

State of California

California Exposition & State Fair
1600 Exposition Boulevard
Sacramento, CA 95815
Tel: (916) 263-3619
E-mail: MMohr@calexpo.com

MEMORANDUM

Date: May 29, 2020

To: Board of Directors
California Exposition & State Fair

Via: Rick K. Pickering, Chief Executive Officer

From: Margaret Mohr, Deputy General Manager Business Development & Marketing

Subject: **Recommendation to Approve a 1-Year Extension for Advertising Services with Un/common, due to COVID-19 and Cancellation of the California State Fair as provided for in the amended Agreement No. 21465**

BACKGROUND – Bidding for Advertising Services

In recent years, Cal Expo has twice conducted a competitive bidding process for professional advertising services. In 2013, the Glass Agency (later changed its company name to Un/common) was selected and awarded a contract for the 2014 State Fair, with the possibility of two 1-year extensions. Based upon its good work, Un/common was granted each of the 1-year extensions for the 2015 and 2016 State Fair. In 2016, Cal Expo conducted another competitive bid process for advertising services and Un/common was the sole bidder. Subsequently, Un/common was awarded a three-year contract with the possibility of two, 1-year extensions. In September 2019, the Board approved the first of the two year extensions for Uncommon to provide advertising services for the 2020 State Fair. Due to Covid-19 and the cancellation of the 2020 California State Fair, staff recommends extending the last year of the two year extensions so Uncommon can, when funded, begin work on the 2021 California State Fair.

Also as a part of this amendment Cal Expo will reduce the total value of this Agreement by \$112,000.00 (May 1, 2020 through December 31, 2020 at \$14,000.00 per month). See calculations below.

Cal Expo may approve an additional amendment prior to December 31, 2020 adding money to this Agreement should the Cal Expo Board of Directors approve an advertising budget for the 2021 State Fair.

PERFORMANCE

Un/common has energetically and professionally worked to showcase the California State Fair for the past 6 years. During that time, Un/common created the Blue Ribbon Campaign, which won the Best Overall Marketing Campaign award from the International Association of Fairs and Festivals an unprecedented 3 years in a row. Last year Un/common helped create the State Fair Food Festival Campaign, which helped to reinvigorate attendance and food sales. Overall, Un/common's work has helped elevate the image of the California State Fair as a premiere Northern California event with something for everyone.

In addition to designing State Fair’s annual advertising campaign, Un/common serves as a vital extension of Cal Expo’s marketing department all year long, providing services that include: all of our social media platforms, year-round event billboards, creative direction on the annual campaign, ongoing media buying, campaign production elements, and so much more. As specified in the Agreement, Un/common is paid an Agency Fee of 14% annually, spread over 12 months. The 14% is calculated based upon the State Fair’s annual advertising purchase. For example, the 2019 State Fair advertising purchase was roughly \$900,000 and at 14%, Un/common’s resulting Agency Fee was roughly \$126,000 for the year. Un/common’s “can-do” creative attitude contributes significantly to the California State Fair and Cal Expo’s advertising and marketing efforts.

(Note that Un/common places advertising funds only after it receives approval by Cal Expo for expenditures in each specific advertising categories. IE TV, radio, social media platforms, print, etc.)

STAFF RECOMMENDATION

Approve the last year of the two, one-year contract extensions

Due to COVID-19 and the cancellation of the California State Fair, staff recommends the board approve and exercise the last of the one-year extension clause in the Marketing & Advertising Contract with Un/common. Extending the agreement one more year until December 31, 2021 allows marketing to capitalize on the work that was done in 2020 and gives marketing the opportunity to get an early start on 2021 State Fair sales and other marketing efforts. This and many other benefits, allows marketing and Uncommon to begin the process of programming and pre-selling multi-day and multi-person online ticket packages beginning in the fall 2020 and capitalize on ticket sales during the heavy holiday buying season. However, the ability to start the planning and promotional efforts in the fall will depend on approval by Cal Expo Board of Directors of an advertising budget for the 2021 California State Fair.