



**CITY OF LYNNWOOD
PROFESSIONAL SERVICES AGREEMENT**

Contract Title: City-wide Branding and Marketing Strategy

Contract No: 1787

THIS AGREEMENT made and entered into on this ____ day of _____, _____, by and between the **CITY OF LYNNWOOD**, a Washington Municipal Corporation (the "City"), and **North Star Destination Strategies**, the **CONSULTANT** (the "Consultant").

Consultant Business: North Star Destination Strategies

Consultant Address: 220 Disspayne Drive
Nashville, TN 37214

Consultant Phone: 615-341-8781

Consultant Fax: 615-523-1146

Contact Name Don McEachern

Consultant e-mail: don@northstarideas.com

Federal Employee ID No.: 41-2175665

Authorized City Representative for Mary Monroe, Project Manager
this contract:

WHEREAS, the City desires to create and develop a central brand image and marketing strategy for the City; and

WHEREAS, public convenience and necessity require the City to obtain the services of a Consultant with municipality branding and marketing experience; and

WHEREAS, the City finds that Consultant is qualified to perform and is experienced in performing the required services; and

WHEREAS, the City desires to engage the Consultant to clearly define a creative strategy and determine a specific process and implementation to develop and incorporate a central marketing/branding theme for the City;

NOW, THEREFORE, the parties herein do mutually agree as follows:

1. **Employment of Consultant.** The City retains the Consultant to provide the services described in "Exhibit A – Scope of Work," which is incorporated into this Agreement by reference (the "Work"). Any inconsistency between this Agreement and the Scope of Work

shall be resolved in favor of this Agreement. The Consultant shall perform the Work according to the terms and conditions of this Agreement.

The City may revise the Work and the compensation only by a written Change Order signed by the authorized City representative that shall become a part of this Agreement.

The project manager(s) of the Work shall be Jennifer Williams. The project manager(s) shall not be replaced without the prior written consent of the City.

2. Compensation.

A. The total compensation to be paid to Consultant, including all services and expenses, shall not exceed Eighty Thousand Dollars and No Cents (\$80,000.00) as shown on Exhibit B, which shall be full compensation for the Work. Consultant shall notify the City when its requests for payment reach eighty-five percent of the total compensation.

B. The Consultant shall be paid in such amounts and in such manner as described in Exhibit B.

C. Consultant shall be reimbursed for Eligible Expenses actually incurred. "Eligible Expenses" means those types and amounts of expenses listed in Exhibit C or those expenses that are approved for reimbursement by the City in writing before the expense is incurred. If overnight lodging is authorized, Consultant shall lodge within the corporate limits of City.

3. Term of Contract.

A. The initial term of this contract shall be for one (1) year through July 31, 2010.

B. At the end of the initial one (1) year contract period, this contract may be renewed for one (1) year additional year upon mutual agreement by both parties. Such renewal shall require approval by the City Council.

4. Request for Payment.

A. Not more than once every thirty days the Consultant shall file its request for payment, accompanied by evidence satisfactory to the City justifying the request for payment, including a report of Work accomplished and tasks completed, and an itemization of Eligible Expenses with copies of receipts and invoices.

B. All requests for payment should be sent to

City of Lynnwood
Attn: Accounts Payable
PO Box 5008
Lynnwood, WA 98046-5008

5. Work Product. The Consultant shall submit all reports and other documents specified in Exhibit A according to the schedule established in Exhibit A. If, after review by the City, the information is found to be unacceptable, Consultant, at its expense, shall expeditiously correct such unacceptable work. If Consultant fails to correct unacceptable work, the City may withhold from any payment due an amount that the City reasonably believes will equal the cost of correcting the work.

All reports, drawings, plans, specifications, and intangible property created in furtherance of the Work, and any intellectual property in such documents, are property of the City and may be used by the City for any purpose; provided that re-use without Consultant's permission shall be at the City's sole risk.

6. Termination of Contract. City may terminate this Agreement by sending a written notice of termination to Consultant ("Notice") that specifies a termination date ("Termination Date") at least fourteen (14) days after the date of the Notice. Upon receipt of the Notice, the Consultant shall acknowledge receipt to the City in writing and immediately commence to end the Work in a reasonable and orderly manner. Unless terminated for Consultant's material breach, the Consultant shall be paid or reimbursed for all hours worked and Eligible Expenses incurred up to the Termination date, less all payments previously made; provided that work performed after date of the Notice is reasonably necessary to terminate the Work in an orderly manner. The Notice may be sent by any method reasonably believed to provide Consultant actual notice in a timely manner.

Upon termination of this Agreement, the Consultant shall transfer, assign and make available to the City, or its representatives, all property and materials in its possession or control belonging to the City and paid for by the City. In the event that the material, which is the subject of this Agreement, is copyrightable subject matter, the Consultant and City agree that for the purposes of this order the material shall be a work made for hire and the property of the City. In the event that the material which is the subject of this Agreement is not copyrightable subject matter, or for any reason is determined not to be a work made for hire, then and in such event the Consultant hereby assigns all right, title and interest to said material to City for the fees specified herein.

Stock photography used for the demonstration of creative concepts is not to be reproduced or published in any way without first negotiating usage rights with the appropriate stock image provider. Concepts and straplines not selected by the City remain the intellectual property of the Consultant.

7. Assignment of Contract – Subcontractors. Consultant shall not assign this contract or sub-contract or assign any of the Work without the prior written consent of the City.

8. Indemnification. To the extent provided by law and irrespective of any insurance required of the Consultant, the Consultant shall defend and indemnify the City from any and all Claims arising out of or in any way relating to this Agreement; provided, however, the requirements of this paragraph shall not apply to that portion of such Claim that reflects the percentage of negligence of the City compared to the total negligence of all persons, firms or corporations that resulted in the Claim.

Consultant agrees that the provisions of this paragraph 7 apply to any claim of injury or damage to the persons or property of consultant's employees. As to such claims and with respect to the City only, consultant waives any right of immunity, which it may have under industrial insurance (Title 51 RCW and any amendment thereof or substitution therefore). THIS WAIVER IS SPECIFICALLY NEGOTIATED BY THE PARTIES AND IS SOLELY FOR THE BENEFIT OF THE CITY AND CONSULTANT.

As used in this paragraph: (1) "City" includes the City's officers, employees, agents, and representatives; (2) "Consultant" includes employees, agents, representatives sub-consultants; and (3) "Claims" include, but is not limited to, any and all losses, claims, causes of action, demands, expenses, attorney's fees and litigation expenses, suits, judgments, or damage arising from injury to persons or property.

Consultant shall ensure that each sub-consultant shall agree to defend and indemnify the City to the extent and on the same terms and conditions as the Consultant pursuant to this paragraph.

9. Insurance.

A. Consultant shall comply with the following conditions and procure and keep in force at all times during the term of this Agreement, at Consultant's expense, the following policies of insurance with companies authorized to do business in the State of Washington. The Consultant's insurance shall be rated by A. M. Best Company at least "A" or better with a numerical rating of no less than seven (7) and otherwise acceptable to the City.

1. Workers' Compensation Insurance as required by Washington law and Employer's Liability Insurance with limits not less than \$1,000,000 per occurrence. If the City authorizes sublet work, the Consultant shall require each sub-consultant to provide Workers' Compensation Insurance for its employees, unless the Consultant covers such employees.

2. Commercial General Liability Insurance on an occurrence basis in an amount not less than \$1,000,000 per occurrence and at least \$2,000,000 in the annual aggregate, including but not limited to: premises/operations (including off-site operations), blanket contractual liability and broad form property damage.

3. Business Automobile Liability Insurance in an amount not less than \$1,000,000 per occurrence, extending to any automobile. A statement certifying that no vehicle will be used in accomplishing this Agreement may be substituted for this insurance requirement.

4. Professional Errors and Omissions Insurance in an amount not less than \$1,000,000 per occurrence and \$1,000,000 in the annual aggregate. Coverage may be written on a claims made basis; provided that the retroactive date on the policy or any renewal policy shall be the effective date of this Agreement or prior, and that the extended reporting or discovery period shall not be less than 36 months following expiration of the policy. The City may waive the requirement for Professional Errors and Omissions Insurance whenever the Work does not warrant such coverage or the coverage is not available.

5. Each policy shall contain a provision that the policy shall not be canceled or materially changed without 30 days prior written notice to the City.

Upon written request to the City, the insurer will furnish, before or during performance of any Work, a copy of any policy cited above, certified to be a true and complete copy of the original.

B. Before the Consultant performs any Work, Consultant shall provide the City with a Certificate of Insurance acceptable to the City Attorney evidencing the above-required insurance and naming the City of Lynnwood, its officers, employees and agents as Additional Insureds on

the Commercial General Liability Insurance policy and the Business Automobile Liability Insurance policy with respect to the operations performed and services provided under this Agreement and that such insurance shall apply as primary insurance on behalf of such Additional Insureds. Receipt by the City of any certificate showing less coverage than required is not a waiver of the Consultant's obligations to fulfill the requirements.

C. Consultant shall comply with the provisions of Title 51 of the Revised Code of Washington before commencing the performance of the Work. Consultant shall provide the City with evidence of Workers' Compensation Insurance (or evidence of qualified self-insurance) before any Work is commenced.

D. In case of the breach of any provision of this section, the City may provide and maintain at the expense of Consultant insurance in the name of the Consultant and deduct the cost of providing and maintaining such insurance from any sums due to Consultant under this Agreement, or the City may demand Consultant to promptly reimburse the City for such cost.

10. Independent Contractor. The Consultant is an independent Contractor responsible for complying with all obligations of an employer imposed under federal or state law. Personnel employed by Consultant shall not acquire any rights or status regarding the City.

11. Employment. The Consultant warrants that it did not employ or retain any company or person, other than a bona fide employee working solely for the Consultant, to solicit or secure this Agreement or pay or agree to pay any such company or person any consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right either to terminate this Agreement without liability or to deduct from the Agreement price or consideration or to otherwise recover, the full amount of such consideration.

12. Audits and Inspections. The Consultant shall make available to the City during normal business hours and as the City deems necessary for audit and copying all of the Consultant's records and documents with respect to all matters covered by this Agreement.

13. City of Lynnwood Business License. Consultant shall obtain a City of Lynnwood business license before performing any Work. The cost of obtaining the business license is at the expense of the Consultant and shall not be reimbursed by the City.

14. Compliance with Federal, State and Local Laws. Consultant shall comply with and obey all federal, state and local laws, regulations, and ordinances applicable to the operation of its business and to its performance of the Work.

15. Waiver. Any waiver by the Consultant or the City of the breach of any provision of this Agreement by the other party will not operate, or be construed, as a waiver of any subsequent breach by either party or prevent either party from thereafter enforcing any such provisions.

16. Complete Agreement. This Agreement contains the complete and integrated understanding and agreement between the parties and supersedes any understanding, agreement or negotiation whether oral or written not set forth herein.

17. **Modification of Agreement.** This Agreement may be modified by a Change Order as provided in Paragraph 1, or by a writing that is signed by authorized representatives of the City and the Consultant.

18. **Severability.** If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void, insofar as it is in conflict with said laws, the remainder of the Agreement shall remain in full force and effect.

19. **Confidentiality.** In conducting business and in anticipation of conducting business with the Consultant, it may be necessary for the City to share trade secrets and/or other confidential and/or proprietary information or matter with the Consultant. The parties agree that such information and the materials referenced in the contract, the results and developments there from are confidential and/or proprietary information belonging to the City.

The Consultant agrees not to disclose to any third party any such trade secrets and/or confidential or proprietary information for its own separate benefit. The Consultant will be responsible for its employees or agents complying with the provisions of this Agreement.

Similarly, the City agrees that the Community BrandPrint™ created is intended solely for the use and benefit of the City and any distribution outside of the City without the written consent of the Consultant is prohibited. The City will be responsible for its employees or agents complying with the provisions of this Agreement.

20. **Trademark.** To ensure that the recommended strapline (tagline) is available for use and capable of being trademarked, the Consultant will conduct a trademark registration search with the United States Patent and Trademark Office via their web site: <http://www.uspto.gov/main/trademarks.htm>. The Consultant will report any records found relating to the strapline. The pursuit of an official, legally-binding trademark is the responsibility of the City. Strapline suggestions not chosen remain the intellectual property of the Consultant.

21. **Notices.**

A. Notices to the City of Lynnwood shall be sent to the following address:

City of Lynnwood
Attn: Mary Monroe
Economic Development
P.O. Box 5008
Lynnwood, WA 98046-5008

B. Notices to the Consultant shall be sent to the following address:

North Star Destination Strategies
Attn: Don McEachern
220 Disspayne Drive
Nashville, TN 37214

22. **Venue.** This Agreement shall be governed by the law of the State of Washington and venue for any lawsuit arising out of this Agreement shall be in Snohomish County.

IN WITNESS WHEREOF, the City and Consultant have executed this Agreement as of the date first above written.

<p>CITY OF LYNNWOOD WASHINGTON</p> <p>By: _____ Don Gough, Mayor</p> <p>_____</p> <p>Date</p>	<p><i>Corporation</i> NORTH STAR DESTINATION STRATEGIES</p> <p>By: _____</p> <p>Typed/Printed Name: _____</p> <p>Its _____</p> <p>_____</p> <p>Date</p>
<p>ATTEST:</p> <p>By: _____ John Moir, Finance Director</p> <p>_____</p> <p>Date</p>	
<p>APPROVED AS TO FORM:</p> <p>By: _____ Eric Frimodt, City Attorney</p> <p>_____</p> <p>Date</p>	

Exhibit A – Scope of Work

1. Work to Be Performed

I. Understanding

Where the brand has been

This stage addresses the current brand positioning of the community; in other words, how the brand is perceived by stakeholders, residents, businesses, visitors and prospective consumers. The Consultant will evaluate the environment, the competitive situation, community attitudes, current communications, and perceptions of target audiences and their influencers.

COMMUNITY

- ▶ Situation Analysis: Questionnaire and meeting with stakeholder groups to understand the City's primary objectives, general history, political landscape, resources, competitors, etc.
- ▶ Research and Planning Audit: Comprehensive review of research and planning documents (from the last 24 months)
- ▶ Communication and Media Audit: Review of existing marketing materials and media plans
- ▶ Familiarization Tour: In-market tour of area attractions, commercial/industrial sites, business parks, housing developments, parks and recreation, the arts, etc.
- ▶ Key Stakeholder Interviews: One-on-one interviews with key stakeholders to gather perceptions
- ▶ Stakeholder Focus Group: An in-depth group discussion with the individuals responsible for driving the branding initiative
- ▶ Vision Survey: An open-ended questionnaire distributed to the community leaders of the City.
- ▶ Online Community Survey: A quantitative version of the Vision Survey posted online for community-wide participation
- ▶ Brand Barometer: A tool to measure the strength of the City's reputation relative to the rest of the United States as a place to live, work and play
- ▶ Undercover Interviews: Informal discussions with residents, visitors, and local merchants
- ▶ Geo-demography Resident Profile: A detailed market segmentation report created with ESRI's Arcview, Tapestry and Business Analyst software - including U.S. Census Bureau data and consumer buying behavior data from Mediamark Research Information (MRI)
 - ▶ Who Report: Resident socio-economic classifications
 - ▶ What Report: Profile of resident lifestyle habits such as media usage, travel behavior, household buying preferences, recreational interests, civic involvement, dining choices, retail preferences, lodging tendencies.

CONSUMERS

- ▶ Inquiry Mapping: Inquiry origin information from existing databases
- ▶ Geo-demography Consumer Profile: Detailed report describing the City's target consumers (merchant customers, new home buyers, visitors, etc.)
 - Who Report: Consumer demographic and socio-economic classifications; this report also compares your consumers to the profiles of the City's community. In other words, are the residents like or unlike your visitors?
 - What Report: Profile of consumer lifestyle and media habits such as media usage, household buying preferences, recreational interests, civic involvement, dining choices, retail preferences, lodging tendencies, travel behavior and more
 - Where Report: Grid showing relative comparisons of feeder markets based on the highest concentration of core consumers
- ▶ Qualitative Perception Study: Telephone interviews to gather insights from:
 - Economic development prospects, site selectors, relocation executives
 - Meeting planners, group tour leaders, travel agents
 - Realtors, developers
 - Regional and state-level economic development, tourism executives
- ▶ Quantitative Consumer Awareness and Perception (CAP) Study: Survey conducted using a random sampling of consumers; specifically, the survey measures:
 - Overall awareness and perceptions of the City
 - Overall awareness and perceptions of the competition
 - Consumer visitation patterns to the City
 - Attitudes regarding the City's strengths and weaknesses
 - Consumer opinions regarding what needs to be added to or taken away from the City
 - Changes in consumer perceptions of the City after visiting
 - Measurements of the City's delivery of quality-of-life indicators.

▶ COMPETITION

- ▶ Competitive Positioning Review: A brand message assessment to evaluate the City's position relative to the competition.
- ▶ Competitive Opportunity Analysis: An in-depth analysis of the City's top five economic development competitors; uncovering strengths and weaknesses in the current business landscape according to national standard industry classifications.

2. Insights

Where the brand should be

The goals for the City may involve a number of elements: cohesive community identity and consistent marketing efforts, collective community conscience, business and resident recruitment/retention, gross receipts, overnight guests and bed-tax collected.

Branding influences these goals by influencing expectations and affecting attitudes, thus affecting behavior and usage. The most successful brands establish an emotional – not simply an intellectual – connection. Our insights come from asking a number of thought-provoking questions. What brand “story” does the research tell? What emotional attachments can the brand hold? How does the brand fit into the consumer’s lifestyle? How can the brand be revised to elicit the community’s desired emotional/behavioral responses? It is from these insights that we determine the overall positioning of the brand.

- ▶ **Situation Brief:** Review of all research findings
- ▶ **Blue Sky Meeting:** Internal session for developing insights based on significant research patterns and findings .
- ▶ **“Understanding and Insights” Presentation:** Comprehensive review of all relevant research and recommended strategic direction, which includes:
 - ▶ Insights that affect the development of the City’s brand identity
 - ▶ *Brand Essence (reason for being)*
 - ▶ *Brand Truths (the undeniable truths about who you are)*
 - ▶ *Brand Promise (what you provide better than anyone)*
 - ▶ *Brand Benefits (the emotional and rational reasons for consumer appeal)*
 - ▶ *Brand Personality (tonality that reflects your character)*
 - ▶ **Brand Platform Statement: The guiding statement for the management and development of the City’s brand including:**
 - ▶ **Target audience**
 - ▶ **Frame of reference**
 - ▶ **Point of difference**
 - ▶ **Benefit**

NOTE: The Consultant will conduct a meeting to present all of the research findings as well as their recommended brand positioning based on those findings. Brand Platform approval is required before proceeding.

3. Imagination

What will get us there?

In this stage, all the data and high-level strategies are transformed into tangible creative products that embody your brand. Straplines and logos are created. Foundation creative is developed. Custom brand action ideas are recommended. These creative communications and strategic initiatives combine in a powerful one-two punch that makes a two-dimensional brand come to life in a three-dimensional community.

✦ Foundation Creative

This collaborative process results in a unique and memorable visual identity for the brand. In a word, how will the City community's brand **look?**

- ✦ Brand Concepts: Three different written creative concepts for communicating the brand
- ✦ Brand Identity Guide: Two distinct options for bringing the approved brand concept to life. Each creative expression will contain the following:
 - ✦ Logo creation or adaptation to finished art
 - ✦ Graphic standards guide
 - ✦ Strapline development
 - ✦ Color palette and environmental applications
 - ✦ Stationery, business cards, newsletter and collateral design
 - ✦ Sample marketing messages for community, eco. dev. and tourism
 - ✦ Website design application
 - ✦ Brand anthem and brand vocabulary

✦ Brand Action

The Consultant through ideas designed to make the brand spark to life, become part of your community's collective conscience. In a word, how will your brand be **absorbed into the very fabric of your community?** Recommendations address the following:

- | | |
|-----------------------|------------------------------|
| ✦ Private Sector | ✦ Events |
| ✦ Organizations | ✦ Environmental Applications |
| ✦ Arts and Culture | ✦ Sports |
| ✦ Brand Drivers | ✦ Media Vehicles |
| ✦ Consumers | ✦ Awards |
| ✦ Purpose Initiatives | ✦ Education |
| ✦ Merchandise | ✦ Policy |
| ✦ Exports | |
| ✦ | |

- ✦ Recommendations for leadership, organization and funding.

4. Evaluation

How the brand is performing

Evaluation yields new information, which may lead to the beginning of a new planning cycle. Information can be gathered from concept pre-testing, campaign impact in the marketplace and tracking studies to measure a brand's performance over time.

Ideally, two basic questions will be answered: have responses to the brand among target audiences changed in the way the Community BrandPrint™ intended? And have these changes resulted in action that will achieve the desired objectives of the brand? Turnkey or do-it-yourself programs are recommended depending on the needs of the community.

- ▶ Recommended Measures of Accountability
 - ▶ CAP Study
 - ▶ Brand Barometer
- ▶ Geo-demography Consumer Profiling: *Who, What, and Where* reports (three-year update)

NOTE: The Consultant will conduct a final presentation that delivers the creative product, the brand action ideas and recommended measures of accountability. A final report is produced that delivers these items as well as the research findings, insights and strategic brand platform.

Exhibit B – Compensation

The City shall pay the Consultant a fee not to exceed Seventy-Five Thousand Dollars and No Cents (\$75,000.00) for the work described herein as Exhibit A and Five Thousand Dollars and No Cents (\$5,000.00) for the reimbursable expenses described in Exhibit C.

The agreed upon maximum hours dedicated to the project outline in Exhibit A will be four hundred twenty-five (425) hours. The Consultant will not exceed the maximum number of hours for the project outlined in Exhibit A. Any additional requests of the Consultant beyond the agreed upon Scope of Work in Exhibit A and designated hours will be billed at the rate of \$150.00 per hour. Should additional work be requested, for work beyond the scope of this Agreement, the Consultant will receive written approval of the additional related cost prior to initiating work.

Exhibit C – Reimbursable Expenses

This contract includes the following reimbursable expenses:

Outside costs such as travel, shipping, and required data entry shall be billed at a net rate (out-of-pocket cost) to the City. Mileage shall be billed at the rate of 50.5 cents per mile. The Consultant agrees to place a limit of Five Thousand Dollars and No Cents (\$5,000.00) on these items.