

LICENSING AGENCY AGREEMENT

THIS LICENSE AGREEMENT (the "Agreement"), made effective this ____ day of _____, 2010 ("Effective Date"), is by and between Strategic Marketing Affiliates, Inc., an Indiana Corporation ("SMA"), and Knox County School District, a Tennessee School System, ("School"). For the mutual covenants set forth herein, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, School and SMA agree as follows:

1. School desires to appoint SMA as its non-exclusive agent to license the use of the School's Indicia for the limited purpose of manufacturing, marketing, distributing, and selling School products.
2. SMA will pay to School, on a quarterly schedule, **eighty percent (80%)** of the royalties collected by SMA during the respected quarter. All amounts payable to School shall be paid in United States dollars by check made payable to Knox County Schools. Royalties are defined as the revenue received by SMA resulting from the use of the School Indicia. A royalty rate does not apply to this agreement. To facilitate the School's distribution of funds, SMA will provide the School a quarterly accounting of revenue received from the sale of each individual school's indicia.
3. Nothing in this agreement shall affect School, its booster clubs, or other related entities from marketing, distributing, or selling School products.
4. SMA intends on licensing vendors who will be selling School products through various retail stores. SMA requires a \$100 application fee for a new Standard License applicant. There is no fee for a company that is already established with SMA as an approved licensee with other clients. By way of example, retailers will include, but not limited to such mass retail stores as Walmart and drug convenience stores such as Walgreens. By way of example only, School products that will be licensed may include, but not limited to t-shirts, sweatshirts, caps, bags, etc. bearing the School Indicia.
5. Unless earlier terminated as provided herein, this Agreement shall commence on the Effective Date and continue for three (3) years thereafter. If SMA shall, at any time during the term of this Agreement, breach any of its obligations hereunder, and such breach shall not be cured within thirty (30) days after written notice from School to SMA specifying the nature of the breach, School may terminate this Agreement. This Agreement may be renewed for an additional two (2) year period upon mutual consent of both parties.
6. School represents and warrants that it is the sole owner and has the full right and ability to license the Indicia listed in Exhibit A, including but not limited to the creative aspects therein. School represents and warrants that it has the full right and ability to enter into this Agreement.
7. School shall notify SMA in writing of any infringements or imitations by others of the Indicia or the sale of unauthorized products bearing the Indicia of which it is or becomes aware. The School and SMA, acting as School's agent, shall jointly decide how to address any such infringements.

8. This Agreement is entered into and effective as of the date of execution and represents the entire agreement between the parties and supersedes any previous agreements or understandings, if any, between the parties, whether oral or written, and may be amended only in writing signed by the parties. Should any provision of this Agreement be held invalid or unenforceable, such provision shall be limited or eliminated to the minimum extent necessary so that this Agreement shall otherwise remain in full force and effect. This Agreement shall be construed and enforced in accordance with the laws of the State of Tennessee without regard to its conflicts of laws provisions, and all parties hereby expressly consent and submit to and waive any objections against the exclusive personal jurisdiction of the state and federal courts located in Indiana.
9. It is mutually agreed by both parties that the following documents are made part of this contract:
- a. Knox County Government Request for Proposal 243 and Addendum I
 - b. Contractor's Written Response to Request for Proposal 243 and Addendum I (as amended in this Agreement)

ACCEPTED AND AGREED:

_____	<u>Strategic Marketing Affiliates, Inc.</u>
[School]	[SMA]
BY: _____	BY: _____
NAME: _____	NAME: _____
(Print or Type)	(Print or Type)
TITLE: _____	TITLE: _____
DATE: _____	DATE: _____

Contract #: _____
Approved as to Legal Form:

Knox County Law Director's Office

Date _____

Exhibit A – Licensed Trademarks

Attachment “A”

Knox County Government Request for Proposal 243 and Addendum I

The Purchasing Division of Knox County Tennessee will receive sealed proposals for the provision of Licensing and Trademark of Knox County School Logos as requested by Knox County Schools. Proposals must be received by 2:00 p.m. on August 25, 2010. Late proposals will not be considered nor returned.

Deliver Proposal To:
Proposal Number 243
Knox County Purchasing Division
1000 North Central Street, Suite 100
Knoxville, Tennessee 37917

OFFICIAL FILE DOCUMENT
DO NOT REMOVE OR MARK

The Proposal Envelope must show the Proposal Number, Name and Opening Date.

SECTION I GENERAL TERMS AND CONDITIONS

- 1.1 **HOW TO DO BUSINESS:** On July 1, 2006 Knox County Government implemented a web-based purchasing software system, "Knox Purchasing On-Line". The purpose for migrating from our existing financial software application was to provide our clients (vendors, county departments and the citizens of Knox County) with a more enhanced and end-user friendly means of accessing our services. As a result of this implementation, the Purchasing Division is now able to offer on-line vendor registration and maintenance, electronic receipt of purchase orders, on-line retrieval and submittal of quotes, bids and proposals for our vendor-clients and in-line requisitioning and receiving for our county departments. In order for the County to maximize its investment and minimize the cost associated with office operations we need your help. When doing business with Knox County we are urging you to go to our website at www.knoxcounty.org/purchasing and register as a vendor in our on-line purchasing system "Knox Purchasing On-Line", if you have not done so and whenever possible conduct your business with the County through this site. If you have any questions, please contact the Purchasing Division representative listed in subsection 1.2 of this proposal.
- 1.2 **ADDITIONAL INFORMATION:** Knox County wants requests for additional information routed to Matt Myers, Deputy Director of Purchasing, at 865.215.5750. Questions may be faxed to 865.215.5778 or e-mailed to matt.myers@knoxcounty.org. Information about the Knox County Purchasing Division and current solicitations may be obtained on the internet at www.knoxcounty.org/purchasing.
- 1.3 **VENDOR REGISTRATION:** Prior to the opening of this proposal, **ALL PROPOSERS** must be registered with the Purchasing Division. A vendor application may be submitted online at www.knoxcounty.org/purchasing. Select the On-Line Vendor Registration link and complete the forms. Vendors must register with the Purchasing Division prior to submitting their proposal.
- 1.4 **ACCEPTANCE:** Vendors shall hold their price firm and subject to acceptance by Knox County for a period of sixty (60) working days from the date of the proposal opening, unless otherwise indicated in their proposal.
- 1.5 **AWARD:** Award will be made to the most responsive, responsible proposer meeting specifications, who presents the product or service that is in the best interest of Knox County. Knox County also reserves the right to not award this proposal.
- 1.6 **CONFLICT OF INTEREST:** Vendor must acknowledge the "non-conflict of interest policy" during the registration process.
- 1.7 **COPIES:** Knox County requires that proposals being submitted by hand have one (1) marked original and three (3) exact copies.
- 1.8 **DECLARATIVE STATEMENTS:** Any statement or words (i.e.: must, shall, will, etc.) are declarative statements and the vendor must comply with the condition. Failure to comply with any such condition may result in their proposal being considered non-responsive and disqualified.
- 1.9 **DELIVERY:** Vendors must state the delivery time in the proposal. Knox County requires that vendors deliver all products "free on board" to final destination.
- 1.10 **DISADVANTAGED BUSINESS PROGRAM:** Knox County has established a Disadvantaged Business Program, which has the responsibility of increasing opportunity for small, minority and women owned businesses. This is

being accomplished through community education programs, policy edification, active recruitment of interested businesses and process re-engineering.

Knox County is committed to ensuring full and equitable participation for all disadvantaged businesses. Knox County welcomes submittals from those disadvantaged businesses that have an interest in providing goods and/or services listed herein. In addition, Knox County strongly encourages the inclusion of disadvantaged businesses by non-disadvantaged contractors who may wish to partner or subcontract portions of this agreement in order to accomplish the successful delivery of goods and/or services.

If you are a disadvantaged business and would like additional information about our disadvantaged business program, please contact:

Robert Minter, Supplier Diversity Coordinator
Knox County Purchasing Division
Telephone: 865.215.5756
Fax: 865.215.5778
E-mail: robert.minter@knoxcounty.org

- 1.11 **ELECTRONIC TRANSMISSION OF PROPOSALS:** Knox County's Purchasing Division **will not** accept electronically transmitted proposals through the County's On-Line Purchasing Division System. Due to the nature of information requested, all submittals shall be in hard copy format. Facsimile submission is strictly prohibited.
- 1.12 **MULTIPLE PROPOSALS:** Knox County will consider multiple proposals that meet specifications.
- 1.13 **NON-COLLUSION:** Vendors, by submitting a signed proposal, certify that the accompanying proposal is not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Tennessee or United States law.
- 1.14 **POSSESSION OF WEAPONS:** All vendors and their employees and their agents are prohibited from possessing any weapons on Knox County property without prior written consent from the County. In the case of a vendor whose contract requires possession of firearms or other weapons to successfully complete their contract, vendor must provide personnel who are bonded to bear said weaponry.
- 1.15 **PROCESSING TIME FOR PAYMENT:** Vendors are advised that a minimum of thirty days is required to process invoices for payment.
- 1.16 **PROPOSAL DELIVERY:** Knox County requires proposers, when hand delivering proposals, to time date and stamp the envelope before depositing it in the bid box. The time clock in the Purchasing Division is the official time of record.
- 1.17 **PROOF OF FINANCIAL AND BUSINESS CAPABILITY:** Proposers must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these specifications. Knox County will make the final determination as to the proposer's ability.
- 1.18 **RECYCLING:** Proposals being submitted on paper shall:
 - 1.18.1 Be submitted on recycled paper
 - 1.18.2 Not include pages of unnecessary advertising
 - 1.18.3 Be made on both sides of each sheet of paper
- 1.19 **RESTRICTIVE OR AMBIGUOUS SPECIFICATIONS:** It is the responsibility of the prospective proposer to review the entire Request for Proposal (RFP) packet and to notify the Purchasing Division if the specifications are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the specifications or bidding procedures must be received in the Purchasing Division no less than five (5) business days prior to the time set for proposal opening. These requirements also apply to specifications that are ambiguous.
- 1.20 **SIGNING OF PROPOSALS:** When submitting your proposal, in order to be considered, all proposals must be signed. Please sign the original in blue ink.

- 1.21 **SUBCONTRACTING:** Knox County will award this proposal to one vendor. The successful vendor may not subcontract the award without the written consent of Knox County's Purchasing Division.
- 1.22 **TAXES:** Knox County purchases are not subject to taxation. Tax exemption certificates will be provided upon request.
- 1.23 **TITLE VI OF THE 1964 CIVIL RIGHTS ACT:** "Nondiscrimination in Federally Assisted Programs"—"No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." 42 U.S.C. section 2000 et seq. It is the policy of Knox County Government that all its services and activities be administered in conformance with the requirements of Title VI.
- 1.24 **USE OF PROPOSAL FORMS:** Vendors must complete the proposal forms contained in the proposal package. Failure to complete the proposal forms may result in proposal rejection.
- 1.25 **VENDOR DEFAULT:** Knox County reserves the right, in case of vendor default, to procure the articles or services from other sources and hold the defaulting vendor responsible for any excess costs occasioned thereby. Should vendor default be due to a failure to perform or because of a request for a price increase, Knox County reserves the right to remove the vendor from the County's bidders list for twenty-four months.
- 1.26 **WAIVING OF INFORMALITIES:** Knox County reserves the right to waive minor informalities or technicalities when it is in the best interest of Knox County.

SECTION II OBLIGATIONS, RIGHTS AND REMEDIES

These terms and conditions shall be part of the Contract. Knox County reserves the right to negotiate other terms and conditions it seems appropriate and necessary under the circumstances to protect the public's trust.

- 2.1 **ALTERATIONS OR AMENDMENTS:** No alterations, amendments, changes, modifications or additions to this Contract shall be binding on Knox County without the prior written approval of the County.
- 2.2 **APPROPRIATION:** In the event no funds are appropriated by Knox County for the goods or services in any fiscal year or insufficient funds exist to purchase the goods or services, then the Contract shall expire upon the expenditure of previously appropriated funds or the end of the current fiscal year, whichever occurs first, with no further obligations owed to or by either party.
- 2.3 **ASSIGNMENT:** Contractor shall not assign or sub-contract this agreement, its obligations or rights hereunder to any party, company, partnership, incorporation or person without the prior written specific consent of Knox County.
- 2.4 **BOOKS AND RECORDS:** Contractor shall maintain all books, documents, accounting records and other evidence pertaining to the goods and services provided under this Contract and make such materials available at its offices at all reasonable times during the contract period and for three (3) years from the date of the final payment under this agreement for inspection by County or by any other governmental entity or agency participating in the funding of this agreement, or any authorized agents thereof; copies of said records to be furnished if requested. Such records shall not include those books, documents and accounting records that represent the Contractor's costs of manufacturing, acquiring or delivering the products and services governed by this agreement.
- 2.5 **CHILD LABOR:** Contractor agrees that no products or services will be provided or performed under this Contract which have been manufactured or assembled by child labor.
- 2.6 **CRIMINAL HISTORY RECORDS CHECK:** Any and all successful vendors, vendor employees, and any vendor sub-contractors and its employees must submit to a criminal history records check, at vendor's expense, conducted by the Tennessee Bureau of Investigation and the Federal Bureau of Investigation prior to permitting the employee to have contact with students or enter school grounds when students are present. Reference Tennessee Code Annotated Section 49-5-413. Proposers must include the attached affidavit with their proposal.

- 2.7 **COMPLIANCE WITH ALL LAWS:** Contractor is assumed to be familiar with and agrees to observe and comply with all federal, state, and local laws, statutes, ordinances, and regulations in any manner affecting the provision of goods and/or services, and all instructions and prohibitive orders issued regarding this work and shall obtain all necessary permits.
- 2.8 **DEFAULT:** If Contractor fails to perform or comply with any provision of this Contract or the terms or conditions of any documents referenced and made a part hereof, Knox County may terminate this Contract, in whole or in part, and may consider such failure or noncompliance a breach of Contract. Knox County expressly retains all its rights and remedies provided by law in case of such breach, and no action by Knox County shall constitute a waiver of any such rights or remedies. In the event of termination for default, Knox County reserves the right to purchase its requirements elsewhere, with or without competitive bidding.
- 2.9 **GOVERNING LAW:** This Contract shall be governed by the laws of the State of Tennessee, and all obligations of the parties are performable in Knox County, Tennessee. The Chancery Court and/or the Circuit Court of Knox County, Tennessee, shall have exclusive and concurrent jurisdiction of any disputes which arise hereunder.
- 2.10 **INSPECTION AND ACCEPTANCE:** Warranty periods shall not commence until Knox County inspects and formally accepts the goods and/or services. The terms, conditions and timing of acceptance shall be determined by Knox County. Knox County reserves the right to reject any or all items or services not in conformance with applicable specifications, and Contractor assumes the costs associated with such nonconformance. Acceptance of goods or services does not constitute a waiver of latent or hidden defects or defects not readily detectable by a reasonable person under the circumstances.
- 2.11 **INCORPORATION:** All specifications, drawings, technical information, Request for Proposal, Contractor's Response to Request for Proposal, Award and similar items referred to or attached or which are the basis for this contract are deemed incorporated by reference as if set out fully herein.
- 2.12 **INDEMNIFICATION/HOLD HARMLESS:** Contractor shall indemnify, defend, save and hold harmless Knox County, its officers, agents and employees from all suits, claims, actions or damages of any nature brought because of, arising out of, or due to breach of the agreement by Contractor, its subcontractors, suppliers, agents, or employees or due to any negligent act or occurrence or any omission or commission of Contractor, its subcontractors, suppliers, agents or employees.
- 2.13 **INDEPENDENT CONTRACTOR:** Contractor shall acknowledge that it and its employees serve as independent contractors and that Knox County shall not be responsible for any payment, insurance or incurred liability.
- 2.14 **LIMITATION OF LIABILITY:** In no event shall Knox County or Knox County Schools be liable for any indirect, incidental, consequential, special or exemplary damages or lost profits, even if Knox County has been advised of the possibility of such damages.
- 2.15 **NONDISCRIMINATION AND NON-CONFLICT STATEMENT:** Contractor agrees that no person on the grounds of handicap, age, race, color, religion, sex or national origin, shall be excluded from participation in, or be denied benefits of, or be otherwise subjected to discrimination in the performance of this agreement, or in the employment practices of Vendor. Contractor shall upon request show proof of such non-discrimination, and shall post in conspicuous places available to all employees and applicants notices of non-discrimination. Contractor covenants that it complies with the Fair Wage and Hour Laws, the National Labor Relations Act, and other federal and state employment laws as applicable. Contractor covenants that it does not engage in any illegal employment practices.
- Contractor covenants that it has no public or private interest, and shall not acquire directly or indirectly any interest that would conflict in any manner with the provision of its goods or performance of its services. Contractor warrants that no part of the total contract amount provided herein shall be paid directly or indirectly to any officer or employee of Knox County as wages, compensation, or gifts in exchange for acting as officer, agent, employee, subcontractor or consultant to Contractor in connection with any good provided or work contemplated or performed relative to the agreement.
- 2.16 **ORDER OF PRECEDENCE:** In the event of inconsistent or conflicting provision of this Contract and referenced documents, the following descending order of precedence shall prevail: (1) Contract, (2) Knox County's Request for Proposal, (3) Proposer's Response, (4) Award, (5) Special Terms and Conditions, (6) General Terms and Conditions, (7) Specifications, (8) Drawings.

- 2.17 **REMEDIES:** Knox County shall have all rights and remedies afforded under the U.C.C. and Tennessee law in contract and in tort, including but not limited to rejection of goods, rescission, right of set-off, refund, incidental, consequential and compensatory damages and reasonable attorneys fees.
- 2.18 **RIGHT TO INSPECT:** Knox County reserves the right to make periodic inspections of the manner and means the service is performed or the goods are supplied.
- 2.19 **SEVERABILITY:** If any provision of this Contract is declared illegal, void or unenforceable, the remaining provisions shall not be affected but shall remain in force and in effect.
- 2.20 **TAX COMPLIANCE:** Pursuant to Resolution R-07-1-903 passed by the Commission of Knox County, Tennessee, Contractor hereby acknowledges, by submission of its bid and signature that it is current in its respective Federal, State, County, and City taxes of whatever kind or nature and is not delinquent in any way. Delinquent status must be disclosed or risk debarment by the Knox County Purchasing Division.
- 2.21 **TERMINATION:** County may terminate this agreement with or without cause at anytime. In the event of termination by either party, fees due for services satisfactorily performed or goods accepted prior to the termination date shall be paid.
- 2.22 **WARRANTY:** Contractor warrants to Knox County that all items delivered and all services rendered shall conform to the specifications, drawings, proposal and/or other descriptions furnished and/or incorporated by reference, and will be fit for the particular purpose purchased, of merchantable quality, good workmanship, and free from defects. Contractor extends to Knox County all warranties allowed under the U.C.C. Contractor shall provide copies of warranties to the County. Return of merchandise not meeting warranties shall be at contractor's expense.

SECTION III SPECIAL TERMS AND CONDITIONS

- 3.1 **INTENT:** The intent of this solicitation is to convey to prospective vendors the need for an avenue to contract for Knox County Schools to trademark and license their individual school logos if they desire. Knox County requests that proposals shall indicate the cost of the service and the cost of maintaining the service. Award will be based on Best Value. Best Value means more than low cost. It includes initial cost, service quality and other factors detailed herein.
- 3.2 **PROPOSAL FORMAT:** This solicitation is in the Request for Proposal (RFP) format. At the specified date and time, each proposer's name will be publicly read aloud. No further information will be given at this time. Evaluation of the proposals will proceed as expeditiously as possible and successful, as well as unsuccessful, notification will be given.
- 3.3 **EVALUATION CRITERIA:** This bid will be evaluated using the following criteria:
- | | |
|---|-----------|
| Methodology of Quality of Service to be Performed | 35 Points |
| Cost of Service | 30 Points |
| Qualifications and Experience of the Entity | 25 Points |
| Relevant References | 10 Points |
- 3.4 **ACCEPTANCE:** Vendors are advised that the payment of an invoice does not necessarily constitute as an acceptance of services that are provided. Acceptance requires a specific written action by Knox County so stating.
- 3.5 **COMPLIANCE WITH ALL APPLICABLE REGULATIONS:** Vendor agrees and covenants that the company, its agents and employees will comply with all City, County, State and Federal codes, laws, rules and regulations applicable to the business to be conducted under this Contract. If the vendor performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, the vendor shall bear all costs arising from them.
- 3.6 **EVALUATION REVIEW:** Knox County reserves the right to use all pertinent information (also learned from sources other than disclosed in the RFP process) that might affect the County's judgment as to the appropriateness of an award to the best evaluated proposer. This information may be appended to the proposal evaluation process results. Information on a service provider from reliable sources, and not within the service provider's proposal, may also be noted and made a part of the evaluation file. Knox County shall have sole responsibility for determining a reliable source.

Knox County reserves the right to conduct written and/or oral discussions/interviews after the proposal opening. The purpose of such discussions/interviews is to provide clarification and/or additional information to make an award which is in the best interest of Knox County.

- 3.7 **NEWS RELEASES BY VENDORS:** As a matter of policy, Knox County does not endorse the services of a contractor. A contractor will not make news releases concerning any resultant contract from this solicitation without the prior written approval of Knox County.
- 3.8 **NO CONTACT POLICY:** After the vendor receives this proposal, any contact initiated by any vendor with any Knox County representative, other than the Purchasing Division representative listed herein, concerning this Request for Proposal is prohibited. Any such unauthorized contact may cause the disqualification of the vendor from this procurement transaction.
- 3.9 **OPEN BIDDING INTENDED:** It is the intent and purpose of Knox County that this Request for Proposal promotes competitive bidding. It shall be the proposer's responsibility to advise the Purchasing Division, if any language, requirements, et cetera or any combination thereof, inadvertently restricts or limits this Request for Proposal. Such notification must be submitted in writing and must be received by the Purchasing Division no later than five (5) business days prior to the proposal opening date.
- 3.10 **PROPOSAL PREPARATION COST:** Knox County assumes no responsibility for proposal preparation cost. Knox County advises proposers to be thorough and complete in submission of information but elaborate binders and graphics are not necessary.
- 3.11 **QUESTION DEADLINE:** Proposer's are encouraged to submit or e-mail questions regarding the RFP to Matt Myers, CPPO, CPPB, Deputy Director of Purchasing, Knox County Government at 865.215.5750 or matt.myers@knoxcounty.org. Fax questions to 865.215.5778. All questions will be answered in an addendum issued by the Knox County Purchasing Division. Final date for questions is August 13, 2010 at 12:00 pm.
- 3.12 **PROPOSAL TIMELINE:** The following dates are tentative and are subject to change.

Release of RFP to proposers	July 30, 2010, 12:00 PM
Deadline for proposers to submit questions	August 13, 2010, 12:00 PM
Proposals due into Purchasing Division	August 25, 2010, 2:00 PM
Evaluate and select successful proposer	TBD
School Board Approval	September, 2010
County Commission Approval	September 2010
Award Contract	TBD
Contract Effective Date	TBD

- 3.13 **REFERENCES:** Vendors must submit a list of three (3) references with which you have performed the services requested within the past three years. Show the name of the agency or institution, person to contact, their telephone number and the nature and size of the contract. Do not list Knox County Government as a reference.
- 3.14 **SCHOOL BOARD APPROVAL:** Successful proposer must attend the appropriate Knox County Board of Education meeting to answer any questions that may arise. Notice of this meeting will be given to the successful proposer in ample time to make arrangements.

SECTION IV SPECIFICATIONS

- 4.1 **KNOX COUNTY SCHOOLS:** Knox County currently has thirteen (13) high schools, and fourteen (14) middle schools.

MIDDLE SCHOOLS

Bearden Middle
Carter Middle
Cedar Bluff Middle
Farragut Middle
Gresham Middle
Halls Middle
Holston Middle
Karns Middle
Northwest Middle
Powell Middle
South-Doyle Middle
Vine Middle
West Valley Middle
Whittle Springs Middle

HIGH SCHOOLS

Austin-East High
Bearden High
Carter High
Central High
Farragut High
Fulton High
Gibbs High
Halls High
Hardin Valley Academy
Karns High
Powell High
South-Doyle High
West High

- 4.2 **CREATIVE SERVICES:** Some of the logos that some of the schools currently use will need to be altered or changed altogether to make it possible to be trademarked. Proposers are to include with their proposal, how they will go about changing logos or altering them to make it possible to be trademarked and licensed. Proposers are to submit this in Part V of their proposal.
- 4.3 **TRADEMARKING THE LOGO:** Proposers must submit how they will trademark the logos. They must detail all the steps involved in the process to trademark the logos. This is to be submitted in Part V of the proposal. The school district wants the trademarks registered federally. Proposers must include protocols for the enforcement of licensing agreements for companies producing products as well as for retailers.
- 4.4 **LICENSING THE LOGO:** Proposers must submit how they will license the logos. They are to include the steps and processes involved to properly license the logo.
- 4.5 **EVENT AND PROMOTIONAL LICENSING:** Individual schools have special events and sporting events for which they may have a logo designed. These logos could be trademarked and licensed separately from the school's other official logo. Special event logos need to be able to be trademarked and licensed separately from the school's official logo. Proposers are to submit how this can be accomplished.
- 4.6 **COST OF SERVICE:** Proposers must submit their cost for the services listed above. Proposers should include how royalty fees will be processed, including any requirements of the school district. These costs are to be included in Part VI of the proposal.
- 4.7 **DEVELOPMENT OF VENDOR PROGRAM:** Proposers must submit a plan for the launch of licensed Knox County schools products with producers and retailers. The plan will include:
- the design of official label (hang tags) for licensed products
 - the development of an agreement for companies to produce licensed products on behalf of the Knox County School System and individual schools
 - the identification of distribution channels for licensed products and suggested exemptions from royalty fees
 - the development of agreements for retailers to sell licensed products
 - the development of licensing program enforcement strategies
 - a timeline for implementation for the licensing program

SECTION V PROPOSAL FORMAT

Part I Letter authorizing the submission of this proposal

Part II Proposer Information

Vendor name and complete Address
Contact person
Phone number
Fax number
E-mail address of contact person
Knox County Purchasing Vendor Number
Knox County Business License number (if applicable)
Employer Identification Number (EIN)
Acknowledgement of Addenda

Part III Vendor's Qualifications and Experience of the Entity

Resumes of persons to be assigned to the Knox County account
Copies of all certifications (if applicable) of persons to be assigned to the Knox County account
Copy of State of Tennessee License

Part IV References

List three (3) references for which vendor has performed these services, include name of agency, contact person, phone number, fax number, and types of services performed and length of contract. Knox County Schools may not be used as a reference.

Part V Methodology of Quality of Service to be Performed (Section 4)

Part VI Cost of Service

Part VII Insurance Checklist

Part VIII Criminal Background Affidavit and Non-Collusion Affidavit Documents

Part IX Any Other Information Vendor Wishes to Submit

Failure to include any of the above information or any other information requested may result in the vendor being disqualified.

**KNOX COUNTY PURCHASING DIVISION
INSURANCE CHECKLIST
PROPOSAL NUMBER xxxxx**

THE CERTIFICATE OF INSURANCE MUST SHOW ALL COVERAGES & ENDORSEMENTS WITH "YES" AND ITEMS 20 TO 25.

REQUIRED:	NUMBER	TYPE OF COVERAGE	COVERAGE LIMITS
YES	1.	WORKERS COMPENSATION	STATUTORY LIMITS OF TENNESSEE
YES	2.	EMPLOYERS LIABILITY	\$100,000 PER ACCIDENT \$100,000 PER DISEASE \$500,000 DISEASE POLICY LIMIT
YES	3.	AUTOMOBILE LIABILITY <div style="display: flex; align-items: center;"> <div style="border: 1px solid black; padding: 2px; margin-right: 5px;">X</div> <div style="border: 1px solid black; padding: 2px;">ANY AUTO-SYMBOL (1)</div> </div>	<div style="display: flex; justify-content: space-between;"> <div>COMBINE SINGLE LIMIT (Per -Accident)</div> <div>\$1,000,000</div> </div> <div style="display: flex; justify-content: space-between;"> <div>BODY INJURY (Per -Person)</div> <div></div> </div> <div style="display: flex; justify-content: space-between;"> <div>BODY INJURY (Per-Accident)</div> <div></div> </div> <div style="display: flex; justify-content: space-between;"> <div>PROPERTY DAMAGE (Per-Accident)</div> <div></div> </div>
YES	4.	COMMERCIAL GENERAL LIABILITY <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div>CLAIM MADE</div> <div>X</div> <div>OCCUR</div> </div>	LIMITS <u>EACH OCCURRENCE</u> \$1,000,000 FIRE LEGAL LIABILITY \$100,000 MED EXP (Per person) \$5,000 GEN'L AGGREGATE LIMITS APPLIES PER. PERSONAL & ADV INJURY \$1,000,000 POLICY X PROJECT LOCAL GENERAL AGGREGATE \$2,000,000 PRODUCTS-COMPLETED OPERATIONS/AGGREGATE \$2,000,000
YES	5.	PREMISES/OPERATIONS	\$1,000,000 CSL BI/PD EACH OCCURRENCE \$2,000,000 ANNUAL AGGREGATE
YES	6.	INDEPENDENT CONTRACTOR	\$1,000,000 CSL BI/PD EACH OCCURRENCE \$1,000,000 ANNUAL AGGREGATE
YES	7.	CONTRACTUAL LIABILITY (MUST BE SHOWN ON CERTIFICATE)	\$1,000,000 CSL BI/PD EACH OCCURRENCE \$1,000,000 ANNUAL AGGREGATE
YES	8.	XCU COVERAGE	NOT TO BE EXCLUDED
YES	9.	UMBRELLA LIABILITY COVERAGE	\$1,000,000
		PROFESSIONAL LIABILITY	
NO	10.	ARCHITECTS & ENGINEERS ASBESTOS & REMOVAL LIABILITY MEDICAL MALPRACTICE MEDICAL PROFESSIONAL LIABILITY	\$1,000,000 PER OCCURRENCE/CLAIM \$2,000,000 PER OCCURRENCE/CLAIM \$1,000,000 PER OCCURRENCE/CLAIM \$1,000,000 PER OCCURRENCE/CLAIM
NO	11.	MISCELLANEOUS E & O	\$500,000 PER OCCURRENCE/CLAIM
NO	12.	MOTOR CARRIER ACT ENDORSEMENT	\$1,000,000 BI/PD EACH OCCURRENCE UNINSURED MOTORIST (MCS-90)
NO	13.	MOTOR CARGO INSURANCE	
NO	14.	GARAGE LIABILITY	\$1,000,000 BODILY INJURY, PROPERTY DAMAGE PER OCCURRENCE
NO	15.	GARAGEKEEPER'S LIABILITY	\$500,000 COMPREHENSIVE \$500,000 COLLISION
NO	16.	INLAND MARINE BAILEE'S INSURANCE	\$
NO	17.	DISHONESTY BOND	\$
NO	18.	BUILDERS RISK	PROVIDE COVERAGE IN THE FULL AMOUNT OF THE CONTRACT UNLESS PROVIDED BY OWNER.
NO	19.	USL&H	FEDERAL STATUTORY LIMITS

20. Carrier rating shall be Best's Rating of A-VII or better or its equivalent.

21. Notice of cancellation, non-renewable or material changes in coverage shall be provided to County at least 30 days prior to action. The words "Endeavor To" and "But Failure To" (to end of sentence) are to be eliminated from the notice of cancellation provision on standard accord certificates.

22. The County shall be named as an additional insured on all policies except Workers' Compensation and Auto.

23. Certificate of Insurance shall show the proposal number and title.

24. Other insurance required _____.

25. The Contractor agrees to save, defend, keep harmless, indemnify and pay on behalf of the County and all of its agents and employees (collectively the County) from and against any and all claims, loss, damage, injury, cost (including court costs and attorney's fees), charges, liability or exposure, however caused, resulting from, arising out of or in any way connected with the Contractor's performance of the Agreement terms on its obligations under the agreement.

Insurance Agent's Statement And certification: I have reviewed the above requirements with the Proposer named below have advised the Proposer of required coverage not provided through this Agency.

Agency Name: _____ Authorizing Signature: _____

Proposer's Statement And Certification: If awarded the contract, I will comply with the contract insurance requirements.

Proposer Name: _____ Authorizing Signature: _____

AFFIDAVIT OF COMPLIANCE

WITH

TENNESSEE CRIMINAL HISTORY RECORDS CHECK

TENNESSEE CODE ANNOTATED, SECTION 49-5-413

(To be submitted with proposal by contractor)

I, _____, president or other principal

Officer of _____, swear or affirm that the

Name of Company

Company is in compliance with Public Chapter 587 of 2007, codified at Tennessee Code Annotated 49-5-413, in effect at the time of this proposal submission at least to the extent required of governmental entities. I further swear or affirm that the company is in compliance with Tennessee Code Annotated, § 9-5-413.

President or Principal Officer

For:

Name of Company

STATE OF TENNESSEE}
COUNTY OF _____ }

Subscribed and sworn before me by _____,

President or principal officer of _____,

On this _____ day of _____, 2009.

Notary Public

My Commission expires: _____

NONCOLLUSION AFFIDAVIT OF PRIME BIDDER

STATE OF _____)

COUNTY OF _____)

_____, being first duly sworn, deposes and says that:

1. He/She is _____ of _____, the Bidder that has submitted the attached Bid;
2. He/She is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;
3. Such Bid is genuine and is not a collusive or sham Bid;
4. Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived, or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other bidder, firm or person to fix the price or prices in the attached Bid or of any other bidder, or to secure through any other bidder, or to fix any overhead, profit or cost element of the bid price or the bid price of any other bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against Knox County, TN or any person interested in the proposed contract; and
5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by a collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

(signed) _____

(title)

Subscribed and sworn to before me
this _____ day of _____, 20 _____

(signature)

My commission expires _____



**Knox County Purchasing Division
Addendum I to Request for Proposal 243
Licensing and Trademark of Knox County School Logos**

Addendum Date: August 17, 2010

Buyer: Matt Myers, CPPO CPPB

Closing Date: August 25, 2010 @ 2:00 pm

Total Pages: 2 Total Pages

Questions:

Question #1. What is the deadline for having all 27 (13 high schools and 14 middle school) logo designs complete – designs and approvals.

Answer #1. We are expecting to have logos designed and approved by the end of February, 2011. If the school district has to prioritize in order to meet this timeline, we will begin with the 13 high schools.

Question #2. With there being a potential of having 27 new logos designed, what is your internal process for approving each logo?

Answer #2. The process for logo approval has not been established. The superintendent's staff will establish this process in concert with the contracted vendor soon after the contract is awarded.

Question #3. Would four (4) or five (5) logo concepts, for each logo, be sufficient for the initial submission? If not, how many initial concepts will be required?

Answer #3. Four or five concepts should be sufficient.

Question #4. Are logo designs restricted to two colors? In addition, are black & white versions of the color logos required?

Answer #4. The present logos are not restricted to two colors. If there are design or cost benefits to two-color designs, the school district will make attempt to streamline to two-color logos. We will need black & white versions of the color logos.

Question #5. After the logos have been approved, what formats (examples: jpeg, eps, etc.) of the logos will you require?

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OFFICE OF COUNTY MAYOR, MIKE RAGSDALE

Purchasing Division Office · 1000 North Central Avenue · Suite 100 · Knoxville, TN 37917

Answer #5. We will need jpeg, eps, and tif. We recently had a sign company request something in a vector based format, though this is an unusual request.

Question #6. Will we be required to write use specifications for the logos?

Answer #6. The school district will work with the contracted vendor to write specifications for the use of the protected logos. As a new program for the school district, we want to ensure we enlist the support of outside professionals (contracted vendor) in establishing guidelines for the program.

Question #7. What is an estimate as to how many special / sporting event logos will be needed?

Answer #7. There will only be a small number of these situations where a logo will need to be designed and/or protected. There could be three or four per year.

Question #8. A marketing plan would best serve the elements of this section. Does Knox County Schools have a marketing plan? If so, could we get a copy of the plan, which would be helpful in preparing the bid? If there is no marketing plan, does this RFP allow for a quote on the development of one?

Answer #8. The Knox County School System does not currently have a marketing plan. The school district does not require a quote on the development of an overall marketing as part of this process, but would welcome a quote as part of a proposal.

End of Addendum I. Addendum must be acknowledged in Section V Part II, Proposer Information.

A handwritten signature in cursive script, reading "Matthew F. Myers".

Matthew F. Myers, CPPO, CPPB
Deputy Director of Purchasing
Knox County Government

Attachment “B”

Contractor’s Written Response to Request for Proposal 243 and Addendum I (as amended in this Agreement)

KNOX COUNTY SCHOOLS

LICENSING AND TRADEMARK OF KNOX COUNTY SCHOOLS
LOGOS

PROPOSAL NUMBER 243

Strategic Marketing Affiliates

201 South Capitol Ave

Suite 520

Indianapolis, IN 46225

Knox County Purchasing Vendor Number: 70102

EIN Number: 35-2024686

Proposal Prepared For:

Matt Myers

Deputy Director of Purchasing

SMA Contact:

Tony Johnson

Senior Vice President

317.829.5690(o)

317.829.5696(f)

tjohnson@smaworks.com

OFFICIAL KNOX COUNTY PURCHASING
VENDOR NUMBER 70102



STRATEGIC | MARKETING | AFFILIATES

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Vendor name and complete Address	
Contact person	
Phone number	
Fax number	
E-mail address of contact person	
Knox County Purchasing Vendor Number	
Knox County Business License number (if applicable)	
Employer Identification Number (EIN)	
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Cost of Service	
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AVERY

Part III

History and Qualifications and Experience of the Entity

SMA is based in Indianapolis, Indiana. Our office is located downtown within walking distance of the NCAA headquarters. We also operate satellite offices in Stony Brook, New York, and Rochester, New York.

Since 1997, Strategic Marketing Affiliates has proven effective in managing licensing programs for institutions of all sizes. Since our first client, the Big Ten Conference, we have actively been working to expand our client base. Currently, SMA represents 170 collegiate institutions and conferences, the Georgia High School Association and St Anthony's High School. Our core focus is to develop trademark-licensing programs for institutions and to position those programs so that they are able to accomplish the goals of brand building, protection and revenue generation. We feel strongly about providing the personal attention that is needed to build the strong relationships that have been the backbone of our success.

SMA bases its business philosophy upon three (3) basic principles:

- constant innovation and creativity
- great attention to detail
- unparalleled dedication to doing whatever is necessary to ensure a client's success and satisfaction

Our Mission Statement - "The client is our business - the business is our client." We believe in a true partnership, in which we do the work and our clients make the decisions regarding their programs. It is our job and responsibility at SMA to do all the due diligence so that our partners can make wise and effective decisions. We will make recommendations and suggestions to the University, but ultimately it is the University's decision. We believe this is key in the development of a successful licensing program which will meet the objectives of Knox County Schools,

Information on the experience of firm individuals assigned to work with the university

SMA's personnel who will work with Knox County's licensing program will be:

Tony Johnson, Senior Vice President, oversees the management of all external affairs will be the main contact for all Knox County correspondence. Mr. Johnson has over 10 years of licensing and marketing experience. Prior to joining SMA, Mr. Johnson was the Assistant Vice President, Marketing at Mississippi Valley State University and oversaw the day-to-day operations of the licensing program, University Bookstore, Athletic Marketing, and some components of development. Mr. Johnson is

also a former member of the Board of Directors of ICLA (International Collegiate Licensing Association).

John Mybeck, Chief Operating Officer, will assist with the implementation of any marketing and promotional activities implemented on behalf of Knox County. Mr. Mybeck has over 15 years of collegiate licensing and marketing experience. Before joining SMA, Mr. Mybeck served as the Assistant Director of the John Purdue Club, the development arm for the Purdue University athletic department and also was Reebok International's Midwest Collegiate Representative.

Robert Bernard, President and CEO, will assist with the implementation of any marketing and promotional activities implemented on behalf of Knox County. Mr. Bernard has over 14 years of licensing and marketing experience. From 1995-2004, Mr. Bernard was the on-site Marketing Director at Purdue University. During this period he coordinated the efforts of licensing, merchandising, auxiliary events, corporate partnerships, media rights, and concessions. Prior to arriving at Purdue, Mr. Bernard spent 11 years with Midmark Corporation in Versailles, OH. He was Midmark's Midwest Regional Manager, earning National Manager-of-the-year in 1993.

John Jeanguenat, Director of Operations, will be the point of contact for all licensees with regards to the Knox County's licensing program. Mr. Jeanguenat has over 3 years of experience in the collegiate marketplace. Before joining SMA, Mr. Jeanguenat worked for the Purdue Sports Properties and the Chicago Wolves hockey organization.

Beth Monnin, Licensing Coordinator, will be the point of contact for all royalty reporting with regards to the Knox County's licensing program. Mrs. Monnin has over 6 years of experience in the collegiate marketplace.

DAVERY

Part IV

References

SERVICES PERFORMED FOR:

Georgia High School Association
151 S. Bethel Street
Thomaston, GA 30286



Alan Sharp, Marketing
(770) 401-3129 (O)
alansharp@sharpedgeventures.com

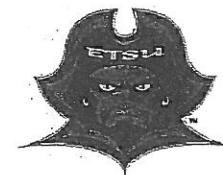
Contract Period: From July 2003 to current

Summary of Services Performed:

- Launched a new program
- Assisted the Association in establishing appropriate royalty rate(s) and policies for the program.
- Worked with the association to implement a state wide licensing program which included all GHSA member institutions
- Created an officially licensed GHSA holographic label and stick on patches for all officially licensed products.
- Have extended GHSA product placement to various retail outlets, including such stores as Wal-Mart, Walgreens, Hibbett Sports, CVS Pharmacies and Publix
- Assist the association with the Management and negotiation of special projects and agreements.

SERVICES PERFORMED FOR:

East Tennessee State University
W212 Memorial Center
Johnson City, TN 47614



Kevin Bostian, Director of Marketing
(423)439-5287(o)
(423)439-5294(f)
bostian@etsu.edu

Contract Period: From October 2008 to current

Summary of Services Performed:

- Transitioned licensing program from LRG

- *Cleaned up licensee list by removing underperforming licensees*
- *Assisted Athletic Department to establish a new e-commerce partnership*
- *Facilitated "Hot Market" notification programs for each of the last two championship seasons*
- *Increased Royalty revenue more than 100% since transitioning the program over from previous agency*

PRIOR SERVICES PERFORMED FOR:

Troy University
227 Trojan Center
Troy, AL 36082

Sohail Agboatwala, Director of Auxiliary Services
(334) 670-3773(o)
(334) 670-3228(F)
agboat@troy.edu



Contract Period: From May 2004 to current

NCAA Affiliation: NCAA Div I, Sun Belt Conference

Summary of Services Performed:

- Transitioned licensing program that was managed internally
- Oversaw the launch of a new University and Athletic identity
- Worked with Athletic Department on the selection of a on-site concessionaire
- Worked with Wal-Mart and the University to establish a standalone Trojan Fan Store within the local Wal-Mart
- Have extended product placement off-campus, including such stores as Goody's, Hibbett's Sporting Goods, HatWorld/Lid's and local sporting goods stores
- Licensing revenue has more than doubled what was generated in the past

AVERY

Part V

Methodology

Creative Services:

Some of the logos that some of the schools currently use will need to be altered or changed altogether to make it possible to be trademarked.

Proposers are to include with their proposal, how they will go about changing logos or altering them to make it possible to be trademarked and licensed.

SMA provides the most up-to-date digital capabilities with our online artwork submission and logo access websites. Initially, SMA will review and evaluate all of Knox County Schools' marks and logos in respect to their genuineness. In any instance when marks and or logos are found to be authentic, SMA will work with Knox County to properly "clean them" for ease of use by the program's licensees. In the event when mark(s)/logo(s) are found not to be genuine and infringe on indicia owned by other entities, SMA will notify Knox County and request permission to begin the process of evaluating possible solutions. SMA currently has a partnership with Torch Creative. Torch has experience working with academic institutions of all kinds and sizes. They will also be one of SMA's primary recommendations to Knox County for assistance in the evaluation and redesign/alteration of infringing marks.

As Knox County Schools' marks are cleared for program implementation, SMA will add them to the County's official art sheet that will be reviewed before it is released to approved licensees. Additionally, we offer assistance with the submission of artwork while local and national licensees familiarize themselves to the process and program at the start of their license.

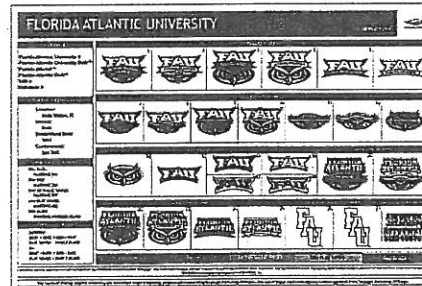
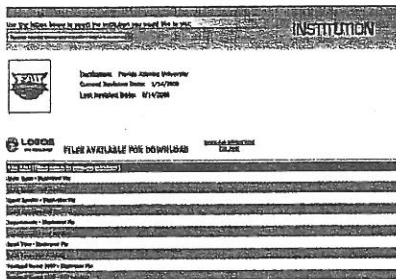
TRADEMARKING THE LOGO:

Proposers must submit how they will trademark the logos. They must detail all the steps involved in the process to trademark the logos. This is to be submitted in Part V of the proposal. The school district wants the trademarks registered federally. Proposers must include protocols for the enforcement of licensing agreements for companies producing products as well as for retailers

SMA provides the most up-to-date digital capabilities with our online artwork submission and logo access websites.

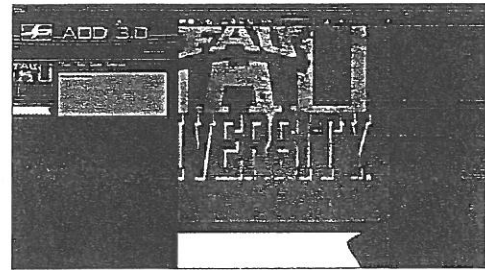
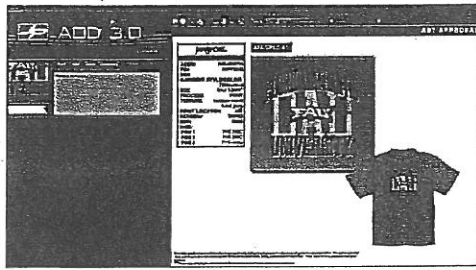
Logos On Demand ("LOD") is the premier, web-based, digital asset fulfillment system available today. LOD creates unparalleled service to the licensees so they can produce products more accurately and efficiently than ever before. All of SMA's clients' logos are digitally "cleaned-up" into a vector format that is of the highest standards in the industry. This ensures that the images can go from "computer to

production" without any risk of damaging the integrity of the logo. LOD will also automatically send out email notifications updating all licensees with any artwork, PMS color or trademark status changes that an institution may go through. Licensees also have access to the system 24/7 so they are not bound by time zones or the clock when it comes to working with our clients' brands. In addition, the entire LOD system is password protected, which ensures that only approved licensees have access to the marks and logos of the appropriate institutions. This includes not allowing unauthorized vendors to even view the appropriate brand management information, as many times this is all a counterfeiter will need to make their products appear "legitimate".



Also offered to licensees on this site is another program, Stitches On Demand. Stitches On Demand gives licensees the opportunity to purchase embroidery tapes that have already been reviewed and approved by the University. These tapes will be offered for sale at a price that is significantly lower than industry averages. The Stitches On Demand service is a great tool for ensuring that all embroidery jobs are performed to the highest quality level.

Approvals On Demand ("AOD") is the on-line artwork approval solution that allows institutions to submit, review, and archive artwork with one program. The AOD system is integrated into SMA's database thereby ensuring that licensees are allowed to submit artwork only for properties for which they hold a license. The system automatically notifies the institution when a design has been submitted for their review and allows the school to make any comments or annotations they want directly on the artwork. These comments are then sent off to the licensee where they can be viewed exactly as they were entered by the school, which will eliminate any confusion or misinterpretation that may have previously occurred. AOD also allows the reviewer to share the artwork with other individuals on campus and collect their comments on screen with the push of a button and is operational 24/7 so that the reviewer can manage their account from the office, home or while traveling.



The Approvals On Demand system also comes with an “unlimited” archive which allows institutions to search past designs and makes the entire approval process “paperless.” The archive allows for searches by design number, licensee, status, and product type and allows the reviewer to see the actual original submission along with artwork and any comments that were made.

From a legal and federal registration perspective, SMA is fortunate to have Barnes & Thornburg LLP, one of the nation’s best and largest intellectual property law firms, as our outside counsel. Making certain that our clients have access to intellectual property experts to answer general questions or assist with the registration of new marks is an essential component of the core services that are offered to our clients.

LICENSING THE LOGO:

Proposers must submit how they will license the logos. They are to include the steps and processes involved to properly license the logo.

SMA’s turn-key full-service representation alleviates the day-to-day administrative burden of managing a licensing program, allowing Knox County to concentrate on managing the strategic direction of the program. The following listed “core services” guarantees the licensing program for Knox County Schools will maximize all opportunities and be in position for constant growth.

- Consultation and Program Launch
 - SMA will review licensing policies such as royalty rates, exemption policies, and logo usage guidelines, and provide feedback based on market analysis. SMA will visit Knox County within three weeks from the start of the program to meet with all the stakeholders involved in the licensing program to explain the program, purpose of the program, etc.
- Accounting Services
 - SMA provides a complete offering of accounting services. SMA will provide quarterly payments of royalty collections to Knox County as well as an annual report at the end of the fiscal year (June 30th). We will also perform a minimum of five (5) licensee audits each year on behalf of Knox County. Last year (FY 2009-2010) SMA audited sixteen (14) companies on behalf of our clients. Companies that will be audited are selected each November for the following year.

- Artwork Services
 - SMA provides the most up-to-date digital capabilities with our online artwork submission and logo access websites. Initially, SMA will take all of the Knox County School marks and logos and properly “clean them” for ease of use by the licensees. We will then layout an art sheet for the program that will be reviewed before it is released to approved licensees. Additionally, we offer assistance with the submission of artwork while local licensees familiarize themselves to the process and program at the start of their license. SMA will also provide a “brand identity audit” at the outset of the relationship to review the strength of the brand, review what marks and logos have been registered, the registration number and dates for renewal.
- Legal Services
 - SMA will work with Knox County Schools on the federal registration process of trademarks if needed and will also provide enforcement of the trademarks and logos at events, online and at retail.
- Administrative Services
 - SMA will create all of the license agreements, negotiate and execute the license agreements, manage all renewals of the licensing agreements, and ensure product liability insurance coverage from all licensees.
- Marketing Services
 - SMA will distribute licensee lists to all retailers as well as to campus personnel, meet with local and regional retailers, assist with the development of promotional programs, and maximize retail opportunities on campus, in the local marketplace, and on line.
- Reporting capabilities to accompany SMA’s six core services:
 - SMA’s licensing management system is the most robust in the industry. The reporting capabilities on licensee activity and compliance, retail progress, and royalty trends can be analyzed, and reported in any number of ways. Overall historic revenue trends, product category management, and very specific institutional information can be reported and is available to each client institution as well. On a quarterly basis, SMA will send Knox County a royalty report breaking out each licensee and the dollars reported during that period to each school. At the end of each fiscal year, SMA will also include an Annual Report which will take an in-depth look at the licensing programs, the marketplace and the collegiate market as a whole. In addition, our database allows our staff to run hundreds of reports that the system can request at any time. These include financial and historical comparisons along with information regarding current licensees and their activities. SMA also will send on a monthly basis an updated list of all current licensees listed alphabetically

and also broken down by product category. These lists are emailed monthly to our primary contact on campus.

a. Licenses

SMA offers three types of licenses to vendors. A Standard license allows an applicant to produce products for general resale and also for internal consumption within the University. A Restricted license only allows a vendor to produce products for internal consumption within the University. SMA also offers a Promotional License which would cover a specific event or item. This license is normally very limited in scope and may only be active for period of time ranging from a few days to a few months. Promotional Licenses are normally used only in conjunction with our client's Corporate Partners and the vendors they are using to produce their premium items. A promotional license is reserved for special projects with limited life spans. They are typically used for onetime events. Ultimately, each client will determine the types of licenses available to a vendor and the policies that correspond with each. All applicants will be approved by the System prior to a license being granted. License agreements are renewed on an annual basis based upon direction provided by the client.

SMA groups all licensees under one of four categories: Apparel, Non-Apparel, Headwear or special projects. We work diligently to ensure that all categories are producing returns for the client that mirror what the industry and other peer institutions are achieving.

A Standard license holder will be required to comply with all policies put in place by the client to include royalty rates, advances and artwork guidelines. Standard license holders are also required to carry a \$1 million liability policy to indemnify the University. The only requirement in place for a restricted license is that they must submit all artwork through the proper channels for approval prior to production. Royalty reports are not required from these license holders, unless they are proven to be non-compliant. All products regardless of license type are required to feature the OLCP label.

However, as indicated previously, the client provides the policies that apply to each licensee and each situation.

b. Art Review

SMA provides the most up-to-date digital capabilities with our online artwork submission and logo access websites.

Logos On Demand ("LOD") is the premier, web-based, digital asset fulfillment system available today. LOD creates unparalleled service to the licensees so they can produce products more accurately and efficiently than ever before. All of SMA's

clients' logos are digitally "cleaned-up" into a vector format that is of the highest standards in the industry. This ensures that the images can go from "computer to production" without any risk of damaging the integrity of the logo. LOD will also automatically send out email notifications updating all licensees with any artwork, PMS color or trademark status changes that an institution may go through. Licensees also have access to the system 24/7 so they are not bound by time zones or the clock when it comes to working with our clients' brands. In addition, the entire LOD system is password protected, which ensures that only approved licensees have access to the marks and logos of the appropriate institutions. This includes not allowing unauthorized vendors to even view the appropriate brand management information, as many times this is all a counterfeiter will need to make their products appear "legitimate".

EVENT AND PROMOTIONAL LICENSING:

Individual schools have special events and sporting events for which they may have a logo designed. These logos could be trademarked and licensed separately from the school's other official logo. Special event logos need to be able to be trademarked and licensed separately from the school's official logo. Proposers are to submit how this can be accomplished.

SMA also offers a Promotional License on behalf of our clients to licensees which cover specific event(s) or item(s). This license is normally very limited in scope and may only be active for period of time ranging from a few days to a few months. Promotional Licenses are normally used only in conjunction with our client's Corporate Partners and the vendors they are using to produce their premium items. A promotional license is reserved for special projects with limited life spans. They are typically used for onetime events. Ultimately, each client will determine the types of licenses available to a vendor and the policies that correspond with each. All applicants will be approved by the System prior to a license being granted. License agreements are renewed on an annual basis based upon direction provided by the client.

COST OF SERVICE:

Proposers must submit their cost for the services listed above. Proposers should include how royalty fees will be processed, including any requirements of the school district. These costs are to be included in Part VI of the proposal.

All Strategic Marketing Affiliates (SMA) cost associated with the services listed above will be directly associated with royalty revenue generated by the Trademark Licensing program of Knox County. SMA and the county shall split all royalty revenue collected as outlined in section VI of this response.

All royalty payments hereunder shall be made to Knox County Schools on a quarterly basis, within thirty (30) days following the end of each fiscal quarter. Payment shall be accompanied by a report setting forth information to enable an independent determination of the amounts due hereunder. SMA shall keep records of operations hereunder for at least four years after the date of payment and shall make such records reasonably available during normal business hours for examination by a Knox County Official. These payments and reports will be sent out via US Mail.

DEVELOPMENT OF VENDOR PROGRAM:

Proposers must submit a plan for the launch of licensed Knox County schools products with producers and retailers. The plan will include:

- the design of official label (hang tags) for licensed products
- the development of an agreement for companies to produce licensed products on behalf of the Knox County School System and individual schools
- the identification of distribution channels for licensed products and suggested exemptions from royalty fees
- the development of agreements for retailers to sell licensed products
- the development of licensing program enforcement strategies
- a timeline for implementation for the licensing program
- the development of an agreement for companies to produce licensed products on behalf of the Knox County School System and individual schools
- the identification of distribution channels for licensed products and suggested exemptions from royalty fees
- the development of agreements for retailers to sell licensed products
- the development of licensing program enforcement strategies
- a timeline for implementation for the licensing program

If SMA is fortunate enough to be selected as the exclusive licensing agency representing Knox County Schools, we would work in cooperation with the Knox County System, as mentioned in the listing of our core services, to thoroughly plan and implement a licensing program to include all of the items noted. Each of the above listed recommendations is discussed below.

Official Knox County School Hang Tag:

As with SMA's current High School client, the Georgia High School Association, SMA will work with Knox County School System to develop and implement an official Knox County apparel hang tag as shown in the example to the right.



The development of an agreement for companies to produce licensed products on behalf of the Knox County School System and individual schools

SMA will create, negotiate and execute all license agreements, manage all renewals of the licensing agreements, and ensure product liability insurance coverage from all Knox County licensees.

The identification of distribution channels for licensed products and suggested exemptions from royalty fees.

SMA has identified the following possible distribution channels for officially licensed Knox County products.

Local Retail Channels:

- Wal-Mart Department Stores
- Walgreens
- CVS
- Publix Grocery Stores
- Kroger Grocery Stores
- Local Convenient Stores
- Hibbett Sports
- School Bookstores
- E-Commerce

SMA would suggest all schools' purchases for internal consumption be exempt from any associated royalties. This would include uniforms and all other promotional products.

The development of agreements for retailers to sell licensed products

SMA has never found it necessary nor within the policies of retailers to enter into formal agreements with licensors to sell or carry their product at retail. In accordance with industry standards, it is the responsibility of the manufacturer to obtain the proper license prior to distributing products to any retail outlet.

The development of licensing program enforcement strategies

Revenue Enforcement

SMA will collect all royalties and minimums due to the System a quarterly basis. We also require royalty reports to be broken down by category (apparel, non-apparel and headwear) which allows us to analyze if any categories are performing below the averages shown by client programs and the industry as a whole.

The database utilized by SMA allows for reports to be generated covering ultimately any licensing topic that could be evaluated. Reports covering licensees, contracts, royalties, advance balances, compliance reviews, etc are all available at the push of a

button. If desired, these reports can be requested by the System and will be emailed for review.

SMA will provide quarterly payments of royalty collections to Knox County as well as an annual report at the end of the fiscal year (June 30th). We will also perform a minimum of five (5) licensee audits each year on behalf of Knox County. Last year (FY 2009-2010) SMA audited sixteen (16) companies on behalf of our clients. Companies that will be audited are selected each November for the following year.

Brand Enforcement

SMA's policy with respect to enforcement places "education first." We understand that for many people and firms, licensing is a completely new concept and we view it as our job to help them understand. This is especially important in the local market where "town & gown" relationships are so vital. There are, however, occasions which do require more than a teaching session and we are prepared to handle these events when they arise.

SMA personnel, in conjunction with System personnel and law enforcement officials, will conduct enforcement efforts at all events requested by the System. SMA will also monitor the internet on a regular basis. This is to ensure that no unauthorized uses of our client's marks are taking place via the web. SMA will also work with retailers in the local and regional market to ensure compliance with the Universities' licensing program.

SMA has worked with U.S. Customs, campus law enforcement officials and the Mississippi Attorney General's office on various enforcement initiatives. We have also visited more than thirty (30) states and successfully removed thousands of unlicensed apparel garments from the streets.

SMA has worked with officials from the NCAA, Conference Tournaments and selected bowl games at events that our clients are selected to participate in. We also work proactively with traditional rival institution's licensing programs to curtail any unauthorized activities and have actively promoted the creation of "positive" rivalry shirts to curb the sale of unapproved designs. These actions in many instances have led to the generation of additional royalties for all participating properties and have eliminated the market for the unlicensed product, which reduces the interest that bootleggers will have to work at an event.

SMA patrols the internet, using the search engines and button ads most commonly used by the alumni, students and fans of our clients looking for sites that are selling merchandise featuring the marks and logos of our clients. We identify those sites that are offering products and confirm that this merchandise has been produced by a licensee. We then revisit the royalty reports submitted by these licensees to ensure that sales from these pages are being accounted for.

If merchandise is found on a web site that is unlicensed, we will contact the webpage owner and work with them to remove the infringing product. We will also collect the information of the infringing party and, with the client's approval, send a Cease & Desist letter to the individual or company.

We have had past successes with the removal of infringing products from sites such as CafePress.com, eBay, CBS Sportsline, Prep Sportswear and even the NCAA's webstore. In addition, we are currently registered with eBay's VeRO program which allows our office to shut down any auctions on behalf of our clients that are deemed to be an infringing product. Additionally, SMA is the only agency that is offering its clients the ability to conduct web searches using a school's digital image.

SMA also utilizes Barnes & Thornburg LLP, headquartered in Indianapolis, Indiana, for outside counsel. Barnes & Thornburg features one of the largest established intellectual property divisions in the country. Through our relationship we are able to offer thorough internet searches to identify any additional infringing websites that may be operating. Barnes & Thornburg can also assist SMA and Knox County in the trademark registration process.

To assist in identifying unlicensed merchandise, SMA will require all Knox County licensees to apply the "Officially Licensed Knox Product" (OLKP) label which will be recognized by consumers and retailers throughout the country as the "official" tag for Knox County Schools' products. We will actively promote a "Look For The Label" campaign to the Systems constituents, students and fan populations for when they are shopping for Knox County licensed items they can easily identify the product. This raised level of awareness by consumers actually works as an enforcement piece as many times unlabeled products are reported by consumers who are in the marketplace. The use of the OLKP label will also be appreciated by licensees as they already use a similar product for almost all collegiate vendors.

The labels/hangtags are required to identify the manufacturer, thereby improving the ability in the field to easily identify the licensee who produced the product. Licensees will be able to use the holographic version of the OLKP label which will feature a code specific to that hologram that allows a person to trace who specifically produced that item.

When situations are identified that require a C&D letter to be sent, SMA will create these documents and send them to Knox County for their approval. SMA will not initiate a C&D correspondence without the directive of the system, but will act immediately once directed to do so by the client. This is considered a part of our core services.

Timeline for implementation for the licensing program

Consultation and Program Launch (September)

SMA will visit Knox County within three weeks of being notified of our winning this RFP to officially start the program and meet with all stakeholders involved in the licensing program.

September 1, 2010 - September 15, 2010

Review licensing policies

- royalty rates,
- exemption policies
- logo usage guidelines (Collect all Knox County School Logos)
- start Logo evaluations
- provide feedback based on market analysis
- Develop Hang Tag (Holographic and Stick)

September 15, 2010 - October 1, 2010

Finalize Hang Tag

Build Licensee Data Base

- Retailer Specific
- Category Specific
- Ecommerce Monitoring

October 1, 2010–December 31, 2010

Continue policy development (primarily logos)

Continue building licensee date base

Retailer Prospecting

January 1, 2011- Forward

Logo Development and Registrations

DAVEY

Part VI

Cost of Service

SMA proposes the following financial relationship to perform as the Licensing Agency for the Knox County School System:

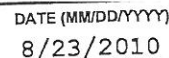
- SMA and Knox County shall share in all generated Annual Revenue in accordance with the following schedule:

<u>Annual Revenue</u>	<u>Knox County</u>	<u>SMA</u>
\$0-\$100,000	60%	40%
\$100,000+	70%	30%

- SMA fees for licensees are as follows:

SMA requires a \$100 application fee for a new Standard License applicant. There is no fee for a company that is already established with SMA as an approved licensee with another client.

DAVEY



INSURER E:

The ACORD name and logo are registered marks of ACORD

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

This Certificate of Insurance does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

20. Carrier rating shall be Best's Rating of A-VII or better or its equivalent.

21. Notice of cancellation, non-renewable or material changes in coverage shall be provided to County at least 30 days prior to action. The words "Endeavor To" and "But Failure To" (to end of sentence) are to be eliminated from the notice of cancellation provision on standard accord certificates.

22. The County shall be named as an additional insured on all policies except Workers' Compensation and Auto.

23. Certificate of Insurance shall show the proposal number and title.

24. Other insurance required _____.

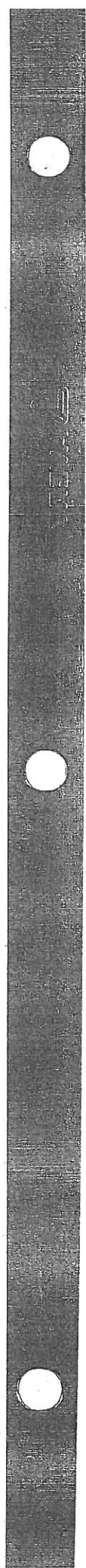
25. The Contractor agrees to save, defend, keep harmless, indemnify and pay on behalf of the County and all of its agents and employees (collectively the County) from and against any and all claims, loss, damage, injury, cost (including court costs and attorney's fees), charges, liability or exposure, however caused, resulting from, arising out of or in any way connected with the Contractor's performance of the Agreement terms on its obligations under the agreement.

Insurance Agent's Statement And certification: I have reviewed the above requirements with the Proposer named below have advised the Proposer of required coverage not provided through this Agency.

Agency Name: MBAA INSURANCE Authorizing Signature: Sally Sunderman

Proposer's Statement And Certification: If awarded the contract, I will comply with the contract insurance requirements.

Proposer Name: Strategic Marketing Affiliates Authorizing Signature: Robert M. Bernal



AFFIDAVIT OF COMPLIANCE

WITH

TENNESSEE CRIMINAL HISTORY RECORDS CHECK

TENNESSEE CODE ANNOTATED, SECTION 49-5-413

(To be submitted with proposal by contractor)

I, Robert G. Bernard, president or other principal

Officer of Strategic Marketing Affiliates, Inc. swear or affirm that the
Name of Company

Company is in compliance with Public Chapter 587 of 2007, codified at Tennessee Code Annotated 49-5-413, in effect at the time of this proposal submission at least to the extent required of governmental entities. I further swear or affirm that the company is in compliance with Tennessee Code Annotated, § 9-5-413.

Robert G. Bernard

President or Principal Officer

For: Strategic Marketing Affiliates, Inc.
Name of Company

INDIANA

STATE OF ~~TENNESSEE~~

COUNTY OF Tipton

Subscribed and sworn before me by Robert G. Bernard

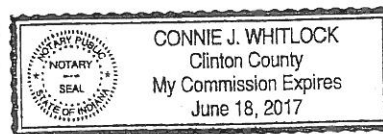
President or principal officer of Strategic Marketing Affiliates, Inc.

On this 24th day of August, ~~2009~~ 2010

Connie J. Whitlock

Notary Public

My Commission expires: JUNE 18, 2017



NONCOLLUSION AFFIDAVIT OF PRIME BIDDER

STATE OF INDIANA

COUNTY OF TIPPECANOE

ROBERT G. BERNARD, being first duly sworn, deposes and says that:

1. He/She is PRESIDENT of SMA, INC, the Bidder that has submitted the attached Bid;

2. He/She is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

3. Such Bid is genuine and is not a collusive or sham Bid;

4. Neither the said Bidder nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived, or agreed, directly or indirectly with any other Bidder, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted or to refrain from bidding in connection with such Contract, or has in any manner, directly or indirectly, sought by agreement or collusion or communication or conference with any other bidder, firm or person to fix the price or prices in the attached Bid or of any other bidder, or to secure through any other bidder, or to fix any overhead, profit or cost element of the bid price or the bid price of any other bidder, or to secure through any collusion, conspiracy, connivance or unlawful agreement any advantage against Knox County, TN or any person interested in the proposed contract; and

5. The price or prices quoted in the attached Bid are fair and proper and are not tainted by a collusion, conspiracy, connivance or unlawful agreement on the part of the Bidder or any of its agents, representatives, owners, employees, or parties in interest, including this affiant.

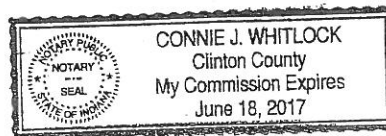
(signed) Robert G. Bernard

President/CEO
(title)

Subscribed and sworn to before me
this 24th day of August, 2010

Connie J. Whitlock
(signature)

My commission expires JUNE 18, 2017





STRATEGIC | MARKETING | AFFILIATES

August 23, 2010

Proposal Number 243
Knox County Purchasing Division
1000 North Central Street
Suite 100
Knoxville, Tennessee 37917

To Whom It May Concern:

Enclosed are one (1) original and three (3) copies of Strategic Marketing Affiliates, Inc.'s response to Proposal Number 243.

If there are any questions or concerns with any part of this proposal, please do not hesitate to contact our office at (317) 829-5690. Thank you for the opportunity to participate in this process.

Because we care,

Tony Johnson
Senior Vice President of University Services

OFFICIAL FILE DOCUMENT
DO NOT REMOVE OR REUSE