for Volume Expenditures (SAVE) cooperative. Under the SAVE Cooperative Purchasing Agreement, any contract may be extended for use by other municipalities, school districts and government agencies in the State of Arizona with the approval of Contractor. Any such usage by other entities must be in accordance with the statutes, codes, ordinances, charter and/or procurement rules and regulations of the respective government agency.

The City currently holds or may enter into Intergovernmental Governmental Agreements (IGA) with numerous governmental entities. These agreements allow the entities, with the approval of Contractor, to purchase their requirements under the terms and conditions of this Agreement.

A contractor, subcontractor or vendor or any employee of a contractor, subcontractor or vendor who is contracted to provide services on a regular basis at an individual school shall obtain a valid fingerprint clearance card pursuant to title 41, chapter 12, article 3.1. A school district governing board shall adopt policies to exempt a person from the requirements of this subsection if the person's normal job duties are not likely to result in independent access to or unsupervised contact with pupils. A school district, its governing board members, its school council members and its employees are exempt from civil liability for the consequences of adoption and implementation of policies and procedures pursuant to this subsection unless the school district, its governing board members, its school council members or its employees are guilty of gross negligence or intentional misconduct.

Additionally, Contractor will comply with the governing body's fingerprinting policy of each individual school district and public entity. Contractor, subcontractors, vendors and their employees will not provide services on school district properties until authorized by the school district.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City is not responsible for any disputes arising out of transactions made by others.

39. **FUEL CHARGES AND PRICE INCREASES.** No fuel surcharges will be accepted. No price increases will be accepted without proper request by Contractor and response by the City's Purchasing Division.
40. **NOTICES.** All notices to be given pursuant to this Agreement must be delivered to the parties at their respective addresses. Notices may be (i) personally delivered; (ii) sent via certified or registered mail, postage prepaid; (iii) sent via overnight courier; or (iv) sent via facsimile. If provided by personal delivery, receipt will be deemed effective upon delivery. If sent via certified or registered mail, receipt will be deemed effective three (3) calendar days after being deposited in the United States mail. If sent via overnight courier or facsimile, receipt will be deemed effective two (2) calendar days after the sending thereof.

41. **GOVERNING LAW, FORUM.** This Agreement is governed by the laws of the State of Arizona. The exclusive forum selected for any proceeding or suit in law or equity arising from or incident to this Agreement will be Maricopa County, Arizona.
42. **INTEGRATION CLAUSE.** This Agreement, including all attachments and exhibits hereto, supersede all prior oral or written agreements, if any, between the parties and constitutes the entire agreement between the parties with respect to the work to be performed.
43. **PROVISIONS REQUIRED BY LAW.** Any provision required by law to be in this Agreement is a part of this Agreement as if fully stated in it.
44. **SEVERABILITY.** If any provision of this Agreement is declared void or unenforceable, such provision will be severed from this Agreement, which will otherwise remain in full force and effect. The parties will negotiate diligently in good faith for such amendment(s) of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.
45. **SURVIVING PROVISIONS.** Notwithstanding any completion, termination, or other expiration of this Agreement, all provisions which, by the terms of reasonable interpretation thereof, set forth rights and obligations that extend beyond completion, termination, or other expiration of this Agreement, will survive and remain in full force and effect. Except as specifically provided in this Agreement, completion, termination, or other expiration of this Agreement will not release any party from any liability or obligation arising prior to the date of termination.
46. **A.R.S. SECTIONS 1-501 and 1-502.** Pursuant to Arizona Revised Statutes Sections 1-501 and 1-502, any person who applies to the City for a local public benefit (the definition of which includes a grant, contract or loan) must demonstrate his or her lawful presence in the United States. As the Agreement is deemed a local public benefit, if Contractor is an individual (natural) person or sole proprietorship, Contractor agrees to sign and submit the necessary documentation to prove compliance with the statutes as applicable.

## **EXHIBIT B**

### **PARK & CO. AGREEMENT**

Agreement To  
Provide Advertising Services  
Between  
City of Mesa and Park & Co.

COPY

This Agreement is entered into on the 7 day of November, 1999, by and between the City of Mesa, an Arizona municipal corporation ("City" or "Mesa"), and Park & Co., an Arizona corporation ("Park").

**Section 1. Definitions**

- 1.1 Act. The term "Act" shall mean the Copyright Act of 1976, as amended.
- 1.2 Advertising Materials. The term "Advertising Materials," as used in this Agreement shall mean all materials prepared under this Agreement, including, without limitation, print, broadcast, website, collateral and other marketing pieces, to advertise the Advertising Product.
- 1.3 Advertising Product. The term "Advertising Product," as used in this Agreement shall mean a water conservation media campaign, including, without limitation, all Advertising Materials.

**Section 2. Services**

- 2.1 General. Park shall have the responsibility of developing, planning and preparing, with respect to the Advertising Product, an advertising program and Advertising Materials.
- 2.2 Nature of Services. Park shall perform the following services in connection with the developing, planning and preparing of the Advertising Product.
- (a) Study the Advertising Product.
  - (b) Analyze the present and potential market for the Advertising Product.
  - (c) Create, prepare and submit to City for approval, advertising ideas and programs.
  - (d) Employ, on behalf of City, Park's knowledge of available media and means that can be effectively used to advertise the Advertising Product.
  - (e) Prepare and submit to City, for approval, estimates of costs of the recommended advertising programs.
  - (f) Write, design, illustrate or otherwise prepare the Advertising Materials, including advertisements and commercials to be broadcast or other appropriate forms of City's message.
- 2.3 Specific Projects.
- (a) The services set forth in Section 2.2, above shall be performed on a project by project basis. Except as provided 2.3(b), Park shall submit a written estimate for each project to Mesa for its approval. The estimate shall include, without limitation, a description of the services to be performed, a list of all projected costs included in the project and a notification of any third party rights which must be obtained in connection with the project. Park shall not be authorized to



perform work on any such project until after Mesa authorizes such work by signing the written estimate. The terms of each such executed estimate shall be incorporated into this Agreement with this reference.

(b) Mesa hereby authorizes Park to perform the work set forth in the estimate, attached hereto as Exhibit A, and with this reference incorporated herein. Mesa further authorizes and ratifies the work performed by Park for the project of developing the conceptual plan of advertising ideas and programs, including, without limitation, the branding sessions.

2.4 Additional Services. If authorized in an addendum to this Agreement, executed by both parties, Park shall perform the following additional services in connection with the placing of advertising for the Advertising Product:

- (a) Order the space, time or other means to be used for advertising the Advertising Product, endeavoring to secure the most advantageous rates available.
- (b) Properly incorporate the message in mechanical or other form and forward it with proper instructions for the fulfillment of the order.
- (c) Check and verify insertions, displays, broadcasts or other means used, to such degree as is usually performed by agencies.
- (d) Audit invoices for space, time, material preparation and services.

### Section 3. Compensation

3.1 Conceptual Plan. As compensation for the development of the conceptual plan of advertising ideas and programs, including, without limitation, the branding sessions, Mesa shall pay to Park ten thousand dollars (\$10,000). Park hereby acknowledges and agrees that Mesa has paid said amount in full prior to the date of this Agreement.

3.2 Initial Photography. As compensation for photography of the initial 12 items to be used in the Advertising Materials, as further described in the estimate attached hereto as Exhibit A, Mesa shall pay to Park fifteen thousand dollars (\$15,000).

3.3 Additional Projects. Compensation for all additional projects shall be as set forth in the executed estimate authorizing such work.

### Section 4. Commitments to Third Parties

4.1 Purchases. All purchases of materials and services under this Agreement shall be subject to the prior written approval of Mesa. Any rights to such materials and services, if and to the extent acquired, shall vest in Mesa.

4.2 Standards for Purchases. Park, in purchasing any materials or services under this Agreement, shall exercise due care in selecting suppliers and shall make every effort to obtain the lowest price for the desired quality of materials or services. Wherever possible, Park shall obtain competitive bids. In no event shall Park purchase any materials or services from any supplier which is a subsidiary or affiliated company or which is known to Park to be owned or controlled by any of the directors or officers of Park, without making full disclosure to Mesa of any such relationship.

4.3 Discounts. If at any time Park shall obtain discounts or rebates from any supplier, whether based on volume or work given to such supplier by Park or for any other reason, then and in such event, Park shall remit to Mesa within a reasonable time after Park's receipt of such discount or rebate, such proportion thereof as the volume of work given by Park to such supplier on Mesa's behalf bears to the total volume of work given by Park to such supplier from all of Park's clients during the pertinent period to which the discount or rebate is applicable.

4.4 Cancellations. If Mesa shall direct Park to cancel or terminate any previously authorized purchase or project, Park shall promptly take all appropriate action, provided that Mesa shall hold Park harmless with respect to any costs incurred by Park as a result of such cancellation or termination.

#### **Section 5. Indemnification**

5.1 Indemnification. Park shall defend, indemnify, and hold harmless Mesa, its Mayor and Council, appointed boards and Commissions, Departments, officials, officers, employees, and agents, individually and collectively, from and against all losses, expenses (including attorney fees), damages, claims, charges, actions or other liabilities of any kind ("Liability"), including, without limitation, Liability for libel, slander, piracy, plagiarism, invasion of privacy, or infringement of copyright, trademark or other intellectual property rights, resulting from or arising out of materials or services provided or prepared under this Agreement, except to the extent that any such Liability arises out of materials or services supplied by Mesa to Park.

#### **Section 6. Insurance**

6.1 Insurance. Throughout the term of this Agreement, Artist shall procure and maintain, at its own cost and expense, the following insurance coverages from an insurance carrier approved by Mesa:

(a) Advertising Agency Liability Policy, with limits of not less than \$1,000,000 per occurrence.

6.2 Additional Insureds. Advertising Agency Liability Policy shall name Mesa, its departments, boards, commissions, council members, officials, officers, agents, and employees as additional insureds.

6.3 Special Items. Each insurance policy shall provide the following: (i) the policies cannot be cancelled or substantially modified until and unless ten (10) business days written notice is received by Mesa; (ii) the insurance company shall have no recourse against Mesa for payment of any premium or for assessments under any form of policy; and (iii) the policies are intended as primary coverage for Mesa and that any insurance or self-insurance maintained by Mesa shall apply in excess of the insurance provided by these policies.

6.4 Certificates on File. Certificates of the required insurance coverage shall be furnished to Mesa upon execution of this Agreement and shall be kept current at all times.

#### **Section 7. Term of Agreement, Termination**

7.1 Term. The term of this Agreement shall begin on October 1, 1999 and shall continue in full force and effect until terminated by either party upon written notice of such intention given ninety (90) days in advance.

7.2 Termination Under A.R.S. 38-511. Mesa may terminate this Agreement pursuant to A.R.S. 38-511, which states that termination may occur if an employee of Mesa becomes an employee of or consultant to

Artist during the term of this Agreement. Such termination shall be effective upon Artist's receipt of written notice of the termination.

7.3 Termination for Non-appropriation. Mesa is a governmental agency which relies upon the appropriation of funds by its governing body to satisfy its obligations. In the event that an appropriation is not granted and funds are not otherwise legally available to pay the monies due or to become due under this Agreement, this Agreement shall terminate, without penalty, on the last day of the fiscal period for which funds were legally available.

#### 7.4 Rights Upon Termination.

(a) Upon termination of this Agreement, Park shall transfer, assign and make available to Mesa or Mesa's representative all property and materials, including, without limitation, Advertising Materials in Park's possession or control belonging to Mesa or paid for by Mesa, subject, however, to any rights of third parties of which Park has informed Mesa. Park further agrees to give all reasonable cooperation toward transferring, with the approval of third parties in interest, all contracts and other arrangements with advertising media or others for advertising space, facilities and talent, and other materials yet to be used, and all rights and claims thereto and therein, upon being duly released from the obligation thereof. Mesa agrees and acknowledges that talent contracts with members of certain labor unions or guilds generally cannot be assigned except to signatories to the collective bargaining agreements governing their services rendered by such talent.

(b) Upon termination, no rights or liabilities shall arise out of this relationship, regardless of any plans which may have been made for future advertising, except that any uncancellable contracts made on Mesa's authorization and still existing at termination hereof, which contracts were not or could not be assigned by Park to Mesa or someone designated by Mesa, shall be carried to completion by Park and paid for by Mesa in accordance with this Agreement.

### Section 8. Ownership

#### 8.1 Advertising Materials.

(a) All Advertising Materials accepted by Mesa for use in advertising under this Agreement shall be the property of Mesa.

(b) Park shall retain any and all rights Park may have under the Act, or any other intangible property rights in the Advertising Materials, except for the right to use or publicly display the Advertising Materials, or any portion thereof, in the State of Arizona. Park hereby transfers its rights under the Act, and any other intangible property rights, to use or publicly display the Advertising Materials, or any portion thereof, in Arizona. Park reserves the right to resell the Advertising Materials to other persons, governments, corporations, or other entities located outside of Arizona, provided that the use of such Advertising Materials is limited to areas outside of Arizona. Mesa's right to use or publicly display the Advertising Materials in the State of Arizona, or authorize others to do the same, shall be exclusive.

(c) Park hereby grants to City the perpetual right to use, publicly display, reproduce in the same or other mediums, and modify the Advertising Materials, both within and outside of the State of Arizona. Park further grants City the right to authorize other persons, governments, corporations, or other entities located in Arizona the right to use, publicly display, reproduce in the same or other mediums, and modify the Advertising Materials, provided that third party use of such Advertising Materials is limited to areas within Arizona.

(d) Notwithstanding the provisions of this Section 8, Mesa acknowledges and agrees that there may be limitations on the use materials by virtue of the rights of third parties. Park shall notify Mesa of such third parties rights in the written estimate of work, as described in 2.3(a) of this Agreement.

#### Section 9. Miscellaneous

9.1 Inspection of Books. Park agrees that any and all contracts, correspondence, books, accounts, and other sources of information relating to its performance under this Agreement shall be available for inspection at Park's office by a Mesa authorized representative.

9.2 Engravings. Park shall not be responsible for the return of engravings after their use in publications, unless Mesa requests their return before they are sent to such publications.

9.3 Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of Arizona.

9.4 Confidential Information. Artist agrees that Artist will not disclose directly or indirectly to, or use for the benefit of any third party any secret or confidential information or data acquired by virtue of its relationship with Mesa, without the prior written approval of Mesa or its successor in interest. Confidential information shall include, without limitation, information which concerns the personal, financial, or other affairs of Mesa.

9.5 Assignability. Park shall not assign or otherwise transfer this Agreement or any of its rights or duties under this Agreement, nor pledge or mortgage this Agreement without first obtaining the written consent of Mesa. Any assignment, transfer, pledge, or mortgage of this Agreement by Artist or by operation of law shall be void.

9.6 Entire Agreement, Amendments. This Agreement represents the entire Agreement between the parties with respect to the work to be performed hereunder and supersedes all prior understandings, agreements, and representations. This Agreement may not be amended except through a writing signed by both parties.

9.7 Surviving Provisions. The obligations under Section 5 (Indemnification), Section 7.4 (Rights Upon Termination), Section 8 (Ownership), and Section 9 (Miscellaneous) shall survive expiration or other termination of this Agreement.

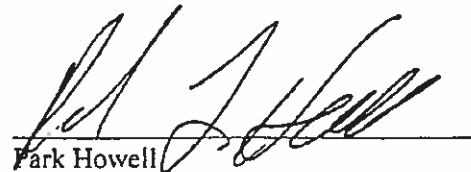
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

City of Mesa

Park & Co.



C.K. Luster  
City Manager



Park Howell  
President

## EXHIBIT A

**Park & Co**

October 26, 1999

City of Mesa Water Conservation Department

*"There are a Number of Ways to Save Water."*  
Public Information Campaign

4144 North 44th Street  
Suite A-2  
Phoenix, AZ 85018

602 957.7323  
fax 957 6333  
parkandco.com

### Initial Photography Scope of Work

For \$15,000, the City of Mesa (the client) is purchasing the lifetime rights for the state of Arizona (see contract) to use of the following list of photographs which represents our initial photography needs as discussed with the client. The final device photographed may vary from the list following prior approval from the client.

<u>Message</u>	<u>Device</u>
1. Fix leaking toilets	Food coloring
2. Take shorter showers	Clock
3. Fix leaking faucets	Ears
4. Desert plants	Plant
5. Sweep patios & driveways	Push broom
6. Use a nozzle for your hose	Nozzle
7. Adjust lawn sprinklers	Calendar
8. Wash full loads	Overflowing stacks of dishes
9. Don't throw garbage in toilet	Wastebasket
10. Turn off water when brushing or shaving	Toothbrush
11. Pay attention to your water consumption	Water meter or Water bill
12. Low-flow shower head	Bar of soap

Park&Co will retain possession of the photo transparencies for production use as long as the company is agency-of-record for the client. Upon termination of the client/agency relationship, Park&Co will surrender all photo transparencies to the City of Mesa.

**ATTACHMENT 1  
TO EXHIBIT A**

City of Mesa

Agreement for Use of Photographs

This Agreement is made and entered into this 28 day of October 1999, by and between the City of Mesa, an Arizona Municipal Corporation ("Mesa" or "City"), whose address is P.O. Box 1466, Mesa Arizona 85211-1466 and Bill McKellar, an individual ("Photographer"), whose address is 1003 E. SAUNDAN ST.  
PHOENIX, AZ. 85006

Recitals:

- A. City is purchasing the rights to twelve (12) photographs taken by photographer as part of City's water conservation media campaign ("Photographs").
- B. City and Photographer desire to enter into this Agreement to authorize and govern the use of the Photographs.

Agreement:

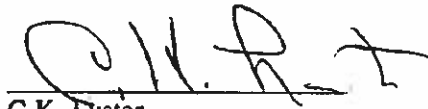
1. Reservation of Rights. Photographer shall retain all rights it may have under the Copyright Act of 1976, as amended, (the "Act") in the Photographs.
2. Grant of License. Photographer hereby grants to the City the perpetual, unlimited, right to use, reproduce in the same or other mediums, modify and publicly display the Photographs. Such rights shall include, without limitation, the right to use final prints or reproductions for the City's advertising and promotion campaigns, for display and for educational purposes, in, as way of example and not limitation, billboards, pamphlets, catalogues, websites, annual reports, and television or video media. The right to publicly display the Photographs is granted only for display within the State of Arizona; provided, however, that the display of the Photographs on a City website shall be deemed to be a public display within the State of Arizona.
3. Exclusive License. Except as provided in this Section 3, the right to publicly display the Photographs within the State of Arizona, granted to City in Section 2 above, shall be exclusive. The display of the Photographs on a website for a person, government, corporation, or other entity located within the State of Arizona shall be deemed to be a public display within the State of Arizona. Photographer shall have the right to authorize the public display of the Photographs outside the State of Arizona, and such right shall included the right to authorize use on a website for a person, government, corporation, or other entity not located within the State of Arizona.
4. Use Other than by City. City shall have the right to authorize other persons, governments, corporations, or other entities located in Arizona to exercise the rights granted to City in Section 2 of this Agreement. The right to publicly display the Photographs within the State of

Arizona shall include, without limitation, the right for such persons, governments, corporations, or other entities located in Arizona to display the Photographs on their websites.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

City of Mesa:

Photographer:



C.K. Luster  
City Manager



Bill McKeller