

EXECUTIVE SUMMARY

Recommend approval of Additional Billing for up to \$1,975,000 from Paradise Advertising and Marketing, Inc. at gross in accordance with their agreement with Collier County.

OBJECTIVE: Review and recommend approval of additional expenditures of up to \$1,975,000 with Paradise Advertising and Marketing, Inc. above the agreed \$2,000,000 level at gross rate.

CONSIDERATIONS: The First Amendment of the agreement with Paradise Advertising and Marketing, Inc. dated October 9, 2007 (attached) indicates a monthly service fee in the amount of \$25,000 (\$300,000 annually). This service fee covers the standard agency commission of 15% on all media and production costs for regular and emergency advertising up to an aggregate of \$2,000,000 annually. The agreement further stipulates that media or production billing for regular and emergency advertising over an aggregate of \$2 million annually will be added by change order and will be billed by Paradise Advertising and Marketing, Inc. at gross, reflecting a commission of 15%. The Board of County Commissioners approved in December 2009 an additional expenditure of \$2,200,000 above the \$2,000,000 plan for marketing and advertising from tourist tax emergency advertising reserves and beach renourishment reserves. The additional amount that staff has designated for Paradise Advertising is \$1,975,000 for an enhanced winter season marketing campaign and expanded spring and summer marketing in Florida.

Paradise Advertising has billed \$956,132.43 through February 28 and we project reaching the \$2,000,000 cap in April. Due to the bi-monthly TDC meeting schedule, staff requests the TDC recommend approval of the gross billing over \$2,000,000 by Change Order to the Paradise Advertising & Marketing, Inc. agreement at their March meeting. Staff will then prepare and present the Change Order to the Board of County Commissioners for approval as soon as the \$2,000,000 level of media and production billing is reached.

COUNTY ATTORNEY FINDING: This action is in accordance with the current approved agreement and Resolution between Collier County and Paradise Advertising and Marketing, Inc.

FISCAL IMPACT: The additional \$1,975,000 is available in the approved FY 10 marketing and promotion budget in Fund 184.

RECOMMENDATION: That the TDC recommend approval of additional billing of up to \$1,975,000 at gross with Paradise Advertising and Marketing, Inc. in accordance with their agreement with Collier County.

PREPARED BY: Jack Wert, Tourism Director

FIRST AMENDMENT
2006 TOURISM MARKETING SERVICES AGREEMENT (CONTRACT #06-4007)
BETWEEN COLLIER COUNTY AND PARADISE ADVERTISING AND MARKETING,
INC.

This First Amendment to the 2006 Tourism Marketing Services Agreement, made this 9th day of October, 2007, (hereinafter referred to as "First Amendment"), is entered into by and between the Board of County Commissioners of Collier County, Florida (hereinafter referred to as "COUNTY"), and Paradise Advertising and Marketing, Inc. (hereinafter referred to as "CONTRACTOR").

WITNESSETH:

WHEREAS, the COUNTY and CONTRACTOR entered into a 2006 Tourism Agreement dated October 10, 2006 (the "Agreement") with CONTRACTOR; and

WHEREAS, the COUNTY and CONTRACTOR desire to further amend the terms of the Agreement.

NOW, THEREFORE, in consideration of valuable consideration and the premises and mutual covenants hereinafter set forth, the parties agree as follows:

1. Section 4 of said Agreement is hereby deleted in its entirety and the following paragraph is inserted in its place:

AGENCY FEE.

For regular and emergency advertising, the County agrees to pay the Contractor a fee of Twenty-Five Thousand Dollars (\$25,000.00) per month based upon a total annual fee of Three Hundred Thousand Dollars (\$300,000.00) as consideration for all professional time devoted to account administration, client meetings, strategic planning, media planning, media negotiation, media placement, broadcast traffic and billing. All media and production costs for regular and emergency advertising, including but not limited to, creative and outside vendor costs up to an aggregate of Two Million Dollars (\$2,000,000.00) annually will be billed to the County at net, so that the County receives any available agency discount. Media or production billing for regular and emergency advertising over an aggregate of Two Million Dollars (\$2,000,000.00) annually will be added by change order and will be billed at gross, reflecting a commission of fifteen percent (15%) payable to Contractor. The Contractor fee will be billed on the first day of each month beginning October 1, 2006.

The County Museum advertising budget is One Hundred Twenty Thousand Dollars (\$120,000.00) and will be billed at gross, reflecting a Contractor commission of fifteen percent (15%).

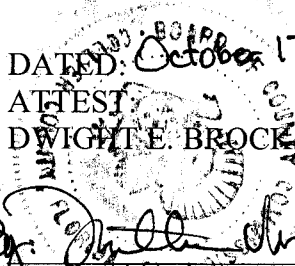
All charges for advertising, production, photography, on-line production design, printing, direct mail, audiovisual production services, marketing research and museum promotional activity will be estimated by the Contractor and authorized in writing by the Tourism Director or his designee and billed on a project basis. Out-of-pocket expenses will be billed at net.

The Contractor agrees, if requested by the County, to provide emergency pro bono publicity and public relations services, up to Six Thousand Dollars (\$6,000.00) in staff time on an annual basis. Additionally, the Contractor will make publicity and public relations services over and above the emergency budget available on an as-needed basis, estimated in advance on an estimate form and submitted to the Tourism Director, or his designee, for prior written approval before expenses are incurred.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their duly authorized officers and their official seals, hereto affixed the day and year first written above.

DATED: October 17, 2007

ATTEST
DWIGHT E. BROCK, Clerk


By: [Signature]
Deputy Clerk
signature only.

BOARD OF COUNTY COMMISSIONERS
COLLIER COUNTY, FLORIDA

By: [Signature]
JAMES COLETTA, Chairman

Approved as to form and
legal sufficiency:

[Signature]
Heidi Ashton-Cicko
Assistant County Attorney

WITNESSES:

(1) [Signature]
Signature

Ashleigh Slyker
Printed/Typed Name

(2) [Signature]
Signature

CHRISTINE JONES
Printed/Typed Name

CONTRACTOR:
PARADISE ADVERTISING AND MARKET
INC.

By: [Signature]
CEDAR HAMES, President