

City of Santa Fe, New Mexico

memo

Date: December 9, 2014

To: Finance Committee

From: Jon Bulthuis, Transportation Department Director 

Re: Request for approval to amend Templeton Marketing PSA

ITEM

Santa Fe Trails has a PSA with Templeton Marketing which details the advertising program for the sale of ads on the exterior of the SF Trails buses and Santa Fe Pick Up shuttles.

At the request of Councilor Lindell, staff is recommending that all advertisements on the Santa Fe Pick Up shuttles end effective March 31, 2015. The amendment reflects the amount of revenue expected for the remainder of the PSA for both Santa Fe Pick Up and Santa Fe Trails.

As Santa Fe Trails replaces some of its fleet with new buses, the "spare ratio" will decrease reducing the number of buses available for Templeton Marketing to use for advertising which also decreases anticipated revenues from this program.

The business unit and line item for Templeton revenues is 51400.471900.

ACTION REQUESTED

Approval of the amendment

ATTACHMENT

Copy of PSA for Templeton Marketing and copy of amendment #1 for Templeton Marketing PSA



City of Santa Fe Summary of Contracts, Agreements, & Amendments

Section to be completed by department for each contract or contract amendment

1 **FOR:** ORIGINAL CONTRACT or CONTRACT AMENDMENT

2 Name of Contractor Templeton Marketing

3 Complete information requested Plus GRT
 Inclusive of GRT

Original Contract Amount: yr 2 \$ 169,000.00
yr 3 \$ 165,000.00
yr 4 \$ 166,000.00

Termination Date: June 30, 2017

Approved by Council Date: May 1, 2013

or by City Manager Date: _____

Contract is for: Transit Division advertising on buses

Amendment # 1 to the Original Contract# 13-0344

Increase/~~Decrease~~ Amount \$ yr 2 = (23,000.00) yr 3 = (31,000.00) yr 4 (32,000.00)

Extend Termination Date to: remains the same 6/30/17

Approved by Council Date: May 2013

or by City Manager Date: _____

Amendment is for: Transit Division advertising on buses

4 **History of Contract & Amendments:** (option: attach spreadsheet if multiple amendments) Plus GRT
 Inclusive of GRT

Amount \$ _____ of original Contract# _____ Termination Date: _____

Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Total of Original Contract plus all amendments: \$ _____



City of Santa Fe
Summary of Contracts, Agreements, & Amendments

5 Procurement Method of Original Contract: (complete one of the lines)

RFP# 13/11/P Date: November 8, 2012

RFQ [] Date:

Sole Source [] Date:

Other

6 Procurement History: Advertising contractor for buses since 2003
example: (First year of 4 year contract)

7 Funding Source: BU/Line Item: 51400.471900

8 Any out-of-the ordinary or unusual issues or concerns:
(Memo may be attached to explain detail.)

9 Staff Contact who completed this form: Lois Amador
Phone # 955-2010

10 Certificate of Insurance attached. (if original Contract) []

Submit to City Attorney for review/signature
Forward to Finance Director for review/signature
Return to originating Department for Committee(s) review or forward to City Manager for review
and approval (depending on dollar level).

To be recorded by City Clerk:

Contract #

Date of contract Executed (i.e., signed by all parties):

Note: If further information needs to be included, attach a separate memo.

Comments:

Large empty rectangular box for comments.

**ACTION SHEET
ITEM FROM THE
PUBLIC WORKS/CIP AND LAND USE COMMITTEE MEETING
OF
MONDAY, DECEMBER 8, 2014**

ITEM 13

REQUEST FOR APPROVAL OF AMENDMENT NO. 1 WITH TEMPLETON MARKETING FOR SANTA FE TRAILS AND SANTA FE PICK UP SHUTTLES (JON BULTHUIS)

PUBLIC WORKS COMMITTEE ACTION: Approved on consent

FUNDING SOURCE: 51400.471900

SPECIAL CONDITIONS / AMENDMENTS / STAFF FOLLOW UP:

VOTE	FOR	AGAINST	ABSTAIN
CHAIRPERSON TRUJILLO			
COUNCILOR BUSHEE	Not present		
COUNCILOR DIMAS	X		
COUNCILOR DOMINGUEZ	Excused		
COUNCILOR RIVERA	X		

City of Santa Fe, New Mexico

memo

Date: November 25, 2014

To: Public Works Committee

From: Jon Bulthuis, Transportation Department Director 

Re: Request for approval to amend Templeton Marketing PSA

ITEM

Santa Fe Trails has a PSA with Templeton Marketing which details the marketing program for ads on the exterior of the SF Trails buses and Santa Fe Pick Up shuttles.

The amendment will stop all advertisements on the Santa Fe Pick Up shuttles effective March 31, 2015 as well as amend the amount of revenue expected for the remainder of the PSA for both Santa Fe Pick Up and Santa Fe Trails.

As Santa Fe Trails replaces some of its fleet, the amount of buses for Templeton Marketing decreases. We have adjusted the amount of revenue to reflect the changes.

ACTION REQUESTED

Approval of the amendment

ATTACHMENT

Copy of PSA for Templeton Marketing and copy of amendment #1 for Templeton Marketing PSA

**CITY OF SANTA FE
AMENDMENT No. 1 TO
PROFESSIONAL SERVICES AGREEMENT**

AMENDMENT No. 1 (the "Amendment") to the CITY OF SANTA FE PROFESSIONAL SERVICES AGREEMENT, dated May 8, 2013 (the "Agreement"), between the City of Santa Fe (the "City") and Templeton Marketing Services (the "Contractor"). The date of this Amendment shall be the date when it is executed by the City and the Contractor whichever occurs last.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to provide an advertisement program for the City of Santa public transit system.

B. Pursuant to Article 19 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Contractor agree as follows:

1. COMPENSATION FROM CONTRACTOR:

Article 3 of the Agreement is amended to decrease the payments, so that Articles 2 and 3 reads as follows:

(2) **Years 2 (7/1/14-6/30/15), 3 (7/1/15-6/30/16), and 4 (7/1/16-6/30/17):**

\$134,000.00 annually with breakdown as follows:

- a. \$100,000.00 in the form of cash/check.
- b. \$30,000.00 in the form of Media Gift Card (trades). If entire Media Gift Card is not used, the unused amount shall roll up to \$10,000.00 per year back into the annual cash payment guarantee or can option unused \$10,000.00 toward

media trade in ensuing year.

c. \$4,000.00 Production Gift Card (trades)

(3) **Santa Fe Pick-up advertising ends on March 31, 2015.**

a. Year 1 (7/1/2013-6/30/2014), \$5,000 in the form of cash/check.

b. Year 2 (7/1/2014-6/30/15), \$7,000.00 in the form of cash/check.

(c) and (d) are removed.

3. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No. 1 to the City of Santa Fe Professional Services Agreement as of the dates set forth below.

CITY OF SANTA FE:

CONTRACTOR:
Templeton Marketing Services

JAVIER M. GONZALES, MAYOR

NAME & TITLE

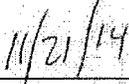
Date: _____

Date: _____

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:

KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:

TERESITA GARCIA, ASSISTANT FINANCE DIRECTOR
51400.471900
Business Unit/Line Item

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the "City") and Templeton Marketing Services (the "Contractor"). The date of this Agreement shall be the date when it is executed by the City and the Contractor, whichever occurs last.

1. SCOPE OF SERVICES

The Contractor shall provide the following services for the City to administer the Santa Fe public transit system advertisement program ("Program"):

A. **Program tasks:** The advertising Program shall consist of the design, sale, placement, management, installation, maintenance, removal of advertisement on the exterior/interior buses and existing benches and shelters for the City of Santa Fe Public Transit System, and collection of revenues and transmission of revenues to the City. All services necessary to conduct a revenue-producing advertising Program for the City of Santa Fe Public Transit System, shall be provided in a reputable manner to ensure the highest quality possible.

B. **Advertising media:** Durable advertising signs produced in a process subject to the approval by the City. Placement of commercial advertising on the City buses interior/exterior may be accomplished by means of bus displays and/or vinyl wraps and decals.

C. **Rates:** The Contractor agrees to charge advertisers in accordance with the rate cards negotiated and approved which includes up to fifteen percent (15%) discount for bargaining purposes. Exceptions for special, seasonal, and city department promotions will be handled on a case by case basis with prior written approval by the City

D. **Reserved rights to advertising space:** The City reserves exclusive rights to forty eight (48) inches of the interior panel space located immediately behind the driver on both sides and the exterior space on roof-mounted CNG tank covers. The City retains exclusive rights

to unsold interior and/or exterior space on all City buses, benches and shelters to be used by Santa Fe Trails to advertise events or promotions

E. Advertising contracts: The Contractor shall enter into contracts with advertisers in accordance with the terms of this Agreement. Within fifteen (15) days of signing a contract with an advertiser, the Contractor shall provide the City with a copy of signed contracts with advertisers (“Contracts”).

F. Payment Due: Revenues from the Contracts are due to the City within thirty (30) days following the end of the month in which the revenue activity occurred, (i.e., if activity is June 1st through June 30th, payment is due July 30th).

G. Restrictions on production: Advertisers are not required to use the production services of the selected Contractor for the production of advertising. The Contractor shall notify all advertisers that they are free to utilize the services of any company to produce their advertising as long as the City advertising standards, as specified in the City Advertising Policy, are met.

H. Contractor shall be responsible for all costs: The City shall not be obligated to pay any production or other costs incurred by the Contractor in the administration of the advertising Program.

I. Installation, maintenance and removal of advertising: The Contractor shall be responsible for all liability for installation, maintenance and removal of advertisements on all City buses, benches and shelters, and areas that are the subject of Contracts, and shall remove all ads within fifteen (15) working days after the ads have expired or have become obsolete.

J. Times of ad installation or removal: The Contractor shall be responsible for the installation and removal of interior and exterior ads on City buses, on a mutually agreed time, and on benches and shelters during daylight hours.

—

K. Workspace: The City shall provide a workspace of adequate size and make this workspace accessible to the Contractor for the sole purpose of installing, maintaining, or removing advertising media on the City buses.

L. No guarantee for particular routes: When soliciting Contracts, the Contractor shall notify the potential advertiser that the City does not guarantee the particular bus on which the advertiser's advertising appears will be used on any particular route or in any particular service.

M. Adherence to law and policies: The Contractor and advertiser shall comply with all applicable Federal, State, County and City ordinances and regulations regarding advertising and shall have this term in all Contracts.

N. No City endorsement: Advertisements that express an opinion or point of view are to contain in large, clear, and visible type the statement "No City Endorsement Implied." The City shall specify and approve the size, placement, and color of this statement prior to production of such advertisements.

O. Graffiti removal: The Contractor is responsible for removal of any graffiti tagged on advertising media installed on the City buses, shelters and benches. Graffiti removal must occur within ten (10) calendar days of discovery by the City or Contractor, whichever occurs first; however, a goal of seven calendar days or sooner is recommended. City staff will notify the Contractor of each occurrence. In addition, Contractor shall also inspect for graffiti bi-monthly and remove within the above stated time-frame. Failure to comply with this requirement may result in cancellation of this Agreement.

P. UV Protected: The Contractor shall be required to ensure that all advertising media installed on City buses, shelters, and benches withstand the sun without fading and maintain a professional appearance throughout the duration of their showing. If signs or decals become faded or unattractive the Contractor shall inform the advertiser to replace them.

Q. Art Shelters: No advertising is permitted on shelters commissioned and contracted by the City's Art Commission as "Art in Public Places" projects. These locations are as follows: Guadalupe and Cerrillos Road, Airport Road by McDonalds, Santa Fe Community College and Agua Fria and Kathryn. Concrete shelters on Cerrillos Road are not considered part of the "Art in Public Places" program; however, Contractor must communicate with the state Transportation Department to ascertain whether or not advertising at these bus stops would be acceptable. A shelter upgrade program, expected to be complete by the end of calendar year 2014, will result in all shelters and benches being classified as Art Shelters and advertising will no longer be allowed.

R. Project meetings: The Contractor shall meet with City representatives, community representatives and in regularly scheduled meetings on an as-needed basis. Contractor shall be available at reasonable times and intervals to plan work and review work in progress and fully coordinate all activities with staff. Contractor will obtain approval from the City before placing any advertising.

S. Public information: The City agrees to make available public information, in accordance with the Inspection of Public Records Act, which may include: background information, fleet roster, route timetables, ridership data and other pertinent information available.

T. Activity report: A report on the effectiveness of the advertisement sales efforts shall be submitted to the City on a monthly basis. The report shall include at a minimum the detail of sales calls, leads, ads placed, sales, payments, expenses, and other financial data.

U. Contract termination requirement: Following termination of Agreement, the Contractor shall leave the advertising space on interior/exterior of buses, benches and shelters in the same condition as it existed at the beginning of the Agreement, excepting reasonable wear and tear.

2. STANDARD OF PERFORMANCE; LICENSES

A. The Contractor represents that it possesses the experience, knowledge, and personnel necessary to perform the services described under this Agreement.

B. The Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

3. COMPENSATION FROM CONTRACTOR.

A. The Contractor agrees to make to the City the following minimum guaranteed annual payments outlined as follows in accordance with Exhibit "B", attached hereto, January 23, 2013 letter from Templeton to City:

(1) **Year 1 (7/1/2013-6/30/2014): \$155,000.00 with breakdown as follows:**

a. \$120,000.00 in the form of cash/check.

b. \$30,000.00 in the form of Media Gift Card (trades.) If entire Media Gift Card is not used, the unused amount shall roll up to \$10,000.00 per year back into the annual cash payment guarantee or can option unused \$10,000.00 toward media trade in ensuing year.

c. \$5,000.00 Production Gift Card (trades).

(2) **Years 2 (7/1/14-6/30/15), 3 (7/1/15-6/30/16), and 4 (7/1/16-6/30/17):**

\$150,000.000 annually with breakdown as follows:

a. \$110,000.00 in the form of cash/check.

b. \$35,000.00 in the form of Media Gift Card (trades). If entire Media Gift Card is not used, the unused amount shall roll up to \$10,000.00 per year back into the annual cash payment guarantee or can option unused \$10,000.00 toward media trade in ensuing year.

c. \$5,000.00 Production Gift Card (trades.)

(3) **Santa Fe Pick-up minimum payment guarantee schedule:**

a. Year 1 (7/1/2013-6/30/2014), \$5,000.00 in the form of cash/check.

b. Year 2 (7/1/2014-6/30/2015), \$14,000.00 in the form of cash/check.

c. Year 3 (7/1/2015-6/30/16), \$15,000.00 in the form of cash/check.

d. Year 4 (7/1/2016- 6/30/17), \$16,000.00 in the form of cash/check.

(4) **Fifty percent (50%) of Contract revenues received each year, whichever is greater. (Please see Exhibit "A". The Proposal submitted from Templeton Marketing Services, Inc. to the City of Santa Fe submitted in Response to RFP #13/11/P and incorporated herein by reference and made apart thereof.)**

B. The Contractor shall submit monthly reports detailing Contract revenues received, and shall submit monthly payments to the City for fifty percent (50%) of revenues received each month, or a payment equal to one-twelfth of the minimum guaranteed annual payment shown above, whichever is greater.

C. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the City and terminate on June 30, 2017, unless terminated sooner pursuant to Article 6 below.

6. TERMINATION

A. This Agreement may be terminated by the City upon 90 days written notice to the Contractor.

B. Contractor will have exclusive rights to bill the Advertiser for the remaining term of the advertising Contract between Contractor and the advertiser with a commitment to split 50% of any revenues with the City.

7. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. The Contractor, the advertisers, and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor, and its agents and employees, shall not accrue leave, retirement, insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors or advertisers retained by Contractor in the performance of the services under this Agreement.

C. The Contractor shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this Agreement.

8. CONFIDENTIALITY

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.

9. CONFLICT OF INTEREST

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

The Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written

consent of the City. The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the City.

11. RELEASE

The Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Contractor agrees not to purport to bind the City to any obligation not assumed herein by the City unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The Contractor shall furnish the City with a copy of a Certificate of Insurance or other evidence of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

B. Contractor shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Contractor's employees throughout the term of this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.

C. Contractor shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage the amount required under the New Mexico Tort Claims Act.

13. LIABILITY

The Contractor shall acknowledge full liability and responsibility for any claim for damages resulting from the services performed under this Agreement. The Contractor shall assume full liability and responsibility for any damages resulting to City buses, shelters and benches when bus wraps or pressure sensitive vinyl advertising is removed. Any damage repair or repainting to any City bus, shelter or bench caused by removing advertising is to be paid by the Contractor.

14. INDEMNIFICATION

The Contractor shall indemnify, hold harmless and defend the City from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's performance under this Agreement as well as the performance of Contractor's employees, agents, representatives and subcontractors.

15. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

16. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

17. RECORDS AND AUDIT

The Contractor shall maintain, throughout the term of this Agreement and for a period of three years thereafter, detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the City, the Department of Finance and Administration, and the State Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments.

18. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

19. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

20. SCOPE OF AGREEMENT

This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

21. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

22. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

23. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

CITY OF SANTA FE:
Transit Division
Attn: Jon Bulthuis
P.O. Box 909
Santa Fe, NM 87504

CONTRACTOR:
Templeton Marketing Services, Inc.
Attn: Don Templeton
6509 Mojave Ct. NW
Albuquerque, New Mexico 87120

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth below.

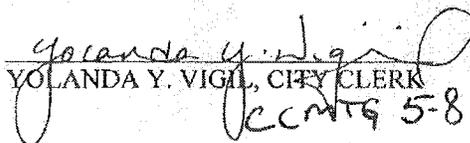
CITY OF SANTA FE:



DAVID COSS, MAYOR

DATE: 5/16/13

ATTEST:

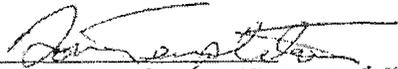


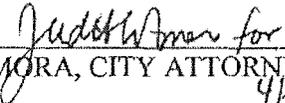
YOLANDA Y. VIGIL, CITY CLERK
REC'D 5-8-13

APPROVED AS TO FORM:

TEMPLETON MARKETING SERVICES

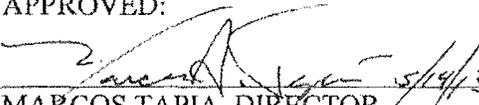
APPROVED AS TO FORM:

By: 
DON TEMPLETON, PRESIDENT 5-22-13


GENO ZAMORA, CITY ATTORNEY
4/23/13

CRS #02-221548-004
City of Santa Fe Business
Registration# 13-00040952

APPROVED:


MARCOS TAPIA, DIRECTOR 5/9/13
FINANCE DEPARTMENT



Santa Fe (505)-466-2448 fx(505)-899-2317
Toll Free 1-866-443-4373

January 23, 2013

Robert Rodarte
Purchasing Officer
City of Santa Fe

Robert,

The media trade amount, 135k over 4 years, and the production credits (20k) are essentially 'gift cards' for Santa Fe Trails to be used at their discretion. This is in addition to \$450k minimum cash guarantee. The 'gift cards' are at Templeton's expense of available inventory that would be used to accommodate media trade (ie with Santa Fe New Mexican or Hutton Broadcasting). That means fewer inventories for cash revenue, but overall this equates to a net increase of 105k in value for Santa Fe Trails compared to our original offer.

The media trade values also have the same value/bus as cash revenue/bus with equal corresponding sacrifice of bus inventory. And for production credit, instead of Santa Fe Trails having to pay for printing & installation of bus displays promoting 'Bike to Work Week', Templeton pays for it.

Templeton also wants to clarify that if the entire media gift card isn't used, thus allowing more inventory for cash advertising, we shall roll up to 10k per year back into the annual cash guarantee.

Table 1
Guaranteed Payments to Santa Fe Trails

	Minimum Payment Guarantee	Media Gift Card *	Production Gift Card	Total
Year 1	\$120,000	\$30,000	\$5,000	\$155,000
Year 2	\$110,000	\$35,000	\$5,000	\$150,000
Year 3	\$110,000	\$35,000	\$5,000	\$150,000
Year 4	\$110,000	\$35,000	\$5,000	\$150,000
Total	\$450,000	\$135,000	\$20,000	\$605,000

Thus, the changes from our initial proposal added a \$135k media gift card, a \$20k production gift card for a total of \$155k added value. We reduced the cash guarantee by \$50k because of less inventory being available on buses and the 3rd question in the BFO emphasizing that shelter and bench inventory will no longer be available. These changes resulted in a \$105k net increase in our offer (\$605k vs. \$500k).

* A maximum of \$10k per year of unused Media Gift Card funds shall be added to the cash payment guarantee. Or can option unused \$10k toward media trade in ensuing year.

Also Templeton has 7 years experience in media buying for the City of Albuquerque Transit Dept. in the 1990's, including the 'Clean Air Campaign,' 'State Fair Park & Ride', and 'Summer Fun Pass'. During that time, we won two local Addy awards for radio commercials and a first place National 'Adwheel' award in 1996 for the Clean Air Campaign, from the APTA (American Public Transit Association) for the best advertising campaign among all transit authorities in cities of similar size. We are willing to assist Santa Fe Trails with our expertise in negotiating the most beneficial deals for media trade.

Sincerely

Don Templeton
Templeton Marketing

Exhibit "B"

3: Ad placement on existing benches and shelters will continue to be allowed until such time that the existing street furniture is replaced with "art shelters" currently being designed. The initial roll-out and installation of the new equipment is planned to be completed by September 30, 2013 and will likely affect between 30-40 bus stop locations. Although no budget has been approved, as of this date, to initiate phase 2 of the project it is anticipated that all bench and shelter advertising will be eliminated prior to the end of the advertising contract term.

We have amended the minimum payment guarantee in response to question #3, but over-compensating via media trade on behalf of Santa Fe Trails, along with annual production credits.

4: The annual payment guarantee, separate and apart from the annual payment guarantee for bus, shelter and bench advertising, is requested specific to the Santa Fe Pick-up component.

Minimum Payment Guarantee for Santa Fe Pick-up*	
Year 1	\$5,000
Year 2	\$14,000
Year 3	\$15,000
Year 4	\$16,000
Total	\$50,000

*Contingent on all 3 sides of Santa Fe Pick-up units being available for advertising space.

Sincerely
Don Templeton
Templeton Marketing