

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

COOPERATIVE ENDEAVOR AGREEMENT

THIS COOPERATIVE ENDEAVOR AGREEMENT is made and entered into by and between the Louisiana Department of Culture, Recreation and Tourism, Office of Tourism, hereinafter referred to as "State," and the Louisiana Travel Promotion Association, 1165 South Foster Drive, Baton Rouge, LA 70806; hereinafter referred to as "LTPA" or "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, in accordance with La. R.S. 51:1254, the Louisiana Office of Tourism is responsible for the design, plan, development and implementation of the effective and accurate promotion of Louisiana's history, culture, art, folklife, recreational and leisure opportunities, natural and scenic resources, transportation, cuisine, sites, attractions, accommodations, and events. The Louisiana Office of Tourism is also mandated to assist local government and private sector development for the promotion of tourism; and

WHEREAS, in accordance with La. R.S. 51:1255(8), the Louisiana Office of Tourism is statutorily vested with the power, duty, function, and responsibility to "(c)operate with ... private nonprofit associations and organizations in the promotion, advertising, and publicity of the state, including cooperative advertising, formation of local promotion groups, and other activities necessary and proper consistent with the provisions of the Louisiana Visitor Travel and Hospitality Act (La. R.S. 51:1251 et seq.); and

WHEREAS, LTPA is a private, non-profit, tourism industry membership trade association. Its mission includes: 1) providing marketing opportunities for the tourism industry; 2) connecting stakeholders with available resources for tourism development opportunities; 3) serving as an advocate, resource and voice for the tourism industry of Louisiana; and 4) providing educational opportunities for the Louisiana travel and tourism industry; and

WHEREAS, the LTPA and the State share a common goal of producing, publishing, and distributing a tourism guide for the state of Louisiana in order to market the tourism resources of Louisiana to potential visitors; and

WHEREAS, it is anticipated that the public benefit is to create a tourism resource that will be utilized to promote the tourism assets of the state, to maintain awareness and promote a positive image of the state as a unique and desirable travel destination, proportionate to obligations undertaken by the State. The Louisiana travel and tourism industry will benefit through increased visitations to the state, resulting in increased tax revenue; and

WHEREAS, the public purpose of this cooperative endeavor agreement is economic development, which conforms with the governmental purposes for which the Louisiana Office of Tourism was created, including promoting Louisiana as a place to visit and travel; encouraging economic diversification and increasing employment opportunities; stimulating governmental and private financing of tourist promotion; and fostering a greater awareness and understanding of Louisiana, its history, its potential and its people (La. R.S. 51:1252); and

WHEREAS, based on past experience with the production and distribution of the official Louisiana Tour Guide on its own versus in cooperation with the LTPA, the State has a demonstrable, objective and reasonable expectation of receiving a benefit or value at least equivalent to the amount to be expended through this cooperative endeavor.

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

Scope of Services

As provided herein and in greater detail in Exhibit A, which is by this reference incorporated herein, LTPA agrees to perform the following services:

Under the direction of the State, Contractor shall design, provide content, produce, sell advertisements in, and distribute the **2012 Official Louisiana Tour Guide**. The Contractor shall provide all administrative and accounting services associated with the aforementioned services. The 2012 Official Louisiana Tour Guide shall be user-friendly and creatively designed to encourage increased visits to Louisiana. The layout and design shall showcase Louisiana's tourism assets, serve as an effective tourism resource, contain information that is easy to read and follow, and shall present Louisiana as a unique, friendly, and desirable premier vacation destination.

Contractor shall:

- a. Cooperatively work with the State to develop specifications regarding the content, creative design, overall appearance, layout and final production of the **2012 Official Louisiana Tour Guide (Tour Guide)**.
- b. Solicit and sell Louisiana tourism related advertising space to businesses, entities, partners, and other industry stakeholders as appropriate for the Tour Guide.
- c. Ensure accountability and efficiency for all sales activities, and reasonable production costs including the cost for editorial content, commissions, and provide full disclosure of advertising sales activities and cost associated with the distribution of the Tour Guide as specified to distribution centers. Contractor shall provide to the State a comprehensive report of sales transactions and/or collections, expenses associated with advertising including commissions, production expenses, distribution expenses and a comprehensive list of clients who purchased ads in the Tour Guide, which will include the amount paid and size of each individual advertisement.
- d. Adhere to all advertising instructions as well as other specifications and timelines that have been provided by the State, and coordinate State editorials and advertisement guidelines with the Office of Tourism's Director of Programs and Services and the State's identified advertising agency representative(s).
- e. Ensure the insertion of full page advertisements for the Office of Tourism as specified by the State and prominent State recognition on both the front and back covers.
- f. Ensure the production and distribution of Three Hundred Fifty Thousand (350,000) copies of the **2012 Official Louisiana Tour Guide** in the first quarter of 2012, in assigned quantities to the four designated locations identified by the State, as follows:

USA 800 (Warehouse Site) Attention: Chris Hamilton 2000 E. 19 th Street Kansas City, MO 64127 Phone: 800-821-7539 ext. 315 24 hour advance notice required	100,000 copies
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Forms Management Warehouse	230,000 copies
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Attention: Gary Watts
950 Brickyard Lane
Baton Rouge, LA 70802
Phone: 225-219-9570
Fax: 225-219-9573

48 hour advance notice required

Louisiana Travel Promotion Association
Attention: Mark Strickland
1165 S. Foster Dr.
Baton Rouge, LA 70806
Phone: (225) 408-4032
Inside delivery required

20,000 copies

Technical Specifications - for the 2012 Official Louisiana Tour Guide

Production Quantity:	350,000 copies
Trim Size:	6.75" X 10"
Bindery:	Perfect bond
Pages:	156 plus 4 page cover
Paper:	Cover Stock – 100# gloss white enamel text (82 bright minimum) Body Stock – 40# gloss white enamel text (76 bright minimum)
Ink:	4/4 process with dull varnish to outside covers (includes knock out for back cover mailer)
Map:	12-Panel Fold-out Map – 17 15/6" W X 19 1/4" H trim size, 50# white offset stock, 4/4 Ink

Packaging of Tour Guides

The Tour Guides will be packaged in sturdy, custom cartons to exact size, filled to capacity and securely closed. Carton will be clearly marked with the publication name, date and quantity on the outside of each carton, and no individual carton should weigh more than 30 pounds.

Only sturdy 1st generation (new) pallets can be used ("skids" will not be accepted). Cartons must be secured to pallets, bound with plastic wrap and plastic bands. No fully packaged pallet can be wider than 40" (inclusive of pallet and contents).

Advertisements

Contractor shall ensure a maximum of 150 characters per ad copy (including spaces, hyphens, etc.), at a placement cost

of \$150.00 per advertisement. The parties mutually reserve the right to determine print copy based on the appropriateness of the advertisement and other factors. The State reserves the right to determine if proposed advertisements are appropriate (“good taste”) for placement and in the best interest of Louisiana’s tourism market, therefore any questionable, potential or prospective advertisements must be brought to the attention of the State.

Contractor understands and agrees that neither the Contractor or its associated business partners or providers shall receive any special discounts or benefits of any type for the above sale of advertisements or other related activities. However, LTPA members may subscribe to a member classification to be included in the listing of the 2012 Official Louisiana Tour Guide, which information must be disclosed in the Final Report. Contractor may offer to the subscribing members a photo or expanded listings as an option for the normal advertising rate.

State also reserves the right to direct free listings should any be made available for “points of interest” owned and/or operated by the state, local government and/or federal government.

Business Transactions

The Parties agree that business transactions related to the 2012 Official Louisiana Tour Guide include all design, production and/or printing costs, and advertisement sales and commissions, as well as distribution services. All billings and administrative functions related to sales and management of the advertising and final production of the 2012 Official Louisiana Tour Guide are the sole and exclusive responsibility of the Contractor, provided however, that the Contractor also acknowledges that the Office of Tourism will retain overall control of the editorial content of said publication.

Reporting Requirements

Final Report - Upon the conclusion of all services, Contractor shall submit a **comprehensive Final Report** of services and activities, which shall include the comprehensive financial accounting of all production costs and a detailed accounting of sales/advertising activities, commissions, and cost of design, print production, distribution and all other associated expenses. Contractor shall also include in the report any notable challenges, strong points, and sales concerns and shall provide recommendations for future production and distribution.

Contractor shall provide a complete listing of the advertisers to include; 1) name of individual or business 2) street address, and 3) telephone number(s), 4) size of advertisement, and 5) cost.

Payment Terms

In consideration of the services described above, the State hereby agrees to pay Contractor a maximum amount of **Five Hundred Seventy Thousand and No/dollars (\$570,000.00)**. Payment will be made only on approval of Jack Warner, Deputy Assistant Secretary of the Office of Tourism, his designee, supervisor or successor, who will serve as the State’s Contract Monitor.

If progress and/or completion to the reasonable satisfaction of the State are obtained, payment shall be disbursed as follows:

1. Contractor shall under direction of the State, design, create, produce and distribute for the State 350,000 copies of the **2012 Official Louisiana Tour Guide** at a price not to exceed Five Hundred Seventy Thousand Dollars (\$570,000.00) in total costs, inclusive of all activities taking in consideration sales minus commissions and production cost that are inclusive of all activities such as creative design, layout, printing, and distribution

(shipping costs).

2. Regarding sales and commissions, the Office of Tourism will be credited for 50% of net sales (net sales defined as the gross ad sales minus commissions) up to \$570,000.00 of said net sales. Under circumstances where net sales exceed \$570,000.00, State will receive credit for 25% of those exceeding sales. The Office of Tourism's percentages will be credited against the final invoice. The invoice must be accompanied by the Final Report.
3. The Final Report shall provide a full accounting of charges showing the reconciliation of cost for the final payment request, which shall be accompanied by supporting documentation verifying production and distribution expenses, minus credited net sales and commissions. Contractor must also provide notice to the State that all 350,000 2012 Official Louisiana Tour Guides have been delivered to the appropriate distribution sites. State must receive an original invoice, and the Final Report accompanied by supporting documentation for all charges, including a reconciled billing statement showing production cost and credits for net sales, as well as proof of delivery of Tour Guides, no later than **May 31, 2012**.

Payment is contingent upon the approval of this agreement by the director of the Louisiana Division of Administration, Office of Contractual Review and the availability of funds to fulfill the requirements of this agreement.

Contractor is informed that no funds appropriated under Act 12 of the 2011 Regular Legislative Session shall be transferred to a public or quasi-public agency or entity which is not a budget unit of the state unless the Contractor executes a copy of the Agreement and submits to the State for approval, a comprehensive Budget showing all anticipated uses of the appropriation, an estimate of the duration of the project, and a plan showing specific goals and objectives for the use of such funds, including measures of performance. The State shall submit the Agreement, the Budget, and any other required information to the Legislative Auditor for approval at ebudgets@lla.la.gov.

Taxes

Contractor hereby agrees that the responsibility for payment of taxes from the funds thus received under this contract and/or legislative appropriation shall be Contractor's obligation and identified under Federal tax identification number 72-6027251.

Termination Clause

The State may terminate this agreement for cause based upon the failure of Contractor to comply with the terms and/or conditions of this agreement, provided that the State shall give the Contractor written notice specifying the Contractor's failure. If within thirty (30) days after receipt of such notice, Contractor 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 the said failure and thereafter proceed diligently to complete such correction, then the State may, at its option, place Contractor in default and the agreement shall terminate on the date specified in such notice. Contractor may exercise any rights available to it under law to terminate for cause upon the failure of the State to comply with the terms and conditions of this agreement; provided that the Contractor shall give the State written notice specifying the State's failure and a reasonable opportunity for the State to remedy the defect.

Termination for Convenience

The State may terminate the Contract at any time by giving (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 agreement shall be resolved by the provisions of La. R.S. 39:1524 - 1526.

Ownership

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

The Contractor shall obtain releases, licenses, permits or other authorizations ("Third Party Approvals") to use photographs, copyrighted materials, art work or any other property or rights belonging to third parties obtained by the Contractor for use in performing services for the State, and the Contractor shall be responsible for any claims with respect to such use.

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 the Contractor 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, the Office of the Governor, the Louisiana Division of Administration or any State auditors shall have the option of auditing all records and accounts of Contractor that relate to services provided under this agreement. Additionally, Contractor shall provide reasonable access to all records and legislative documents that relate to advertising sales upon request, in order to ensure that the State receives the proper information and/or credit regarding ad sales transactions and commissions, should such a request be made for auditing purposes.

Fiscal Funding Clause

The continuation of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract. If the legislature fails to appropriate sufficient monies to provide for the continuation of the contract, 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 contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

Term of Contract

This cooperative endeavor agreement shall begin on **September 1, 2011** and terminate on **June 30, 2012**.

Discrimination Clause

The Contractor 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, 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 Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

Any act of discrimination committed by Contractor, 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 claims, demands, suits, and judgements of sums of money to any party for loss of life or injury or damage to persons or property growing out of, resulting from or by any negligent act or omission, operation or work 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

This agreement is not effective until it has been approved by the director of the Louisiana Division of Administration, Office of Contractual Review. Any alteration, variation, modification, or waiver of provisions of this Agreement shall be valid only when it has been reduced to writing, duly executed by all parties, and approved by the Director of the Louisiana Division of Administration, Office of Contractual Review.

THUS DONE AND SIGNED AT Baton Rouge, Louisiana on the 6 day of September 2011.

WITNESSES:

DEPARTMENT OF CULTURE, RECREATION AND TOURISM

[Signature]
[Signature]

[Signature]
Jim Hutchinson, Assistant Secretary
Office of Tourism

THUS DONE AND SIGNED AT Baton Rouge, Louisiana on the 6th day of September 2011.

WITNESSES:

[Signature]
[Signature]

[Signature]
Charles, R. Davis, Deputy Secretary
Office of the Lieutenant Governor,
Department of Culture, Recreation and Tourism

THUS DONE AND SIGNED AT New Iberia, Louisiana on the 12 day of September 2011.

WITNESSES:

LOUISIANA TRAVEL PROMOTION ASSOCIATION

[Signature]
[Signature]

[Signature]
Fran Thibodeaux, Chairman of the Board

Exhibit A

Agency Name: Office of Tourism
Contractor's Name: Louisiana Travel Promotion Association
Contract Monitor: Jack Warner

Detailed Goals and Objectives:

Under the direction of the State, Contractor shall design, provide content, produce, sell advertisements in, and distribute 350,000 copies of a user-friendly **2012 Official Louisiana Tour Guide** to encourage increased tourism travel and visitations to Louisiana. The Tour Guide shall provide informative travel information that presents and promotes Louisiana's tourism resources, including those of stakeholders in the industry. The Tour Guide is intended to draw visitors to the state, therefore must be designed in such a way that it presents Louisiana as a unique and desirable premier travel and vacation destination.

Services and Deliverables:

Deliverables include 1) sales activities for the solicitation for advertisements for the Tour Guide, 2) full cooperation with the State regarding content, design, production and distribution, 3) complete accounting of sales activities including clients and all sales data, 4) sufficient documentation to validate production costs, 5) data reconciling sales, commissions and credits, 6) and documents to validate distribution and cost for delivery of 350,000 copies of the 2012 Official Louisiana Tour Guide, and 7) the invoice and the comprehensive Final Report, accompanied by supporting documentation for expenses as specified in the Scope of Services and Payment Terms.

Performance Measures:

Contractor's performance will be measured by the ability to fully cooperate with the State's requirements, appropriateness of advertisements (applicable for tourism industry), design and layout, usefulness and the organized placement of the information in Tour Guide, timely production, accurate reporting and sufficient documentation for services and charges, timely delivery of the Tour Guides, and by the relevance of the information provided in the Final Report.

Monitoring Plan: Jack Warner, his designee, supervisor or successor will serve as the State's Contract Monitor and will ensure that services are monitored, completed and evaluated in accordance with the terms in the following manner:

- Contract Monitor will serve as the liaison between the State and Contractor and will review and verify information and services to ensure compliance with the terms of the agreement; and will contact the Contractor regarding any concerns or missing information that is needed to validate services.
- Contractor Monitor will review the invoice and Final Report to ensure services are complete, all accounting requirements have been met and that the payment request is calculated accurately, and in compliance with the Payment Terms.
- Contract Monitor will complete a performance evaluation and submit to the Office of Management and Finance within 45 days of the completion of all services to ensure compliance and to determine if goals and objectives have been met as intended as statutorily required.

Utility of Final Product:

The State along with Louisiana tourism partners will utilize the 2012 Official Louisiana Tour Guide as the leading collateral piece to be distributed at welcome centers and to other visitors and potential visitors as a resource for marketing Louisiana tourism resources, assets and opportunities.

ATTACHMENT B

Project Budget (2011-2012)

Anticipated Income or Revenue

<u>Income</u>	<u>Amounts</u>
Ad Sales	\$ 455,000.00
State of Louisiana (350,000 copies X \$1.63)	<u>\$ 570,000.00</u>
Total Income	\$1,025,000.00

<u>Expenses</u>	<u>Amounts</u>
Commissions	\$ 31,850.00
Guide Production Cost	<u>\$570,000.00</u>
State of Louisiana Formula	\$601,850.00
Total Cost of Guide	\$570,000.00
Ad Sales minus Commissions	\$455,000-31,850.00=\$423,150.00
Divided by 2=	<u>\$211,575.00</u>
Expected Net Payment for State	\$570,000.00 - \$211,575.00 = \$358,425.00