

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

**AWARD OF A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE TOWN OF
APPLE VALLEY AND MCGREGOR SHOTT, INC. FOR MARKETING SERVICES**

Summary Statement:

Over the past five years the Town has been successful in accomplishing many of the economic development goals outlined in the Vision 2010 plan. In order to successfully continue marketing our community, it is necessary to substantially update our marketing collateral to reflect our increasing efforts to attract industry while maintaining retail attraction activities. Marketing collateral is an integral part of our overall marketing strategy.

As part of this ongoing effort, staff issued a Request for Proposals (RFP) for Economic Development Marketing Services on April 21, 2008.

The RFP seeks to identify a qualified marketing consultant with extensive experience in developing collateral marketing materials that assist municipalities, economic development agencies and redevelopment agencies with the implementation of their business attraction efforts.

The selected firm will be responsible for developing an approved marketing concept and providing written content, design and graphics that may include marketing brochures, inserts, logo update, maps, marketing pieces, components for exhibit booth display, and website enhancements. The marketing materials will target the following audiences: businesses, development entities, tenants, corporate site selectors, real estate brokers and agents, investors and property owners in both the commercial and industrial sectors.

Staff issued RFPs to 21 prospective firms, including the Apple Valley Chamber of Commerce for distribution to its membership, and posted the RFP and subsequent Addendum on the Town's main webpage and Economic Development department webpage.

Recommended Action:

That the Town Council approve a professional services contract with McGregor Shott, Inc. for marketing services for an amount not to exceed \$45,000.

Proposed by: Economic and Community Development Department Item Number _____

Town Manager Approval: _____

Budgeted Item Yes No N/A

Eleven proposals were received from the following firms: All Pro Displays, Amies Communications, Dalton Design, McGregor Shott, Natural Marketing, O'Reilly Public Relations, Piri Production, Project Works Marketing, Simpson Advertising, TMG Communications, and Visuart. After initial review and evaluation of the proposals, five subsequent firms were invited to interview: Amies Communications, McGregor Shott, Natural Marketing, Simpson Advertising, and Visuart. Based upon these interviews, thorough analyses of each proposed scope of services, and critical critiques of previous firm experience and publications, staff is prepared to recommend consultant McGregor Shott, who demonstrated the most impressive portfolio and relevant expertise in delivering the desired scope of work.

A portion of the scope of services pertaining to website enhancements will be funded through a grant received from the County for the purpose of marketing the North Apple Valley Industrial Specific Plan and the Southern California Edison Site Certification Program. The balance of the contract is budgeted under the current fiscal year ending June 30, 2008.

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this 24th day of June, 2008, by and between THE TOWN OF APPLE VALLEY (hereinafter referred to as "TOWN") and MCGREGOR SHOTT, an S Corporation (hereinafter referred to as "CONSULTANT").

WHEREAS, Town, desires to retain Consultant for the purpose of providing technical support services to the Town of Apple Valley's Economic and Community Development Department marketing activities; and

WHEREAS, Consultant has represented to Town that Consultant has the knowledge, skills, resources and experience that qualify consultant to provide said services for the Town, including related and accompanying graphic design work and publications all other matters described herein and any attachments hereto, including, but not limited to, the matters described in the proposal (including but not limited to the Scope of Services), contained in Exhibit A, attached hereto and incorporated herein by this reference; and

WHEREAS, based upon the representations of Consultant, Town desires to retain the services of Consultant to perform the activities herein described in consideration for payment to Consultant of the fees herein described, contained in Exhibit A, attached hereto and incorporated herein by this reference and in consideration of the further covenants, conditions and provisions hereinafter set forth.

NOW, THEREFORE, Town and Consultant mutually agree as follows:

1. The Town hereby retains Consultant to provide the services herein described, and Consultant hereby agrees to perform and be responsible for the performance of the professional services as set forth in the scope of services in Exhibit A hereto.
2. This Agreement shall commence as of the day and year first above shown and shall remain in full force and effect for a period of twelve (12) months, unless terminated sooner as provided herein. Consultant acknowledges, and the parties specifically agree that time is of the essence in the performance of the services required to be performed under this Agreement. Consultant will complete the task requirements to meet the Estimated Timeline Schedule referenced in the proposal included in Exhibit A, subject to such schedule alterations by the Director of Economic and Community Development (hereinafter referred to as "Director") as are permitted herein.
3. Payment to Consultant by the Town for the work described in the scope of services shall be billed on a monthly basis. The Town will pay Consultant a not-to-exceed fee of a maximum of Forty-Five Thousand Dollars (\$45,000.00). Payment requested for work not within the scope of this Agreement will not be honored or paid unless such extra work and payment is authorized in writing by the Director, subject to the provisions of Paragraph 6, hereof. Increases or decreases in task requirements, changes in product format or detail, or new task requirements shall be approved in advance in writing by the Director. The Town, through the Director, reserves the right to direct any changes in the order of performance of any of the task requirements referenced or set forth in the proposal and/or scope of services; and where deemed to be in the best interests of the Town, the Director may direct termination of the performance of any task, or any portion thereof; in the event of such termination, Consultant shall be paid only for the work performed prior to the effective date of said termination. The provision in this paragraph shall not be construed to authorize the Director to approve payments for extra work which result in exceeding the total sum authorized by this contract without the prior approval of the Town.

4. Consultant shall invoice the Town monthly in accordance with a work and payment schedule, approved in advance by the Director. Said monthly invoices shall include the work performed by task, rate, and a task progress status report in a form and with such additional information satisfactory to said Director. Payments to consultant for approved work and accepted submitted products shall not be unreasonably withheld and under no circumstance shall be delayed for work performed beyond 60 days from receipt of invoices without prior notification to Consultant of the reasons for withheld payments.
5. The Town has an interest in the qualifications of and capability of the person and entities that will fulfill the duties and obligations imposed upon Consultant by this Agreement. No assignment of this Agreement or of any rights hereunder, and no delegation of any performance or obligation of performance hereunder shall be made, either in whole or in part, by Consultant without the prior written consent of the Town. Consultant has or will provide all personnel required to perform services under this Agreement. All subcontractors or sub-consultants to be secured by Consultant must have the prior written approval of the Town through the Director. All of the services will be performed by Consultant or under its supervision, and all personnel engaged in the work shall be fully qualified and shall be authorized and permitted under State and local laws to perform such services, and shall be subject to the written acceptance of the Director.
6. Upon completion of each phase of work, Consultant shall submit to the Town a status report on the services performed thus far. Consultant will also timely provide any “deliverables” completed during that phase.
7. Town may request Consultant to perform additional services not contemplated by the scope of services. Prior to the commencement of such additional services, the exact nature of such services and the cost to the Town thereof shall be set forth in a written agreement signed by the parties hereto.
8. Consultant shall complete the scope of services so as to allow for completion for the entire project. Consultant acknowledges, and the parties specifically agree that time is of the essence in the performance of the services required to be performed under this Agreement. Consultant will complete the task requirements to meet the schedule referenced in the proposal schedule, included in Exhibit A, attached hereto, subject to such schedule alterations by the Director as are permitted herein.
9. At the completion or termination of this Agreement, all data, studies, and any other information, work products, memoranda, documents or writings, created or generated in connection with the performance of this Agreement belong to and shall be delivered to the Town for its keeping, by delivery of same to the Director. Consultant may retain copies of these materials for its use or purposes.
10. Consultant will perform the services set out in this Agreement or will cause performance of said services to occur, as contemplated herein, in accordance with the generally accepted standards for performing similar professional services within the State. Town has relied on Consultant's representations for quality and professional work as an inducement to enter into this Agreement.
11. In the event Consultant defaults in the performance of any of the terms of conditions of this Agreement, and said default is not cured within seven days after notice thereof by the Town, then Town at its option, shall have the right to terminate this Agreement, without waiving any other rights it may have against Consultant for damages or other relief as permitted by law.

12. The failure of the Town to insist upon the strict performance of any of the provisions of this Agreement, or failure to exercise any other right, option or remedy hereby reserved or as permitted by law, shall not be construed as a waiver for the future of any such provisions, right, option, or remedy, or as a waiver of any subsequent breach thereof.
13. This Agreement may be terminated by the Town by seven days written notice for any reason. If this Agreement is terminated by the Town, and provided Consultant is not then in breach, Consultant shall be paid for services performed to the termination notice date.
14. Consultant, and each of its employees, agents, subcontractors and representatives, is and shall act hereunder as an independent contractor, and is not an employee of the Town for any purpose.
15. All notices to be given hereunder shall be in writing and shall be deemed to have been given, if delivered in person, or two days after mailing if properly addressed and mailed, with full postage prepaid, by certified or registered mail with return receipt requested. Notice to the Town shall be sufficient if sent to:

Director of Economic and Community Development
Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307

Notice to Consultant shall be sufficient if sent to:

Elizabeth Shott, Principal
McGregor Shott, Inc.
28309 Industry Drive
Valencia, CA 91355

Each party hereto may change the address at which it receives written notice by so notifying the other party in writing.

16. The Director, or representative, shall represent the Town in all matters pertaining to the administration of this Agreement, including without limitation, attending all necessary meetings and conferences, and review and approval of all products submitted by Consultant, but not including the authority to enlarge the scope of work or increase the compensation due Consultant; although Consultant shall be responsible for attendance at all necessary meetings.
17. Consultant shall keep separate books of accounts in connection with the work to be performed under this Agreement. These books shall be subject to audit by the auditor, controller, accountant manager, or other financial officer of the Town or that officer's designate. All such books and records shall be retained for such periods of time as required by law, provided, however, notwithstanding any shorter periods of retention, all books, records and supporting details shall be retained for a period of at least three years after the expiration of the term or of the termination of this Agreement.
18. No information, including publications, photographs, public announcements or confirmation of same, or any part of the subject matter of this Agreement or any phase of any program hereunder shall be made public without prior approval of the Director.
19. It is agreed and understood that Consultant will not be engaged in private work projects in the project work area while Consultant is employed by the Town. The "project work area" for purposes of this

paragraph includes the area of the proposed project and the surrounding vicinity which may be significantly impacted by the proposed work hereunder. In any event, Consultant shall not engage in any private work which would constitute a conflict of interest with respect to the services performed under this Agreement.

20. Consultant shall defend (with attorneys approved by Town), hold harmless and indemnify the Town, its officers, employees and agents against liability (whether bodily injury, including death, and/or property damage and/or any other losses, claims, damages, actions or judgments) arising or alleged to arise out of the wrongful or negligent acts or omission of Consultant or its officers, agents, employees, subcontractors or representatives in the performance of this Agreement.
21. As a condition precedent to the effectiveness of this Agreement and in partial performance of Consultant's obligations hereunder, Consultant, at its expense, shall deliver to Town for approval, certificates or policies of insurance as required in Exhibit B, attached hereto.

The Town shall also be named as an additional insured under said policy or policies of liability insurance, which insurance shall be primary and not contributing with any other liability insurance available to the Town. Consultant and its insurance carrier shall be required to inform the Town in writing of any change, expiration, cancellation or renewal of any insurance policy or policies within 30 days prior to the effective date thereof, and where applicable, an appropriate rider or addition shall be made to said policy relating thereto acceptable to the Town; and if any insurance required herein is cancelled or reduced in coverage, Consultant shall promptly provide replacement coverage acceptable to the Town.

22. Should any section or any part of this Agreement be rendered void, invalid or unenforceable by any court of law, any such final determination shall not render void, invalid or unenforceable any other sections or portions of this Agreement unless the Town determines in writing that its purpose cannot be accomplished by the remaining provisions not so invalidated.
23. This Agreement has been made and entered into in the State of California, and the laws of the State of California shall govern the validity and interpretation hereof and the performance hereunder.
24. This Agreement contains the entire understanding of the parties, and there are no further or other Agreements or understandings, written or oral, in effect between the parties hereto relating to the subject matter hereof, and any prior understanding or Agreement of the parties shall not be binding unless set forth herein, and, except to the extent expressly provided for herein, no amendments of this Agreement may be made without the written agreement signed by both parties hereto.
25. Should litigation or arbitration occur between the parties hereto relating to the provisions of this Agreement, all reasonable litigation or arbitration expenses and costs, including reasonable attorney's fees incurred by the prevailing party shall be paid by the non-prevailing party to the prevailing party.
26. Consultant represents that it has all personnel required in performing the services under this Agreement. All such personnel shall be fully qualified, and, where applicable, shall be licensed or otherwise authorized under State and local law to perform such services.
27. Consultant shall not be liable for delays in the performance of this Agreement caused solely by acts of God or similar events beyond the control of Consultant, unless said events could have been foreseen or said delay or any portion thereof could have been avoided.

28. Consultant shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age or national origin. Consultant shall take appropriate action to ensure that applicants are employed and that employees are treated during their employment without regard to their race, religion, color, sex, age or national origin. Such action shall include, but not be limited to, employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Consultant shall comply with all applicable Federal laws and Executive Orders and relevant orders of the Secretary of Labor, with all State and local laws and affirmative action compliance programs and other applicable rules and regulations of all government and administrative agencies relating to any and all performance under this Agreement.
29. This Agreement binds Consultant, and its successors and assigns, although this paragraph shall not be construed as permitting any assignment, subletting or transfer of any interest, rights or obligations of Consultant under this Agreement without the prior written consent of the Town.
30. The Town and Consultant shall act in a reasonable manner to ensure the timely and efficient completion of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement at Apple Valley, California, effective the day and year first above written.

TOWN OF APPLE VALLEY, CALIFORNIA

BY: _____
James L. Cox, Town Manager

ATTEST:

Ms. La Vonda M. Pearson Town Clerk

APPROVED AS TO FORM:

Mr. Neal Singer, Town Counsel

CONSULTANT
McGregor Shott, Inc.

Elizabeth Shott, Principal

Exhibit A

T 661.702.0765
F 661.702.0766

1. CONTACT INFORMATION

Beth Shott
McGregor Shott
28309 Industry Drive, CA 91355
661-702-0765 (f) 661-702-0766
beth@mcgregorshott.com
www.mcgregorshott.com

2. STATEMENT OF UNDERSTANDING



McGregor Shott, Inc. is an award-winning graphic design, advertising, and branding agency known for its expertise and professionalism. With over 100 creative awards earned for its regional and national clients, McGregor Shott has years of experience in designing identity systems, campaigns, website design, trade show graphics, packaging, and many other related materials needed for business and industry. Principals Lois McGregor and Beth Shott have a solid knowledge of great and effective design, technical know-how, and an understanding of the clients' objectives.

Having worked for several years with the City of Santa Clarita, McGregor Shott understands the needs of the public sector to have consistent and effective materials. They have worked extensively with the departments of Economic Development, Redevelopment, Tourism, Film, Community Service, Parks, and Public Information on a multitude of collateral materials, trade show graphics, and website design.

Specifically, McGregor Shott is well versed in the design and production of the following partial list of products:

annual reports	magazine/newspaper ads
apparel	menu design
billboards	merchandising
branding	multimedia/cd roms
book design	newsletters
brochures	packaging
catalogues	point of purchase
corporate identity	posters
e-mail blasts and tracking systems	street banners
event materials	trade show graphics
letterhead	transit shelter posters
logos	websites



28309 Industry Drive
Valencia, CA 91355
www.mcgregorshott.com

Overall, the agency has a reputation for providing outstanding creative professionally and efficiently for some very distinctive clients. The quality of McGregor Shott's work can be substantiated in its long-term client relationships and in the numerous awards continuously brought to the table. Recently, McGregor Shott was honored with top honors at the following:

- Addy Awards Competition - 2008:
Gold for City of Santa Clarita State of the City Event Invitation
- First Place award from California Association of Public Information Officials (CAPIO) for 2008:
Newhall, CA Redevelopment MyNewMainStreet.com website
- Summit Creative Awards - 2008:
Silver Award for Press Kit for All Corked Up Wine Enterprise



McGregor Shott believes that their commitment to design standards and the community at large has produced a multitude of high quality projects to date. A list of accolades are included with the samples kit.

2. PROPOSAL, OBJECTIVE, AND METHODOLOGY

What exactly is required for working successfully with a municipal entity, and namely one with growth, changes and opportunities like that of the Town of Apple Valley? Getting information and materials across in the most professional and streamlined manner possible requires a level of communication and professionalism between both client and agency. Understanding the goals of the Multi-Faceted Business Attraction Program and its marketing materials, message, and goals is pertinent. The agency needs to have the professional experience necessary to accomplish what the Town sets out to do with their materials, albeit a new Economic Development Logo, a marketing brochure to be distributed exclusively at a retail trade show or to entice new retailers, trade advertising, or a trade show display to attract upscale businesses and development entities.

We have the experience to know how to address these questions: Who are we trying to reach? What is the longevity of the materials? What specific information needs to be conveyed? What "look" is most beneficial to attracting businesses and which businesses are you trying to attract? What is the best distribution process to reach the target audience? What are the deadlines for delivery and trade shows? What are the parameters of website navigation? Is the website's front and back end design navigation friendly and



flexible enough for in-house updates? Technical aspects, such as printing options, paper recyclability, and all matters of print production are of course a given.

Professionalism prevents details from falling through the cracks. In the end, this puts the client's limited budget to good use. A good design and extensive experience in the area of Economic Development materials will lead to good results, and this attribute is a tremendous benefit in the Town of Apple Valley as it grows and changes.

To help the Town of Apple Valley create effective materials, McGregor Shott can work with staff to assure the best use of design, technology and resources available. It is beneficial to study the demographics of the Town of Apple Valley and the type of businesses they are trying to bring into upcoming developments. The look of a piece can help to reach a specific retail audience, whether it be upscale boutique, large with high traffic counts, or eclectic for an "Old Town" feeling. Additionally, many commercial-based non retail businesses, such as biomedical, manufacturing, health care, and industrial, need marketing directed specifically towards them.

McGregor Shott will also explain aspects of design to anyone unfamiliar with the process, keeping staff and in-house graphics personnel current, discussing details which may help the effectiveness of the job process.

Once a marketing strategy has been established, our expertise allows us to help Town staff with the following production concerns:

Deadlines: Many clients may not realize the time involved from start to completion. Timelines can help with the necessity to have adequate revisions and adequate time to proof files and help to avoid unforeseen rush charges.

Proofing: We are well versed in knowing what to look for - text wrapping, stroke width, photo quality, color saturation, bindery, common punctuation and grammar mistakes. At photo shoots, we proof color accuracy, registration, and make any last-minute adjustments necessary to turn a decent design into an outstanding one.



3

Perseverance: We work until the job is done. McGregor Shott will go the extra mile to make sure the job is done correctly. We work with the client at each phase to lend advice and help make decisions. We also realize the combination between client vision and application of our recommendations

which are required to make that happen. It takes both client and agency. A design based on one side or the other will not yield an effective product.

Creative Flexibility: McGregor Shott is known for its ability to produce a variety of looks. We can deftly target the specific audience represented by the client.

Expertise in Realism: Decisions affecting costs - finished sheet size, quantity, standardization, postage, the latest production processes, and recycled paper choices are of most importance to a project. Much knowledge about such details is most relevant. Additionally, our ongoing relationships with printers, digital printers, photographers, and illustrators can provide a variety of realistic options.



Technical Expertise: To streamline the production process, it's necessary to be adept at the mechanics of design to printing. Resolution, pdf proofing, correct file setup and file collection make projects easier for the in-house graphics department, printers, and others involved. Knowledge of workable formats also eliminates headaches for those on the back end from mailing houses to silkscreeners.

Comfortability: It is important that the client feels confident with the agency's ability, especially with a new relationship. Talent is a must. There is absolutely no excuse for a disappointing design which does not meet the criteria needed to target its audience. We can sincerely assure that we can consistently create terrific and stunning design work.

Experience: No doubt, McGregor Shott has experience working with municipalities. We are immensely familiar with aspects ranging from program and event details, deadlines, budget constraints, age event appropriateness, to creative expectations and flexibility. We know its nuances and we know what is required for creating a successful relationship with the Town of Apple Valley.

Availability: McGregor Shott will also be available and accessible, resulting in a smooth completion of design projects from coming to client premises for initial and follow-up meetings, to discussion of different printing applications, to film and proof approval, to supervision with press checks and delivery confirmation.



Methodology

Customer/client communication is extremely important to make sure a project meets everyone's expectations and deadlines. McGregor Shott is known for reliable and efficient operation throughout all phases of project development. They maintain careful contact with their clients to ensure the final product is what both the client and the creative have envisioned, and that it is delivered on time.

Some of the techniques McGregor Shott has employed to assure this outcome are:



- Develop accurate expectations at the start of every project.
- Provide a timeline with pertinent deadlines.
- Notify the client throughout the project of any changes or concerns. The client will be kept informed as to each stage of the job and how long until the next stage is completed.
- Meet daily with creative team to discuss status of project, progress, and deadlines.

McGregor Shott has purchased and maintained the latest computer hardware and software. Furthermore, the management at McGregor Shott has almost 28 years of combined experience. This allows them to streamline their projects and provide the highest quality and contemporary work available.

Project turnaround times would be based on the complexity of the job. A sign would require less time than a brochure, or website design, for example.

A sample of a provided project timeline would include:

1. inception of project
2. discussion of project goals and intended audience
3. initial layouts due
4. client approval of layout
5. photo shoot, illustrator and copy schedule
6. comps due to client
7. client approval of comp
8. disks or files due to printer



5

9. printer proofs due
10. approval of proofs
11. due to client/fulfillment house

Typically, after the project is awarded, all information pertaining to the job is gathered. This includes marketing strategy, design criteria, target audience, budget, and printing parameters. Size, color, visuals (e.g., illustration or photography), paper, printing methods, and the specific "look" and purpose of the project may be discussed.

A work order is then produced with job description and delivery date. Size of each specific product, media used, number of colors, and vendor contact will be decided upon. McGregor Shott provides a design estimate and a separate printing estimate if needed.



With one or more concepts in mind, approximately one to three layouts will be presented that show a general direction and format. General revisions, directional changes, and decisions on all related art directions, including commissioned illustrations, photography, typography, and copywriting will be done at this point.

After approval of one layout or direction, McGregor Shott will begin assembling the elements and services necessary to carry out the project within the client's agreed upon budget. This includes all photography, illustration, and copy. The client then approves the revised comp and makes copy corrections if necessary.

Finally, a final mechanical file is created and approved by the client. This file can either be presented via color printout or a pdf file depending on the size and scope of the job. Files created by McGregor Shott are delivered to the printer by ftp or disk for separations or for direct-to-plate printing. The printer will produce a color proof for approval, after which a press check may be necessary. The client will be notified once the job has been sent to the printer and when it is due for delivery.

If the Town of Apple Valley wishes to contract the printing through its purchasing department, a printing specification file can be e-mailed to that department with all the parameters of the job; size, quantity, number of colors, number of folds, ink coverage, bleeds, special bindery, paper, art delivery date and printing due date.



6

4. SIMILAR PROJECT EXPERIENCE

McGregor Shott has a very relevant background history with corporate and municipal clients. McGregor Shott has experience with a multitude of projects similar to that which is requested in this RFP. Samples can be found in our attached exhibit box, and on our website, www.mcgregorshott.com.

Principals Beth Shott and Lois McGregor have worked consistently with the City of Santa Clarita under their renewable contract for over eight years, creating hundreds of items for programs in every department, ranging from Economic Development, Capital Improvement, Community Services, Parks and Recreation, Arts & Events, Public Information, Environmental Services, Film, and Tourism. They have also had the opportunity to work with the City of Lancaster, winning a renewed contract for the second time. Specifically, projects have included:



City of Santa Clarita Branding - Development of complete brand for the City of Santa Clarita. Items include City logo, all street signage and monument signage, City buses and vehicles, sherriff vehicles, branding of all website and marketing materials. Work with in-house City to develop a standards guide, which is used internally and externally.

Doing Business in Santa Clarita Guide (Included in Samples) - A 48 page guide created to provide information on opening a small business in the City of Santa Clarita.

Newhall Redevelopment Materials (Included in Samples) - Create logo for Old Town Newhall, and complete campaign for revitalizing shopping district with advertising campaign and website.

Enterprise Zone Materials - (Included in Samples) - McGregor Shott worked with Santa Clarita to provide all submission materials to qualify for Enterprise Zone Designation, a six month process. Designation was awarded. McGregor Shott has since then developed the Enterprise Zone logo, brochure with map, street banner and transit shelter posters, website, and various advertising and direct mail materials for upcoming workshops and events.



Economic Development Retail Attraction Materials - (Included in Samples) -
Including trade advertising and brochures targeting potential retail entities and developers. We are presently working on new materials for 2008, including a new website.

Shop Local Campaign - Create logo, advertising, brochures, banners, and transit shelter materials to entice the community to shop local, and to entice the businesses to participate in the program.

Santa Clarita Economic Development, Tourism, and Film Office Trade Show booths -
Design complete trade show graphics for each department.

Film Office Materials - Create Film Office logo, a 136-page Film Guide, press kit materials, brochure, and newsletter for Film Office. Target audience are all members of the Film Industry.

Santa Clarita Tourism Materials - Create Tourism logo and a multitude of materials, including a 68-page guide with pullout map, a folded guide with map, various ads for magazines, and press kit materials. Design outdoor banners and transit shelters for events such as Amgen Bike Tours and the AT&T Golf Classic.

Other similar City projects include:

Santa Clarita 20th Anniversary Branding Materials
Annual State of the City materials, including theme, invitation, and newsletter
Healthy Santa Clarita logo and campaign
Trails System Brochure and Map for the City of Lancaster
Signage for New Construction Developments
Advertising Campaign for DUI Program
Invitations and advertising to Groundbreaking Events
City of Lancaster Poppy Festival
Logo for the Lancaster Museum/Art Gallery Exhibit
The Lancaster Cup materials at Disney's Wide World of Sports Complex
Tradeshow graphics for the Lancaster National Soccer Center

Other recent and similar corporate projects include:

Website and CMS for College of the Canyons Economic Development Department
College of the Canyon's Economic Development Trade Show Booth
Website for Doing Business with China Conference
Logo, Website with CMS, and collaterals materials for The Avenue at Santa Clarita, a new 2,480,000 sf mixed-use Development



Press Kit, Logos, and Brochures for Mount St. Mary's College
Child Care Resource Center provider, parent, and employee manuals in English/Spanish

Additionally, McGregor Shott has worked with many of the local businesses in the region. These corporations are diverse; recent client base industries range from entertainment (All Corked Up, Mountasia, MGM Grand); collegiate (College of the Canyons, Mount St. Mary's College); and manufacturing (American Hakko, TCast Phones, 3D Systems, CPR Technologies).

5. KEY PERSONNEL

Principal and Project Manager - Beth Shott
Principal - Lois McGregor
Additional Internal Personnel - Aimee Portugal



McGregor Shott has recently relocated their operations to a new, larger facility centrally located in the Valencia Commerce Center. Their creative team takes advantage of converted warehouse space built into a creative and unique design and office studio. The studio is a 2900 square ft office space with conference room, top of the line networked equipment, ftp site, and DSL connection for large file transfers.

PRINCIPAL AND PROJECT MANAGER - BETH SHOTT

Beth is a principal and co-creative director at McGregor Shott with over 14 years working in the advertising and graphic design industry. She received a B.F.A. with honors from the Art Center College of Design in 1990. From 1986-1987, she attended the Graduate School of Business in Advertising at the University of Texas at Austin. In 1986, she received a BA in Advertising/Minor in Journalism with Distinction and Senior Honors from Valparaiso University in Indiana.

During her college years, Beth worked as an Account Executive for a McDonald's franchise at Aaron D. Cushman & Associates, a large public relations firm in Chicago. After graduating Art Center, Beth worked as Assistant Art Director for NYLA Marketing, where she handled design and production for clients such as MCA Television, KABC TalkRadio, and Fox Broadcasting.

She then moved to position of Art Director for a large advertising agency, Campbell and Wagman, where she was responsible for creation, design, and

PRINCIPAL - LOIS MCGREGOR

Lois is a principal and co-creative director at McGregor Shott with over 14 years working in the advertising and graphic design industry. During her college years, Lois majored in Pre-medicine, earning a degree in Science as well as several certifications and licenses, ranging from Radiology to Emergency Medical Technician. Her love for writing and design eventually took precedence and in 1993 she turned in her stethoscope for a computer and began her advertising career. She was a principal and Vice President in her first design firm which located to Valencia in 1994. Following their success, Lois opened her own graphics company, Insync Design, in 1996, which merged to form McGregor Shott in 2002.



Lois is an award-winning designer and art director. She is a published writer with work appearing in Graphic Design USA and numerous newspaper publications. A technical as well as creative background, her detailed-oriented approach to her work, and her nurturing of longstanding client relationships have contributed to her success and reputation. Her clients have included the City of Santa Clarita, the SCV Tourism Bureau, All Corked Up, Mount St. Mary's College, U.S. Borax, William S. Hart School District, American Hakko, 3D Systems, College of the Canyons, Castaic Lake Water Agency, Ocean Park Hotels, TCAST Communications, Kinyo Electronics and Infinity Speakers among others.

Lois and her company remain active members of the SCV community, donating services and sponsorships to organizations such as the Santa Clarita Child and Family Center and the Santa Clarita Master Chorale. Lois is on the Board of Directors for the Santa Clarita Valley School and Business Alliance, and is a member of the Santa Clarita Valley Tourism Bureau and the Santa Clarita Valley Graphics Arts Professionals.

Lois has contributed to the design and art direction of websites for the City of Santa Clarita, College of the Canyons, Real Life Church, TCAST Communications, and the University Center at College of the Canyons. She has art directed and designed Flash presentations, web banners and email blasts for clients such as College of the Canyons, the City of Santa Clarita and 3D Systems.



11

Project Involvement:

Lois will be involved in all aspects of the project, from initial designs to final completion. She will spend 40% of McGregor Shott's time accumulated, acting as creative for both print and website interface design.

Additional personnel who will be involved in day-to-day management and production:

AIMEE PORTUGAL, PROJECT AND OFFICE MANAGER

Prior to coming to work as the Assistant to both partners at McGregor Shott in 2004, Aimee Portugal worked as an Editorial Assistant for 4 years to the Editor in Chief of FLEX Magazine, a Weider Publications magazine. She resigned from her position at FLEX after just having her second baby, in order to work part-time closer to her home and family. Aimee has also worked in the printing industry at Anderson Graphics, and in the audio console industry, as the Office Manager at Amek, a Harman International Company. Her consummate attention to detail makes her a perfect choice to manage the company's top tier clients.



6. CLIENT REFERENCES

City of Santa Clarita References (partial list)

Jason Crawford, Economic Development Manager

Gail Ortiz, Public Information Officer

Andree Walper, Redevelopment and Economic Development

Jessica Freude, Film and Tourism

Holly Faulconer, In-house Graphics Department

23920 Valencia Blvd.

Santa Clarita CA., 91355

661-259-2489

Ann Kerman

Constituent Program Manager

San Fernando Valley/Central City/North County

Metro Regional Communications

One Gateway Plaza

Mail Stop 99-B-2

Los Angeles, CA 90012-2952

213-922-7671

Andy Mitchell

Product Manager

American Hakko Products, Inc.

28920 N. Avenue Williams

Valencia, CA., 91355

661-294-0090



Jeff Lambert, AICP
Planning & Government Relations
4605 Morse Avenue
Sherman Oaks, CA 91423
818-907-0294

7. SINGLE POINT OF CONTACT

Beth Shott
McGregor Shott
28309 Industry Drive, CA 91355
661-702-0765 (f) 661-702-0766
beth@mcgregorshott.com
www.mcgregorshott.com



8. PROPOSED USE OF TOWN STAFF

Ideally, the resources needed would include access to Apple Valley's files for logos, maps, and photos, or other files which are used repeatedly. Samples of materials created for similar previous projects would also be most helpful. When illustrations and photography are concerned, ownership information is required, especially if further files or release and copyright permission is needed.

Additionally, transfer of files utilizing the Town's intranet system will expedite viewing and approval of files. Any Town-managed print facility or mailing facility for direct mail pieces would assist in reducing vendor costs.

9. PROJECTED TIMELINE

A rough estimate of timelines from start to finish for various projects is as follows. Printers usually need 5-10 working days to deliver a job.

1 Week	1-2 Weeks	2 Weeks
Advertisement	Flyer	3 Fold Brochure
Modifications	Street Banner	Direct Mail
Postcard	Signage	Ad Campaign
	Website Content	Transit Shelter
3 Weeks	4-5 Weeks	5+ Weeks
Logo	8 Page Brochure	Multi-tiered
4 Page Newsletter	Complex Campaign	Website Design

10. SUBCONTRACTORS

John Tyner

John Tyner has worked with McGregor Shott on the award-winning Economic Development and Film websites, the award-winning Old Town Newhall website mynewmainstreet.com, the McGregor Shott company website, the award-winning Real Life Church website and the College of the Canyon's Economic Development Division website. John will act as a consultant on design and development as needed. John has expertise in all forms of web programming languages, Flash and CMS applications. His portfolio of website design and details of his work can be viewed at <http://www.laphona.com>.



Typical costs range from \$300 for a flash page to \$4800 for a full CMS website with three pages.

Subcontractors can be hired on an as-needed basis. McGregor Shott has established relationships with many contractors with specialties in design, photography, illustration, and copywriting.

Costs for these items vary, but typically range from \$250 - \$700 per photo/illustration depending on complexity of job.

COST AND PAYMENT SCHEDULE

McGregor Shott understands the \$20,000-\$45,000 budget range per the 5/7/2008 Addendum and will work within this range to provide the desired campaign materials. The agency will be happy to provide a detailed list of the items upon approval of the chosen creative direction. The items will include but may not be not limited to the following:

1. Concept/Theme/Look of Economic Development Materials
2. Brochure targeting commercial sector
3. Three Trade Advertisements (media placement cost not included)
4. Trade Show Booth Design and Hi res files
5. Logo Update and 10-12 Taglines
6. Presskit pocket folder with at least 4 insert sheets
7. Five maps for print and web
8. 1,000 printed collateral pieces, either 4C presskit or 4C brochure
10. Integrate graphic elements into new website currently under construction

Art Direction and meeting time is included. It is understood that photography will be provided by the Town and that printing of Exhibit Booth materials is not included in this budget.

Typically, McGregor Shott's agency rate breaks down as follows:

Labor --

Consultation/Meetings	\$ 75.00/hr
Design/Concept/Research	\$ 105.00/hr
Production	\$ 90.00/hr
Photo Shoots and Press Checks	\$ 75.00/hr

All Project Management, Creative Direction, Art Direction, General Overhead, and Administrative costs are included in the hourly rate for labor.

Travel Costs --

Travel is billed at 1.67¢ per mile for distances greater than a 50-mile radius of the Town.

Miscellaneous Costs --

We prefer to have all printers for jobs exceeding \$2,500 bill the Town directly for printing costs unless otherwise negotiated.

In the event of cancellation of a project(s) by the Town, all related expenses, including labor, incurred by McGregor Shott on behalf of client to date of cancellation, plus percentages of said expenses for overhead and profit, shall be paid in full within ten (10) days from the receipt of the Invoice.





PROJECT OVERVIEW

Scope of Assignment

Development of materials for Town of Apple Valley Economic and Community Development and Redevelopment business attraction program. To target businesses, developers and tenants, corporate site selectors, real estate brokers/agents, investors and property owners and retail and industrial sectors.

Deliverables (from RFP)

1. Concept/Theme/Look of Economic Development Materials
2. Economic Development Logo Update
3. Supplemental Marketing Materials
4. Printing Coordination for all materials. Includes coordination with printer, file prep, file uploading and transfer, proofing and press check within 50 mile radius.
5. Demographic and other Data Tables design
6. Six maps for print and saved to pdf format for web
7. Brochure targeting commercial sector
 - Trifold Brochure
 - 4/4C, 21x10" brochure, trifolds to 7x10"
 - Classic Crest or TopKote Dull
 - Qty: 1000
8. Presskit pocket folder with at least 4 insert sheets
 - a. 4/4C Presskit
 - 9x12" finished size, standard folder with two inside pockets and business card slit
 - Classic Crest Uncoated or Cast Coated
 - Qty: 1000
 - b. 4/4C Presskit
 - 9x12" finished size, folder with one inside left pocket (standard horizontal, 4" height with bus card slit) and one inside right vertical pocket (4" width)
 - Classic Crest Uncoated or Cast Coated
 - Qty: 1000
 - c. Insert Sheets
 - (4) 4/4C, 8.5x11" inserts
 - Classic Crest White or TopKote Dull
9. 10-12 Taglines/Headlines
10. Home page update which integrates graphics and content of new materials with existing website.
11. Trade Show Booth Design and Hi res files

Deliverables (additional to RFP)

12. Three Trade Advertisements

I. DESIGN/PRODUCTION

Prices include all design, production, art direction, coordination, revisions and photo manipulations. Estimated costs are identified under each of the following components:

- 1. Graphic Design; Concept Development of Look & Feel of Materials** **\$3,450**
 - a. Look and theme of all materials, graphics and fonts. Look and feel to coincide with new website and Economic and Community Development Department's home page. Develop overall concept of materials to position Apple Valley as an ideal location for industrial, commercial/retail, and residential sectors.
 - b. Marketing Research. Research and analysis of data, compare and contrast with other similar cities/areas, and research of specific targeted industries.
- 2. Economic Development Logo.** **\$1,750**

Create new logo based on existing economic development logo, integrating color scheme and tagline of new materials. Five logo variations submitted, ranging from subtle to more diverse from original. Three revisions included.
- 3. Supplemental Marketing Materials.** **\$1,650**

Theme for ongoing and updateable materials for purpose of announcing market changes, such as new tenant announcements. For example: 5" x 8" cards, 4/4, three variations in color and theme, or similar such materials. For direct mail to specific mailing lists or distribution at industry trade shows. Two designs. Does not include printing, postage, or mailing list generation.
- 4. Demographic and Other Table Designs.** **\$1,750**

Create Market Analysis and Data tables to be inserted in materials. To contain data such as demographics and business sector breakdowns, comparisons with nearby cities. Seven tables included. Two initial designs, two revisions.
- 5. Maps for Print and Web.** **\$3,000**

Regional and local maps: Indicate proximity to key destinations. Town Maps: Indicate available business opportunities or commercial activity, active residential tracts, redevelopment areas, North Apple Valley Industrial Specific Plan, and designation of zoning. Six maps total. Two designs submitted for look of all maps, three revisions.
- 6. Brochure Design and Content.** **\$3,250**

To target commercial sector, either retail or industrial, or both. Size: 21" x 10" flat, trifold to 7" x 10". Full color. Two designs, three revisions. To include graphics, photos supplied by client, text, and maps.
- 7. Presskit Pocket Folder** **\$1,850**
 - a. Size: 9" x 12" finished size, full color folder with one inside left pocket (standard horizontal, 4" height with business card slit) and one inside right vertical pocket (4" width). Normal pocket capacity. Three initial designs, three revisions. Size: 21" x 10" flat, trifold to 7" x 10". Full color. Two designs, three revisions.
 - b. Four Insert Sheets for Pocket Folder. **\$3,000**

Size: 8.5" x 11" finished size, 4/4. Inserts may contain general information, retail focus, industrial focus, and redevelopment focus, or: General overview of the City, retail, industrial, and available space. Full color. Two designs, two revisions. Each insert billed at \$650 per insert.
- 8. 10-12 Headlines/Taglines.** **\$1,600**

To cover various topics such as location data, demographics, retail opportunities.
- 9. Home Page Integration.** **\$2,600**

Update of Home page to integrate new graphic elements into new website currently under construction. Includes top banner and center graphics. Two home page and two revisions. Design submitted in psd format. Existing website artwork to be provided digitally from client. Flash for center front graphics included.

10. Trade Show Booth Design.	\$2,950
Integrate theme of new materials into trade show booth. Two 5' x 8' panels, front table panel, and header. Two designs submitted, two revisions. Submit hi resolution files to fabrication company, work with fabrication company to produce structure for trade show booth.	
11. Materials	\$985
Includes in-house materials, including color printouts. Delivery/transportation.	
12. Trade Publications Advertising.	\$2,550-\$2,750
Ads to focus on different business sectors of the Town, such as retail, industrial, and residential activity. Two concepts each, two revisions. Either three trade advertisements for local publications or one large trade ad with two additional 1/4 page ads with same theme.	
13. Printing	\$6,670-\$7,595
Design Production Subtotal Not-To-Exceed:	\$38,150

II. ADDITIONAL BILLABLE ITEMS

Additional work may be required on an as-needed basis and will be billable on a time and materials basis.

14. Workforce Study and Target Market Analysis	\$TBD
Additional work may be requested by the Town as a result of newly released data and demographic reports and a workforce study to be completed and released by Victor Valley Economic Development Authority in fall of 2008. The results of a subsequent target market analysis anticipated to be undertaken by VVEDA may generate the need for focused marketing materials intended to attract one or more industries or cluster of industries.	
13. Internet Advertising and Email Blasts	\$TBD
Banner ads on key websites where audiences will frequent, Search Engine Optimization services, and email marketing components	
15. Additional Trade Shows Materials	\$TBD
Additional work may be requested by the Town as a result of additional attendance and marketing efforts at trade shows, regional events, and similar activities that would require the creation of more focused marketing pieces to target particular audiences.	
Additional Billable Items Subtotal Not-To-Exceed:	\$6,850

TOTAL BUDGET

I.	Design Production Subtotal Not-To-Exceed:	\$38,150
II.	Additional Billable Items Not-To-Exceed:	\$6,850
TOTAL NOT-TO-EXCEED BUDGET		\$45,000

Exhibit B

INSURANCE REQUIREMENTS FOR CONSULTANTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CO 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1187) covering Automobile liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability.
4. Errors and omissions liability insurance appropriate to the consultant's profession.

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Errors and omissions liability: \$1,000,000 per occurrence and \$2,000,000 annual aggregate.

C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Town. Except with respect to professional liability coverage, at the option of the Town, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Town, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Town, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Town, its officers, officials, employees or volunteers.

2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Town, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Town, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Town, its officers, officials, employees or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail return receipt requested, has been given to the Town.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the Town.

F. Verification of Coverage

Consultant shall furnish the Town with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the Town. All endorsements are to be received and approved by the Town before work commences. As an alternative to the Town's forms, the Consultant's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications, or endorsement/certificates approved by the Town.