

TRANSMITTAL FOR APPROVED CONTRACT

CONTRACTOR: New Orleans Metropolitan Convention and Visitors Bureau

CFMS TRACKING NUMBER: 686885

DCRT TRACKING NUMBER: DCRT-OT-10-35

AGENCY: Office of Tourism

CONTRACT MONITOR: Jack Warner

FISCAL ANALYST: Nancy Watkins

MAXIMUM AMOUNT: \$1,271,613.00

CONTRACT PERIOD: 12/01/09-11/30/10

Attached is either an original or copy of the approved contract/amendment for your records. Please be reminded that according to **RS 39:1500 Contract Administration**, after completion of performance, the using agency shall prepare a final report on the contract, which shall include an evaluation of contract performance and an assessment of the utility of the final product. This report shall be delivered to the Division of Administration (DOA) Office of Contractual Review, within 60-days after completion of performance and shall be retained in the official contract file.

Reports not submitted to the Office of Contractual Review within the 60-days period shall be delinquent.

To avoid delay in completing the evaluation, it is my suggestion that once the contract monitor has approved the final invoice, the performance evaluation should be completed and submitted to the Contracts Office to be recorded and submitted to the DOA.

If you have questions in regards to contract administration please contact Karen Richardson, Contracts Reviewer at 225-342-8193 or email Karen at krichardson@crt.state.la.us.

**STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE**

COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT is entered into by and between the Louisiana Department of Culture, Recreation and Tourism, Office of Tourism, hereinafter referred to as "CRT" or the "State," and the New Orleans Metropolitan Convention and Visitors Bureau, 2020 St. Charles Avenue, New Orleans, Louisiana 70130-5319; hereinafter referred to as "Contractor."

WITNESSETH:

WHEREAS, Article VII, Section 14(c) of the Constitution of the State of Louisiana provides that for a public purpose, the state and its political subdivisions may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual; and

WHEREAS, the Essence Music Festival, herein sometimes referred to as "Festival" is internationally recognized as "the nation's largest annual African-American event" celebrating African-American music, fashion and culture. The Festival attracts more than 200,000 attendees to New Orleans, Louisiana. The Contractor is currently under obligation to sponsor the Festival which attracted approximately 200,000 attendees in 2009. The event has become an annual summer celebration in New Orleans; and

WHEREAS, in accordance with the CRT's Master Plan to expand and increase the economic impact of tourism on Louisiana through strong, effective public initiatives, the State desires to cooperate with the Contractor in the implementation of the Essence Music Festival in New Orleans, Louisiana, July 3-5, 2010; and

WHEREAS, this endeavor will continue to address the State's goal of maintaining the State of Louisiana as a unique and desirable travel destination; and

WHEREAS, Louisiana will receive national and international attention as a travel destination in publicity and the State will receive recognition through advertisements and activities associated with this event and will also be recognized for contributing to the success of this and previous Essence Music Festivals; and

WHEREAS, it is anticipated that the public benefit of maintaining awareness and a positive image of the state as a unique and desirable travel destination is proportionate to obligations undertaken by the State. The Louisiana economy and tourism industry will benefit from this endeavor as a result of local, national, and international media coverage resulting in large numbers in attendance and worldwide recognition.

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

Scope of Services

In accordance with the attached exhibits, which are by this reference incorporated herein, Contractor shall coordinate the State's sponsorship of the 2010 Essence Music Festival, by managing, tracking, and directing sponsorship funds between the State and Essence Music Festival, LLC; ensuring the timely completion and delivery of all services, deliverables, benefits, and promotional responsibilities to the State from Essence Music Festival, LLC; and leveraging the State's investments in the Festival with the

Contractor's investments in the Festival to maximize the return on the public investment in the Festival with regard to the economic impact of the event itself on the tourism industry as well as the providing valuable public relations value for the State of Louisiana as a travel destination.

Contractor shall acknowledge the State as a sponsor in publicity efforts associated with the Festival as per Exhibits A and B and shall provide the State with proof of advertisements and acknowledgement, a signed executed copy of the rights fee agreement, a progress report of the program and activities within as least ninety (90) days of the event to include advertising and publicity efforts; and a final report at the conclusion of the event which shall include a list of participating artists, estimated attendance, and supporting statistics in regards to economic impact of the Festival to the State's economy, as detailed in Exhibits A and B, which is by this reference incorporated within the agreement.

Payment Terms

In consideration of the services described, the State hereby agrees to pay Contractor a maximum amount of **ONE MILLION TWO HUNDRED SEVENTY ONE THOUSAND SIX HUNDRED THIRTEEN DOLLARS (\$1,271,613.00)**. Payment will be made only on approval of Contract Monitor, his supervisor or successor.

If progress and/or completion to the reasonable satisfaction of the State are obtained, two separate payments shall be disbursed upon receipt of original invoices and the attached supporting documentation of deliverables and/services as follows:

The first payment of **\$546,363** shall be remitted to the Contractor from the State upon receipt of invoice, and a written and signed **Event Support Agreement** for the rights to hosting the 2010 Essence Festival, to be held in the City of New Orleans. Contractor shall also provide a detailed **Progress Report** and supporting documentation of commitments, efforts, and obligations in regards to advertising, publicity and programmatic components of the event as per Exhibits A and B. Progress Report shall be submitted at minimum within ninety (90) days in advance of the event.

The second and final payment of **\$725,250** shall be remitted upon completion of the Festival and receipt of an invoice and a detailed **Final Report** of the event, providing supporting documentation that all services and deliverables were rendered within the terms of the agreement and as per Exhibits A and B.

Travel and other reimbursable expenses shall constitute part of the total maximum payable and shall not be reimbursed or paid separately

Payment is contingent upon the approval of this agreement by the Office of Contractual Review. Payment is also contingent on the availability of funds.

If the Contracting Party defaults on the agreement, breaches the terms of the agreement, ceases to do business, or ceases to do business in Louisiana it shall be required to repay the state according to the terms of the State.

Taxes

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received and/or paid under this Contract and/or legislative appropriation shall be the responsibility of the party upon which the tax obligation arose and identified under Federal tax identification number 72-0540607.

Termination for Cause

The State may terminate this agreement for cause based upon the failure of Contracting Party to comply with the terms and/or conditions of the Agreement; provided that the State shall give Contracting Party written notice specifying Contracting Party's failure. If within thirty (30) days after receipt of such notice, Contracting Party shall not have either corrected such failure or, in the case which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the State may, at its option, place Contracting Party in default and the Agreement shall terminate on the date specified in such notice. Contracting Party may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the State to comply with the terms and conditions of this Agreement; provided that the Contracting Party shall give the State written notice specifying the State's failure and a reasonable opportunity for the State to cure the defect.

Termination for Convenience

The State may terminate the Agreement at any time by giving thirty (30) days written notice to the Contractor. The Contractor shall be entitled to payment for deliverables in progress, to the extent work has been performed satisfactorily.

Remedies for Default

Any claim or controversy arising out of this contract shall be resolved by the provisions of La. R.S. 39:1524-1526.

Ownership

All records, reports, documents and other material delivered or transmitted to Contracting Party by the State shall remain the property of the State, and shall be returned by Contracting Party to the State, at Contractor's expense, at termination or expiration of this agreement. All records, reports, documents, or other material related to this agreement and/or obtained or prepared by Contracting Party in connection with performance of the services contracted for herein shall become the property of the State, and shall, upon request, be returned by Contracting Party to the State at Contracting Party's expense at termination or expiration of this agreement.

Assignment

Contractor shall not assign any interest in this contract and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of the State, provided however, that claims for money due or to become due to Contracting Party from the State may be assigned to a bank, trust company, or other financial institution without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the State.

Auditors Clause

It is hereby agreed that the Legislative Auditor of the State of Louisiana, and/or the Office of the Governor, Division of Administration auditors shall have the option of auditing all records and accounts of Contracting Party, which relate to this contract.

Fiscal Funding Clause

The continuation of this agreement is contingent upon the appropriation of funds to fulfill the requirements of the agreement by the legislature. If the legislature fails to appropriate sufficient monies to provide for the continuation of the agreement, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such

reduction is to provide insufficient monies for the continuation of the agreement, the agreement shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

Terms of Contract

This contract shall begin on December 1, 2009 and shall terminate on November 30, 2010.

Discrimination Clause

The Contracting Party agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and Contracting Party agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contracting Party agrees not to discriminate in its employment practices, and will render services under this agreement without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Contracting Party, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

Indemnification Clause

Contractor shall indemnify and hold harmless the State against any and all final judgments of sums of money to any party for loss of life or injury or damage to person or property to the extent that any such final judgment results from any negligent act or omission of the Contractor, his agents, servants or employees while engaged upon or in connection with the services or performed by the Contractor hereunder.

Amendments in Writing:

Any alteration, variation, modification, or waiver of provisions of this agreement shall be valid only when it has been reduced to writing, executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

THUS DONE AND SIGNED AT Baton Rouge, Louisiana on November 16 2009.

WITNESSES:

DEPARTMENT OF CULTURE, RECREATION & TOURISM

Amie B. B.

Pam Breaux

Pam Breaux, Secretary

E. Luang

THUS DONE AND SIGNED AT Baton Rouge, Louisiana on November 3rd 2009.

WITNESSES:

OFFICE OF TOURISM

[Signature]
[Signature]

Jim Hutchinson
Jim Hutchinson, Assistant Secretary

THUS DONE AND SIGNED AT New Orleans, Louisiana on 24th of November 2009.

WITNESSES:

New Orleans Metropolitan Convention and Visitors Bureau (Essence Festival)

[Signature]
[Signature]

J. Stephen Perry
J. Stephen Perry
President & Chief Executive Officer

APPROVED
Office of the Governor
Office of Contractual Review

JAN 20 2010

Sandra G. Gillen
DIRECTOR

EXHIBIT A

Agency Name: Office of Tourism

Contractor's Name: New Orleans Metropolitan Convention and Visitors Bureau (Essence Festival)

Contract Monitor: Jack Warner

Detailed Goals and Objectives:

The goal of this endeavor is to cooperate with the Contractor in boosting the State's economy through sponsorship of a premier world-class tourism event in New Orleans. Contractor is under obligation through an event support agreement with Essence Music Festival, LLC, to sponsor the 2010 Essence Music Festival, July 2-5, 2010, and State is lending support as an Official Sponsor of the event.

The State's objective is to capitalize on this opportunity to receive worldwide publicity and public relations exposure through sponsorship of the internationally recognized Essence Music Festival, leveraging State dollars with private and public funds to promote and showcase Louisiana, to international and domestic audiences. Additionally the State will receive logo recognition, sponsorship recognition, linkage to the State tourism websites, and the ability to promote - Louisiana and New Orleans overall through domestic and international media coverage associated with the Festival.

Deliverables: Include a signed Event Support Agreement between NOMCVB and the producers with valid rights to the "Essence Festival", invoices for services, a Progress Report and Final Report of the event (See Exhibit B attached).

Performance Measures for this Project:

The number of attendees, amount of publicity and public relations exposure, financial accounting of expenses, and estimated economic impact of the Festival will be used as performance measures.

Monitoring Plan:

Contractor's performance will be monitored and evaluated to ensure deliverables are completed according to the Scope of Services. Contract monitor will review and verify submitted invoice(s) prior to authorizing the release of payments to Contractor. Contractor will be required to submit a final report providing details of the event and a description of the effectiveness of this endeavor in regards to stated goals, objectives and performance measures for which these funds were used. Contract monitor will submit an evaluation of the cooperative agreement within 45 days of the termination date of this agreement.

Utility of Final Product:

The Essence Music Festival is an internationally recognized event, which receives international, national and regional media exposure. The State is dedicated to re-establishing this event and Louisiana and New Orleans specifically, as a festival, cultural and entertainment destination. The sponsorship of the Festival complies with the Louisiana Office of Tourism's goals and objectives of promoting tourism and travel to the state. The Louisiana Office of Tourism initiates and coordinates tourism advertising and promotion to attract more visitors, prolong their stay, improve their travel experience and increase their spending. The Louisiana Office of Tourism is participating in major events that will recapture its audience and visitor marketing share to re-establish tourism as the second largest industry in Louisiana.

Exhibit B

Deliverables

Contractor shall ensure the State's receipt of all deliverables associated with the Essence Music Festival, to include verification of acknowledgement of State sponsorship of the event, proof of advertisements, rights fee agreement, and public relations efforts, verification of rental expenses and documentation of other expenses associated with the event, and a final report to include a list of events, participating artists, estimated attendance, and supporting statistics in regards to economic impact of the Festival to the State's economy. Contractor will also ensure the State receives the following sponsorship benefits:

- 1 One full-page ad in the Official Festival Program Guide.
- 2 Thirty (30) second-spots run in rotation in Superdome during performance breaks at the Festival, which promote the Louisiana tourism industry.
- 3 Ensure the placement of a Louisiana Tourism Information booth located at the Convention Center during the Empowerment Session Seminars, which will be attended to by volunteer staff of the Department of Culture, Recreation and Tourism, Office of Tourism.
- 4 Production and publication of a ten-page print Coming Home special advertising supplement to be placed in the December 2009 issue of ESSENCE Magazine. Any Louisiana advertising, copy and placement will be subject to approval of the Louisiana Department of Culture, Recreation and Tourism.
- 5 Additional print advertising ("Bonus Advertising") promoting the City of New Orleans, the State of Louisiana and each Essence Festival in advertising space in one or more of the following publications: TIME Magazine, FORTUNE Magazine, PEOPLE Magazine, ENTERTAINMENT WEEKLY Magazine, SOUTHERN LIVING Magazine or IN STYLE Magazine. Such Bonus Advertising must have a cumulative annual open rate value of at least \$250,000. Essence may (but shall not be obligated to) place additional advertising (in addition to the \$250,000 advertising mentioned above) promoting the City of New Orleans, the State of Louisiana and each relevant Festival in other Time Inc. wholly owned magazines. All such advertising, copy and placement will be subject to the Essence Standard Advertising Terms and Conditions and will be subject to approval of CRT as to content.
- 6 Confirmation of placement of the Bonus Advertising and provide tear sheets and copies of the issues in which any Bonus Advertising appears.
- 7 Additional on-line advertising on Essence.com promoting the City of New Orleans, the State of Louisiana and each Festival. All such advertising, copy and placement will be subject to the Essence On-Line Standard Advertising Terms and Conditions and the reasonable approval of the Louisiana Department of Culture, Recreation and Tourism, Office of Tourism as to content.
- 8 A link to the LouisianaTravel.com website from Essence.com as part of the festival promotion.
- 9 Complimentary tickets, invitations to media events, VIP receptions and parties commensurate to the level of sponsorship, to be utilized for tourism and economic development purposes.

- 10 Supporting documentation for expenses as noted in the Payment Terms to include advertising, rental fees, rights and entertainment fees, and other fees, a summary of the economic impact and a final report at the conclusion of the Festival providing details of the project, which shall include but not be limited to a description of the effectiveness of this endeavor as it relates to the specific goals, objectives and performance measures outlined in this agreement, number in attendance, and a comparative analysis of attendance over the last three years. Contractor agrees to submit the final report by **November 15, 2010.**

Project Budget

New Orleans Metropolitan CVB Inc.
2010 Essence Music Festival

<u>Revenue</u>		
State of Louisiana/DCRT Appropriation		\$1,271,613.00
<u>Anticipated Expenses</u>		
<u>Expense Categories</u>	<u>Total Amount</u>	<u>Amount of Appropriation</u>
Salaries	\$	\$
Related Benefits	\$	\$
Travel	\$	\$
Operating Services		
Advertising	\$546,363	\$546,363
Printing	\$	\$
Maintenance of Equipment	\$	\$
Maintenance of Office	\$	\$
Rentals	\$289,250	\$289,250
Dues and Subscriptions	\$	\$
Telephones	\$	\$
Postage	\$	\$
Utilities	\$	\$
Rights Fees	\$326,000	\$326,000
Event Production	\$ 85,000	\$ 85,000
Transporting	\$ 25,000	\$ 25,000
Professional & Contract Services	\$	\$
Other Charges	\$	\$
Acquisitions & Major Repairs		
Totals	\$1,271,613.00	\$1,271,613.00