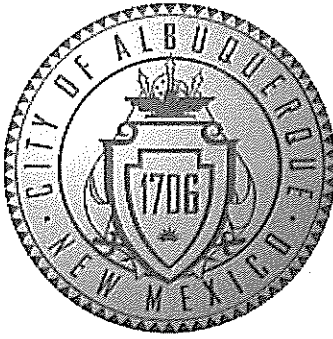


EC-23-347




CITY OF ALBUQUERQUE
Albuquerque, New Mexico
Office of the Mayor

Mayor Timothy M. Keller

INTER-OFFICE MEMORANDUM

July 31, 2023

TO: Pat Davis, President, City Council

FROM: Timothy M. Keller, Mayor 

SUBJECT: APPROVING A CONTRACT FOR THE ALBUQUERQUE HISPANO CHAMBER OF COMMERCE TO RECRUIT HISPANIC AND NATIVE AMERICAN TOURIST, CONVENTIONS, TRADE SHOWS, AND CORPORATE MEETINGS TO THE ALBUQUERQUE CONVENTION CENTER AND ALBUQUERQUE HOTELS

For more than 30 years, the City has recognized that its rich Hispanic and Native American history and culture were attributes that set Albuquerque apart from other cities as a destination for Hispanic and Native American conventions and meetings. At the same time, the City also recognized that a unique approach was necessary and a separate contractor focused exclusively on attracting Hispanic and Native American groups to the City for conventions and meetings. Therefore, for over 30 years the City has contracted with the Albuquerque Hispano Chamber of Commerce ("AHCC") which created a Convention and Tourism Department to focus on attracting Hispanic and Native American conventions and meetings to the City.

The need for a convention and tourism contractor devoted exclusively to the Hispanic and Native American communities is even greater today, considering the changing demographics and increased buying power of Hispanic and Native American populations. Marketing to the Hispanic and Native American communities today requires a special skill set. With more than 30 years of experience, AHCC's Convention and Tourism Department holds a long established and recognized expertise in providing these services.

Entering into a contract with AHCC will allow AHCC to recruit Hispanic and Native American tourists, conventions, trade shows and corporate meetings to the Albuquerque Convention Center and Albuquerque hotels, as well as provide destination-marketing services. The funding sources are City's Lodger's Tax and Hospitality Fee Revenues, for a total of \$1,213,000 for FY/24.

This project will benefit the community by providing specialized marketing and destinations management services tailored to both Hispanic and Native American markets.

Upon final contract negotiations with the vendor, the term of the contract has been increased to 7-years with a 2-year option. This is aligned with industry best practices and is in the best interest of the City of Albuquerque.

Title: APPROVING A CONTRACT FOR THE ALBUQUERQUE HISPANO CHAMBER OF COMMERCE TO RECRUIT HISPANIC AND NATIVE AMERICAN TOURIST, CONVENTIONS, TRADE SHOWS, AND CORPORATE MEETINGS TO THE ALBUQUERQUE CONVENTION CENTER AND ALBUQUERQUE HOTELS

Approved:



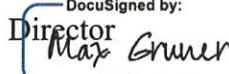
Lawrence Rael Date
Chief Administrative Officer

Approved as to Legal Form:

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 8/2/2023 | 4:44 PM MDT
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Date
City Attorney

Recommended:

DocuSigned by: Date
Director 8/1/2023 | 7:52 PM MDT

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Cover Analysis

1. What is it?

An agreement with the Albuquerque Hispano Chamber of Commerce ("AHCC") to recruit Hispanic, and Native American tourists, conventions, trade shows, and corporate meetings to the Albuquerque Convention Center, Albuquerque hotels, as well as provide Destination Management Services to these groups and individuals.

This project will support the local community's efforts to create an expanded marketing program promoting the Albuquerque area to Hispanic, and Native American tourist and convention attendees. AHCC's contract with the City to target marketing and recruit Hispanic and Native American tourist and events spans more than thirty years.

2. What will this piece of legislation do?

The agreement will allow the contractor to perform services to recruit Hispanic and Native American tourists, conventions, trade shows, and corporate meetings to the Albuquerque Convention Center, Albuquerque hotels, as well as provide destination management services.

3. Why is this project needed?

This project will benefit the community by providing specialized marketing and destinations management services tailored to both Hispanic and Native American markets. For more than 30 years, the City has recognized that its rich Hispanic and Native American history and culture were attributes that set Albuquerque apart from other cities as a destination for Hispanic and Native American conventions and meetings. At the same time, the City also recognized that a unique approach was necessary to create a separate contractor focused exclusively on attracting Hispanic and Native American groups to the City for convention and meetings. Therefore, over 30 years, the city has contracted with the Albuquerque Hispano Chamber of Commerce ("AHCC") which created a Convention and Tourism Department to focus on attracting Hispanic and Native American conventions and meetings to the City.

4. How much will it cost and what is the funding source?

The total amount received by AHCC under its current agreement for FY/23 was \$1,036,000 of which, \$850,000 was generated by Lodger's Tax City Ordinance, and \$186,000 was generated by Hospitality Fee City Ordinance.

The total amount allocated for FY/24 is \$1,213,000 of which, \$988,000 is from Lodger's Tax City Ordinance and \$225,000 is allocated from Hospitality Fee City Ordinance.

5. Is there a revenue source associated with this contract? If so, what level of income is projected?

Yes, we expect increases in Lodger's Tax and Hospitality Fees for the additional activities, but levels are yet unknown.

6. What will happen if the project is not approved?

The City will not have a Hispanic-centric tourism and marketing partner in place.

7. Is this service already provided by another entity?

No.

FISCAL IMPACT ANALYSIS

TITLE: APPROVING A CONTRACT FOR THE ALBUQUERQUE HISPANO CHAMBER OF COMMERCE TO RECRUIT HISPANIC AND NATIVE AMERICAN TOURIST, CONVENTIONS, TRADE SHOWS, AND CORPORATE MEETINGS TO THE ALBUQUERQUE CONVENTION CENTER AND ALBUQUERQUE HOTELS

FUND: 220/221
DEPT: EDD

- ☒ No measurable fiscal impact is anticipated, i.e., no impact on fund balance over and above existing appropriations.
- ☐ (If Applicable) The estimated fiscal impact (defined as impact over and above existing appropriations) of this legislation is as follows:

	2023	Fiscal Years 2024	2025	Total
Base Salary/Wages				-
Fringe Benefits at				-
Subtotal Personnel	-	-	-	-
Operating Expenses		-		-
Property		-	-	-
Indirect Costs	-	-	-	-
Total Expenses	\$ -	\$ -	\$ -	\$ -
[] Estimated revenues not affected				
[x] Estimated revenue impact				
Revenue from program				0
Amount of Grant		-	-	
City Cash Match				
City Inkind Match				
City IDOH	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	\$ -

These estimates do not include any adjustment for inflation.

* Range if not easily quantifiable.

Number of Positions created

COMMENTS: Amount of the contract will be covered by estimated revenues in Lodgers Tax (220) or Hospitality Tax (221) Funds for FY/24, already appropriated for this purpose.

COMMENTS ON NON-MONETARY IMPACTS TO COMMUNITY/CITY GOVERNMENT:

PREPARED BY:
Stephanie Yara 5/1/2023

APPROVED:
Max Gruner 5/1/2023

DocuSigned by:
FISCAL ANALYST
8/1/2023 | 10:32 AM MDT

DocuSigned by:
(date)
Max Gruner 8/1/2023 | 7:52 PM MDT

EXECUTIVE BUDGET ANALYST

BUDGET OFFICER (date)

CITY ECONOMIST

DocuSigned by:
Jennifer Brokaw
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8/2/2023 | 7:18 AM

DocuSigned by:

Lawrence L. Davis
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8/2/2023 | 2:48 PM

DocuSigned by:

Christine Boerner
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8/2/2023

SOLE SOURCE JUSTIFICATION

The Public Purchases Ordinance 5-5-32 provides that a contract may be awarded without a competitive solicitation regardless of the estimated cost when the City Purchasing Officer makes a determination, after conducting a good faith review of available sources and consulting the user department that there is only one source for the required goods, services, or construction. The City Purchasing Officer or designee shall conduct negotiations, as appropriate, as to price, delivery, and quantity in order to obtain the price most advantageous to the city.

The end user department must justify each sole source procurement request by completing this form, attaching it to a requisition, and submitting the package to the Purchasing Division. The Chief Procurement Officer will review the submission and make the final determination as to whether a sole source purchase is justified under the Public Purchases Ordinance.

-
- 1. Describe the goods, services or construction requested. Explain why the particular goods, services, or construction requested is the only item that can satisfy your requirements and explain why alternatives are unacceptable. Be specific with regard to specifications, features, characteristics, requirements, capabilities, and compatibility. Describe what steps have been undertaken to make the determination that the item identified is the only item that can satisfy your requirements.**

Description of Services Requested - Recruitment of Hispanic and Native American tourists, conventions, trade shows, and corporate meetings to the Albuquerque Convention Center, Albuquerque hotels as well as other businesses such as food, drink, and entertainment venues, museums, outdoor recreation venues etc.

For more than 35 years, the City of Albuquerque ("City") has recognized that its rich Hispanic and Native American history and culture were attributes that set Albuquerque apart from other cities as a destination for Hispanic and Native American conventions and meetings. At the same time, the City also recognized that a unique approach was necessary to create a separate contractor focused exclusively on attracting Hispanic and Native American groups to the City for convention and meetings. Therefore, over 35 years, the City has contracted with the Albuquerque Hispano Chamber of Commerce ("Hispano Chamber") which created the Convention and Tourism Department to focus on attracting Hispanic and Native American conventions and meetings to the City.

The need for a convention and tourism contractor devoted exclusively to the Hispanic and Native American communities is even greater than it was 35 years ago considering the changing demographics and increased buying power of Hispanic and Native American populations. Marketing to the Hispanic and Native American communities today requires a special skill set, unique long-term relationships, as well as a consistent and predictable presence in the community and availability to vendors and organizing entities which often plan events many years in advance. The Hispano Chamber is uniquely and perfectly situated to accomplish these goals.

According to the Congressional Caucus Hispanic Institute (CCHI), Hispanics are the fastest growing ethnic segment, expected to grow 167% from 2010 to 2050, compared to 42% for the total population. "The key is to recognize that today's modern Latino is 'ambicultural' with the ability to seamlessly pivot between the English and Spanish language and to embrace two distinct cultures. Understanding how to connect with this unique consumer profile is the key to successful engagement" (*Forbes, 5 Steps To Capturing The Hispanic Market -- The Last True Growth Opportunity, 09/13/2013*). UNM Professor Gabriel Sanchez states that the Hispanic national population growth creates an increased buying power. In New Mexico, Hispanic buying power as a market share is the highest in the country.

Furthermore, data shows that New Mexico's tourism industry grew from 2013 to 2018, showing an upward trend of a cumulative 4.2% visitor increase over those years. In 2013, 32.6 million visitors came to New Mexico and in 2019, there were 38.2 million visitors. This upward growth trend indicates that robust opportunities lie ahead for Albuquerque to lead as a cultural epicenter, tourist, and business destination well into the future. Recognizing the resilience of Hispanics and their positive economic contributions that amount to pre-pandemic levels and growing, and the rising earnings of Native Americans, Albuquerque is poised to thrive in these markets. Additionally, the Hispano Chamber is a unique economic contribution partner to the City, largely because of the foundational code of communication of Hispanic populations that it hosts.

For example, the Hispano Chamber's four-year long efforts have resulted in securing the National League of United Latin American Citizens (LULAC) conference to Albuquerque in July/August of this year. This conference will have a substantial economic impact on the City as the group has confirmed 4,200 room nights and are expected to bring close to 15,000 visitors, with an estimated \$20 million direct spend.

In addition, the Hispano Chamber is uniquely poised to market to the Native American market. There are approximately 300,000 people who are members of federally recognized tribes and 10 million Americans of Native American descent. Native Americans contribute billions of dollars to the United States' economy and spend most of their money off reservation. Marketing to the Native American community requires an understanding of Native American people and how tradition and history remain a big part of their lives. Hispano Chamber has an unsurpassed understanding and respect for the Native American culture as a result of more than 35 years of robust relationship-building with Native American communities both in and outside of New Mexico. Over decades of experience, Hispano Chamber has developed a proven ability to attract and market Native American conventions and meetings.

In its efforts to recruit and market to Native Americans, the Hispano Chamber employs professionals who are members of Native American tribes and speak several Native American languages. In addition, the Hispano Chamber has two prominent Native American board members – one is a member and past speaker of the Navajo Nation Council and the other is president of Tamaya Ventures and former governor of Laguna Pueblo. The Hispano Chamber also attends numerous Native American summits and conferences throughout the United States. Most notably, the Hispano Chamber has collaborated with the World Indigenous Business Forum ("WIBF") to bring their annual conference to Albuquerque in 2024. This will be only the third time in its history that WIBF has held its annual conference in the United States. This conference is expected to bring \$3-\$5 million in direct spending to our city, with 1,400 room nights secured and 1,000 attendees at the conference, in addition to attracting participants from around the world. Previously the WIBF was hosted in Villavicencio, Meta, Columbia, and this year in Port Moresby, Papua New Guinea, Australia.

In addition, the Hispano Chamber is hosting a Native American Special Education Conference in November 2023 bringing in 400 attendees and 750 room nights and the Striking Eagle Native American Invitational & Education Fair, December 2023 bringing in 3,000 attendees and 2,433 room nights. Lastly, the Hispano Chamber hosts the Navajo Nation's Board, Committees, and its leadership's weekly meetings at the Hispano Chamber's campus.

New Mexico is a mosaic of cultural diversity, and the percentage of Hispanics and Native Americans reflects the strength of the positive economic impact of this population on the Native American and Hispanic markets. In Albuquerque, more than half of residents are people of color. Considerably correlated to this statistic is the fact that 57% of Hispanics tend to visit and select destinations that align with their culture and values. Overall, the implications that derive from this analysis encompass market segmentation growth, that amount to increased market/marketing opportunity, and the importance of understanding, analyzing, and involving creative cultural perspectives around the target markets of both Native Americans and Hispanics, in Albuquerque NM.

- 2. Explain why the vendor/supplier or manufacturer is the only available source from which to obtain this product or service and describe the efforts that were made to verify and confirm whether or not, only one source for the product or service exists. Departments must obtain a letter from the manufacturer to confirm any claims made by distributors or exclusive distributorships regarding the product or service if that is cited as a reason for the sole source classification. A U.S. registered patent number with date of the patent expiration or exclusive ownership of a software license may suffice.**

Other alternatives are unacceptable because the Hispano Chamber has incomparable experience and expertise in organizing and marketing Hispanic and Native American national conferences and significant events in the City. Without continuation of the Hispano Chamber's services, future Hispanic and Native American events and conferences secured by the Hispano Chamber to be held in the City could be jeopardized, including those events mentioned earlier. Conference and event organizers depend on established relationships with local entities; since events and conferences are often planned and scheduled years in advance, it is essential that the local entity remains consistent to provide prerequisite stability to the programming.

The Hispano Chamber is uniquely suited to provide recruitment of Hispanic and Native American tourists, conventions, trade shows, and corporate meetings to the Albuquerque Convention Center and Albuquerque hotels. Further the Hispano Chamber is also uniquely situated to provide these services because the majority of the Hispano Chamber's professional staff and volunteers are representative of the Hispanic community and speak Spanish.

Of the Hispanic travelers surveyed by Vistas Latinas, key findings include:

- Fifty seven percent agreed they are more likely to visit a destination that embraces Hispanic cultures and celebrates Hispanic business and cultural contributions.
- Fifty-two percent of respondents said are more likely to visit a destination if they see Hispanic representation in the festination's advertising and/or marketing materials. Hispanic travelers are predominantly consuming all forms of media in English.
- Six to 10 Hispanic travelers want to learn more about their own origin and history.

Specifications, Features, Characteristics, Requirements, Capabilities, and Compatibility

The Hispano Chamber has spent the last 35 years amassing expert knowledge of the City's rich Hispanic and Native American History and traditions. The Hispano Chamber also understands the diversity within the Hispanic and Native American communities throughout the country as well as Mexico, Latin America, and other Spanish speaking countries and indigenous cultures outside the United States. This knowledge is only acquired through decades of focusing exclusively on the Hispanic and Native American markets and thus cannot be replicated.

The Hispano Chamber also provides an unsurpassed value-added service provided by its board of directors. The Hispano Chamber provides invaluable access to networks and resources throughout the county. Board members often hold leadership roles in national Hispanic and Native American professional organizations throughout the country and serve as ambassadors, attracting these organizations to hold their conferences in and conventions in the City. Board members have helped us secure National Conferences such as the Hispanic National Bar Association, the National Conference of the United States Hispanic Chamber of Commerce and the World Indigenous Business Forum. Two current board members have recently traveled to Guadalajara and Mexico City to solidify conferences and tourism with Mexico.

The Hispano Chamber's 1,000 plus membership is also comprised of some of the most successful businesspeople in the State of New Mexico who often commit their talent and resources to the Hispano Chamber's efforts to recruit and market Hispanic and Native American conventions and meetings.

The Hispano Chamber also staffs an international trade committee that is comprised of over 26 international business experts including businesspeople interested in exporting as well as participating in trade missions. The Hispano Chamber holds an important MOU with Guadalajara, Mexico, one of Albuquerque's sister cities, to support commerce and trade, as well as having strong ties to Albuquerque's other sister city in Mexico, Guadalajara. Upon completion of a trade-mission to Mexico City in the Spring of 2023, the Hispano Chamber is poised to enter a tourism-specific MOU with Mexico City's Chamber of Commerce, CANACO.

The Hispano Chamber's dedicated Convention and Tourism Staff comprise five full-time employees who recruit and serve Hispanic and Native American events and conferences. More than half of the staff are fluent Spanish speakers. Some Hispano Chamber staff members speak Navajo, Spanish and Portuguese. Their knowledge and understanding of the culture and ability to connect through language is invaluable in marketing convention and tourism from the Hispanic markets. The Hispano Chamber's staff credentials include industry certified diversity meeting professionals, the International Association of Hispanic Meeting Planners (CDMP).

Entering into a sole source agreement with the Hispano Chamber will allow the Hispano Chamber to continue to recruit Hispanic and Native American tourists, conventions, trade shows, and corporate meetings to the Albuquerque Convention Center, Albuquerque hotels as well as provide destination-marketing services.

- 3. Will this purchase obligate the City to a particular vendor for future purchases (either in terms of maintenance that only this vendor will be able to perform and/or if the City purchases the goods or services, will more "like" items in the future be needed to match the original purchase?**

Not Applicable

4. Explain why the price for the goods or services is considered to be fair and reasonable?

The price for services that the Hispano Chamber provides (\$1,036,000 in FY/23 and \$1,213,000 proposed for FY/24) is very fair and reasonable. The current contract between the Hispano Chamber and the city requires the Hispano Chamber's return on investment (ROI) of 15/1. The Hispano Chamber continues to report an average ROI over the past five years of 49/1.

A set of audited financials for the Hispano Chamber of City Lodgers' and Hospitality Tax Funding for FY'16 were provided as part of the sole source application support documentation.

5. Explain the consequence(s) to the City, including a dollar estimate of the financial impact, if the Chief Procurement Officer determines this purchase sole source procurement is not approved.

Clients currently under contract for future meetings may rescind these agreements because of the uncertainty inherent in a competitive RFP procurement process. In addition, if a sole source contract were not approved, a competitive Request for Proposals ("RFP") procurement process would occur, ultimately resulting in a selection of the Hispano Chamber. This would not be the best use of City resources. In addition, the Hispano Chamber's time and resources are better spent in recruiting and marketing Hispanic and Native American meetings and conventions.

6. If federal funds will be involved in this procurement, please state, and identify the federal agency.

There will be no federal funds involved in this procurement.

AGREEMENT

THIS AGREEMENT is made and entered into this day of ,2023 by and between the City of Albuquerque, New Mexico, a municipal corporation (hereinafter referred to as the "City"), and Albuquerque Hispano Chamber of Commerce, a New Mexico nonprofit corporation, 1309 4th Street SW, Suite A, Albuquerque, NM 87102 (hereinafter referred to as the "Contractor").

RECITALS

WHEREAS, population growth is fueling Hispanic purchasing power leading to increased demand for Hispanic consumers including in the convention and tourism market; and

WHEREAS, Hispanics and Native Americans currently comprise the majority of the City's population; and

WHEREAS, New Mexico is home to 23 tribes, including the Navajo Nation, Jicarilla Apache, Mescalero Apache, Fort Sill Apache, and 19 pueblos and the City is centrally located, providing the perfect starting point from which to explore our Native American heritage; and

WHEREAS, the City desires to continue to promote the City for tourism and conventions to Hispanic and Native American groups, and

WHEREAS, the City benefits from the Contractor's talent and resources, and membership in the Hispanic and Native American communities which have resulted in recruiting conventions and conferences for prominent Hispanic and Native American organizations to the City; and

WHEREAS, the Contractor has incomparable experience and expertise in organizing and marketing Hispanic and Native American national conferences and significant events in the City; and

WHEREAS, without a continuation of the Contractor's services, the future of events and conferences for Hispanic and Native American organizations that the Contractor has secured to be held in the City could be jeopardized; and

WHEREAS, the Contractor is uniquely suited to provide these services because it has the infrastructure and relationships with Hispanic and Native American Groups throughout the country as well as the hospitality industry; and

WHEREAS the Contractor is also uniquely situated to provide these services because the majority the Contractor's professional staff and volunteers are part of the Hispanic and Native American communities and speak Spanish and Native American language; and

WHEREAS, the Agreement is an approved sole source agreement for these services based on the Contractor's unique expertise and experience in providing such services over the past 45 years under agreements with the City; and

WHEREAS, the City desires to engage the Contractor to render convention and tourism

services to the Hispanic and Native American markets and the Contractor is willing to provide such services.

NOW THEREFORE, in consideration of the premises and mutual obligations herein, the parties hereto do mutually agree as follows:

1. Scope of Services. The Contractor shall provide the Services below (collectively, "Services") in a satisfactory and proper manner, as determined by the City.

A. Marketing. Provide advertising, publicizing, and promoting of the City of Albuquerque for tourism and conventions in accordance with Exhibit A. For the purposes of this Agreement, the Albuquerque Metropolitan Area shall encompass the City of Albuquerque and Bernalillo County, but excludes the casinos and associated lodging located on sovereign territory within that area

Contractor agrees to maintain the high quality of the City logo and safeguard the established prestige and goodwill related to the logo. Contractor will take all necessary steps, and all steps reasonably requested by the City of Albuquerque, to prevent or avoid any misuse of the logo. Contractor will avoid using the logo in any way, for any purpose, which the City of Albuquerque, in its sole discretion, determines, has, or could have an adverse impact of the City of Albuquerque's reputation or interests.

B. Key Performance Measures. Key Performance Measures are critical measures the City will used to determine Contractor performance. These measures will be measured annually.

The Contractor shall track and report Key Performance Measures set forth below. Each Performance Measure shall be consistently applied throughout the term of this Agreement and will be subject to audit by the City and annual review of relevance by both the City and the Contractor. The City will measure Meeting and Group Marketing and Sales and Destination Marketing performance based on the Performance Measures.

Notwithstanding the foregoing, if the Contractor fails to meet the target for a Key Performance Measure, and believes Business Climate Changes were the cause for its failure to meet such requirements, the Contractor will so advise the City in writing by June of each year, describing the Business Climate Changes.

Meeting and Group Marketing & Sales KEY Performance Measures		Targets		
	Measures	FY24	FY25	FY26
1	# of total Citywide Booked Events	2	3.5	3
2	# of Non-Citywide Booked Events (200 to 399 Peak Room Nights)	4	5	4
3	# of New Citywide Booked Events	1	2	2
4	# of New Non-Citywide Booked Events (200 to 399 Peak Room Nights)	1	2	3

C. **Sales and Performance.** Sales and performance measurement tools detailed further per Exhibit C attached hereto.

D. **Reporting.** Provide monthly, quarterly and annual reports to the City of Albuquerque, to include the City Lodgers' Tax Advisory Board, who shall advise the Mayor and City Council on the expenditure of funds authorized by Section 3-38-15 NMSA for advertising, publicizing and promoting tourist attractions and facilities to the City and in accordance with Exhibit B, attached hereto.

The City requires the Contractor to report the following monthly (except for where quarterly or annually reporting is indicated below).

	Meeting and Group Marketing & Sales Reporting
	Report
1a	# of total Citywide definite Booked events
1b	# of new Citywide Booked events
1c	# of total Citywide definite events Booked room nights
1d	# of total Citywide definite event attendees
1e	Direct Spend from # of total Citywide definite events
2a	# of total Booked events for sports events (Citywide and Non-Citywide)
2b	# of total Booked room nights for sports events
2c	# of total sports event attendees
3a	# of total Non-Citywide definite Booked events
3b	# of total Non-Citywide definite events Booked room nights
3c	# of total Non-Citywide definite event attendees
3d	Direct Spend from # of total Non-Citywide definite events
4	Rate of Return (ROI) Group Marketing and Sales effort per room night (both with and without meeting incentive funding in the calculation) annually)
5	One-year comparative business occurring (AHCC PACE Report)
6	Citywide Impact Report - Equivalent # of Citywide events (using 400 room nights on peak to determine average number of events) (annually)
	Destination Marketing Performance Reporting
	Report
1	# of positive national and international travel articles generated for Albuquerque (quarterly report)
2	Impressions and publicity value (quarterly report)
3	Positive Quality Media Coverage (quarterly report)
4	Advertising Impressions
5	Media Placement Performance (annually)
6	Website user sessions

7	# of Social followers
8	Social Media Engagement
9	Visitors guide inquiry fulfillment, online and print

2. **Time of Performance.** Services of the Contractor shall commence on the date the Agreement is executed and shall be undertaken and completed in such sequence as to assure their expeditious completion in light of the purposes of this Agreement; provided, however, that in any event, all of the Services required hereunder shall be completed June 30, 2030. This agreement may be extended for one (1) additional two (2) -year period upon mutual written agreement of the parties, on the same terms and conditions as herein contained.

3. **Compensation and Method of Payment.**

A. **Compensation.** For performing the Services specified herein, the City agrees to pay the Contractor for each fiscal year covered by this Agreement, the amounts budgeted by the City and approved by City Council for each fiscal year of this Agreement, consisting of an amount from Lodgers' Tax Revenues and an amount from Hospitality Fee Revenues; except that for each partial fiscal year during the term of this Agreement, the Contractor's compensation shall be the amount budgeted and approved by the City Council for that fiscal year prorated for the number of months (or days) in that fiscal year which are contained in the term. The compensation may be changed due to alterations in the funding level during the fiscal year as determined by the City.

B. **Method of Payment.** Said Compensation shall be paid to the Contractor as follows: (1) the amount funded from Lodgers' Tax Revenues shall be payable in monthly installments which are approximately 1/12th of the annual budgeted amount unless otherwise approved by the City; and (2) the amount funded from Hospitality Fee Revenues shall be payable on a cost reimbursement basis for the purpose of purchasing advertising to publicize and promote tourist-related attractions, facilities and events only (in accordance with the Hospitality Fee Ordinance) in monthly installments not to exceed 1/12th of the annual budgeted amount unless otherwise approved by the City. Payments shall be made upon receipt by the City of properly documented requisitions for payment as determined by the budgetary and fiscal guidelines of the City and on the condition that the Contractor has accomplished the Services to the satisfaction of the City.

C. **Appropriations.** Notwithstanding any provision in this Agreement to the contrary, the terms of this Agreement are contingent upon the City Council of the City of Albuquerque making the appropriations necessary for the performance of this Agreement. If sufficient appropriations and authorizations are not made by the City Council, this Agreement may be terminated at the end of the City's then current Fiscal Year upon written notice given by the City to the Contractor. Such event shall not constitute an event of default. All payment obligations of the City and all of its interest in this Agreement will cease upon the date of termination. The City's decision as to whether sufficient appropriations are available shall be accepted by Contractor and shall be final.

D. **Responsibility to Monitor Contract.** Contractor shall be responsible for

ensuring that the Contractor does not bill for Services in an amount that exceeds the total contract amount. With each invoice submitted to the City, the Contractor shall include a ledger report that identifies the total amount the Contractor has billed for Services under this Agreement and any Supplements to this Agreement. If at any time the Contractor determines that payment for Services may or will exceed the total amount provided in this Agreement and any Supplements to this Agreement, the Contractor shall notify the City in writing, as soon as possible after making that determination. If the Contractor's billing exceeds the amount of this Agreement and any Supplements, the City may stop or delay payment, or the Services may be ceased or delayed at the City's request.

4. **Independent Contractor.** Neither the Contractor nor its employees are considered to be employees of the City of Albuquerque for any purpose whatsoever. The Contractor is considered as an independent contractor at all times in the performance of the Services described in Section 1. The Contractor further agrees that neither it nor its employees are entitled to any benefits from the City under the provisions of the Workers' Compensation Act of the State of New Mexico, or to any of the benefits granted to employees of the City under the provisions of the Merit System Ordinance as now enacted or hereafter amended.

5. **Personnel.**

A. The Contractor represents that it has, or will secure at its own expense, all personnel required in performing all of the Services required under this Agreement. Such personnel shall not be employees of or have any contractual relationships with the City.

B. All the Services required hereunder will be performed by the Contractor or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such Services.

C. None of the work or the Services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or Services subcontracted hereunder shall be specified by written contract or Agreement and shall be subject to each provision of this Agreement.

6. **Indemnity.** The Contractor agrees to defend, indemnify and hold harmless the City and its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties because of any injury or damage received or sustained by any person, persons or property arising out of or resulting from the Services performed by the Contractor under this Agreement or by reason of any asserted act or omission, neglect or misconduct of the Contractor or Contractor's agents or employees or any subcontractor or its agents or employees. The indemnity required hereunder shall not be limited by reason of the specification of any particular insurance coverage in this Agreement.

7. **Insurance.** The Contractor shall procure and maintain at its expense until final payment by the City for Services covered by this Agreement, insurance in the kinds and amounts hereinafter provided with insurance companies authorized to do business in the State of New Mexico, covering all operations under this Agreement, whether performed by it or its agents. Before commencing the Services and on the renewal of all coverages, the Contractor shall furnish to the

City a certificate or certificates in form satisfactory to the City showing that it has complied with this Section. All certificates of insurance shall provide that thirty (30) days' written notice be given to the Risk Manager, Department of Finance and Administrative Services, City of Albuquerque, P.O. Box 470, Albuquerque, New Mexico 87103, before a policy is canceled, materially changed, or not renewed. Various types of required insurance may be written in one or more policies. With respect to all coverages required other than professional liability or workers' compensation, the City shall be named an additional insured. All coverages afforded shall be primary with respect to operations provided. Kinds and amounts of insurance required are as follows:

A. Commercial General Liability Insurance (“CGL”). A CGL insurance policy with combined limits of liability for bodily injury or property damage as follows:

\$2,000,000	Per Occurrence
\$2,000,000	Policy Aggregate
\$1,000,000	Products Liability/Completed Operations
\$1,000,000	Personal and Advertising Injury
\$ 5,000	Medical Payments

The CGL insurance policy must include coverage for all operations performed for the City by the vendor/contractor, and contractual liability coverage shall specifically insure the hold harmless provisions of the City’s contract with the vendor/contractor. The city shall also be listed as an “additional insured” by endorsement onto the CGL policy. Proof of this additional insured relationship shall be evidenced on the Certificate of Insurance (COI) and on the insurance endorsement.

B. Commercial Automobile Liability Insurance (“CAL”). A CAL policy with not less than \$1,000,000 combined single limit of liability for bodily injury, including death, and property damage in any one occurrence. The CAL policy must include coverage for the use of all owned, non-owned, and hired automobiles, vehicles and other equipment both on and off work. This CAL policy cannot be a personal automobile liability insurance policy as most personal automobile liability policies exclude coverage for work related losses.

C. Workers' Compensation Insurance. Workers' Compensation Insurance for the vendor’s/contractor’s employees when required by, and in accordance with, the provisions of the Workers' Compensations Act of the State of New Mexico (“Act”). The vendor/contractor must have (3) or more employees to trigger the Act’s workers’ compensation insurance requirement. Per the Act, this number includes the owner of the business.

D. Increased Limits. If, during the term of this Agreement, the City requires the Contractor to increase the maximum limits of any insurance required herein, an appropriate adjustment in the Contractor's compensation will be made.

8. Discrimination Prohibited. In performing the Services required hereunder, the Contractor shall not discriminate against any person on the basis of race, color, religion, gender, sexual preference, sexual orientation, national origin or ancestry, age, physical handicap, or disability as defined in the Americans With Disabilities Act of 1990, as now enacted or hereafter amended.

9. **ADA Compliance.** In performing the Services required hereunder, the Contractor agrees to meet all the requirements of the Americans With Disabilities Act of 1990, and all applicable rules and regulations (the 'ADA'), which are imposed directly on the Contractor or which would be imposed on the City as a public entity. The Contractor agrees to be responsible for knowing all applicable requirements of the ADA and to defend, indemnify and hold harmless the City, its officials, agents and employees from and against any and all claims, actions, suits or proceedings of any kind brought against said parties as a result of any acts or omissions of the Contractor or its agents in violation of the ADA.

10. **Conflict of Interest.** No officer, agent or employee of the City will participate in any decision relating to this Agreement which affects that person's financial interest, the financial interest of his or her spouse or minor child or the financial interest of any business in which he or she has a direct or indirect financial interest.

11. **Interest of Contractor.** The Contractor agrees that it presently does not have, and shall acquire no direct or indirect interest which conflicts in any manner or degree with the performance of the terms of this Agreement. The Contractor will not employ any person who has any such conflict of interest to assist the Contractor in performing the Services.

12. **No Collusion.** The Contractor represents that this Agreement is entered into by the Contractor without collusion on the part of the Contractor with any person or firm, without fraud and in good faith. The Contractor also represents that no gratuities, in the form of entertainment, gifts or otherwise, were, or during the term of this Agreement, will be offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City with a view towards securing this Agreement or for securing more favorable treatment with respect to making any determinations with respect to performing this Agreement.

13. **Business Day.** Unless otherwise specified, days shall consist of calendar days. If days are specified as "business" days, then such business days shall consist of any days other than (i) a Saturday or Sunday or (ii) any day on which the offices of the City are closed.

14. **Public Records.** The parties acknowledge that the City is a government entity subject to the New Mexico Inspection of Public Records Act (Sections 14-2- 1 et seq., NMSA 1978). Notwithstanding any other provision of this Agreement, the City shall not be responsible to Contractor for any disclosure of Confidential Information pursuant to that Act or pursuant to the City's public records act laws, rules, regulations, instructions or any other legal requirement.

15. **Representation.** Each party hereto acknowledges that it has been represented, or has had ample opportunity to obtain representation of counsel, with respect to this contract. Accordingly, each party hereto represents to the other that it has read and understood the terms of this Agreement, and the consequences of executing this Agreement, and that except as expressly set forth herein, no representations have been made to induce the other party to execute this contract.

16. **Multiple Counterparts.** This Agreement may be signed in multiple counterparts or with detachable signature pages, but either or both circumstances shall constitute one instrument, binding upon all parties to the Agreement as if all parties signed the same document. If so executed, each counterpart of this Agreement is deemed an original for all purposes and all such counterparts

will collectively constitute one Agreement, but in making proof of this Agreement, it will not be necessary to produce or account for more than one such counterpart.

17. **Headings and Captions.** Headings and captions of sections and paragraphs are for convenience, not limitation, and are not to be construed as modifying text. Amendments or Modifications. No amendment or modification to this Agreement shall be valid or enforceable unless such amendment or modification is executed in writing with the consent and signatures of the parties hereto.

18. **Debarment, Suspension, Ineligibility and Exclusion Compliance.** The Contractor certifies that it has not been debarred, suspended or otherwise found ineligible to receive funds by any agency of the executive branch of the federal government, the State of New Mexico, any local public body of the State, or any state of the United States. The Contractor agrees that should any notice of debarment, suspension, ineligibility or exclusion be received by the Contractor, the Contractor will notify the City immediately.

19. **Reports and Information.** At such times and in such forms as the City may require, there shall be furnished to the City such statements, records, reports, data and information, as the City may request pertaining to matters covered by this Agreement. Unless otherwise authorized by the City, the Contractor will not release any information concerning the work product including any reports or other documents prepared pursuant to this Agreement until the final product is submitted to the City.

20. **Open Meetings Requirements.** Any nonprofit organization in the City which receives funds appropriated by the City, or which has as a member of its governing body an elected official, or appointed administrative official, as a representative of the City, is subject to the requirements of § 2-5-1 et seq., R.O.A. 1994, Public Interest Organizations. The Contractor agrees to comply with all such requirements, if applicable.

21. **Establishment and Maintenance of Records.** Records shall be maintained by the Contractor in accordance with applicable law and requirements prescribed by the City with respect to all matters covered by this Agreement. Except as otherwise authorized by the City, such records shall be maintained for a period of three (3) years after receipt of final payment under this Agreement.

22. **Audits and Inspections.** At any time during normal business hours and as often as the City may deem necessary, there shall be made available to the City for examination all of the Contractor's records with respect to all matters covered by this Agreement. The Contractor shall permit the City to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Agreement. The Contractor understands and will comply with the City's Accountability in Government Ordinance, §2-10-1 et seq. and Inspector General Ordinance, §2-17-1 et seq. R.O.A. 1994, and also agrees to provide requested information and records and appear as a witness in hearings for the City's Board of Ethics and Campaign Practices pursuant to Article XII, Section 8 of the Albuquerque City Charter.

23. **Ownership, Publication, Reproduction and Use of Material.** No material

produced in whole or in part under this Agreement shall be subject to copyright in the United States or in any other country. The City shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, any reports, data or other materials prepared under this Agreement.

24. Compliance With Laws. In performing the Services required hereunder, the Contractor shall comply with all applicable laws, ordinances, and codes of the federal, state and local governments.

25. Changes. The City may, from time to time, request changes in the Services to be performed hereunder. Such changes, including any increase or decrease in the amount of the Contractor's compensation, which are mutually agreed upon by and between the City and the Contractor, shall be incorporated in written amendments to this Agreement.

26. Assignability. The Contractor shall not assign any interest in this Agreement and shall not transfer any interest in this Agreement (whether by assignment or novation), without the prior written consent of the City thereto.

27. Termination for Cause. If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner its obligations under this Agreement or if the Contractor shall violate any of the covenants, agreements, or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to the Contractor of such termination and specifying the effective date thereof at least five (5) days before the effective date of such termination. In such event, all finished or unfinished documents, data, maps, studies, surveys, drawings, models, photographs and reports prepared by the Contractor under this Agreement shall, at the option of the City, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, the Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Agreement by the Contractor, and the City may withhold any payments to the Contractor for the purposes of set-off until such time as the exact amount of damages due the City from the Contractor is determined.

28. Termination for Convenience of City. The City may terminate this Agreement at any time by giving at least fifteen (15) days' notice in writing to the Contractor. If the Contractor is terminated by the City as provided herein, the Contractor will be paid an amount which bears the same ratio to the total compensation as the Services actually performed bear to the total Services of the Contractor covered by this Agreement, less payments of compensation previously made. If this Agreement is terminated due to the fault of the Contractor, the preceding Section hereof relative to termination shall apply.

29. Construction and Severability. If any part of this Agreement is held to be invalid or unenforceable, such holding will not affect the validity or enforceability of any other part of this Agreement so long as the remainder of the Agreement is reasonably capable of completion.

30. Enforcement. The Contractor agrees to pay to the City all costs and expenses including reasonable attorney's fees incurred by the City in exercising any of its rights or remedies

in connection with the enforcement of this Agreement.

31. **Entire Agreement.** This Agreement contains the entire agreement of the parties and supersedes any and all other agreements or understandings, oral or written, whether previous to the execution hereof or contemporaneous herewith.

32. **Applicable Law and Venue.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New Mexico, and the laws, rules and regulations of the City of Albuquerque. The venue for actions arising out of this Agreement is Bernalillo County, New Mexico.

33. **Force Majeure.** The City shall not be liable for failure to perform its obligations under this Agreement due to causes beyond the control and without the fault or negligence of the City which would render such performance impossible or hazardous. Such causes include, but are not restricted to, acts of God or the public enemy, acts of State or Federal governments, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather and defaults of subcontractors due to any of the above (hereinafter "Force Majeure Event"). If a Force Majeure Event causes any failure to perform, the City shall promptly inform the Contractor in writing of such event, indicating the expected duration thereof and the period for which suspension in performance is requested. The parties shall consult with each other in good faith with respect to modification of this Agreement to reflect such suspension or other changes (if any) desired by the City as a result thereof. The rights and remedies of the City provided in this paragraph shall not be exclusive and are in addition to any other rights now being provided by law or under this Agreement.

34. **Electronic Signatures.** The parties agree that this Agreement may be electronically signed and that the electronic signatures appearing on this Agreement are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

35. **Approval Required.** This Agreement shall not become binding upon the City until approved by the highest approval authority of the City required under this Agreement.

36. **Indemnification and Insurance Limitation.** To the extent, if at all, a court of competent jurisdiction determines that NMSA 1978, Section 56-7-1 applies to any indemnification provisions herein, including certain types of insurance coverage as set forth in Section 56-7-1, such provisions shall not extend to liability, claims, damages, losses or expenses, including attorney fees, arising out of bodily injury to persons or damage to property caused by or resulting from, in whole or in part, the negligence, act or omission of the indemnitee or additional insured, as the case may be, its officers, employees or agents and shall further be modified, if required, by the provisions of Section 56-7-1(B).

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Exhibit A Scope of Services

1. Convention Center Program: Conventions/Meetings at Albuquerque Convention Center

- A. Work closely with ASM GLOBAL or any other organization granted responsibility for operating the Albuquerque Convention Center and all subcontractors. Seek and obtain approval from ASM GLOBAL prior to booking an opportunity that will take place within a 18-month window from the date of booking.
- B. Focus its efforts on clients that identify themselves as Hispanic or Native American; however, any client may request that either the Contractor or Visit Albuquerque provide for its sales, marketing and service needs. In the event both organizations have had a significant part in securing a booking, both organizations will share booking credits.
- C. Market to groups outside of New Mexico.
- D. Maintain or forge partnerships with major local, regional, national, and international Hispanic and Native American organizations to recruit targeted conventions, promote business meetings, and bring events to the Convention Center.
- E. Create media materials, collaterals and promotional materials (in Spanish and Native Languages when appropriate) to recruit targeted Hispanic and Native American organizations to the Convention Center.
- F. Ensure all bookings for the Convention Center are done by letter of intent and signed agreement in a form approved by ASM GLOBAL and the City, and in accordance with ASM GLOBAL and the City's ordinances, rules, regulations, policies and rates governing the operation or use of the Convention Center.
- G. Develop a positive and close working relationship with Visit Albuquerque, ASM GLOBAL, Albuquerque hotels, tourist organizations, and businesses and the City that best serve the public, attain the performance goals of all organizations, and provide a cost-effective operation.
- H. Develop annual marketing and operational plans, in accordance with Exhibit B, to enhance awareness and increase bookings from Hispanic and Native American organizations for the Convention Center and to increase citywide conventions. A "citywide convention" is one that uses the Convention Center for meetings, and books a minimum of 400 sleeping rooms on the peak night of the event and will use two or more local hotels..
- I. Develop and report on a budget for this program in accordance with Exhibit B.

2. Non-Center Program: Conventions/Meetings at other Facilities in Albuquerque

- A. Maintain or forge partnerships with major local, regional, national and international Hispanic and Native American organizations to recruit targeted conventions, meetings, and other events to alternate sites within Albuquerque when the Convention Center is not suitable.
- B. Create media materials, collaterals and promotional materials (in Spanish and Native Languages

when appropriate) to recruit Hispanic and Native American organizations to alternate sites in the City when the Convention Center is not suitable.

- C. Develop annual marketing and operational plans, in Convention Center in accordance with Exhibit B, to enhance awareness and increase bookings from Hispanic and Native American meeting planners, conventioners, and business groups to increase conventions, meetings and events at alternate City sites when the Convention Center is not suitable.
- D. Develop and report on a budget for this program accordance with Exhibit B.

3. Convention Services Program: Convention Support

- A. Provide customary convention, meeting and event services to Hispanic and Native American organizations which book meetings, conventions and events in the City Services including but not limited to: promoting attendance, business assistance, visitor guides, appropriate literature, shuttle bus coordinator, housing bureau services, bonded registration, greeter, tourist information tables, on-site support, media coordination and hosting.
- B. Coordinate efforts with Visit, ASM GLOBAL, Albuquerque hotels, tourist organizations and businesses and the City to best serve the public, attain the performance goals of all organizations and provide a cost-effective operation.
- C. Develop and report on a budget for this program accordance with Exhibit B.

4. Leisure Tourism Program:

A. Destination Promotion

- (1) Provide services to promote visitation in the City by advertising, publicizing and promoting the City (in Spanish when appropriate) as a destination to Hispanic groups and individuals outside of New Mexico, as well as to potential tourists and group tours from Spanish speaking countries.
- (2) Provide services to promote visitation in the City by advertising, publicizing, and promoting Albuquerque as a destination to Native American groups and individual tourists.
- (3) Create media, materials, collaterals, and promotions (in Spanish and Native Languages when appropriate) to increase visitation to the City from Hispanic and Native American group tours and leisure travelers from outside New Mexico.
- (4) Develop a good public relations program with Hispanic and Native American publications, which includes establishing relationships with editors and creating stories and attention to bring visitors to the City.
- (5) Develop a positive and close working relationship with Visit Albuquerque, ASM GLOBAL, Albuquerque hotels, tourist organizations, and businesses, the State and the City to assure successful destination marketing to Hispanic and Native American organizations in the US and to Hispanics living outside the United States.
- (6) Develop appropriate partnerships with local businesses that will enhance the program and provide additional funds for implementation.

B. Attraction and Event Promotion

- (1) Advertise to publicize and promote (in Spanish and Native Languages when appropriate) local tourist attractions, sporting activities and events in the City to Hispanic and Native American group tours and leisure travelers outside of New Mexico.
- (2) Create media, materials, collaterals, public relations and promotions (in Spanish and Native Languages when appropriate) to increase visitation from Hispanic and Native American groups and individuals in the USA, as well potential tourists and group tours from Spanish-speaking countries to local attractions, sporting activities and events.
- (3) Develop a positive and close working relationship with Visit Albuquerque, ASM GLOBAL, Albuquerque hotels, tourist organizations and businesses, event promoters, and the City to assure successful attraction and event marketing to Hispanic and Native American visitors.
- (4) Identify opportunities for key City Officials to attend marketing and promotional events, and coordinate and provide travel and accommodations for those Officials to those events.

C. Visitor Support

- (1) Create media, materials, maps and collaterals in Spanish and English for visitors.
- (2) Develop appropriate partnerships with local businesses that will enhance the program and provide additional funds for Hispanic and Native American visitor support.

D. Internet Marketing

- (1) Develop and maintain an outstanding bi-lingual website which provides information on what to do, how to get around, where to stay, and special activities for all visitors.
- (2) Register with all of the most popular search engines

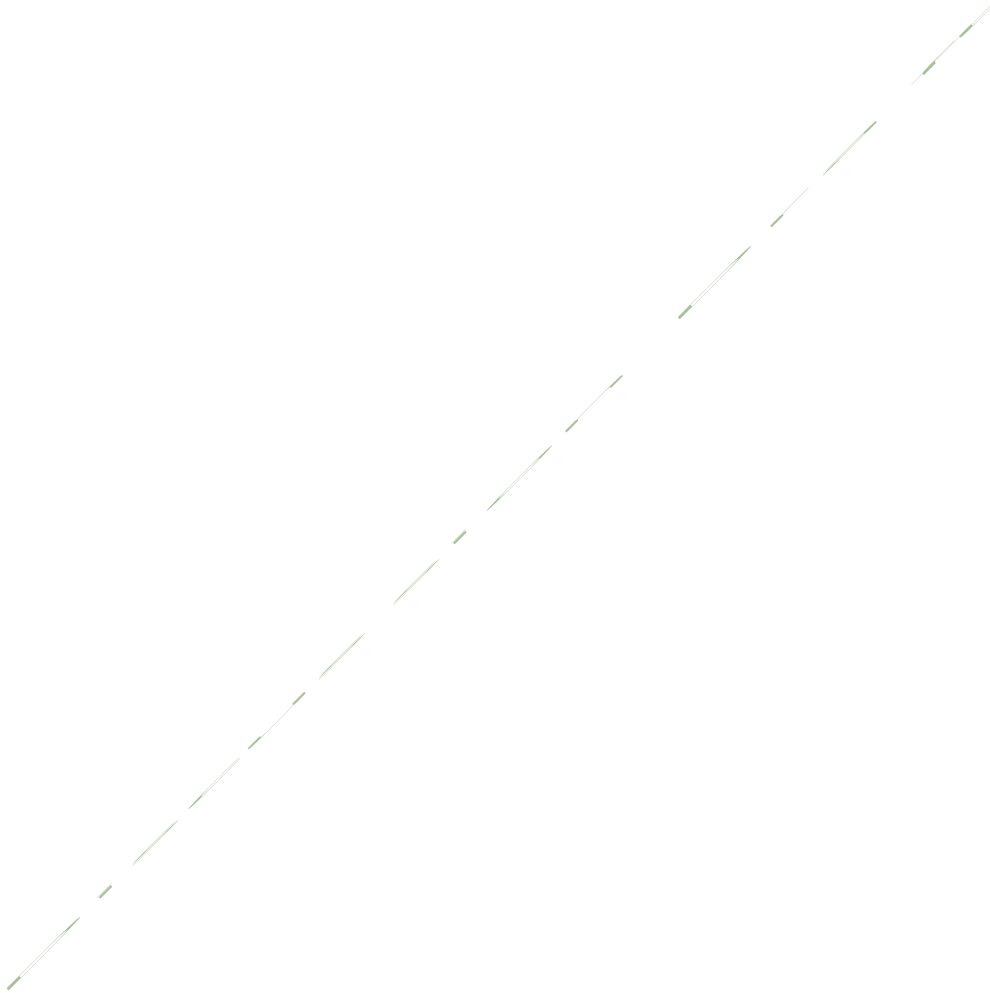
E. Develop annual tourism marketing/operational plans, in accordance with Exhibit B, to bring Hispanic and Native American visitors to the City; to promote local attractions and events to Hispanic and Native American visitors; to provide visitor support and an Internet marketing plan.

F. Develop and report on a budget for this program in accordance with Exhibit B.

5. Hospitality Fee Program: Purchase Advertising to Publicize and Promote Tourist-Related Attractions, Facilities and Events

- A Purchase advertising to publicize and promote the City as a destination to Hispanic and Native American tourists from outside New Mexico.
- B. Purchase advertising to publicize and promote City attractions and events to Hispanic and Native American tourists.
- C. Purchase advertising to publicize and promote tourist-related attractions, facilities and events to regional, national, and international Hispanic and Native American conventioners, meeting planners, business groups, sports organizations, group tour planners, travel agents and leisure travelers.

6. Provide Reports described in Exhibit B



**EXHIBIT
B
REPORTS**

- I. Marketing/Operational Plan. Contractor shall provide to the City an annual marketing and operational plan with a proposed budget plan for marketing and booking the Convention Center; non-center conventions meetings and events; convention support; destination promotion, attraction, and event promotion. This plan shall be submitted to the City's Contract Manager annually by August 1st of each year of this Agreement for review and approval by the City.
2. Program Expenses. Contractor shall provide monthly balance sheet and income statement reports in the same format presented to Contractor's Board of Directors or other governing body. Balance sheets should reflect comparatives to the prior year; income statements should reflect comparatives to prior year and year-to-date budget.
3. Sales and Performance Measures. Contractor shall report to the City quarterly Sales and Performance Measures as outlined in Exhibit C. This report shall be submitted to the City's Contract Manager by the 20th day of the first month of each quarter during the term of this Agreement, i.e. July 20th, October 20th, January 20th and April 20th. The first report of Sales Measures shall be due October 20, 2023, for the first quarter.
4. Financial Audit Reports. Contractor shall provide to the City's Contract Manager by October 1st of each year of this Agreement, its annual financial audit report for the previous fiscal year prepared by an independent auditor and certified by its Board of Directors.
5. Actual Attendance and Pick-Up Data. Contractor shall report to the City monthly actual attendance and room nights for all Convention Center conferences, events and meetings, booked by Contractor, which took place the previous month. Contractor shall also report to the City quarterly actual attendance and room nights for all Non-Convention Center conferences, events and meetings, booked by Contractor, which took place the previous quarter but such reporting is required only for events which were originally reported as exceeding 400 room nights. Contractor will work with convention/event/meeting planners and hotels after the convention/event or meeting to secure actual attendance numbers and room night numbers.

The content of this report will include the date and location of convention, event or meeting with actual attendance numbers and room night information obtained from planners and hotels. The report shall also include the year the convention, event, or meeting as booked original estimated attendance and estimated definite room nights. Reports shall be submitted quarterly and cover the previous quarter only. Contractor will also present monthly performance updates to the City Lodgers Tax Advisory Board.
6. Cancellation of Definite Bookings. Contractor shall report to the City monthly, quarterly and annually all cancellations of definite bookings, including the fiscal year originally booked, fiscal year impacted, corresponding estimated direct expenditures, and reason for cancellation. Reports shall cover the prior reporting period only.
7. Direct Spend. Contractor shall report to the City quarterly cumulative report of visitor spending based on room nights (Average Daily Rate) and visitor spending.

EXHIBIT C

SALES AND PERFORMANCE MEASURES

1. Definitions

- A. **Albuquerque Convention Center Event:** A meeting, convention, trade show, sports event or other event using the Albuquerque Convention Center (ACC).
- B. **Non-Convention Center Event:** A meeting, convention, trade show or other event using meeting or exhibit space at a hotel or other facility in Albuquerque.
- C. **Booked Event:** A successful acquisition of an event which has been confirmed in writing to the Contractor. An event will be considered booked within the fiscal year in which it was confirmed.
- D. **Peak Rooms:** The sleeping rooms required by an event on the night during an event when the most rooms are occupied by those in attendance.
- E. **Non-Citywide:** A meeting, convention, trade show, or other event using meeting or exhibit space at a hotel or other facility in Albuquerque.
- F. **Direct Spend:** All expenditures associated with an event that flow into the City of Albuquerque's local economy. Direct spending includes attendee spending, exhibitor spending and event organizer spending as measured in Section 3
- G. **Tradeshow Exhibitor:** Business or individual exhibiting at a Citywide Tradeshow in the ACC, a hotel or other Facility located within the City.
- H. **Event Producer:** Organization or business booking a Citywide meeting, convention, trade show, sports event or other event utilizing the ACC.
- I. **Citywide:** means a meeting, convention, trade show, or other event using a minimum of four hundred (400) peak room nights.

2. Sales Measures.

- A. **Convention Center Related Business.** Each quarter, Contractor will report the number of Convention Center Confirmed Bookings for which it facilitated the sale. The Contractor shall also report the corresponding number of total room nights and Direct Spending estimates related to these events utilizing the process provided in Section 3 of this Exhibit.
- B. **Convention Center Lost Business.** Each quarter the Contractor will report the number of Events that chose not to book at the ACC after initially considering the venue. A lost piece of business is defined as an event for which the Contractor generated a lead and expended efforts to bring the event to Albuquerque. As verified by an auditable sales file for that client. The Contractor shall provide the estimated number of total room nights and Direct Spending that these events would have brought to the City as well as the reason for the loss. The Contractor shall also provide the top five destinations that were chosen instead of Albuquerque for these events.
- C. **Non-Center Meeting and Event Business.** Each quarter, the Contractor will report the number of Non-Center Confirmed Bookings for which it facilitated the sale. The Contractor shall also report the corresponding number of total room nights and Direct Spending estimates related to these events utilizing the process outlined in Section 3 of this Exhibit.
- D. **Non-Center Lost Business.** Each quarter, the Contractor will report the number of events that, chose not to meet in the City after initially considering the venue. A lost piece of business is defined as an Event for which the Contractor generated a lead and expended efforts to bring the Event to the City, as verified by an auditable sales file for that client. The Contractor shall provide the estimated number of total room nights and Direct Spending that these Events would have brought to the City as well as the reason for the loss. The Contractor shall also provide the top five destinations that were chosen instead of Albuquerque for these Events.
- E. **Leisure Travel Market Business.** Each quarter, the Contractor shall report the number of leisure travel consumers that have requested information through phone calls, e-mail and internet site requests that resulted in the Contractor mailing tourism materials or the consumer downloading the on-line Visitors Guide off the web. Utilizing the process outlined in Section 3 of this Exhibit, the Contractor will also estimate the number of consumers that, through these marketing efforts, visited the City and the estimated spending of these visitors.

3. Spending Estimates

In calculating the Citywide Direct Spending Estimates and upon direction from the City, the Contractor shall coordinate with Visit Albuquerque for use of the latest version of Destination Marketing Association International (“DI”) Event Impact Calculator (“EIC”) or Sports Module Event Impact Calculator (“SMEIC”). Contractor shall provide Visit Albuquerque with all the necessary data inputs, as defined by Visit Albuquerque, in order for Contractor to calculate an event’s estimated economic impact. Visit Albuquerque will provide the Contractor a list of required data inputs that are based on industry best practices. If manual entry is substituted or supplemented for DI EIC or DI SMEIC in calculating the economic value of an event, the

Contractor shall explain the name of the event, reason for override and formulas used in the override.

For Non-Citywide events, Contractor will calculate Daily Attendee Spending is based on the most recently available, industry-published data for attendees average daily spending (ADE) and hotel rate (ADR) in the following categories:

- Average Daily Rate (ADR) for Convention Center Attendees
- Average Daily Expenditure (ADE) for Convention Center Attendees
- Average Daily Rate (ADR) for Non-Center Attendees
- Average Daily Expenditure (ADE) for Non-Center Attendees

Additional spending impacts will include:

- Average Daily Expenditures (ADE) for Non-Citywide Tradeshow Exhibitors: \$350/day
- Average Non-Citywide, ACC, Event Producer Spending \$25,000
- Average Per Visit Expenditure for Leisure Visitors: \$700/visit

4. Visitor Acquisition Formulas

For ACC, and Non-Center Confirmed Non-Citywide Bookings:

Number of room nights* x ADR per market segment = **Total ADR**

PLUS

Number of attendees* x days in Albuquerque x ADE per market = **Total ADE**

EQUALS

Total Direct Spending for Non-Citywide ACC and Non-Center, Confirmed Bookings

A. Additional Impacts for the Leisure Travel Market:

- The number of phone requests for visitor collateral x 5% **EQUALS** Estimated number of visitors impacted by the Contractor x \$700 per visit **EQUALS** Total spending for visitors that requested information by phone
- The number of web requests for visitor collateral x 5% **EQUALS** Estimated number of visitors impacted by the Contractor x \$700 per visit **EQUALS** Total spending for visitors that visited the website.
- Total spending for visitors that requested information by phone **PLUS** Total spending for visitors that visited the website **EQUALS** Total spending impact of the Contractor's Leisure Travel marketing efforts.

Total Visitor Direct Spending

Total Direct Spending for Citywide and Non-Citywide ACC and Non-Center, Confirmed Bookings **PLUS** Any Additional Impacts of the Contractor's Leisure Travel marketing efforts

EQUALS

TOTAL VISITOR DIRECT SPENDING

5. **Return on Investment Formula.**

Return on Investment =
$$\frac{\text{TOTAL VISITOR DIRECT SPENDING}}{\text{CITY'S INVESTMENT IN CONTRACTOR}}$$

"CITY'S INVESTMENT IN CONTRACTOR" is defined as the amount of Lodgers' Tax Revenues paid to the Contractor for the applicable period and includes Hospitality Fee Revenues.