



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Renewal of contract with 3M National Advertising Company
for City-leased Advertising Billboards

MEETING DATE: February 15, 1995

SUBMITTED BY: Assistant City Manager

RECOMMENDED ACTION: The City Council renew the contract with 3M National Advertising Company in the amount of \$1,034.57 per month for each billboard. This three-year contract for two billboards, one each on the north and south end of town on Highway 99, also contains an escalation factor of 6% per year.

BACKGROUND INFORMATION: For approximately the last fifteen years, the City has contracted for billboards advertising on Highway 99. The sign boards are now owned by 3M National Advertising, who appear to have a monopoly as we cannot find other signs along Highway 99.

The City received an offer to renew the contract which contained an 8% increase over the amount now being paid, \$976.01, with an annual escalation of 8%. I have been in contact with David Spencer, the account representative handling this contract, and have been able to reduce the increases to 6%. Mr. Spencer insist that this is below the market rate for the signs and they cannot reduce their cost anymore.

I vividly remember when we put up the first signs in the late 70's - there was an immediate increase in the City's Transit Occupancy Tax receipts. If we loose our signs I do not know when we can get another and what the location. I, therefore, am reluctant to recommend that we not renew the contract.

We do have funds budgeted for these signs. The additional cost for this fiscal year is \$675. We can absorb that amount in previously appropriated funds so I am not recommending a special allocation at this time.

FUNDING: General Fund

Respectfully submitted,

Jerry L. Glenn
Assistant City Manager

JLG:br

CCOM-188/TXTA.07A

APPROVED: _____

THOMAS A. PETERSON
City Manager



recycled paper

National Advertising Company

2050 W. Fremont
Stockton, CA 95203-1913
209 466 5021
209 466 6013 Fax
800 343 5643

JAN 17 '95

City Manager's Office



Mr. Tom Peterson
City Of Lodi
P.O. Box 3006
Lodi, CA 95241

January 12, 1995

Dear Tom;

Here are the renewal contracts for the City of Lodi painted bulletins located on Highway 99. Please note the expiration dates on each agreement. Please place these agreements on the agenda for the next city council meeting, if possible.

Tom, here are some facts and figures you might find helpful. Your average cost to deliver 1,000 messages to the driving public is \$1.32. That is very low compared to any other major media including newspaper, radio or television. You are delivering Lodi's message very efficiently. Team that up with a tasteful design with annual repaints and Lodi has a very effective ad campaign. I also enclosed a copy of several outdoor ads for Palm Springs that you might find helpful.

As before, there will be a painting included each year of the contract. Also, we will produce the camera-ready artwork free of charge for the annual repaints. If you have any questions, please feel free to give me a call to discuss these further. I can be reached via voice mail at (800) 637-0053, mailbox number 740-7774 or at our Stockton office, (209) 466-5021. Thank you for the business.

Sincerely,

3M Media

A handwritten signature in cursive script that reads "David Spencer / ew".

David Spencer
Senior Account Representative

DS/cjw

Enc.

NATIONAL ADVERTISING COMPANY

GENERAL OFFICES: BEDFORD PARK, ILLINOIS 60501

Local office # 209-466-5021

City of Lodi
(LEGAL NAME OF ADVERTISER)
d.b.a. City of Lodi
(TRADE NAME)
221 W. Pine St.
(Street Address)
Lodi, Ca.
(City, State, Zip Code)

(ADVERTISER'S AGENCY)

(Street Address)

(City, State, Zip Code)

Tom Peterson
Person to call Telephone Number

Person to call Telephone Number

AUTHORIZATION. The above identified actual advertiser, together with the advertiser's authorized advertising agency, if any (hereinafter referred to jointly and severally as the Advertiser), hereby authorizes and contracts with National Advertising Company, (hereinafter called 3M National), of Bedford Park, Illinois, a subsidiary of Minnesota Mining and Manufacturing Company, to provide advertising services on the following listed displays. advertising City of Lodi in accordance with copy provided or approved by the Advertiser.

Location Number	Location and Description	Approximate Size	Illumination Class (A, B, C) See Note 2	Paintings Yearly (Including Original) See Note 3	Monthly Unit Charge See Note 4
040410	E/S 99, - 5 mi south of Armstrong Rd., Lodi F/S EFF: 2-28-95	12x40	B	1	\$ 1054.00

- NOTE 1: All cutouts, embellishments, pictorials and/or blended backgrounds will be charged for separately and quoted upon presentation of artwork.
- NOTE 2: Class "A" displays are non-illuminated, Class "B" displays are to be illuminated daily from dusk until midnight, standard time, and Class "C" displays are to be illuminated daily from dusk until dawn.
- NOTE 3: Special paintings or cut-outs in addition to those specified above will be made at 3M National's then current charges therefor which will be quoted upon request.
- NOTE 4: The Monthly Unit Charge shown above is applicable only to the first 12 months or less of the contract term. A 8 % per year increase in the Monthly Unit Charge will be applicable to each succeeding year, commencing on each anniversary of the effective date of this agreement.

TERM. The term of this contract as to each display shall be 36 months, beginning on the day such display is completed, herein called the effective date. The effective date of this agreement will normally be within sixty days (for a single display) or ninety days (for more than one display) from the date 3M National receives the approved artwork from the Advertiser. If the Advertiser's approved artwork has not been received within the forty-five day limit as specified in the "Copy Approval" paragraph herein, 3M National may, at its option, charge the Advertiser 1/30 of the above Monthly Unit Charge for each day beyond the said forty-five day limit until the said artwork has been received, and the Advertiser agrees to pay such charges upon receipt of billing therefor by 3M National. If this is a contract for a renewal term of an existing contract, the effective date will be the expiration date of such prior contract term.

ADDITIONAL PROVISIONS. The undersigned hereby authorizes National Advertising Company to investigate any reference or source to obtain credit information. The provisions on the reverse hereof are hereby incorporated herein by specific reference thereto and constitute a part of this agreement. Both sides of this contract and the information inserted herein have been carefully read and are fully understood, and the provisions herein correctly state the intentions of the undersigned.

RECEIVED BY (Subject to acceptance by 3M National)

Dave Spencer
Representative
ACCEPTED
NATIONAL ADVERTISING COMPANY

Date: 1/12 1995

By _____
Billing Address:
P.O. Box 3036
Lodi, Ca. 95241

(Signature) (Title)
Tom Peterson, City of Lodi
(Print Name & Co.)

(Signature) (Title)

(Print Name & Co.)

NATIONAL ADVERTISING COMPANY

GENERAL OFFICES: BEDFORD PARK, ILLINOIS 60501

Local office # 209-466-8021

City of Lodi
(LEGAL NAME OF ADVERTISER)
d.b.a. City of Lodi
(TRADE NAME)
221 W. Pine St.
(Street Address)
Lodi, Ca
(City, State, Zip Code)

(ADVERTISER'S AGENCY)

(Street Address)

(City, State, Zip Code)

Tom Peterson
Person to call Telephone Number

Person to call Telephone Number

AUTHORIZATION. The above identified actual advertiser, together with the advertiser's authorized advertising agency, if any (hereinafter referred to jointly and severally as the Advertiser), hereby authorizes and contracts with National Advertising Company, (hereinafter called 3M National), of Bedford Park, Illinois, a subsidiary of Minnesota Mining and Manufacturing Company, to provide advertising services on the following listed displays. Advertising City of Lodi in accordance with copy provided or approved by the Advertiser.

Location Number	Location and Description	Approximate Size	Illumination Class (A, B, C.) <i>See Note 2</i>	Paintings Yearly (Including Original) <i>See Note 3</i>	Monthly Unit Charge <i>See Note 4</i>
007077	w/s Hwy. 99, so' n'10 Peltier Rd., Lodi, FN Eff. 3-31-95	12x40	B	1	\$ 1054.00

- NOTE 1: All cutouts, embellishments, pictorials and/or blended backgrounds will be charged for separately and quoted upon presentation of artwork.
NOTE 2: Class "A" displays are non-illuminated, Class "B" displays are to be illuminated daily from dusk until midnight, standard time, and Class "C" displays are to be illuminated daily from dusk until dawn.
NOTE 3: Special paintings or cut-outs in addition to those specified above will be made at 3M National's then current charges therefor which will be quoted upon request.
NOTE 4: The Monthly Unit Charge shown above is applicable only to the first 12 months or less of the contract term. A 0% per year increase in the Monthly Unit Charge will be applicable to each succeeding year, commencing on each anniversary of the effective date of this agreement.

TERM. The term of this contract as to each display shall be 36 months, beginning on the day such display is completed, herein called the effective date. The effective date of this agreement will normally be within sixty days (for a single display) or ninety days (for more than one display) from the date 3M National receives the approved artwork from the Advertiser. If the Advertiser's approved artwork has not been received within the forty-five day limit as specified in the "Copy Approval" paragraph herein, 3M National may, at its option, charge the Advertiser 1/30 of the above Monthly Unit Charge for each day beyond the said forty-five day limit until the said artwork has been received, and the Advertiser agrees to pay such charges upon receipt of billing therefor by 3M National. If this is a contract for a renewal term of an existing contract, the effective date will be the expiration date of such prior contract term.

ADDITIONAL PROVISIONS. The undersigned hereby authorizes National Advertising Company to investigate any reference or source to obtain credit information. The provisions on the reverse hereof are hereby incorporated herein by specific reference thereto and constitute a part of this agreement. Both sides of this contract and the information inserted herein have been carefully read and are fully understood, and the provisions herein correctly state the intentions of the undersigned.

RECEIVED BY (Subject to acceptance by 3M National)

Dore Spencer
Representative
ACCEPTED
NATIONAL ADVERTISING COMPANY

Date: 1/12 1995

By _____
Billing Address:

(Signature) (Title)
Tom Peterson City of Lodi
(Print Name & Co.)

(Signature) (Title)

(Print Name & Co.)

OUTDOOR'S FINEST

**THE COLLECTION OF
1982 OBIE AWARD WINNERS**

Grand Prize Winner



Bounce back in Palm Springs.

Advertiser: Palm Springs Convention & Visitors Bureau

**Agency: Gumpertz/Bentley/Fried
Los Angeles, CA**

Art: Newell Nesheim, Darryl Shimazu

Copy: Elaine Cossman

Photo: Walter Swarthout