

POSSIBLE MOTIONS

I MOVE to go into Executive Session to discuss communications with legal counsel, Brian Hanson, regarding the transition of services from the Sitka Convention and Visitors Bureau and invite in Chief Finance and Administrative Officer, Jay Sweeney, and Harrigan Centennial Hall Manager, Don Kluting.

I MOVE to reconvene as the Assembly in regular session.

AND

I MOVE to award a contract to the Greater Sitka Chamber of Commerce to provide convention and visitor services.



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

Coast Guard City, USA

Memo

To: City and Borough of Sitka Assembly
From: Mark Gorman, Administrator
Re: Selection of Sitka Convention and Visitor Services Contractor
Date: August 18, 2015

In response to the issuance of the Statement of Interest to Provide Convention and Visitor Services in Sitka, CBS received four proposals. The applicants were: the Sitka Convention and Visitors Bureau (SCVB), the Greater Sitka Chamber of Commerce (Chamber) the Sitka Economic Development Association (SEDA), and Matthew Turner, a private contractor.

A review committee comprised of the Administrator, Jay Sweeney, and Don Kluting reviewed the statements of interest. The committee focused on management ability and governance capacity.

In the initial review, it was determined that SEDA requested funding above the Assembly allocated amount of \$300,000 which was also identified in the Statement of Interest issuance. The applicant was given the opportunity to reduce this sum to the appropriated amount. SEDA chose to maintain its original request and was informed that the Administrator did not have the authority to negotiate on this amount.

The review committee met with the three other applicants. Through this process, it was determined that the Chamber of Commerce proposal was the strongest in terms of governance and potential to deliver quality visitor and convention services to our community. Although at this time, the Chamber does not have an executive director, the board members who met with the review committee indicated that they had a strong candidate to fill this position. Of note, the model of Chambers of Commerce providing convention and visitor services is used in Homer, Seward, Kenai, Cordova, Girdwood, Talkeetna, Petersburg, Nome and Soldotna.

The SCVB proposal was well developed and presented. Through the interview process, the review committee identified concerns about both the management and governance capabilities of the SCVB.

Matthew Turner's proposal was innovative and well-articulated. Mr. Turner presented the review committee with a creative vision of how he would move Sitka convention and visitor services forward in Sitka. The fact that he is a sole proprietor without a board or governance structure was of concern to the review committee.

It is recommended that the Assembly approve a contract with the Greater Sitka Chamber of Commerce effective October 1, 2016. All effort will be placed on minimizing disruption and diminishment of convention and visitor services in our community during this period of transition. To this end, I recommend that the Assembly authorize the Administrator to take action to ensure that the CBS obligations, liabilities and assets that are associated with the transition of services from the SCVB to the Chamber are addressed.

**CONTRACT BETWEEN OWNER AND CONTRACTOR
TO PROVIDE CONVENTION AND VISITORS BUREAU SERVICES
TO THE CITY AND BOROUGH OF SITKA, ALASKA**

City and Borough of Sitka (“Owner” or “CBS”) desires the GREATER SITKA CHAMBER OF COMMERCE, INC., (“Contractor”) to Provide Convention and Visitors Bureau Services. This Contract to Provide Convention and Visitors Bureau Services (together with all exhibits and attachments hereto to and all amendments and modification to such contract or exhibits, collectively the “Contract”) to the City and Borough of Sitka is made and entered into by and between Owner and Contractor in consideration of the mutual promises contained in this Contract.

This Contract also consists of the following which are incorporated into and made a part of the Contract

- Statement of Interest – reference Organizational Governance and Structure
- Exhibit A - Scope of Services (3 pages)
- Exhibit B – Compensation and Payment (1 page)

SECTION 1. DEFINITIONS

For the purpose of this Contract, the terms used in this Contract shall have the following meaning:

- A. “Owner” shall mean the CITY AND BOROUGH OF SITKA, Alaska.
- B. “Contractor” shall mean the GREATER SITKA CHAMBER OF COMMERCE, INC, an Alaska non-profit corporation, and any **partner, associate**, or any other person acting for and/or in behalf of the GREATER SITKA CHAMBER OF COMMERCE, INC.
- C. “Owner’s authorized representative” shall mean the person set forth in Section 21 (B)(2) of this Contract.
- D. “Days” shall mean calendar days.

SECTION 2. CONTRACT TIME

- A. This Contract becomes effective when signed and dated by both Parties.
- B. Contractor shall commence performance of the work identified in Section 4 immediately following receipt of the Notice to Proceed.

- C. The first eighteen (18) months of this contract shall be deemed a service transition period, in accordance with the Contractor's Statement of Interest. The Contractor's progress shall be determined in accordance with the schedule in the Statement of Interest document.
- D. Except as expressly allowed under this Contract, Owner need not grant Contractor any extension in the time provided to complete the work under this Contract. If Contractor's progress falls behind the project schedule, Contractor shall commit additional resources to the prosecution of the work, or take such other additional steps as are reasonably necessary to assure the completion of the work on schedule, all at no additional cost to Owner.

SECTION 3. CONTRACTOR QUALIFICATIONS

- A. The Contractor expressly represents and warrants it is now and shall continue to be at all times during the performance of this Contract, the holder of all required or necessary professional, business or other licenses or permits and is qualified and capable of performing all of the work covered or called for by this Contract and is presently ready, able and willing to undertake and perform all of such work and services, and to supply all necessary materials and equipment at the times, and in a professional and workmanlike manner and pursuant to the terms, conditions and provisions, and for the compensation and payments as herein provided.
- B. All actions taken by Contractor under this Contract shall comply with all applicable statutes, ordinances, rules and regulations. Contractor shall timely pay all federal, state and local sales, excise or other taxes or assessments incurred by the Contractor.

SECTION 4. SCOPE OF SERVICE

- A. The services to be performed by Contractor shall include all services required to complete the tasks set forth and described on Exhibit A, and shall be in accordance with all applicable statutes, Sitka General Code provisions, ordinances, rules, and regulations.
- B. The Statement of Interest provided by the Contractor, and incorporated into this Contract, shall be treated as a broad general intent of Contractor as to how the Scope of Services under this Contract shall be performed, and, Contractor shall not be held to strict performance of elements of the Statement of Interest which are not specifically contained within Exhibit A. Both parties mutually agree, however, that a gross deviation by the Contractor from the intent set forth in the Statement of Interest, especially in regards to governance and management accountability, shall potentially form the basis of a dispute, subject to the dispute resolution procedures outlined in Section 6 and, potentially, a reason for Termination for Cause as outlined in Section 7.

SECTION 5. TERM

- A. The term of this Contract shall commence on **October 1, 2015** and end at the end of the business day **June 30, 2018**.
- B. Contractor shall be afforded the period September 15, 2015 – September 30, 2015 as a mobilization period to prepare to execute services required by the Scope of Service, and, shall be required to begin executing such services on October 1, 2015.

SECTION 6. DISPUTE RESOLUTION AND MEDIATION

- A. **Informal Resolution**. Both Parties mutually agree to undertake a good faith effort to resolve disputes associated with the performance of both Parties under this contract through collaborative problem solving, beginning at the lowest levels of management and only escalating to higher levels, including the City Administrator and Chamber President, if satisfactory resolution cannot be achieved.
- B. **Mediation**. The parties further agree that if their respective good faith participation in lower level problem solving does not work to the satisfaction of either party, non-binding, third party mediation is a condition precedent to pursuing any other available legal or equitable remedy, including litigation.
 - 1. Either party may commence the mediation process by providing to the other party written notice, setting forth the subject of the dispute, claim or controversy and the relief requested. Within five (5) business days after the receipt of the foregoing notice, the other party shall deliver a written response to the initiating party's notice.
 - 2. The President of the Chamber of Commerce and the Administrator for the City and Borough of Sitka, shall be the signators of the dispute or reply and will have the authority to make or respond to disputes on behalf of their entities.
 - 3. A mediator will be selected in the following way: Each party will submit a list of names of three mediators, all of whom must have a valid Alaska business license, within 3 business days of the response of the non-initiating party. This list and process will be handled by the clerk's office of the City and Borough of Sitka. The parties will select a mediator by the "strike method". The initiating party will strike the first name from the list of six (6) and the non-initiating party will then

strike a name and so on: this will continue until there is one name left. Both parties will make sure that the mediator candidates they submit for the list will be available to handle the issue in the time period set out above. The initial mediation session shall be held within forty five days (45) days after the initiating notice. Any amount of time may be changed or extended by written agreement and waiver of the parties except the mediation process cannot exceed 60 days total regardless of waiving time of other deadlines.

4. The parties agree to share equally the costs and expenses of the mediation (which shall not include the expenses incurred by each party for its own legal representation in connection with the mediation). The parties further agree to abide by the instructions, rules and process which will be utilized by the selected mediator.
5. All mediation proceedings will occur in Sitka, Alaska.
6. The parties further acknowledge and agree that mediation proceedings are settlement negotiations, and that, to the extent allowed by applicable law, all offers, promises, conduct and statements, whether oral or written, made in the course of the mediation by any of the parties or their agents shall be confidential and inadmissible in any legal proceeding involving the parties; provided, however, that evidence which is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation. Since the mediation result is non-binding, each party is free to pursue their own legal rights and remedies under law should a satisfactory result not occur.

C. Requirements. If either party requests informal, non-binding third party mediation, neither Party may initiate action to terminate this Contract for cause, or undertake formal litigation action concerning this Contract until after the completion of informal, non-binding third party mediation.

SECTION 7. TERMINATION

After the 18 month service transition period, this Contract may be terminated:

- A. By mutual consent of the Parties.

- B. For the convenience of Owner or Contractor, provided that Owner or Contractor notifies the other of its intent to terminate under this paragraph at least 60 days prior to the effective date of the termination.
- C. For cause, by either Party where the other Party fails in any material way to perform its obligation under this Contract; provided, however, that as a condition of the exercise of its right of termination under this subsection the terminating Party shall notify the other Party of its intent to terminate this Contract and state with reasonable specificity the grounds, and the defaulting Party shall have failed, within 60 days of receiving the notice, to cure the default, or the Parties have failed to resolve the matter pursuant to the Dispute Resolution provisions under Section 6 of this Contract.
- D. Termination pursuant to this section shall not affect the Parties' continuing obligations under this Contract.

SECTION 8. DUTIES UPON TERMINATION

- A. If either Owner or Contractor terminates this Contract for convenience, either shall pay the other, the reasonable value of all services rendered prior to termination. Payment under this section shall never exceed the total compensation possible under Section 10. All finished and unfinished reports and materials prepared by Contractor shall become the property of Owner.
- B. If this Contract is terminated for cause, Owner shall pay Contractor reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by Owner because of Contractor's failure to perform its contractual obligations. Any finished or unfinished documents or materials shall become the property of Owner at its option. Under no circumstances shall payment under this section exceed the percentage value of work completed as defined by Contractor's Fee Proposal and under Section 10. Under no circumstances shall payment under this section exceed the total compensation possible under Section 10. The determination under this Section 8 of the reasonable value of the services for which Contractor shall be paid and /or of any damages suffered by Owner are subject to the Dispute Resolution procedures under Section 6 of this Contract.
- C. If Contractor has received payments prior to termination in excess of the amount to which it is entitled under Subsection A or B of this section, Contractor shall remit such excess to Owner within 60 days after receipt of notice to that effect.
- D. Contractor shall not be entitled to compensation under this section until Contractor has delivered to Owner all documents, records, work products, materials, and equipment owned by City and Borough of Sitka, related to this Contract and requested by Owner.
- E. If Contractor's services are terminated, for whatever reason, Contractor may not claim any compensation under this Contract other than allowed under this section.

- F. The Owner need not recognize any claim by Contractor for reimbursable expenses or costs incurred after the 60 day notice of termination period under section 7C.

SECTION 9. INDEMNIFICATION

- A. Each Party (the “Indemnitor Party”) shall indemnify, defend, save, and hold the other Party (the “Indemnitee Party”) harmless from any claims, lawsuits, or liability, including attorney’s fees and costs, arising from any wrongful or negligent act, error or omission of the Indemnitor Party occurring during the course of or as a result of the Indemnitor Party’s performance pursuant to this Contract.
- B. The Indemnitor Party shall is required to indemnify, defend, save, and hold the Indemnitee Party harmless from any claims, lawsuits, liability, or attorney’s fees and costs, arising in wrongful or negligent acts, errors or omissions solely of the Indemnitee Party occurring during the course of or as a result of the performance of this Contract.
- C. Where claims, lawsuits, or liability, including attorney’s fees and costs, arise from wrongful or negligent acts of both Parties, Contractor shall indemnify, defend, save and hold Owner harmless from only that portion of claims, lawsuits or liability, including attorney’s fees and costs, which result from Contractor’s wrongful or negligent acts occurring during the course of or as a result of Contractor’s performance pursuant to this Contract.

SECTION 10. PAYMENT

- A. For Contractor’s Contract Services and Expenses, as described in Section 4 of this Contract, compensation will be paid as set forth and described on Exhibit B, subject to Contractor’s satisfactory performance, unless mutually agreed upon by both Parties prior to commencing additional work.
- B. Either party to this contract may request that the compensation to Contractor be renegotiated. Such a request must be made in writing by March 31st of each year to be effective for the Owner’s next fiscal year (July 1 to June 30). Any renegotiated contract amount must be approved by the Assembly of the City and Borough of Sitka. If a request for renegotiation is not initiated by either party, the existing contract compensation amount and payment schedule shall remain in place.
- C. Contractor shall submit invoice(s) to Owner’s authorized representative, as set forth and described on Exhibit B. Invoices shall be as set forth and described on Exhibit B.
- D. Owner shall make payment on invoices as set forth and described on Exhibit B with approval by Owner’s authorized representative.
- E. Contractor shall be entitled to no compensation under this Contract beyond the

amount of Owner's express obligation under subsection A above.

- F. The amount to be paid for additional services, at the option of Owner, shall be negotiated by the Parties prior to the execution of amendments to this Contract for this work.

SECTION 11. AUDIT; ACCESS TO RECORDS

- A. Contractor shall maintain records of performances, communications, documents, correspondence and costs pertinent to this Contract. The Owner's authorized representatives shall have the right to examine such records and accounting procedures and practices.
- B. The Owner's authorized representative shall have the right to examine all books, records, documents and other data of Contractor related to the pricing and performance of the Contract, and any change or modification for the purpose of evaluating the accuracy, completeness, and currency of the data submitted. The right of examination shall extend to all documents necessary to permit adequate evaluation of the data, computations, and projections used.
- C. The materials described in this section shall be made available at the business office of Contractor at all reasonable times for inspection, audit or reproduction, for a minimum of 3 years from the date of final payment under this Contract and for such longer period, if any, as may be required by applicable statute or other provisions of this Contract.
- D. Records which relate to claims or litigation or the settlement of claims arising out of the performance of this Contract shall be made available to Owner by Contractor until such claims or litigation have been concluded.

SECTION 12. INDEPENDENT CONTRACTOR

- A. The parties hereto expressly agree that the Contractor shall be and is an independent contractor and is not an employee or agent of the Owner and is, therefore, entitled to no insurance coverage, whether worker's compensation or otherwise and no other benefits accorded to Owner's employees. No withholding, FICA or other taxes (whether income, sales or otherwise) or other amounts will be withheld from the payments due to the Contractor, it being understood that the Contractor is solely responsible therefore, provided Owner shall be entitled to withhold such retainage or other amounts from any progress or other payments as have been provided for elsewhere in this Contract.
- B. Contractor shall perform its obligations under this Contract as an independent Contractor of Owner. Owner may administer the Contract and monitor Contractor's compliance with its obligations. Owner shall not supervise or direct Contractor as

provided in this section.

- C. The parties hereto agree that the Contractor is not and shall not be construed to be a partner, joint venture, employee or agent of the Owner, and shall not and is not authorized to enter into or make any contracts, agreements to enter into any understanding with any other person, corporation, partnership, joint venture or other entity, in the name of or for the benefit of the Owner.

SECTION 13. CONTRACTOR RESPONSIBLE FOR PERSONNEL

The Contractor has or will secure, all personnel required to perform this Contract in a timely and proper manner. The parties hereto agree and understand that such personnel shall in no event be deemed to be and are not employees, agents, or representatives of the Owner, and the Owner shall have no responsibility or liability whatsoever to any of said persons or for the acts or omissions of any such persons.

SECTION 14. ASSIGNMENTS

Unless otherwise allowed by this Contract or in writing by Owner, any assignment by Contractor of its interest in any part of this Contract shall be void.

SECTION 15. CONFLICT OF INTEREST

The Contractor covenants, warrants and represents that the Contractor has no interest and shall not acquire any interest, direct or indirect which would conflict in any manner with the subject matter or the performance of this Contract. The Contractor further covenants, warrants and represents that in the performance of this Contract, no person having any such interest shall be employed.

SECTION 16. NONDISCRIMINATION

- A. Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.
- B. Contractor shall state, in all solicitations or advertisements for employees to work on jobs relating to this Contract, that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood.
- C. Contractor shall include the provisions of Subsection A in every subcontract or purchase order under this Contract, so as to be binding upon every such subcontractor or vendor of Contractor under this Contract.

- D. Contractor shall comply with all applicable Federal, State and City laws concerning the prohibition of discrimination.

SECTION 17. COPYRIGHTS AND RIGHTS IN DATA

- A. All documents produced under this Contract are the property of Owner, including notes, drawings, reports and other technical information referred to as work products, except items which have pre-existing copyrights. Payments to Contractor for services include full compensation for all work products produced by Contractor and its subcontractors.
- B. All such subject data furnished by Contractor pursuant to this Contract are instruments of its services in respect to this particular project. It is understood that Contractor does not represent such subject data to be suitable for reuse on any other project or for any other purpose. If Owner reuses the subject data without Contractor's specific written verification of adaption, such reuse will be at the risk of Owner, without liability to Contractor. Any such verification of adaption requested in writing by Owner at Owner's sole option will entitle Contractor to further compensation at rates agreed upon by the Parties.

SECTION 18. NOTICES

A. Regular Communications. For communications between the Parties on personnel issues or on matters of a confidential nature the Parties' respective points of contact shall exclusively be the Municipal Administrator of CBS and the President of Contractor, or their respective designees. For all other regular or routine communications with respect to this Contract the Parties designate the following persons as their respective primary points of contact:

OWNER Point of Contact:

Name: Don Kluting
Telephone: 1.907.747.3225
Email: don.kluting@cityofsitka.org

CONTRACTOR Point of Contact :

Name: Executive Director- The Greater Sitka Chamber of Commerce
Telephone: 1.907.747.8604
Email: eddirector@sitkachamber.org

B. Formal Notices. Any notice required under this Contract shall be in writing and either personally delivered or mailed by prepaid, first class, registered or certified mail, return receipt requested, to the following addresses:

OWNER:

City and Borough of Sitka
Harrigan Centennial Hall
Attn: Don Kluting
100 Lincoln Street
Sitka, AK 99835

CONTRACTOR:

GREATER SITKA CHAMBER OF COMMERCE,
INC.
Attn: Board President
PO Box 638
Sitka, AK 99835

SECTION 19. CLAIMS AND DISPUTES

If Contractor becomes aware, or reasonably should have become aware, of any act or occurrence which may form the basis of a Claim outside of this contract by a third party or outside entity, Contractor shall immediately notify in writing Owner’s authorized representative. If the matter cannot be resolved within seven (7) days, Contractor shall, within the next fourteen (14) days, submit a written notice of the Claim. Contractor shall, in presenting the Claim, include the facts and circumstances surrounding the claim, the specific relief requested including any additional compensation claimed and the basis upon which it was calculated, and the provisions of this Contract under which the Claim is made.

SECTION 20. SUCCESSORS AND ASSIGNS

The Parties bind themselves, partners, successors, assigns and legal representatives to the other Party to this Contract and to partners, affiliates, successors, assigns and legal representatives of such other Party with respect to all covenants of this Contract.

SECTION 21. AMENDMENT

- A. This Contract shall only be amended, modified or changed by a written amendment, executed by authorized representatives of the Parties, and such amendment shall be attached to this Contract as an appendix.
- B. For the purposes of any amendment, modifications or change to the terms and conditions of this Contract, the only authorized representatives of the Parties are:
 - 1. President of the Board - For Contractor
 - 2. Mark Gorman, CBS Municipal Administrator - For Owner
- C. Any attempt to amend, modify or change this Contract by either an unauthorized representative or unauthorized means, shall be void.

SECTION 22. INSURANCE

- A. Contractor shall at all times during the term of this Contract, maintain in good standing the insurance described in Subsection B. Before rendering any services

under this Contract, Contractor shall furnish Owner with proof of insurance in accordance with Subsection B in a form acceptable to the Risk Manager for Owner; such proof of insurance shall be incorporated into this Contract.

B. Type of coverage:

- | | |
|---|------------------|
| 1. <u>Comprehensive General Liability</u> | |
| Occurrence Limit | \$1,000,000 |
| Products and Completed Operations Aggregate | \$2,000,000 |
| General Aggregate | \$2,000,000 |
| 2. Workman's Compensation | Alaska Statutory |
| Employers Liability | |
| 3. Comprehensive Automobile Liability | \$1,000,000 |
| Including all owned, hired and non-owned vehicles | |

C. Insurance Notes

1. Owner shall be named as an additional named insured on the required general liability and automobile insurance policies. The Owner shall also be granted a full waiver of any rights of subrogation by endorsement under all required policies with the exception of Professional Errors and Omissions. These requirements extend to all subcontractors.
2. Contractor is required to notify Owner if any policy is to be canceled, materially changed, or renewed, at least thirty days prior, by written notice sent by certified mail.

SECTION 23. CHANGES OR MODIFICATIONS

Any change in any regulations or requirements applicable to the work called for herein, made, caused or imposed by, or as a result of the action of any state, federal or other governmental agency that has or will provide all or any portion of any funds for payment for the work or project which is the subject of this agreement, shall automatically become a part of, and amendment to this agreement and the Contractor shall comply therewith.

SECTION 24. NON-WAIVER

The failure of either Party at any time to enforce a provision of this Contract shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Contract or any part, or the right of such Party to enforce each and every provision.

SECTION 25. SEVERABILITY

Any provision of this Contract deemed invalid by a court of competent jurisdiction shall

not invalidate the remaining provisions of the Contract.

SECTION 26. JURISDICTION - CHOICE OF LAW

Any civil action rising from this Contract shall be brought in the Alaska Superior Court at Sitka. The laws of the State of Alaska shall govern the rights and obligations of the Parties under this Contract.

SECTION 27. INTEGRATION

This instrument and all appendices and amendments embody the entire Contract of the Parties. There are no promises, terms, conditions or obligations other than those contained in this Contract. This Contract shall supersede all previous communications, representations, or Contracts, either oral or written, between the Parties.

IN WITNESS, the parties execute this agreement through their duly authorized representatives, and represent that their duly authorized representatives are authorized to sign this agreement between Owner and Contractor to provide Convention and Visitor Bureau Services to the City and Borough of Sitka, on behalf of the party they represent.

CITY AND BOROUGH OF SITKA

**GREATER SITKA CHAMBER OF
COMMERCE. INC.**

Municipal Administrator

President of the Board

Date: _____

Date: _____

IRS TAX I.D. NO. _____

ATTEST:

REVIEW:

LEGAL

Municipal Clerk

Municipal Attorney

Date: _____

Date: _____

Exhibit A

Scope of Work – Greater Sitka Chamber of Commerce

The Greater Sitka Chamber of Commerce will be responsible for providing all Convention and Visitor Bureau services for the municipality as follows:

1) Marketing and Promotion:

- a) Develop and implement a marketing plan and associated budget to effectively increase the number of revenue generating functions, increase the number of independent travelers visiting, and support the growth of the cruise industry in Sitka. The plan will be continually evaluated for success and strategized for updates and revisions to keep up with the quickly evolving technological world.
- b) Collaborate with State and local tourism related groups, committee's, and commissions.
- c) Design and publish annual visitors guide, place ads online and in print media.
- d) Maintain promotional social media pages.
- e) Develop and maintain a promotional website.
- f) Host media members and group tour operators, cruise line visits and public relations.

2) Visitor Services:

- a) Provide telephone and email contacts for information requests and inquiries by the public.
- b) Provide timely and accessible visitor bureau services which address the informational needs of visitors via first person assistance, telephone, and internet access. First person assistance to be limited to normal business hours at the office and at the kiosk during the hours a cruise ship is in port.
- c) Provide an accessible and visible office in Sitka's central business district
- d) Respond to visitor inquiries in a variety of mediums, including staffing visitor information desks at both lightering facilities during cruise days
- e) Create and distribute printed information pieces for use by visitors while in Sitka.
- f) Provide information and/or brochures about lodging, restaurants, excursion's, tours, fishing charters, wildlife tours, trips and other attractions in the Sitka area.
- g) Provide knowledgeable information about local goods and services, as well as cultural and historical information about Sitka thru both internet based portals, as well as physical information rack(s) located at strategic locations within Sitka.

3) Convention Sales and Services:

- a) Market Sitka as a year round meeting, conference, and convention destination. Highlight Sitka's marketable features and services in publications, by direct mail and on websites to attract groups.
- b) Collaborate and strategize with venue managers and the business community to attract conventions.
- c) Assist groups with conference planning (securing locales and assist with contracts, bids, printed collateral, etc.)

- d) Provide information on all support services offered in the community, create and distribute convention delegate welcome folders and welcome signs in downtown businesses.
- e) Follow up with groups, and venue and service providers to ensure customer satisfaction.

4) **Reporting**

- a) Provide quarterly, a staff prepared narrative summary describing activities from the quarter and a financial report prepared by an external bookkeeper. Reports should be submitted within 60 days of the quarter's completion.
- b) Provide an annual State of the Sitka Convention and Visitor Industry report to the Assembly.

5) **Other Services:**

- a) Regularly update a marketing and promotional website and the annual visitor guide, as well as brochure displays.
- b) Develop and regularly email newsletters to visitor industry businesses and providers in Sitka.
- c) Research cruise industry information and maintain an up-to-date summer cruise ship calendar on the promotional website.
- d) Manage additional contracts for the CBS as negotiated.

6) **Metrics:**

The performance of the contractor shall be based on its effectiveness to reach potential visitors, secure convention bookings, and increase tourism in Sitka. In measuring performance of marketing efforts, there is no single statistic that can be utilized to determine the effectiveness, however looking at the trends of a wide range of metrics on an annual basis can provide information regarding marketing efforts and the effectiveness of those efforts. The following metrics shall be tracked on an annual basis with FY17 being the baseline year.

- a) **Convention Metrics** – These metrics will track the contractor's effectiveness at generating interest for conventions in Sitka and its ability to sell organizations on Sitka as a convention destination.
 - 1. Convention Inquiries
 - 2. Convention Bookings
 - 3. Total Number of Convention Attendees
 - 4. Ratio of Convention Inquiries to Bookings
- b) **Visitor Inquiries** – The goal of visitor marketing is to generate interest in Sitka. Effective marketing campaigns should generate additional inquiries. In addition, by tracking the number of inquires as a ratio to marketing costs, it will provide an indicator of performance vs. cost.
 - 1. Number of E-mail Inquiries
 - 2. Number of Telephone Inquiries
 - 3. Number of Unique Website Visits
 - 4. Ratio of total number of inquires to direct and indirect visitor services marketing costs

- c) Economic Indicators – Increased tourism will benefit the economy of Sitka. The key economic indicators will show the financial impact of increased tourism. However, global factors not relating to marketing performance can also affect the visitor industry. For this reason, the economic indicators can give an indication of tourism trends in Sitka, however, these statistics alone cannot be utilized to determine marketing performance.
1. Bed Tax Revenue
 2. Ratio of Bed Tax Revenue to Previous Year Total Visitor Inquiries
 3. Fish Box Tax Revenue
 4. Total Cruise Ship Visitors
 5. Qtr 2 and Qtr 3 Sales Tax Revenue

Exhibit B

Compensation and Payment – Greater Sitka Chamber of Commerce

In consideration of Contractor's responsibilities under this agreement, Owner (also referred to herein as "CBS") agrees to pay Contractor according to the payment schedule provided below:

Remainder of Fiscal Year 2016 (October 1, 2015 – June 30, 2016)

Upon full execution of contract \$100,000
Jan 1, 2016 contract \$75,000
April 1, 2016 contract \$50,000

For all subsequent Fiscal Years, twenty five percent of the Fiscal Year Contract Amount (defined below) will be paid at the start of each fiscal quarter.

For the 2017 Fiscal Year all Subsequent Fiscal Years

July 10 – 25% of the Fiscal Year Contract Amount
October 1 – 25% of the Fiscal Year Contract Amount
January 1 – 25% of the Fiscal Year Contract Amount
April 1 – 25% of the Fiscal Year Contract Amount

The Fiscal Year is that of Owner and commences on July 1 of the year and ends on June 30 of the following year. The "Fiscal Year Contract Amount" shall have the following meaning and shall be calculated as follows:

The dollar amount that is 92% of the 3 year rolling average of each fiscal year of the amount of Bed Tax (defined below) collected in the three previous Fiscal Years or \$300,000, whichever is greater. CBS staff will, in collaboration with the Assembly and the Chamber, review increasing this Bed Tax set aside. The three year average will be adjusted to the amount negotiated.

"Bed Tax" shall mean all taxes, fees, collected by CBS for hotel, motel, bed and breakfast, transient room rentals, to which such tax is applicable, pursuant to Chapter 4.24 of the Sitka General Code, and any amendment thereto and/or recodification thereof.

CBS agrees to allow Contractor use of all physical and intellectual property (currently being used by the SCVB) related to providing convention and visitor services and marketing for the term of the contract period.