

Exhibit A

FIRST AMENDMENT TO AGREEMENT
Contract No. 21844
City of Duluth
Out There Advertising, Inc.

This FIRST AMENDMENT TO AGREEMENT, effective as of the date of attestation thereto by the City Clerk, between the City of Duluth, a municipal corporation created and existing under the laws of the State of Minnesota, hereinafter referred to as "City", and Out There Advertising, Inc., a Minnesota corporation located at 22 East 2nd Street, Duluth, Minnesota 55802, hereinafter referred to as "Agency" for the purposes of rendering services to the City.

WHEREAS, on March 29, 2013, City and Agency entered into an Agreement bearing City of Duluth Contract No. 21844 for public awareness services for the City's Public Works and Utilities Department (the "Services"), and

WHEREAS, the parties thereto are desirous of amending the Agreement as hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties hereto hereby agree as follows:

1. That Exhibit B referenced in Section I of the Agreement be amended by adding thereto Exhibit B-1, a copy of which is attached to this Amendment and made a part of the Agreement as amended.
2. That Paragraph 2 be amended to state a maximum annual fee of Fifty-One Thousand Six Hundred Dollars (\$51,600) for the term of the amendment; and a total contract amount not to exceed Three-hundred and Forty Thousand Dollars (\$340,000).
3. That Paragraph 3.a. be amended to extend the termination date of the Agreement until December 31, 2016, unless terminated earlier as provided for in the Agreement.
4. In all other respects the Agreement, together with all of its terms, covenants and conditions, is hereby confirmed in its entirety.

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IN WITNESS WHEREOF, the parties have hereunto set their hands as of the effective date thereof.

CITY OF DULUTH

By: _____
Mayor

Attest:

By: _____
City Clerk

Date:_____

Countersigned:

City Auditor

Approved as to form:

City Attorney

Purchasing Agent

OUT THERE ADVERTISING, INC.

By: _____
Its: _____
Title of Representative

Date:_____

Exhibit A

EXHIBIT B-1

**City of Duluth
Department of Public Works and Utilities
ComfortSystems
November 13, 2015**

Exhibit A

Agency: Out There Advertising, Inc.
Address: 22 East Second Street
Duluth, MN 55802
Telephone: 218-720-6002
Fax: 218-720-5828
E-mail: kkeuning@outthereadvertising.com
Contact: Kimberly C. Keuning, President

A. Agency Ownership and Key Employees

(a) When was your agency founded?

March, 1997.

(b) Who owns your agency?

Out There Advertising, Inc. is an S-Corporation owned by the agency's president.

(c) Who controls the management of your agency?

The president and creative director collaborate on management decisions.

(d) Please identify the most important executives in your agency, and provide a short one-paragraph description of each of their careers. What do they do now in your agency?



Kimberly Carlson Keuning, president/director of account services

Upon graduating from Vassar College in Poughkeepsie, NY, Kim set out for a summer of fun in sunny Southern California. That summer lasted 18 years. And, as it turned out, it was all work—in some of the largest agencies and companies in Los Angeles.

Exhibit A

Kim quickly found herself in the middle of the Western Airlines account at BBDO as an Account Coordinator. Rising through the ranks to Account Supervisor, Kim was asked by the client to follow the account when it went over to McCann-Erickson.

At McCann-Erickson, Kim also directed the marketing efforts for Winchell's Donuts and Century 21. Kim's "attention to detail" experience proved invaluable for these clients. Since both were multi-location accounts, it was important for Kim and her group to not only strategize the overall brand image, but also motivate franchisees and dealers to sell the product.

After nearly 10 years at McCann, Kim was recruited to J. Walter Thompson to help brand two other multi-location accounts, Pavilions Grocery Stores and Baskin Robbins 31 Flavors. National food accounts, however, were not to be long in Kim's future. In fact, hammers and screwdrivers are where Kim sought to build her career. She jumped over to the client side as Director of Advertising for HomeBase — a national home improvement chain. There, Kim directed an \$18 million television budget and orchestrated the services of four advertising agencies.

Eventually, Kim and her family moved back to where she grew up, so that her children could have the same experience she had as a child. After a stay at KDLH TV 3 as Marketing Director, Kim started Out There Advertising. Now, she puts her vast experience to work for a variety of local, regional and national accounts that desire what has become quite common with the clients she serves—growth.



Exhibit A

John Pieter Keuning, creative director

After a few years knocking around in jobs that required nametags, John decided to leave the glamour of the grocery business and follow his passion. He could always draw, and so, was accepted into the prestigious Art Center College of Design in Pasadena, CA. After graduating with a BFA, John joined McCann-Erickson and was responsible for the art direction on a number of accounts, including Lockheed, Coca-Cola and Hilton Hotels.

Some years later, when J. Walter Thompson offered John a shot at being a boss, he took it. During his tenure as Vice-President/Associate Creative Director, John's high-profile work for diverse clients such as Bally's Health Clubs, Mexicana Airlines, Baskin-Robbins 31 Flavors and Allied Signal turned heads – earning him a Cleo Award in a broadcast category (to keep previously earned Belding Awards company).

After five years at JWT, John headed to Thompson Specialized Advertising to become Senior VP/National Creative Director. Supervising a staff of 70+ creative and production personnel, John was responsible for all of the creative work produced by the agency for clients such as US Sprint, General Motors Corp, IBM and Federal Express.

Eventually, John took the leap and began a thriving creative partnership and named it BW&K. Central to the partner's philosophy of producing distinctive, effective creative was to develop a "voice" for every client, and maintain that personality driven voice to build the brand. This philosophy continues to help the clients of Out There Advertising, where John currently serves as Creative Director and master of the coffee machine.



Darlene Olby, media director

Exhibit A

Gaining invaluable, on-the-job training in the media and advertising world since 1978, Darlene has consistently built her career on past employment opportunities and frontline experience.

Starting out as a media department secretary at a large ad agency in Minneapolis, Darlene enjoyed her position but wanted a challenge. So, she moved up to the company's TV buying service and found her calling. This led to a communications specialist position at Piper Jaffray. After a successful career in the Twin Cities, an eventual move to Duluth brought her to Out There Advertising.

Her experience at Campbell-Mithun-Esty, Cash Plus and US Bancorp Piper Jaffray has made her the perfect person to represent OTA as our Media Director for more than fourteen years.



Andy Schwantes, account executive

Andy knows a thing or two about leadership and teamwork. After all, he was a member of Saints baseball team while also double majoring in Marketing and Management at The College of St. Scholastica. Now a graduate and (semi-) retired baseball player, Andy is maximizing his skills for each of his client's accounts.

As an account executive, Andy is the main point-of-contact for a variety of the agency's clients. He is responsible for overseeing projects to ensure they are completed on time and to each client's specifications, as well as yearly marketing and advertising planning. Andy is also the point person on all things digital media. From developing digital strategies and content calendars to creating, targeting and distributing content for many of the agency's clients – Andy has his finger on the pulse of the digital realm.

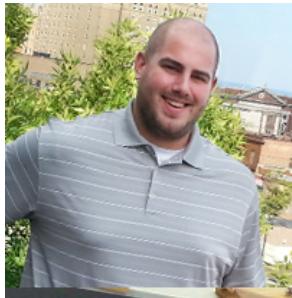
Exhibit A



Tyler Johnson, art director

Tyler's artistic skills began to emerge as a young tyke sketching comic books on his drawing table. In his free time, he also used to create sports logos and became quite popular after winning a Trampled by Turtles t-shirt contest.

Hired right out of college as Director of Graphic Design & Operations at the Duluth Art Institute, Tyler's talent was soon recognized in the creative industry. Showing up on our radar, he was shamelessly plucked from his old job into a full-time position at Out There Advertising where he is now responsible for the development of a wide range of visual creative concepts including brand identity, advertising and digital strategies.



Dan Litman, art director

Building on his affinity for design, natural ability and passion for drawing, Dan attended Mesabi Range Technical College where he graduated with a degree in Graphic Design and Print Communications. After freelancing for a spell, Dan's hard work, keen knowledge of visual

Exhibit A

concepts and superb skill for creating graphics quickly landed him a full-time position with Out There Advertising, where he is now an invaluable asset to the agency's creative department.



Kari Becken, copywriter

After earning a B.A. in Criminal Justice and Multicultural Studies, Kari has used her education to develop her natural insight into people. Her career path has taken many roads less traveled, all playing a pivotal role in preparing her for the world of marketing and communication. The variety of experience gained from working with at-risk youth, terminally ill elders, the public education system, law enforcement and accounting in the Twin Ports area has equipped her with excellent discernment and understanding of needs, the ability to connect the dots between goals and outcomes and to naturally relate to people from all walks of life. Her ability to put ideas and concepts into articulate, inspiring words has made her a great fit here at Out There Advertising.

(e) Is there anything else you would like to tell us about the ownership of your agency or its key employees?

We all love what we do. We take the extra steps needed to push ourselves individually and to work as a cohesive team to set the highest standard for the level of service the agency provides its clients. We strive to stay on top of current trends in marketing, including digital and social media, to make sure our clients' communications are reaching their target audience(s) effectively and efficiently.

B. Agency Organization and Service

Exhibit A

(a) Provide a functional organization chart.

See Attachment A.

(b) How many full time staff including owners and executives does your agency have?

The agency employs nine full-time staff members.

(c) Please describe how your agency provides service to a typical client. Is it possible to provide a functional account organization chart indicating contact points between agency and client?

We believe client involvement and input into the advertising development process is important in ensuring the end product is strategically sound and on-target. For that reason, we garner the input of our clients throughout the entire marketing and creative development process.

The primary point of contact is the President/Director of Account Services along with the Account Executive assigned to that business. However, our clients regularly meet with the creative or media people working on their accounts to ensure open communication.

(d) Is your organization a full-service agency? What services does your agency provide? What services does your agency rely on individuals or firms outside of it to perform?

Out There Advertising is a full-service agency. In-house services include Account Administration, Media/Vendor Strategy and Supervision, Media Purchasing, Client Consultation, Project Management, Art Direction and Creative Direction, Design and Layout, Copywriting, Public Relations, Digital/Social Media and Website Design/Development. The agency also provides Illustration and Photography in many instances. And, through our relationship with DataCom/OTA, a separate company with some ownership crossover, we offer Video/Commercial Production Services and Website Development. Depending on client needs, we also contract with outside sources for Illustration and Photography.

Exhibit A

We contract with outside sources for printing and larger research projects.

(e) Please describe the function of your account management. How does it interact with a typical client? What are its specific responsibilities within the agency?

Each account functions a little differently, depending upon the requirements of that particular business' needs. However, the primary role of account management remains the same across all accounts – it is the responsibility of account management to first and foremost, listen to the client's needs, then to formulate effective marketing and advertising objectives, and communicate those objectives to the creative and media departments to execute the strategies.

Additionally, account management has responsibility for clients' budgets, for obtaining client approvals on all work produced by the agency, and for establishing and meeting all project deadlines.

We schedule regular meetings with our clients to review status reports, present work and get input into new projects. The frequency of these meetings depends upon the workflow of the client, but is generally weekly or monthly. In addition, account management has frequent contact with the clients regarding the day-to-day workflow and approvals.

(f) Please describe your creative department. How would you characterize its strengths? To what extent and under what circumstances are representatives of the creative department in direct contact with your clients?

Our creative product is based on understanding the unique brand position of our clients and what that means to their target audiences. We put ourselves in the shoes of the consumer and ask ourselves, "What does it mean to me?" That helps us to identify the response we want, and the creative is the stimulus designed to garner that particular response.

Additionally, we are careful in how we manage the overall look and feel of creative campaigns. The more creative product is similar across a client's various product lines, the more easily recognizable it is, resulting in more effective and more efficient campaigns.

Exhibit A

The creative team that works on a particular account, as well as the creative director, is available to any client at any time.

(g) Please describe your media department. How would you characterize its strengths? To what extent and under what circumstances are representatives of your media department in direct contact with your clients?

Our media department is responsible for strategic media planning and buying. A particular strength of our media department is its combination of national experience and exceptional local media relations. We approach the media planning and buying process as if we are investing, not just spending, our clients' budgets. And, we follow up to determine what the return on that investment has been.

Media planning, placement and reconciliation are key parts of an overall advertising plan, and media placement is generally the largest portion of any advertising budget. As such, we take our clients' media investments very seriously.

Out There Advertising develops an annual media plan/budget for client review and approval. As subscribers of Rentrak and Nielsen, we are able to provide our broadcast clients with accurate and current television and radio station ratings and rankings. Our media department works to obtain the best possible rates, coordinates the timely delivery of the appropriate advertising materials, follows up to make sure that all advertising ran as ordered, and reconciles media billing against the orders. We secure make-goods, refunds or no-charge ads for any ads not reproduced correctly or run by the media as scheduled.

The media department is available as needed to meet with clients. We have one account that has quarterly planning meetings and one annual meeting that our media director attends. We have another where the contact is infrequent at only twice a year. The amount of contact is determined by the needs/wishes of each client.

(h) Please describe your research department. How would you characterize its strengths? To what extent and under what circumstances are representatives of your research department in direct contact with your clients?

Exhibit A

We do not have an internal research department. However, we regularly field simple research via e-mail and online resources for our clients. These surveys can generally be fielded quickly, at low cost with a shorter time to completion and published results. For larger research projects, our general practice is to obtain project bids from independent research companies. We maintain a lengthy list of research suppliers with which we have worked throughout our careers.

(i) What capabilities does your agency have in direct marketing, web site development, launching new services, media placement, and the formulation of marketing strategies?

As a full-service agency, Out There Advertising has extensive experience in direct marketing (direct mail, mass e-mail and e-newsletters, point-of-purchase, etc.), website development, launching new services (including the launch of a new concept in casual dining), media placement (see question g) and the formulation of marketing strategies. Our Account Executives have taken on specialist roles in public relations and digital/social media and regularly collaborate with all the agency's clients. Regarding the formulating of marketing strategies, the agency employs a Planning Cycle and Creative Work Plan process for each client, comprised of the most effective strategic planning elements gleaned from the principals' backgrounds with large, national agencies and 18+ years working in our local markets.

(j) When your agency is awarded a new account, does it typically staff it from within, or do you also augment internal staffing with professional people newly hired from outside the agency?

Because Out There Advertising, Inc. is a growing company, we do not have a "typical" scenario regarding staffing requirements for new accounts. It is our desire to staff from within; however the requirements of new clients do not always allow us to do so. We consider the needs of each of our clients and then determine a staffing strategy.

Because Out There Advertising has been working with ComfortSystems since 2010, the account, media and creative staff would remain in place.

(k) Which staff members would handle our accounts?

Exhibit A

Andy Schwantes will continue to be the main point-of-contact and responsible for account service and project management for ComfortSystems – a role that he has performed for the past two years.

John Keuning, as creative director, would work with a creative team (Art Director/ Copywriter team), to develop the overall voice and creative platform for ComfortSystems. The creative team assigned to your business would remain the same and they will execute the day-to-day creative work.

Darlene Olby will continue as the Media Planner and Buyer.

(l) Would any tasks or activities for Public Works and Utilities be subcontracted to individuals or companies outside the agency? If so which ones, and who would do the work?

Depending upon the scope of various projects, the agency may contract with outside research firms, photographers, printers, illustrators, web programmers, or broadcast production houses. The agency maintains contacts and working relationships with a variety of reputable, quality vendors. For outside services such as printing, the agency regularly requests competing bids from vendors whom we have researched and trust to complete the work to our and our clients' satisfaction. In all cases, Out There Advertising closely supervises any services for which we may contract on behalf of our clients.

(m) Is there anything else you would like to tell us about your agency's organization and how it serves its clients?

The agency's president has been in key management positions on both the agency and client sides and is able to bring both perspectives to the table in terms of account service. Our creative director has been a partner in a successful three-person creative boutique as well as a national creative director overseeing 70 people. You will continue to benefit directly from this experience because our philosophy ensures their direct input into marketing plans and creative product.

Exhibit A

It is also important for you to know that we conduct internal status meetings on a weekly basis in which we review all the work in progress for our clients.

C. Top Management Participation in Account Service

(a) How does the owner or chief executive officer maintain contact with your clients?

The owner is also the president and director of account services. She regularly attends strategic planning meetings and also has previous experience working as the main point-of-contact on the ComfortSystems account.

(b) Does the owner or chief executive officer participate directly in the professional conduct of any client advertising programs? Would you mind telling us which ones these are?

All accounts receive the participation of the agency's president. Specific accounts that the president is responsible for overseeing as the main point-of-contact include Orthopaedic Associates of Duluth, Big Sandy Lodge & Resort, Minnesota National Golf Course, Northland Foundation, Lakewalk Surgery Center, The College of St. Scholastica and Vision Pro Optical.

(c) Who (by title) is the senior agency executive responsible for the professional conduct of other agency accounts?

See above.

4. Is there anything else you would like to tell us about the participation of your top management in account service?

Our agency structure and commitment to account service dictates hands-on involvement by the creative director and the president.

D. Account Gain and Loss History

Exhibit A

(a) What accounts has your agency lost in the past two years?

None

(b) If you have lost accounts within the past two years, would you care to comment on why they were lost?

N/A

(c) What accounts has your agency gained in the past two years?

Beaver Air Tours

Big Sandy Lodge & Resort and Minnesota National Golf Course

Empire Roofing

United Piping

Accounts we have had for longer than two years:

Arrowhead Chorale

Advanced Design Awning & Signs

Ascential Wealth Advisors

Belanger, Inc.

Carstenson Energy

Clyde Iron Works Restaurant and Bar

The College of St. Scholastica

ComfortSystems

Duluth Downtown Waterfront District/Greater Downtown Council

Escape Enterprises (Steak Escape, Johnny Buccelli's)

Johnson Insurance Consultants

Johnson Supply Company

LaCourse & Envall

Lakewalk Surgery Center

Lindquist & Company

Marine Tech

Exhibit A

Miller Hill Dental
Mount Royal Pines III Assisted Living
Northland Foundation
Northland Village Assisted Living
Orthopaedic Associates of Duluth
Pier B
Sammy's Pizza
Taco John's
Twin Ports Paper & Supply Company
Vision Pro Optical
Western Lake Superior Sanitary District
Woodland Hills

(d) If you have gained accounts within the past two years, would you care to comment on why your agency was chosen to service these new accounts?

Most all of our new business has come to us as referrals from our other clients or from media representatives, or from our clients themselves. The reason most often cited is the quality and caliber of our creative product.

(e) Please provide a list of your accounts as of July 1, 2015.

See above plus United Piping, Inc.

(f) Would you give us a list of accounts as of July 1, 2009.

Arrowhead Builders Association
Chester Creek Technologies
The College of St. Scholastica
Contract Tile & Carpet
Cuzzo & Envall (now LaCourse & Envall)
John Marxhausen Jewelers (retired)
Mount Royal Pines III Assisted Living
Escape Enterprises (Steak Escape and Johnny Buccelli's)

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Lake View Hospital
Johnson Insurance Consultants
Lindquist & Company
Lakewalk Surgery Center
Northland Foundation
Northland Village Assisted Living
Northland Plastic Surgery
Orthopaedic Associates of Duluth
Park State Bank
St. Luke's Foundation
Sammy's Pizza
Taco John's
Twin Ports Paper & Supply Company
Ventera Energy
Western Lake Superior Sanitary District
Woodland Hills

(g) Does your agency handle any accounts for a competitor that directly competes for energy customers of Duluth Public Works and Utilities? If so please provide a list of those clients. What is the nature of those accounts and what services do you provide?

The agency does not handle any competitor accounts.

(h) Is there anything else you would like to tell us about your account gain and loss history?

While some degree of account turnover is inherent to our industry, the agency has experienced consistent, controlled growth over the years. We are proud of the long-standing nature of many of our client relationships.

E. Agency Financial Standing and Policies

(a) How would you characterize your balance sheet?

Exhibit A

We consistently have a modest net profit, and our billings reflect a healthy increase each year, allowing the agency to grow its staff and add resources to benefit our clients.

(b) How do you usually charge your clients for your services? Please include an explanation of your compensation philosophy, a schedule of hourly rates, your mark-up structure and fee/commission structures.

We prepare an advertising budget for each client specifying how their budget will be spent. Within that budget, the agency charges for management time and creative/production hours provided. We do not charge our clients for media planning and placement hours -- we consider the earned media commissions as payment for those services.

We charge between \$75 and \$115 per hour for all professional time (photography and illustration are \$150), depending on the task. Out There Advertising will extend the same hourly fees to ComfortSystems as we have had since 2010 with no increases.

(c) Do you have an internal time-cost accounting system? If you do, when was it put in place? If you do what has been your experience with the system?

We have used a cost accounting system since January, 2000. We employ a computerized time accounting program that not only tracks employees' time by client, project and task, but also offers the ability to compare actual hours to-date against a project estimate. Detailed reports of employee time can be provided to clients should it be necessary.

(d) If you would like to tell us, we would like to know approximately what proportion of agency internal time is charged against client accounts and what proportion is charged against general management, general overhead, and/or unallocated direct salary expense.

The split is approximately 80/20.

Exhibit A

(e) We would be interested in any comments that you wish to make about your credit rating, your media payment policies, whether you consistently earn cash discounts, etc.

Out There Advertising believes strongly in paying all our bills. We have a policy of paying for any media or services purchased on behalf of our clients before anything else.

We earn cash discounts rarely because cash discounts are rarely offered.

(f) About how many days on average do client media bills remain outstanding after the media invoice is issued? 30 days, 60 days, 90 days, over 90 days?

30 days. Client invoice terms are net 15 days so that the agency can, in turn, pay clients' media bills in a timely manner.

(g) What was the approximate value of all media purchased for clients in 2014? Please provide a breakdown by the type of media purchased for in 2014 (e.g. TV 20%, Print 30%, Radio 30%, Bill Boards 10%, Special Events 10%, etc.).

Media billings in 2014 were just under \$1 million. Newspaper and magazine – 25%, television – 45%, outdoor – 10%, radio – 15%, digital - 5%.

(h) Is there anything else you would like to tell us about your agency's financial standing and policies?

Out There Advertising owns its own office building, has little debt, shows consistent growth and utilizes the services and advice of a CPA with a prominent accounting firm in Duluth to make sure that we continue to do so.

F. Agency Views about Effective Advertising

(a) How would you describe effective advertising?

Effective advertising first and foremost builds clients' brand personalities. It must also help clients' businesses meet their stated objectives.

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(b) Does your agency have any specific philosophy or practices that you believe consistently produce effective advertising?

Out There Advertising approaches each client's marketing situation with a proven methodology designed to create advertising that speaks to the consumer in a voice to which they can relate. And, we believe that all communications must be presented in that voice. It will instill in the target's mind the belief that what you have to offer is right for them, so when it is time for them to make their purchase decision, your advertising will have placed you at the top of their "short list."

We utilize a Planning Cycle that requires answers in five informational areas. Generally speaking, we run through the cycle before proceeding with the marketing/advertising plans because, when complete, it offers us a blueprint to follow:

- Where Are We?
- Why Are We There?
- Where Could We Be?
- How Do We Get There?
- Are We Getting There?

The Planning Cycle is the foundation of all our marketing recommendations, because not only does it paint a picture of where an advertiser is within the realm of competition, but it provides a profile of the consumer and forces us to think as that consumer would think. Additionally, the Planning Cycle is exactly that -- a cycle that is never ending, requiring continuous analysis of the market, the competition, the consumer, the marketing, the advertising and the media plans.

It is always most beneficial that agency and client sit down together to initially complete the Planning Cycle, and to determine the measurements for answering the final, "Are We Getting There?" section.

Once the Planning Cycle has been completed, the information learned is utilized to help us create a "road map" for the creative product. The Creative Work Plan is the process that keeps us on track as we develop the umbrella message and specific creative pieces: It ensures

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that the advertising is consistent in all executions and that it speaks in a distinctive voice that motivates the target audience to the desired response.

(c) Does your agency follow any procedures to maintain the effectiveness of the advertising you produce on an account-by-account basis?

We begin with the Planning Cycle. The frequency with which the Planning Cycle should be completed is dependent on the business – for clients with short purchase cycles, reviews are much more frequent than for those whose buying cycles extend over years.

(d) Is there anything else you would like to tell us about your agency's views about effective public information communications and how it might best be obtained?

We have developed a public relations planning document, based on principles of the Public Relations Society of America, to aid in guiding our public and media information efforts.

G. Agency Experience

(a) In general, how would you characterize the experience of your agency? With what kinds of accounts do you believe yourself to have special strength?

Out There Advertising has the unique ability to combine experience on large national and international accounts with the experience gained working on accounts with more modest budgets. We believe strongly that advertising must be both distinctive and effective – in fact, that those attributes work hand-in-hand to strengthen each other.

We are most successful with clients who are looking to build their brand with sound strategies and smart executions. And, we focus on being a detail-oriented shop in order to execute even the most complicated projects smoothly, on time and within budget.

(b) What agency experience, if any, is directly related to the products or services which we are now searching for an agency?

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We have been providing the marketing and advertising services for ComfortSystems for the last five years. Additionally, our creative director has worked on the Southern California Gas Co. and the Minnesota Power/Allele accounts.

(c) What other agency experience, though not directly relevant, do you believe might provide useful background if you were to be awarded the public awareness agency account for ComfortSystems?

We have several current and former clients who market different services and products simultaneously to different target groups.

We help clients operating in highly competitive industries – such as the restaurant business – to successfully distinguish themselves in a crowded marketplace and grow market share.

A video completed to assist the Duluth Police Department make a case for a new facility was well-received by the public, and played a role in influencing attitudes about the existing facility and the true need for a new one. The new facility was built with exceptional public acceptance.

(d) What advantage would your firm provide to Public Works & Utilities versus other firms?

ComfortSystems would benefit from:

- Continuity of experience and understanding of the needs of ComfortSystems in terms of marketing and advertising. As we have been providing the advertising services, we are up-to-speed on what needs to be done, the deadlines and the budget. Additionally, the selection of a new advertising agency can sometimes mean additional costs for new creative. We are able to provide an outstanding creative product with no additional “start-up” costs.
- A creative product with a distinctive look and feel that would be executed in an effective, strategically based manner within your budget parameters. Work for our clients has

Exhibit A

won a disproportionate share of creative awards, even when competing against bigger agencies whose work was afforded larger budgets.

- Vast experience with successfully utilizing both traditional and new media. We do it all – e-mail marketing, direct mail, websites, social media, public relations, point-of-purchase, specialties, promotions planning, broadcast, collateral, print, trade show displays, etc.
- Big-agency, national-account experience coupled with small-town responsiveness.
- A disciplined approach to annual planning and monitoring budgets.

(e) Does your agency or individuals in it have any experience in developing public awareness strategy and tactics for firms in recently deregulated industries such as trucking, banking, airline, telephone, or energy? If so, please describe the nature of that experience.

The director of account services was closely involved with Western Airlines during the days of deregulation and is very familiar with the flexibility required as new ways of doing business become available to clients.

(f) Is there anything else about your agency experience that you believe would be helpful for us to know?

In a time where the advertising industry has seen a dramatic shift in advertising spend with the emergence of digital media, it's important to know that our team has the experience and know-how to successfully navigate the digital realm – developing and executing effective digital and social media campaigns.

We work with our clients to identify specific target audiences for the different content they have to offer, then, in turn use advanced digital and social targeting including demographic (age, gender, income, etc.), geographic, and behavioral characteristics in order to reach the right people with the right message at the right time.

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We take an integrated approach to digital strategies, making sure that messaging and media is cohesive, on brand, and works effectively in conjunction with other forms of media being used in the annual plan.

H. References

(a) If you would not object to us talking with some of your current clients about the effectiveness of your creative product ad the excellence of your account service, please list three or four of your current clients whom we might contact.

Ken Smith, CEO
Escape Enterprises, Inc.
ksmith@steakescape.com
614-224-0300

Alex Giuliani
Pier B Resort and Clyde Iron Works Restaurant & Bar
alessandrog@clydeparkduluth.com
218-723-4040

Jeanine Dahl
Northland Foundation and Northland Village Assisted Living
Jeanine@northlandfdn.org
218-723-4040

(b) If you would not object to us talking with some of the media organizations you buy media from to publicize clients' messages about their experience scheduling messages and your payment history, please list whom we might contact.

Deb Messer, Sales Manager
WDIO/WIRT
10 Observation Road
Duluth, MN 55811
279-7720

Matt Harrold, Sales Manager

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Lamar Advertising Company – Duluth
P.O. Box 16030
Duluth, MN 55816
628-2301

Marty Meldahl, Sales Manager
Redrock Radio
501 S Lake Ave # 200
Duluth, MN 55802
728-9500

Out There Advertising, Inc. Advertising Services Rate Schedule

Client Consultation/Contact	\$115/hr.
Project Coordination	\$ 75/hr.
Creative/Design Services	\$100/hr.
Copywriting	\$100/hr.
Proofing/Editing	\$ 75/hr.
Web Development	\$ 60/hr.
Illustration	\$150/hr.
Media Planning/Buying	15% commission on buys placed

Project Expensing

ComfortSystems will have both an annual media plan and an annual creative/production budget that will break out spending by category including media, advertising materials creative, brochures and billing inserts creative and printing, public affairs sponsorships and display materials.

Along with the media plan, ComfortSystems will receive a monthly billing breakout that indicates in which month each media insertion will be billed. That allows you, as well as Out There Advertising, to easily track the media billing for accuracy.

Exhibit A

Media invoices will be sent to ComfortSystems on approximately the 10th of the month following the media placement. Example: All media that would run in January 2016 would be billed on approximately February 10, with a 15 day due date. This allows us to receive and review the invoices from the media to insure their accuracy, and then to bill you and still have time to pay the media by the due date. We scan and send all vendor media invoices to you for your records.

Creative and printing invoices are also billed on the 10th of the month, and will include all agency hours allocated against ComfortSystems in the prior month. Example: If we design a billing insert in the month of January, and it is shipped out at the end of January for insertion in February ComfortSystems bills, we will bill those hours against that specific job on approximately February 10. If the invoice from the printer is not received in time to be included on that invoice, we will bill it as soon as it is received.

Finally, you will receive a Budget/Billing Summary Comparison each month once invoices are generated and sent.