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FOUNTAIN HILLS
ACCOUNTS PAYABLE

PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
FOUNTAIN HILLS CHAMBER OF COMMERCE

THIS PROFESSIONAL SERVICES AGREEMENT (this "Agreement") is made as of September 6, 2007, between the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation (the "Town") and FOUNTAIN HILLS CHAMBER OF COMMERCE, an Arizona non-profit corporation (the "Contractor").

RECITALS

A. The Town issued a Request for Qualifications (the "RFQ"), attached hereto as Exhibit A and incorporated herein by reference, seeking statements of qualifications from Contractors for professional consulting services.

B. The Contractor responded to the RFQ by the Proposal, attached hereto as Exhibit B and incorporated herein by reference, and the Town desires to enter into an Agreement with the Contractor to promote tourism (the "Services").

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the following mutual covenants and conditions, the Town and the Contractor hereby agree as follows:

1. Term of Agreement. This Agreement shall be effective as of the date first set forth above and shall remain in full force and effect until June 30, 2010.
2. Scope of Work. Contractor shall provide the Services as set forth in the Scope of Work, attached hereto as Exhibit C and incorporated herein by reference.
3. Compensation. The Town shall pay Contractor a price not to exceed \$375,000.00 for the Services as set forth in the Fee Estimate, attached hereto as Exhibit D and incorporated herein by reference.
4. Payments. The Town shall pay the Contractor quarterly following the submittal of Contractor quarterly reports, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. The invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. The first quarterly report shall be due September 30, 2007, and the corresponding payment shall be remitted not later than October 15, 2007. Subsequent quarterly reports shall be due on the last day of each quarter and the corresponding payment shall be remitted not later than 15 days after receipt of such quarterly report.

5. Ownership of Documents. All documents prepared and submitted to the Town by the Contractor pursuant to this Agreement shall be the property of the Town.

6. Contractor Personnel. Contractor shall provide adequate, experienced personnel, capable of and devoted to the successful completion of the Services to be performed under this Agreement. Contractor agrees to assign specific individuals to key positions. Contractor agrees that, upon commencement of the Services to be performed under this Agreement, key personnel shall not be removed or replaced without prior written notice to the Town. If key personnel are not available to perform the Services for a continuous period exceeding 30 calendar days, or are expected to devote substantially less effort to the Services than initially anticipated, Contractor shall immediately notify the Town of same and shall, subject to the concurrence of the Town, replace such personnel with personnel of substantially equal ability and qualifications.

7. Inspection; Acceptance. All work shall be subject to inspection and acceptance by the Town at reasonable times during Contractor's performance. The Contractor shall provide and maintain a self-inspection system that is acceptable to the Town.

8. Licenses; Materials. Contractor shall maintain in current status all federal, state and local licenses and permits required for the operation of the business conducted by the Contractor. The Town has no obligation to provide Contractor, its employees or subcontractors any business registrations or licenses required to perform the specific services set forth in this Agreement. The Town has no obligation to provide tools, equipment or material to Contractor.

9. Performance Warranty. Contractor warrants that the Services rendered will conform to the requirements of this Agreement and to the highest professional standards in the field.

10. Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the Town and each council member, officer, employee or agent thereof (the Town and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims"), insofar as such Claims (or actions in respect thereof) relate to, arise out of, or are caused by or based upon the negligent acts, intentional misconduct, errors, mistakes or omissions, in connection with the work or services of the Contractor, its officers, employees, agents, or any tier of subcontractor in the performance of this Agreement. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this Section.

11. Insurance.

11.1 General.

a. Insurer Qualifications. Without limiting any obligations or liabilities of Contractor, Contractor shall purchase and maintain, at its own expense, hereinafter stipulated minimum insurance with insurance companies duly licensed by the

State of Arizona with an AM Best, Inc. rating of A- or above with policies and forms satisfactory to the Town. Failure to maintain insurance as specified herein may result in termination of this Agreement at the Town's option.

b. No Representation of Coverage Adequacy. By requiring insurance herein, the Town does not represent that coverage and limits will be adequate to protect Contractor. The Town reserves the right to review any and all of the insurance policies and/or endorsements cited in this Agreement but has no obligation to do so. Failure to demand such evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Contractor from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

c. Additional Insured. All insurance coverage and self-insured retention or deductible portions, except Workers' Compensation insurance and Professional Liability insurance, if applicable, shall name, to the fullest extent permitted by law for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees as Additional Insured as specified under the respective coverage sections of this Agreement.

d. Coverage Term. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily performed, completed and formally accepted by the Town, unless specified otherwise in this Agreement.

e. Primary Insurance. Contractor's insurance shall be primary insurance with respect to performance of this Agreement and in the protection of the Town as an Additional Insured.

f. Claims Made. In the event any insurance policies required by this Agreement are written on a "claims made" basis, coverage shall extend, either by keeping coverage in force or purchasing an extended reporting option, for three years past completion and acceptance of the services. Such continuing coverage shall be evidenced by submission of annual Certificates of Insurance citing applicable coverage is in force and contains the provisions as required herein for the three-year period.

g. Waiver. All policies, except for Professional Liability, including Workers' Compensation insurance, shall contain a waiver of rights of recovery (subrogation) against the Town, its agents, representatives, officials, officers and employees for any claims arising out of the work or services of Contractor. Contractor shall arrange to have such subrogation waivers incorporated into each policy via formal written endorsement thereto.

h. Policy Deductibles and/or Self-Insured Retentions. The policies set forth in these requirements may provide coverage that contains deductibles or self-insured retention amounts. Such deductibles or self-insured retention shall not be

applicable with respect to the policy limits provided to the Town. Contractor shall be solely responsible for any such deductible or self-insured retention amount.

i. Use of Subcontractors. If any work under this Agreement is subcontracted in any way, Contractor shall execute written agreement with Subcontractor containing the indemnification provisions set forth in this Section and insurance requirements set forth herein protecting the Town and Contractor. Contractor shall be responsible for executing the agreement with Subcontractor and obtaining certificates of insurance verifying the insurance requirements.

j. Evidence of Insurance. Prior to commencing any work or services under this Agreement, Contractor shall furnish the Town with certificate(s) of insurance, or formal endorsements as required by this Agreement, issued by Contractor's insurer(s) as evidence that policies are placed with acceptable insurers as specified herein and provide the required coverages, conditions and limits of coverage specified in this Agreement and that such coverage and provisions are in full force and effect. If a certificate of insurance is submitted as verification of coverage, the Town shall reasonably rely upon the certificate of insurance as evidence of coverage but such acceptance and reliance shall not waive or alter in any way the insurance requirements or obligations of this Agreement. If any of the above-cited policies expire during the life of this Agreement, it shall be Contractor's responsibility to forward renewal certificates within ten days after the renewal date containing all the aforementioned insurance provisions. Additionally, certificates of insurance submitted without referencing a contract number will be subject to rejection and returned or discarded. Certificates of insurance shall specifically include the following provisions:

(1) The Town, its agents, representatives, officers, directors, officials and employees are Additional Insureds as follows:

(a) Commercial General Liability - Under Insurance Services Office, Inc., ("ISO") Form CG 20 10 03 97 or equivalent.

(b) Auto Liability - Under ISO Form CA 20 48 or equivalent.

(c) Excess Liability - Follow Form to underlying insurance.

(2) Contractor's insurance shall be primary insurance as respects performance of the Agreement.

(3) All policies, except for Professional Liability, including Workers' Compensation, waive rights of recovery (subrogation) against Town, its agents, representatives, officers, officials and employees for any claims arising out of work or services performed by Contractor under this Agreement.

(4) A 30-day advance notice cancellation provision. If ACORD certificate of insurance form is used, the phrases in the cancellation provision "endeavor to" and "but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives" shall be deleted. Certificate forms other than ACORD form shall have similar restrictive language deleted.

11.2 Required Insurance Coverage.

a. Commercial General Liability. Contractor shall maintain "occurrence" form Commercial General Liability insurance with an unimpaired limit of not less than \$1,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury. Coverage under the policy will be at least as broad as ISO policy form CG 00 010 93 or equivalent thereof, including but not limited to, separation of insured's clause. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, officials and employees shall be cited as an Additional Insured under ISO, Commercial General Liability Additional Insured Endorsement form CG 20 10 03 97, or equivalent, which shall read "Who is an Insured (Section II) is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" for that insured by or for you." If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

b. Vehicle Liability. Contractor shall maintain Business Automobile Liability insurance with a limit of \$1,000,000 each occurrence on Contractor's owned, hired and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Agreement. Coverage will be at least as broad as ISO coverage code "1" "any auto" policy form CA 00 01 12 93 or equivalent thereof. To the fullest extent allowed by law, for claims arising out of the performance of this Agreement, the Town, its agents, representatives, officers, directors, officials and employees shall be cited as an Additional Insured under ISO Business Auto policy Designated Insured Endorsement form CA 20 48 or equivalent. If any Excess insurance is utilized to fulfill the requirements of this subsection, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying insurance.

c. Professional Liability. If this Agreement is the subject of any professional services or work, or if the Contractor engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Contractor shall maintain Professional Liability insurance covering negligent errors and omissions arising out of the Services performed by the Contractor, or anyone employed by the Contractor, or anyone for whose negligent acts, mistakes, errors and omissions the Contractor is legally liable, with an unimpaired liability insurance limit of \$2,000,000 each claim and \$2,000,000 all claims. In the event the Professional Liability insurance

policy is written on a "claims made" basis, coverage shall extend for three years past completion and acceptance of the Services, and the Project Manager shall be required to submit certificates of insurance evidencing proper coverage is in effect as required above.

d. Workers' Compensation Insurance. Contractor shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor's employees engaged in the performance of work or services under this Agreement and shall also maintain Employers Liability Insurance of not less than \$500,000 for each accident, \$500,000 disease for each employee and \$1,000,000 disease policy limit.

11.3 Cancellation and Expiration Notice. Insurance required herein shall not expire, be canceled, or materially changed without 30 days prior written notice to the Town.

12. Applicable Law; Venue. In the performance of this Agreement, Contractor shall abide by and conform to any and all laws of the United States, State of Arizona and Town of Fountain Hills, including but not limited to, federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this Agreement. This Agreement shall be governed by the laws of the State of Arizona and suit pertaining to this Agreement may be brought only in courts in the State of Arizona.

13. Termination; Cancellation.

13.1 For Town's Convenience. This Agreement is for the convenience of the Town and, as such, may be terminated without cause after receipt by Contractor of written notice by the Town. Upon termination for convenience, Contractor shall be paid for all undisputed services performed to the termination date.

13.2 For Cause. This Agreement may be terminated by either party upon 30 days' written notice should the other party fail to substantially perform in accordance with this Agreement's terms, through no fault of the party initiating the termination. In the event of such termination for cause, payment shall be made by the Town to the Contractor for the undisputed portion of its fee due as of the termination date.

13.3 Due to Work Stoppage. This Agreement may be terminated by the Town upon 30 days' written notice to Contractor in the event that the Services are permanently abandoned. In the event of such termination due to work stoppage, payment shall be made by the Town to the Contractor for the undisputed portion of its fee due as of the termination date.

13.4 Conflict of Interest. This Agreement is subject to the provisions of ARIZ. REV. STAT. § 38-511. The Town may cancel this Agreement without penalty or further obligations by the Town or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Town or any of its departments or agencies is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other party to the Agreement in any capacity

or a Contractor to any other party of the Agreement with respect to the subject matter of the Agreement.

13.5 Gratuities. The Town may, by written notice to the Contractor, cancel this Agreement if it is found by the Town that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor to any officer, agent or employee of the Town for the purpose of securing this Agreement. In the event this Agreement is cancelled by the Town pursuant to this provision, the Town shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor an amount equal to 150% of the gratuity.

14. Miscellaneous.

14.1 Independent Contractor. The Contractor acknowledges and agrees that the Services provided under this Agreement are being provided as an independent contractor, not as an employee or agent of the Town. Contractor, its employees and subcontractors are not entitled to workers' compensation benefits from the Town. The Town does not have the authority to supervise or control the actual work of Contractor, its employees or subcontractors. The Contractor, and not the Town, shall determine the time of its performance of the services provided under this Agreement so long as Contractor meets the requirements of its agreed scope of work as set forth in Section 2 above. Contractor is neither prohibited from entering into other contracts nor prohibited from practicing its profession elsewhere. Town and Contractor do not intend to nor will they combine business operations under this Agreement.

14.2 Laws and Regulations. The Contractor shall keep fully informed and shall at all times during the performance of its duties under this Agreement ensure that it and any person for whom the Contractor is responsible remains in compliance with all rules, regulations, ordinances, statutes or laws affecting the Services, including the following: (a) existing and future Town and County ordinances and regulations, (b) existing and future state and federal laws and (c) existing and future Occupational Safety and Health Administration ("OSHA") standards.

14.3 Amendments. This Agreement may be modified only by a written amendment signed by persons duly authorized to enter into contracts on behalf of the Town and the Contractor.

14.4 Provisions Required by Law. Each and every provision of law and any clause required by law to be in the Agreement will be read and enforced as though it were included herein and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party, the Agreement will promptly be physically amended to make such insertion or correction.

14.5 Severability. The provisions of this Agreement are severable to the extent that any provision or application held to be invalid by a Court of competent jurisdiction shall not affect any other provision or application of the Agreement which may remain in effect without the invalid provision or application.

14.6 Relationship of the Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Contractor is advised that taxes or Social Security payments will not be withheld from any Town payments issued hereunder and Contractor agrees to be fully and solely responsible for the payment of such taxes or any other tax applicable to this Agreement.

14.7 Entire Agreement; Interpretation; Parol Evidence. This Agreement represents the entire agreement of the parties with respect to its subject matter, and all previous agreements, whether oral or written, entered into prior to this Agreement are hereby revoked and superseded by this Agreement. No representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in any other contemporaneous written agreement executed for the purposes of carrying out the provisions of this Agreement. This Agreement shall be construed and interpreted according to its plain meaning, and no presumption shall be deemed to apply in favor of, or against the party drafting the Agreement. The parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of, and entry into this Agreement.

14.8 Assignment. No right or interest in this Agreement shall be assigned by Contractor without prior, written permission of the Town signed by the Town Manager and no delegation of any duty of Contractor shall be made without prior, written permission of the Town signed by the Town Manager. Any attempted assignment or delegation by Contractor in violation of this provision shall be a breach of this Agreement by Contractor.

14.9 Subcontracts. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material or services specified herein without the prior written approval of the Town. The Contractor is responsible for performance under this Agreement whether or not subcontractors are used.

14.10 Rights and Remedies. No provision in this Agreement shall be construed, expressly or by implication, as waiver by the Town of any existing or future right and/or remedy available by law in the event of any claim of default or breach of this Agreement. The failure of the Town to insist upon the strict performance of any term or condition of this Agreement or to exercise or delay the exercise of any right or remedy provided in this Agreement, or by law, or the Town's acceptance of and payment for services, shall not release the Contractor from any responsibilities or obligations imposed by this Agreement or by law, and shall not be deemed a waiver of any right of the Town to insist upon the strict performance of this Agreement.

14.11 Attorneys' Fees. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Agreement or on account of any breach or default hereof, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and reasonable costs and expenses, determined by the court sitting without a jury, which shall be deemed to have accrued on the commencement of such action and shall be enforced whether or not such action is prosecuted through judgment.

14.12 Liens. All materials or services shall be free of all liens and, if the Town requests, a formal release of all liens shall be delivered to the Town.

14.13 Notices and Requests. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered to the party at the address set forth below, (b) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (c) given to a recognized and reputable overnight delivery service, to the address set forth below or (d) delivered by facsimile transmission to the number set forth below:

If to the Town: Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Facsimile: 480-837-3145
Attn: Timothy Pickering, Town Manager

With copy to: GUST ROSENFELD, P.L.C.
201 East Washington, Suite 800
Phoenix, Arizona 85004-2327
Facsimile: 602-340-1538
Attn: Andrew J. McGuire, Esq.

If to Contractor: Fountain Hills Chamber of Commerce
16837 East Palisades Boulevard
Fountain Hills, Arizona 85268
Facsimile: 480-837-3077
Attn: Frank Ferrara, President, CEO

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Section. Notices shall be deemed received (a) when delivered to the party, (b) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (c) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (d) when received by facsimile transmission during the normal business hours of the recipient. If a copy of a notice is also given to a party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

14.14 Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the Town for the purpose of ensuring that information contained in its records or obtained from the Town or from others in carrying out its obligations under this Agreement shall not be used or disclosed by it, its agents, officers, or employees, except as required to perform Contractor's duties under this Agreement. Persons requesting such information should be referred to the Town. Contractor also agrees that any

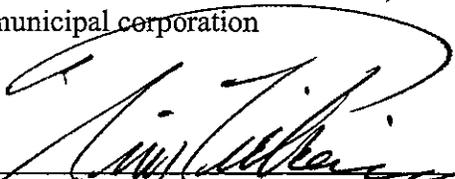
information pertaining to individual persons shall not be divulged other than to employees, agents or officers of Contractor as needed for the performance of duties under this Agreement.

14.15 Conflicting Terms. In the event of a conflict between the RFQ, the Contractor's response to the RFQ, the Scope of Work and this Agreement, the terms of this Agreement shall govern. In the event of a conflict between the RFQ and the Scope of Work, the Scope of Work shall govern.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first set forth above.

"Town"

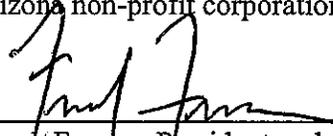
TOWN OF FOUNTAIN HILLS, an Arizona
municipal corporation



Timothy G. Pickering, Town Manager

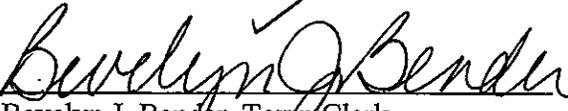
"Contractor"

FOUNTAIN HILLS CHAMBER OF
COMMERCE,
an Arizona non-profit corporation

By: 

Frank Ferrara, President and CEO

ATTEST:



Bevelyn J. Bender, Town Clerk

(ACKNOWLEDGEMENTS)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on _____, 2007,
by Timothy G. Pickering, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona
municipal corporation, on behalf of the Town of Fountain Hills.

Notary Public in and for the State of Arizona

My Commission Expires:

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on August 31, 2007,
by Frank Ferrara as Pres. & CEO. of FOUNTAIN HILLS
CHAMBER OF COMMERCE, an Arizona non-profit corporation, on behalf of the corporation.

Bevelyn J. Bender
Notary Public in and for the State of Arizona

My Commission Expires:

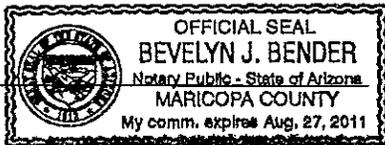


EXHIBIT A
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
FOUNTAIN HILLS CHAMBER OF COMMERCE

[RFQ]

See following pages.

REQUEST FOR QUALIFICATIONS

TO

PROMOTE TOURISM IN THE TOWN OF FOUNTAIN HILLS

I. INTRODUCTION

The Town of Fountain Hills (the "Town") is issuing this request for qualifications (the "RFQ") to solicit submittals from qualified individuals, non-profit organizations, firms or consultant teams (the "Firm") to promote tourism in the Town of Fountain Hills. Copies of this RFQ can be obtained at Town Hall, located at 16705 East Avenue of the Fountains, Fountain Hills, Arizona, or online at www.fh.az.gov.

The preferred Firm would be a destination marketing organization ("DMO") which would meet the State of Arizona definition of a DMO that is qualified to participate in the state's tourism grants programs. A DMO is defined by the State of Arizona Office of Tourism ("AOT") as the primary governmentally designated unit responsible for the promotion/marketing of a destination (city, town or other political subdivision) on a year-round basis. AOT grant funding is limited to DMOs which have been in existence for at least one (1) year and have a marketing budget of at least \$100,000, exclusive of administrative costs and exclusive of grant funds received from the state.

After reviewing the materials submitted pursuant to this RFQ, the Town may invite the most qualified applicant(s) to interview with members of the Town Staff, and the Town will select an applicant based upon the RFQ material and interview results, if any. The Town reserves the right to (i) make an award that is most advantageous to the Town based upon service, price, materials or other evaluation factors as set forth herein, (ii) waive any informalities in the proposal or (iii) reject all proposals.

The selected Firm will be required to execute the Town's standard Professional Services Agreement, in a form acceptable to the Town Attorney. A sample of the standard agreement is included with this RFQ. If an agreement cannot be reached with the most-qualified offeror, the Town may enter into negotiations with the next most qualified offeror.

II. BACKGROUND

The Town is situated in the northeast quadrant of Maricopa County, thirty miles northeast of central Phoenix. The Town's spectacular hillside location in the upper Sonoran Desert on the eastern slope of the McDowell Mountains provides the community with its famous mountain vistas and rich natural desert vegetation. Currently, the Town has an estimated population of 25,000. As with many communities in Maricopa County, the Town experiences seasonal fluctuations in populations due to the number of part-time residents.

III. SCOPE OF SERVICES

The Town desires to procure the services of a qualified Firm effective, July 1, 2007, to promote tourism in the Town of Fountain Hills. Responsibilities shall include, but not be limited to, the following:

1. Provide a Tourism Director;
2. Publish a minimum of 40,000 visitor guides annually;
3. Contract with Scottsdale Convention and Visitors Bureau to be included in its destination guide, meeting planners guide and valley guide;
4. Conduct a non-paid public relations editorial development campaign to achieve an equivalent advertising value of at least \$2.5M annually.
5. Provide no less than ten (10) TEAM ads annually representing more than 3.5 million impressions and no less than fourteen (14) non-TEAM ads annually with over 1.3 million potential impressions;
6. Apply for the full extent of project funding available through the Arizona Office of Tourism with application of at least \$35,000 annually and Prop 302 grants of \$17,000 annually.
7. Provide quarterly reports of progress toward completing the scope of services, including the number of Fountain Hills businesses advertised.

IV. QUALIFICATIONS

1. Describe the organization, size and structure of the Firm, stating whether the Firm is national, regional or local.
2. State the address of the local office that will provide services to the Town.
3. Indicate the number of people, by level, within the local office that will provide the services to the Town. Indicate other projects that this staff may be working on concurrently. State your policy on notification of changes in key personnel. Also, indicate the overall supervision to be exercised over the team by the Firm's management.
4. Describe the experience in promoting tourism of each senior and higher level person who will be assigned to provide the services to the Town, including years on each job and their position while on each project.
5. Describe the relevant educational background of each individual who will be assigned to provide the Services to the Town.
6. Describe any specialized skills, training, or background in tourism of each individual who will be assigned to provide the services to the Town. This may include participation in state

or national professional organizations, and speaker or instructor roles at conferences or seminars.

7. Provide a list of the local office's current and prior government clients indicating the type(s) of services performed and the number of years served for each. Indicate experience with entities that are similar in size and complexity to the Town.
8. Describe the Firm's technical approach to providing the services to the Town, including performance and measurement standards.
9. Describe your understanding of the work to be performed. Applicants are welcome to outline additional services or alternative approaches they feel are in the Town's best interest and include them in this section of the proposal.

V. PROPOSAL CONTENTS

Proposals shall contain the following information:

1. Qualifications. The qualifications listed in item IV, above, must be stated. If the responding firm is a non-profit organization, a copy of the 501(c)(3) incorporation documentation must be attached.
2. Proposed Plan of Action. The Firm must submit a proposal that outlines its approach to promoting tourism in the Town of Fountain Hills and should also fully state any additional resources being requested from the Town (i.e. staff, mail costs, publication costs, etc.).
3. Timeline. Submission must include timelines for the completion of each task proposed.
4. Proposal Cost. Proposal costs must be submitted on an all-inclusive annual basis and shall include all taxes and other related cost factors associated with providing the services described in this document, including payment requirements. The initial contract is anticipated to be a three-year contract and costs should be submitted for Fiscal Year 2007-2008; Fiscal Year 2008-2009, and Fiscal Year 2009-2010.
5. References. Offerors must submit a list of at least five current references that have relevant knowledge of the Firm's ability to promote tourism. Names, affiliations, addresses, and current telephone numbers of all references should be provided as well as a brief description of the relationship between the reference and the Firm. References may be contacted to discuss the Firm's qualifications and history.
6. Designation of Primary Manager. The proposal shall fully state the name, address, and contact information for the individual responsible for managing the Scope of Services.

VI. SUBMISSION GUIDELINES

1. Submission. Submittal of the consultant's proposal is due to the office of the Town Clerk by 3:00 p.m., on Friday, February 9, 2007. The offeror must submit one (1) original and two (2)

copies of the proposal. The original should be marked "Original." All submittals and correspondence should be addressed to:

Town of Fountain Hills
16705 East Avenue of the Fountains
Fountain Hills, Arizona 85268
Attn: Timothy G. Pickering, Town Manager

Proposals must be submitted in a sealed envelope labeled "Tourism RFQ" and have the offeror's name and address clearly indicated on the envelope.

2. Inquiries. Any question related to this solicitation must be directed to Tim Pickering, at 480-816-5107, fax 480-837-3145, email tpickering@fh.az.gov or Shaunna Williams, Executive Assistant, at 480-816-5107, fax 480-837-3154, email swilliams@fh.az.gov. All questions shall be submitted in writing; electronic mail submittals are acceptable. Any correspondence related to a solicitation should refer to the Request for Qualifications page and paragraph number.
3. Late Proposals. Late proposals will not be considered. An offeror submitting a late proposal shall be so notified.
4. Withdrawal of Offer. At any time prior to the specified proposal due date, an offeror (or designated representative) may, in writing, withdraw its proposal. Withdrawals submitted by facsimile, e-mail or similar transmissions will not be considered.
5. Amendment of Proposal. Proposals may be amended at any time prior to the due date and time. However, no proposal, proposed contract, or data sheets shall be altered, amended, or withdrawn after the specified due time and date.
6. Proposer's Certification. By submitting a proposal, the offeror certifies that he or she has read and understands this RFQ and has full knowledge of the scope, nature, and quality of work to be performed.

VII. CRITERIA FOR EVALUATION

Award shall be made to the offeror whose proposal is determined to be the most advantageous to the Town, based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.

1. Experience and qualifications of the Firm's project team.
2. Approach to and understanding of the Scope of Services, including the methodology proposed to accomplish such.
3. Proposed cost.

4. Ability to perform the work within the required time and inclusion of project schedule and staffing plans.

VIII. PROPOSAL OPENING

1. Proposal Opening. Proposals shall be opened publicly at 3:00 PM MST, on February 9, 2007. The name of each offeror shall be read publicly, and recorded. All other information contained in proposals shall be confidential so as to avoid disclosure of contents prejudicial to competing offerors during the process of negotiation. Prices will not be read and proposals will not be subject to public inspection until after contract award. All proposals received in response to this RFQ will become the property of the Town and will not be returned to the offerors.
2. Offer Acceptance Period. Proposals are irrevocable offers for 90 days after opening time and date.
3. Incurred Expenses. The Town is not responsible for any expenses that offerors may incur in preparing and submitting proposals called for in this RFQ.
4. Interviews. The Town reserves the right to conduct personal interviews or require presentations of any or all offerors prior to selection. The Town will not be liable for any costs incurred by the offeror in connection with such interviews/presentation.

IX. AWARD OF CONTRACT

The Town anticipates that a contract will be awarded shortly after the proposals are submitted. Notwithstanding any other provision of this RFQ, the Town expressly reserves the right to do any of the following:

1. Waive any defect or informality.
2. Reject any or all offers, or portions thereof.
3. Reissue a Request for Qualifications.
4. Withhold the award for any reason.

EXHIBIT B
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
FOUNTAIN HILLS CHAMBER OF COMMERCE

[The Proposal]

See following pages.



February 8, 2007

Mr. Timothy G. Pickering
Town Manager
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

02-09-07P02:38 RCVD

Dear Tim:

The Fountain Hills Chamber of Commerce is pleased to submit the enclosed proposal in response to the RFQ issued by the Town seeking an entity to promote tourism in the Town of Fountain Hills.

With all that is on the horizon in terms of potential developments in our community, including its downtown center, we at the Chamber are very excited about the opportunity at hand to build on the Town's best opportunity for business vitality and healthy commercial development through sustainable civic tourism, which as you know is a priority focus of our Chamber's program of work.

The attached proposal addresses the destination marketing component of tourism development per the guidelines and scope of services outlined in the RFQ.

The Chamber greatly appreciates the lasting spirit of partnership it has enjoyed with the Town for many years, both in its operations overall, and in its tourism development efforts in particular. We look forward to continuing in this partnership for tourism, and we trust that this proposal combined with our heretofore proven capabilities will warrant our selection as your chosen entity in order that we may continue together to build upon the groundwork we have laid in place to date.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank S. Ferrara".

Frank S. Ferrara
President & CEO

A handwritten signature in black ink, appearing to read "Mark McDermott".

Mark McDermott
Tourism Director

ORIGINAL



PROPOSAL

To: Town of Fountain Hills

From: Fountain Hills Chamber of Commerce / Visitors Bureau

**Re: Request for Qualifications To Promote Tourism In The
Town of Fountain Hills**

Date: February 8, 2007

I. INTRODUCTION

The Town of Fountain Hills (the "Town") has issued a request for qualifications ("RFQ") to solicit submittals from qualified individuals, non-profit organizations, firms or consultant teams (the "Firm") to promote tourism in the Town of Fountain Hills. The Town desires to procure the services of a qualified Firm effective, July 1, 2007.

The Town stipulates in the RFQ that the preferred Firm would be a destination marketing organization ("DMO") which would meet the State of Arizona definition of a DMO that is qualified to participate in the state's tourism grants programs. A qualified DMO is defined by the state Office of Tourism ("AOT") as the primary governmentally-designated unit responsible for the promotion/marketing of a destination (city, town or other political subdivision) on a year-round basis, and which has been in existence for at least one (1) year and has a marketing budget of at least \$100,000, exclusive of administrative costs and exclusive of grant funds received from the state.

The Fountain Hills Chamber of Commerce / Visitors Bureau (the "FHCC/VB") meets the stated qualifications. This visitors bureau has been operating as the DMO for Fountain Hills and the Fort McDowell Yavapai Nation since 2001, and presently operates on a budget of \$270,000 (FY 2006-07), with funding provided by the Town, the Tribe and the Chamber. The FHCC/VB is pleased to submit the following proposal in response to the Town's RFQ for tourism promotion services.

QUALIFICATIONS

1. **Describe the organization, size and structure of the Firm, stating whether the Firm is national, regional or local.**

The organization is a division of the Fountain Hills Chamber of Commerce. It is comprised of an Advisory Committee of some forty (40) businesses and organizations and public entities within the Fountain Hills and Fort McDowell communities. It is staffed by a paid tourism director, with assistance provided by Chamber of Commerce staff. It retains an advertising and public relations agency to assist with the research, planning and implementation of its primary marketing programs. The FHCC/VB presently operates on a budget of approximately \$270,000. It is local in operational location, though its marketing programs are national (some international), as well as regional and locally targeted.

2. **State the address of the local office that will provide services to the Town.**

Fountain Hills Chamber of Commerce

Physical Address: 16837 E. Palisades Blvd., Fountain Hills, AZ 85268

Mailing Address: PO Box 17598, Fountain Hills, Arizona 85269-7598

3. **Indicate the number of people, by level, within the local office that will provide the services to the Town. Indicate other projects this staff may be working on concurrently. State your policy on notification of changes in key personnel. Also, indicate the overall supervision to be exercised over the team by the Firm's management.**

One (1) Tourism Director; one(1) administrator; one(1) visitor center manager; one (1) website manager; and various volunteers in visitor services.

Most of these staff are also working on various Chamber of Commerce programs and projects. The President and CEO of the Chamber of Commerce oversees all above-noted staff.

4. **Describe the experience in promoting tourism of each senior and higher level person who will be assigned to provide the services to the Town, including years on each job and position while on each project.**

Please see attached resume – Mark McDermott.

5. **Describe the relevant education of each individual who will be assigned to provide services to the Town.**

Bachelor of Science degree in Transportation, Travel & Tourism. Certification in Organization Management. See attached resume – Mark McDermott

6. **Describe any specialized skills, training, or background in tourism of each individual who will be assigned to provide services to the Town. This may include participation in state or national professional organizations, and speaker or instructor roles at conferences or seminars.**

Please see attached resume – Mark McDermott. Mr. McDermott has served in leadership positions in various national, regional and statewide tourism organizations and has been a frequent speaker at related conferences, etc.

- 7. Provide a list of the local office's current and prior government clients indicating the types of services performed and the number of years served for each. Indicate experience with entities that are similar in size and complexity to the Town.**

Current/prior government clients:

- *Town of Fountain Hills – For tourism services; 5 years.*
- *Fort McDowell Yavapai Nation – For tourism services; 4 years.*

- 8. Describe the Firm's technical approach to providing services to the Town, including performance and measurement standards.**

The FHCC/VB operates under the direction of its Tourism Director with advisement by a committee (Advisory Committee) of tourism and hospitality industry businesses and organizations from throughout the communities of Fountain Hills and Fort McDowell. It implements an annual marketing plan that includes primary program areas of: Advertising and Fulfillment; Media Relations/Marketing Communications; Affiliations and Cooperative Marketing; Trade Marketing; Special Promotions and Visitor Information Services.

It's performance and measurement standards are established in accordance with traditional or typical tourism reporting mechanisms such as advertising and editorial impressions and reach; inquiries generated and responses fulfilled, etc. Presently the Bureau is conducting a visitation and economic impact study that will establish additional baseline measurement standards.

- 9. Describe your understanding of the work to be performed. Applicants are welcome to outline additional services or alternative approaches they feel are in the Town's best interest and include them in this section of the proposal. This applicant's understanding of the work to be performed is complet, and is essentially outlined in the above described qualifications.**

PROPOSED PLAN OF ACTION

The FHCC/VB's approach to promoting tourism in the Town of Fountain Hills is to conduct an integrated marketing plan that consists of established successful tourism and destination marketing disciplines. These include primarily: media advertising and resultant fulfillment; media relations/marketing communications; affiliations and cooperative marketing; trade marketing; special promotions; and visitor information services.

The scope of services provided by Town in the RFQ as required responsibilities essentially addresses the elements of such an integrated marketing plan. The following addresses that Scope of Service:

SCOPE OF SERVICES

Per the specifications of the RFQ, the Fountain Hills Chamber of Commerce / Visitors Bureau will comply with the following required responsibilities:

1. Provide a Tourism Director.

The FHCC/VB retains a director whose qualifications include over 30 years of experience in senior management positions in DMOs in notable communities in major tourism states (NY, MA, FL, AZ) including having served for seven years as Director of the Arizona Office of Tourism. See attached resume – Mark McDemott.

2. Publish a minimum of 40,000 visitor guides annually.

The FHCC/VB has been publishing the Fountain Hills / Fort McDowell Official Visitors Guide in 40,000 quantity for the past three years, and will continue with annual production of this publication, most likely in increasing quantities.

3. Contract with Scottsdale Convention and Visitors Bureau to be included in its destination guide, meeting planners guide and valley guide.

The FHCC/VB has maintained a formal agreement with the Scottsdale Convention & Visitors Bureau for the past several years under which the SCVB provides Fountain Hills with a scope of services that includes presence in its publications as well as other negotiated benefits and services. The Bureau will continue to negotiate with the SCVB for the best possible annual agreements to benefit the interests of the Fountain Hills destination as well as its member businesses.

4. Conduct a non-paid public relations editorial development campaign to achieve an equivalent advertising value of at least \$2.5 million.

The FHCC/VB retains an advertising and public relations firm that has extensive experience in the fields of tourism, hospitality and destination marketing. The expertise the DMO has in place essentially guarantees that this goal amount is achievable, as it has been achieved in recent years.

5. **Provide no less than ten (10) TEAM ads annually representing more than 3.5 million impressions and no less than fourteen (14) non-TEAM ads annually with over 1.3 million potential impressions.**

As noted, the expertise currently retained by the FHCC/VB represents scores of years of tourism marketing experience. Additionally, the staff and agency team are extensively experienced in working with the State of Arizona's "TEAM" advertising program from positions held prior to being retained by the Chamber, as well as in working for the Chamber for the past three years. Provided funding levels are maintained, this scope of work goal will be achieved.

6. **Apply for the full extent of project funding available through the Arizona Office of Tourism with application of at \$35,000 annually and Prop 302 grants of at least \$17,000 annually.**

Here again, the staff and agency retained by the FHCC/VB are extensively experienced with the AOT grants programs, and will fulfill this scope of work requirement, and endeavor to achieve as much beyond the set amounts as feasible within the grants guidelines..

7. **Provide quarterly reports of the progress toward completing the scope of services, including the number of Fountain Hills businesses advertised. The FHCC/VB will comply with the Town's reporting requirements.**

TIMELINE

Essentially each task proposed with in the Scope of Services will be carried out on an on-going basis as part of the evolving integrated marketing plan during the entirety of each contract fiscal year.

PROPOSAL COST

Per the stated requirement, these proposal costs are submitted on an all-inclusive annual basis and include all taxes and other related cost factors associated with providing the services described in this document. It is understood that the initial contract is anticipated to be a three-year contract and that costs should be submitted for fiscal years 2007-2008; 2008-2009, and 2009-2010. As such, the Fountain Hills Chamber of Commerce / Visitors Bureau's proposed costs to promote tourism in the Town of Fountain Hills for fiscal years 2007 through 2010 are as follows:

1. Fiscal Year 2007-2008:	\$150,000
2. Fiscal Year 2008-2009:	\$175,000
3. Fiscal Year 2009-2010:	\$200,000

9 10

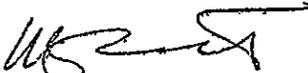
Note: It is important to note here that these projected costs represent only a portion of the total budget with which the FHCC/VB anticipates operating this program of tourism promotion. In order to conduct an efficient and effective a tourism promotion / destination marketing plan for the Fountain Hills / Fort McDowell contiguous communities, a total budget of two to three times these requested amounts is minimally necessary, and ideally more. Thus, the FHCC/VB is funded additionally by the Fort McDowell Yavapai Nation and the Fountain Hills Chamber of Commerce. Presently, for fiscal year 2006-2007 the Fort McDowell Yavapai Nation provides \$85,000 in funding, and the Fountain Hills Chamber of Commerce provides cash and in-kind services amounting to \$100,000. The total cash and in-kind contributions to the operation of the FHCC/VB is presently approximately \$350,000.

CONCLUSION

The Fountain Hills Chamber of Commerce / Visitors Bureau is honored to have served the Town of Fountain Hills as its designated destination marketing agency for the past five years. The Chamber and Visitors Bureau are enthusiastic about the opportunity to continue and grow in that role with the Town as is represented by this RFQ. The Chamber is most grateful to the Town for its years of support to date, and very much looks forward to continuing in partnership with the Town for effective healthy tourism development in Fountain Hills in the ultimate interest of the enhancement of the quality of life of our citizens.

Respectfully submitted,


Frank S. Ferrara
President & CEO
Fountain Hills Chamber of Commerce


Mark McDermott
Director
FHCC Visitors Bureau

MARK JAMES McDERMOTT

9607 N. Copper Ridge Trail
Fountain Hills, AZ 85268
(480) 205-6451; markmcd@cox.net

EXPERIENCE

McDermott & Associates - Business Development and Marketing Consultant; Fountain Hills, Arizona (January 2003 – Present)

Independent consultant, providing business development, management and marketing and facilitation services to a variety of firms and organizations in the fields of tourism/destination marketing; strategic planning; marketing and advertising; training and development; facilities management; etc. Present and past clients include: Fountain Hills Chamber of Commerce; Civic Tourism Project/Sharlot Hall Museum; Nichols Tourism Group; Gemstone International Resorts; Best Western International; The Arizona Republic; McMurry, Inc.; SMG; Santa Cruz Tourism Council; Hennen Publishing.

Arizona Office of Tourism; Phoenix, Arizona (December 1995 – January 2003)

Agency Executive Director

Chief executive of the tourism marketing and development agency for the State of Arizona, a Cabinet-level position, reporting directly to the Governor. Responsible for direction of all operational aspects of \$14 million agency with the primary mission of enhancing the state's economy through expansion of its \$16 billion tourism industry. Duties and responsibilities involved state, regional and national industry leadership roles, with extensive public profile requirements.

Key accomplishments:

- State total economic impact from tourism grew from \$17 to \$30 billion
- Agency budget grew from \$7 to \$14 million as a result of successful legislative initiatives
- Co-founded a new statewide tourism advocacy association, the Arizona Tourism Alliance
- Coordinated multi-agency marketing support plan critical to the successful bid for Lufthansa German Airlines' Phoenix-Frankfurt direct service
- Orchestrated successful tourism industry cooperative 9/11 recovery marketing plan
- Directed creation of a new long-range strategic plan for Arizona tourism development
- Led 13-member Western States Tourism Policy Council as an officer and chairman

Greater Fort Lauderdale Convention & Visitors Bureau; Fort Lauderdale, Florida (January 1993 – December 1995)

Senior Vice President

Senior management executive for the Broward County, Florida destination marketing organization, with annual operating budget of \$7 million. Directed all marketing and sales programs: conventions and meetings development, leisure tourism development, convention services, advertising, marketing communications and publications; including satellite sales offices in Washington, D.C., Chicago, and Toronto and representation offices in Europe and the United Kingdom. Served as a principal spokesperson for the visitor industry in local and national media and industry forums.

Key accomplishment: Successfully re-positioned the area from long-time "Spring Break" image into high-value, family-oriented visitor destination.

Fox Valley Associates, Buffalo, New York (October 1991 - November 1992)

Vice President of Marketing and Sales

Created and managed business plans, marketing programs and sales efforts for this golf-oriented real estate development company. Responsibilities included marketing for development of membership and residential lot sales for a new private country club community, as well as location development for high-quality, instruction-oriented public golf practice centers.

Key accomplishment: Successfully positioned the project as a prestigious, high-end residential golf development for this area.

MARK JAMES McDERMOTT

Page 2

Greater Boston Convention & Visitors Bureau, Inc.; Boston, Massachusetts
(August 1983 - July 1991)

Executive Vice President and Chief Operating Officer (February 1986 - July 1991)

General management responsibility for all internal operations, including marketing and sales, as well as finance and administration for the principal Boston-area destination marketing organization. Reporting to the President/CEO, duties included development and supervision of marketing plans and programs, budget and financial management, membership development, publications and communications, and agency representation in media and public forums.

Vice President of Sales (August 1983 - February 1986)

Retained in conjunction with convention center redevelopment project. Responsible for marketing and sales division reorganization, marketing plan development and implementation, as well as productivity improvement for the organization's convention sales, convention services and domestic and international tourism development programs. Achieved objectives through development and successful implementation of new committee-driven, cooperative marketing plans and programs with area hospitality industry.

Key accomplishment: Elevated Boston from second-tier to first-tier destination status, recruiting numerous major national conventions and conferences to the city for the first time.

Albany County Convention & Visitors Bureau, Inc.; Albany, New York
(March 1978 - July 1983)

Executive Vice President

Hired as first chief executive of newly formed organization. Developed agency from start-up to viability with consistent annual growth. Secured long-term financial stability by proposing and drafting legislation and successfully lobbying for enactment of 2% county hotel occupancy tax with 90% of revenues dedicated to the agency. Responsible for management of all agency operations, including the development and implementation of effective marketing plans for conventions and tourism business development, as well as all financial and administrative operations.

Key accomplishment: Successfully introduced Albany into the meetings and conventions and group tour markets, recruiting various state, regional and national conventions and events to the area.

Buffalo Area Chamber of Commerce; Buffalo, New York
(February 1974 - February 1978)

Assistant Director of Tourism

Responsible for assisting in all aspects of the development, implementation and evaluation of regional tourism marketing program for the Western New York (Buffalo and Niagara Falls) area. Key accomplishment: Effectively organized and activated a new regional tourism development organization, and successfully created and marketed new tours of the region.

BOARDS & COMMISSIONS

Board of Directors, Travel Industry Association of America; Board of Directors, National Council of State Tourism Directors; Chairman, Western States Tourism Policy Council - 2001 and 2002; Allied Marketing Council, American Society of Travel Agents; Tourism Co-Chair, Arizona Mexico Commission; Executive Committee, Arizona Tourism Alliance; Board of Directors, Arizona Hotel & Lodging Association; Phoenix Civic Plaza/Convention Facility Expansion Committee; Arizona Governor's Stadium Task Force; Fountain Hills Chamber of Commerce (Chairman 2007). Other/previous active participation in national organizations: American Society of Association Executives (ASAE), Professional Convention Management Association (PCMA), Meeting Professionals International (MPI), National Association of Exposition Managers (NAEM), and National Tour Association (NTA).

EDUCATION

Certification - Institute for Organization Management, Chamber of Commerce of the United States at the University of Notre Dame

Bachelor of Science -Transportation, Travel and Tourism, Niagara University, New York



March 15, 2007

Mr. Timothy G. Pickering
Town Manager
Town of Fountain Hills
16705 E. Avenue of the Fountains
Fountain Hills, AZ 85268

03-16-07A11:14 RCVD

Re: RFQ for Tourism Services

Dear Tim:

In response to your letter of March 5th asking the Fountain Hills Chamber of Commerce to provide additional information related to its proposal in response to the Town's RFQ for Tourism Services, the attached addendum to our proposal is hereby submitted.

We trust that this addendum will serve to provide the committee with the added information sought, and we look forward to meeting with the committee to discuss our capabilities and plans for execution of the tourism program in detail.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark McDermott".

Mark McDermott
Director
Fountain Hills Chamber of Commerce
Visitors Bureau

ADDENDUM

To

**Proposal of the Fountain Hills Chamber of Commerce Visitors Bureau
To Provide Services the Town of Fountain Hills
Promote Tourism in the Town**

RE: REQUIRED PROPOSAL CONTENTS

1. **Qualifications.** The qualifications listed in item IV (of the RFQ) must be stated. If the responding firm is a non-profit organization, a copy of the 501(c)(3) incorporation documentation must be attached.
While the itemized qualifications 1- 8 were responded to in detail in the proposal, the following elaboration, pertinent in particular to item 9: "Describe your understanding of the work to be performed." is offered:

The applicant understands that the Town is requesting a program of work designed to promote the Town for tourism for the primary purposes of enhancing business vitality in the community, as well to generate incremental tax revenues to the town. The RFQ provided a Scope of Services which the applicant understands the Town requires be performed within the overall program of work to be designed to achieve the objective of effectively and efficiently promoting tourism development in Fountain Hills. Beyond the particulars of the Scope of Services listed in the RFQ, the applicant will utilize the extensive tourism development and destination marketing expertise it possesses within its membership, staff and contractees to design and implement a comprehensive integrated marketing plan for achieving the tourism objective. The primary components of this marketing plan are outlined in the following item "Proposed Plan of Action"

A copy of the incorporation documentation for the Fountain Hills Chamber of Commerce is attached.

2. **Proposed Plan of Action.** The Firm must submit a proposal that outlines its approach to promoting tourism in the Town of Fountain Hills and should also fully state any additional resources being requested from the Town. *The applicant's approach to promoting tourism in the Town of Fountain Hills is outlined as follows:*
 - a. **Research and Strategize Targeted Markets**
Utilizing data available through various sources including the Arizona Office of Tourism, the Scottsdale Convention & Visitors Bureau and the local information collected over the years of tourism promotion activities conducted by the Fountain Hills Chamber of Commerce, the Visitors

Bureau is able to identify potential customer sets – both by activity interests as well as geographic points of origin. The advertising and media relations, as well as trade marketing components of the marketing plan are designed to penetrate selected markets determined from analysis of these information sources.

b. Conduct Integrated Marketing Plan

Upon determining markets to be targeted, an integrated marketing plan will be devised through a collaborative committee process to promote Fountain Hills to these markets. Essentially, the markets will be activity or interest based (i.e., golf; outdoor/desert adventure; arts and culture; festivals and events) as well as, geographically-based (i.e., local/regional; other Arizona and out of state primary feeder markets such as Southern California, the Great Lakes/Midwest region and the New York/ New England region.) Some of the marketing will be targeted to trade groups such as travel agents and tour operators. The plan will integrate the following marketing activities: paid print and electronic advertising, editorial publicity development through media relations; internet marketing; inquiry response fulfillment; travel industry trade marketing; affiliations and co-op marketing; and events and special promotions marketing.

c. Measurements and Monitoring Procedures

The marketing programs and initiatives will be measured utilizing monitoring procedures such as:

- *Public awareness / exposures achieved through paid media advertising as well as editorial visibility generated*
- *Volume of inquiries generated*
- *Website visits*
- *Travel trade leads generated*
- *Collateral materials distributed*

3. Timeline. **Submission must include timelines for the completion of each task proposed.**

- a. *Timeline for researching and strategizing target markets: This task will be completed by the end of the month of April preceding each fiscal program year (i.e., for fiscal 2007-08, the research and target markets determinations will be completed by April 30, 2007).*
- b. *The integrated marketing plan for each fiscal year will be completed by the 15th day of the month of May preceding the fiscal year. This plan will include a detailed timeline calendar for all components of the plan. A sample of this detailed timeline calendar is attached.*

- c. *The timeline for measurements and monitoring procedures will be quarterly throughout each fiscal year, commensurate with the required quarterly reports.*

4. **Proposal Cost.**

Please see response to this item in the initial proposal document.

5. **References.** Offerers must submit a list of five current references that have relevant knowledge of the Firm's ability to promote tourism.

References:

1. *Francesca Carozza, Principal
Image Weavers
14909 E. Sierra Madre Drive
Fountain Hills, AZ 85268
(480) 390-9880
Relationship to applicant: Fountain Hills Chamber of Commerce
member and board officer.*
2. *Linda Femiano
Well Dressed Walkers & Wheelchairs
12315 N. Chama Drive, #110
Fountain Hills, AZ 85268
(480) 837-6007
Past Chair, Fountain Hills Chamber of Commerce*
3. *Roxanne Boryczki, President
Arizona Trails Travel Service
16824 E. Avenue of the Fountains
Fountain Hills, AZ 85268
(480) 837-4284
Past Chair, Fountain Hills Tourism Bureau*
4. *Vladimir Hulpach
Fountain Vista Properties
PO Box 17005
Fountain Hills, AZ 85269
(480) 815-5523
Past Chair, Fountain Hills Tourism Bureau*

5. *Jeff Lessig*
General Manager
We-Ko-Pa Golf Club
18200 E. Toh Vee Circle
Fort McDowell, AZ 85264
(480) 836-9000
Past Chair, Fountain Hills/Fort McDowell Visitors Bureau

6. **Designation of Primary Manager**

The individual responsible for managing the Scope of Services for the applicant will be:

Mark McDermott
Director, Fountain Hills Chamber of Commerce Visitors Bureau
PO Box 17598
Fountain Hills, AZ 85268
(480) 837-1654
(480) 205-6451 (cell)
markmcd@cox.net

EXHIBIT C
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
FOUNTAIN HILLS CHAMBER OF COMMERCE

[Scope of Work]

See following pages.

SCOPE OF WORK

Responsibilities shall include, but not be limited to, the following:

1. Provide necessary staffing, materials, equipment and professional management to effectively operate a tourism program which focuses on state and local markets for day or weekend trips to Fountain Hills. Staffing should consist of a minimum Tourism Director and a half time employee dedicated to accomplish this task.
2. Each item listed in Section III of the RFQ, except item 3. Provide necessary operation oversight and management of Town contract with Scottsdale Convention and Visitors Bureau.
3. Provide brochures that focus on Fountain Hills day trip attractions such as Hiking, Art Walk, Museum, Fountain, Golfing, Biking, Mountain Biking and Desert Excursions.
4. Meet the Tourism Performance Measures as follows:

A. TOURISM PERFORMANCE MEASURES – FY2007-2008

(1) FHCC VISITORS BUREAU PROGRAM MEASURES

(i) ADVERTISING

Total Advertising Impressions	7 million
Total Requests for Information (fulfilled)	7,000

(ii) PUBLIC RELATIONS

Generate \$5 in media value for every \$1 invested in PR services
\$250,000 in PR media value

(iii) WEBSITE

Generate 25,000 total unique visits to tourism website
(visithfm.com)

(2) INDUSTRY INDICATOR

HOTEL ROOM SALES

Achieve \$6,500,000 in total gross hotel room sales in FY2007-08 for the 239 hotel and bed and breakfast rooms currently in Fountain Hills. Should additional hotel or bed and breakfast rooms be added during the contract term, gross hotel room sales shall increase in the same proportion.

B. TOURISM PERFORMANCE MEASURES – FY2008-2009

(1) FHCC VISITORS BUREAU PROGRAM MEASURES

(i) ADVERTISING

Total Advertising Impressions	8,190,000
Total Requests for Information (fulfilled)	8,190

(ii) PUBLIC RELATIONS

Generate \$5.85 in media value for every \$1 invested in PR services
\$292,500 in PR media value

(iii) WEBSITE

Generate 29,250 total unique visits to tourism website
(visitfhfm.com)

(2) INDUSTRY INDICATOR

HOTEL ROOM SALES

Achieve \$7,605,000 in total gross hotel room sales in FY2008-09 for the 239 hotel and bed and breakfast rooms currently in Fountain Hills. Should additional hotel or bed and breakfast rooms be added during the contract term, gross hotel room sales shall increase in the same proportion.

C. TOURISM PERFORMANCE MEASURES – FY2009-2010

(1) FHCC VISITORS BUREAU PROGRAM MEASURES

(i) ADVERTISING

Total Advertising Impressions	9,336,600
Total Requests for Information (fulfilled)	9,336

(ii) PUBLIC RELATIONS

Generate \$6.67 in media value for every \$1 invested in PR services
\$333,450 in PR media value

(iii) WEBSITE

Generate 33,345 total unique visits to tourism website
(visitfhfm.com)

(2) INDUSTRY INDICATOR

HOTEL ROOM SALES

Achieve \$8,669,700 in total gross hotel room sales in FY2009-10 for the 239 hotel and bed and breakfast rooms currently in Fountain Hills. Should additional hotel or bed and breakfast rooms be added during the contract term, gross hotel room sales shall increase in the same proportion.

5. All materials printed or electronically paid for with these contract dollars shall only promote Fountain Hills' hotels, attractions, etc., and list the Town of Fountain Hills as a sponsor.
6. A report consisting and reporting on progress made on each scope of services.

EXHIBIT D
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
FOUNTAIN HILLS CHAMBER OF COMMERCE

[Fee Estimate]

See following page.

CHAMBER

FEE ESTIMATE

Fiscal Year 2007-2008	\$100,000.00
Fiscal Year 2008-2009	\$125,000.00
Fiscal Year 2009-2010	\$150,000.00
Not to Exceed Amount	\$375,000.00

RECEIVED

OCT 30 2007

FOUNTAIN HILLS
ACCOUNTS PAYABLE

**FIRST AMENDMENT
TO
PROFESSIONAL SERVICES AGREEMENT
BETWEEN
THE TOWN OF FOUNTAIN HILLS
AND
FOUNTAIN HILLS CHAMBER OF COMMERCE**

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (this "First Amendment") is made as of October 4, 2007, between the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation (the "Town") and FOUNTAIN HILLS CHAMBER OF COMMERCE, an Arizona non-profit corporation (the "Contractor").

RECITALS

A. The Town and the Contractor entered into a Professional Services Agreement dated September 6, 2007, to promote tourism (the "Agreement").

B. The Town and the Contractor desire to revise the Payments Section of the Agreement (the "Revision").

C. The Town and the Contractor desire to amend the Agreement to provide for the Revision.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the following mutual covenants and conditions, the Town and the Contractor hereby agree to amend the Agreement as follows:

1. Payments. Section 4, Payments, of the Agreement is hereby deleted in its entirety and replaced with the following:

4. Payments. The Town shall pay the Contractor monthly following the submittal of Contractor monthly reports, based upon work performed and completed to date, and upon submission and approval of invoices. All invoices shall document and itemize all work completed to date. The invoice statement shall include a record of time expended and work performed in sufficient detail to justify payment. The reports shall be due no later than the 10th of the month following the service and the corresponding payment shall be remitted not later than the 16th of that month. Reports received after the 10th of the month will be paid not later than the 16th of the following month.

2. Effect of Amendment. In all other respects, the Agreement is affirmed and ratified and, except as expressly modified herein, all terms and conditions of the Agreement shall remain in full force and effect.

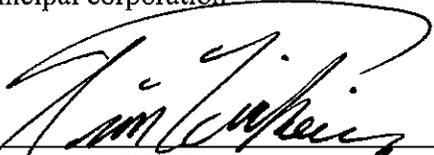
3. Non-Default. By executing this First Amendment, the Contractor affirmatively asserts that the Town is not currently in default, nor has been in default at any time prior to this First Amendment, under any of the terms or conditions of the Agreement.

4. Conflict of Interest. This First Amendment may be cancelled pursuant to ARIZ. REV. STAT. § 38-511.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date and year first set forth above.

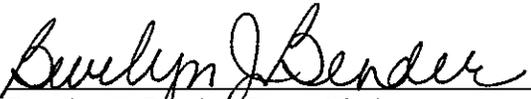
“Town”

TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation



Timothy G. Pickering, Town Manager

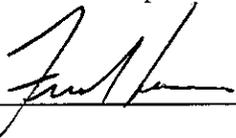
ATTEST:



Bevelyn J. Bender, Town Clerk

“Contractor”

FOUNTAIN HILLS CHAMBER OF COMMERCE,
an Arizona non-profit corporation

By: 

Name: FRANK S. FERRARA

Its: President-CEO

(ACKNOWLEDGEMENTS)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on October 19, 2007, by Timothy G. Pickering, the Town Manager of the TOWN OF FOUNTAIN HILLS, an Arizona municipal corporation, on behalf of the Town of Fountain Hills.

Shaunna Dayle Williams
Notary Public in and for the State of Arizona



STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

This instrument was acknowledged before me on OCTOBER 9, 2007, by FRANK FERARA as PRESIDENT / CEO of FOUNTAIN HILLS CHAMBER OF COMMERCE, an Arizona non-profit corporation, on behalf of the corporation.

Kathleen Butler
Notary Public in and for the State of Arizona



My Commission Expires:

4/14/09