

Internal Audit Report #2022-005
Jefferson Performing Arts Center: Follow -Up
Release Date: September 27, 2022



Tara Hazelbaker, CPA, CIA
DIRECTOR OF INTERNAL AUDIT | JEFFERSON PARISH

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OVERVIEW

BACKGROUND

The Jefferson Parish Performing Arts Center (JPAC) is located at 6400 Airline Drive in Metairie and opened in the summer of 2015. JPAC has a seating capacity of one thousand seventeen¹ (1,017) in an eighty-six thousand (86,000) square-foot theatrical venue able to accommodate theater productions, concerts, dance recitals, meetings, graduations, and other special events. The facility includes a spacious lobby, terrace, catered services, and a hospitality suite.

SMG Jefferson, LLC (SMGJ) was the first company to be contracted to provide management, marketing, and operations services at JPAC. The contract term with SMGJ began on December 10, 2014, and initially continued through December 31, 2019. (See Attachment C) The term was extended to June 30, 2022, upon mutual agreement of Jefferson Parish (the Parish) and SMGJ. On September 30, 2019, AEG Facilities, LLC announced the completion of a merger with SMGJ, resulting in a newly created company named ASM Global (ASMG). The Parish paid seven thousand five hundred dollars (\$7,500) monthly or ninety thousand dollars (\$90,000) annually to SMGJ/ASMG related to this contract. Over the contract, six hundred eighty-six thousand, one hundred eighty-five dollars (\$686,185) was paid to SMGJ/ASMG for management services. This includes bonus payments of eleven thousand one hundred eighty-five dollars (\$11,185).

On December 15, 2021, Jefferson Parish posted online a Request for Proposal to obtain competitive proposals “to manage and operate the Jefferson Performing Arts Center and contract for its use in a manner that will promote and further the goals and objectives as outlined in this Request for Proposals.” Two proposals were received, one from ASMG and one from Jefferson Performing Arts Society (JPAS). At its April 27, 2022, meeting, the Jefferson Parish Council selected JPAS to provide management services and authorized the Administration to negotiate a contractual agreement with JPAS.²

One should note that the Parish had a Cooperative Endeavor Agreement (CEA) with JPAS, which ended on December 31, 2021. The agreement designated JPAS as the “Artist in Residence” for JPAC, giving them free use of JPAC for thirty-two (32) weeks of engagements annually. (See Internal Audit #2018-007 for more information). For the other twenty (20) weeks of the year, revenues were generated for JPAC via facility rentals for dance recitals, concerts, theater productions, and various catered meetings and events. Tickets were sold for theatrical productions, with revenues earned going to the production company versus JPAC, except for co-produced productions where a revenue-sharing arrangement was in place instead of facility rental.

The Parish funded the balance of operations not covered by revenues (net loss). JPAC has operated at a net loss since its opening in 2015. The source of funding for JPAC is essentially from Culture and Parks Ad Valorem taxes. For more information, see the “Facility Utilization and Financial Performance” section on page 16 of this report.

¹ Excluding Orchestra Pit Seating

² The JPAC Management Services vendor was selected via Resolution 139464 adopted on April 27, 2022.

OBJECTIVES

The objectives of this audit are to follow up on the Findings and Recommendations documented via Internal Audit Report 2018-006: SMG Jefferson – JPAC: Contract #RP-201C and will examine compliance with the following Sections of the Management Agreement dated December 10, 2014, between the Parish of Jefferson and the SMG Jefferson, LLC (SMGJ), referenced by the Parish as Contract #RP-201C:

- 1) Section 4.3: SMGJ's Compensation and Payment
- 2) Section 5.1: Budgets, Operating Expenses, Operating Budget
- 3) Section 5.3: Receipts and Disbursements; Accounts
- 4) Section 6.2: Annual Reporting Requirements
- 5) Section 6.3: Annual Plan
- 6) Section 6.4: Monthly Reports

Since contract #RP-201C with SMGJ concluded on June 30, 2022, Internal Audit will review the subsequent management agreement with the Jefferson Performing Arts Society and translate any relevant findings to future contract management.

The previous audit report was issued on September 25, 2018, and contained the Recommendations listed (excerpted) on the next page. The body of the last report (excluding attachments) is included as Attachment A.



Jefferson Parish Performing Arts Center (JPAC)
located at 6400 Airline Drive, Metairie, Louisiana

Summary of Recommendations made via Internal Audit Report #2018-006

1A) Payments to SMGJ should be made timely in accordance with Section 4.3(a) of the Management Agreement.

1B) Contract terms should be labeled with unduplicated numbering and should contain clear and consistent terms.

2A) Reports, as required per the Management Agreement, should be collected and reviewed by the parish.

2B) References within the Management Agreement should be clear and valid.

3) Annual financial statements should be obtained from SMGJ within 30 days after the close of each Fiscal Year in accordance with the Management Agreement.

4A) Any future contract should be reviewed and revised to include a realistic timeframe for the monthly reporting component of the contract.

4B) The Department should have the content of the monthly reporting tailored to include the following in the Performance Dashboard:

1. Facility usage by Event Category (Assemblies, Concerts, Performing Arts, JPAS, etc.).
2. \$3.00 Facility Fee earned then remitted to the Parish, along with the amount of fees waived.

5A) The next budget should consider amounts actually needed and be prepared with reasonable expenditure amounts in mind. The Parish Travel and Training Policies & Procedures and published per diem rates should be used as a guide in determining the reasonableness of travel and related expenses.

5B) SMGJ should ensure proper procedures are in place to substantiate meal expense reimbursement within parish policies and procedures and to detect duplicate payments of travel expenses. The \$277.95 duplicate payment to the General Manager should be returned to the Parish.

6A) Amounts due to the parish for the \$3.00 facility fee should be paid in a timely manner.

6B) A system should be put in place to collect fees at the time tickets are sold, or the process should otherwise be streamlined so that such a backlog does not occur in the future.

7A) Consider restructuring the CEA with JPAS to include usage at a fixed amount of rent waived along with parameters for the number of days' usage. This will enable the parish to better plan for funding needs and potentially increase revenues for the rental of the facility.

7B) Review the SMGJ budget to ensure that necessary items are included that would lend to the promotion and rental of the facility.

7C) Review the SMGJ staffing structure to determine if the facility is right-staffed and employees are appropriately compensated, including allocation and bonus structures.

7D) Review the SMGJ budget relative to Travel and Meal expenses to ensure the amounts budgeted and spent are prudent and necessary.

SCOPE

The scope of this engagement includes the management agreement between the Parish of Jefferson and the SMG Jefferson, LLC, referenced by the Parish as Contract #RP-201C. The contract commenced on December 10, 2014, and ended on June 30, 2022. Internal Audit analyzed data from the entire contract period, although the prior audit (2018-006) included a detailed review of calendar years 2016 and 2017. Internal Audit will include the years 2016 through 2021, six (6) years, in considering trends established via the contract. See Attachment C for the management agreement with SMGJ.

The terms of the new management agreement with the Jefferson Performing Arts Society (JPAS) are included in the review so that Internal Audit can translate lessons learned from one contract to the next. The contract with JPAS substantially relies upon verbiage in the Request for Proposal (RFP) No. 0432 and the Proposal submitted by JPAS. Both will be referenced as necessary. See Attachments G and H for the management agreement with JPAS and the related RFP.

PROCEDURES

Internal Audit utilized the following basic procedures in analyzing the data.

- a) Interviewed vital personnel from the Department of General Services, Accounting, and the Parish Attorney's Office. Other individuals were contacted as necessary.
- b) Obtained the contracts and the associated request for proposal and related documents.
- c) Retrieved current and historical financial data from the AS/400 Financial Management System.
- d) Obtained internally prepared and audited financial statements related to the management company's operation of the Jefferson Performing Arts Center.
- e) Reviewed schedules of events and performances for applicable years.
- f) Analyzed facility fees due to the Parish versus the amount remitted.
- g) Updated rental rates, noting changes from the previous period.
- h) Applied analytical procedures to available data.
- i) Performed other procedures deemed necessary to satisfy the objectives of this engagement.



FINDING #1: TIMELY PAYMENTS AND CONTRACT TERMS

CRITERIA

According to Section 4.3(a), SMGJ's Compensation, of the Management Agreement, an annual fixed management fee in the amount of ninety thousand dollars (\$90,000) payable in twelve (12) equal payments of seven thousand five hundred dollars (\$7,500) due and payable to SMGJ on the first business day of each month of the Management Term (and extension thereof).

According to Section 4.3, Payment, of the Management Agreement, all Management Fees payable shall be funded to SMGJ within 30 days following receipt of an invoice from SMGJ.

FINDING

- 1) Payments to the Management Company were not always made timely. (This finding relates to the previous audit period but applies to the current management contract.)

OBSERVATIONS

The following recommendations were documented via Internal Audit 2018-006:

1A) Payments to SMGJ should be made timely in accordance with Section 4.3(a) of the Management Agreement.

1B) Contract terms should be labeled with unduplicated numbering and should contain clear and consistent terms.

The Administration's response is shown below:

We agree with the findings presented by Internal Audit.

Upon coming into office, we learned that the JPAS and JPAC agreement monitoring was designated to General Services. The review of this audit has further acknowledged that General Services is not the proper designee for the monitoring of this agreement, which requires a detailed review of reports relative to a business they are not familiar with as well as a review of financial statements.

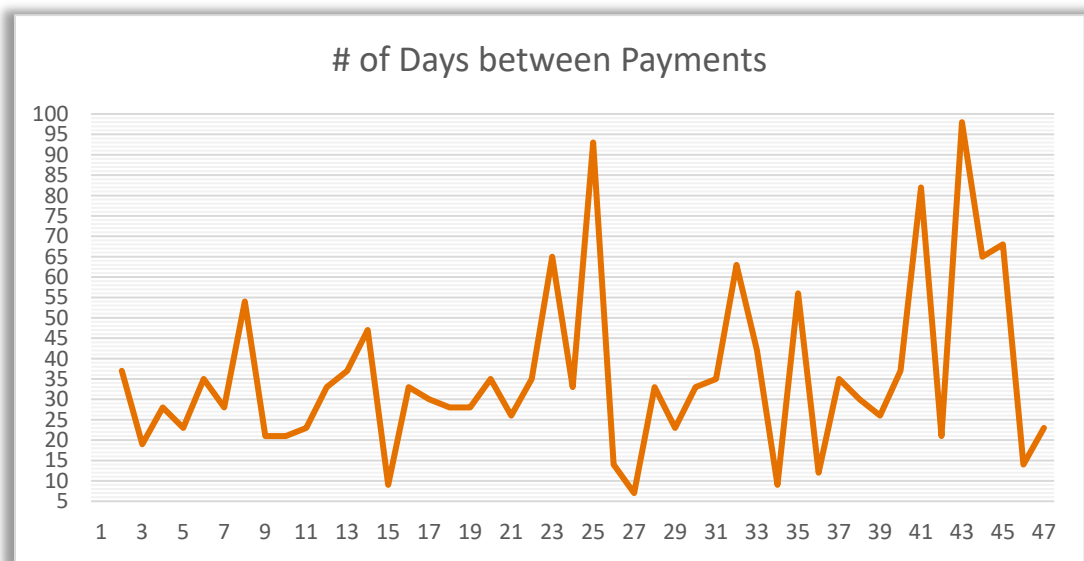
As there is no Parish department dedicated to such a task nor technically assigned to the agreement, we will assign a member of the President's Office staff as well as the Alario Center Manager to review reports. We will also request a member of Finance and/or the Accounting Department to review financial statements, reimbursement submittals and monitor payments. This situation is also applicable to other Jefferson Parish agreements. We will be more attentive regarding designation of contract monitoring as these agreements go before the Council.

We will also speak with SMGJ and work with the Parish Attorney's Office to send proper notice to clarify the intentions regarding confusing payment terms and comply with Section 4.3(a) of the Management Agreement.

Note: Jefferson Parish has a new management contract effective July 8, 2022. A member from the following departments has been assigned to monitor the contract: General Services, Accounting, and Parish Attorney's Office.

TIMELY PAYMENTS TO VENDOR

The prior audit contained a recommendation regarding payments to the management company not being made timely. Payment data was examined for the previous audit extended through December 2017. Internal Audit generated vendor payment reports from the Parish's Financial Management System that included management fee payments from January 2018 through June 2022 (4 years, 6 months). Payments are due monthly or approximately every thirty (30) days. The time between payments for the recent period analyzed ranged from seven (7) to ninety-eight (98) days. Check amounts ranged from seven thousand, five hundred dollars (\$7,500) representing payment of one month of service, to twenty-two thousand, five hundred dollars (\$22,500) or three (3) months of service. Forty-six (46) disbursements were made to pay for fifty-four (54) months of management services. A graphical depiction of the number of days between payments is shown below. The vertical axis indicates the number of days between payments, while the horizontal axis shows the number of payments. See Attachment B for a complete Contract Payables Listing from January 1, 2018, through June 30, 2022.



The frequency and amount of the payments, which should be approximately thirty (30) days and seventy-five hundred dollars (\$7,500), indicate that payments are not consistently made timely. For this reason, the previous finding is unresolved and will remain the same. Payments to the vendor should be made timely in accordance with Section 4.3(a) of the Management Agreement. Timely payments should be made in future contracts in accordance with Section 7.2.d of the Agreement with Jefferson Performing Arts Society. (Attachment G)

CONTRACT TERM REFERENCES

The prior audit noted duplicate reference numbers and unclear payment terms. Internal Audit examined the new contract and did not observe a similar scenario. This previous finding is considered to be resolved.

RECOMMENDATION

- 1) Payments for Management Services should be made timely and in accordance with the Management Agreement.

FINDING #2: ANNUAL REPORTS AND MANAGEMENT AGREEMENT REFERENCES

CRITERIA

According to Section 5.1 of the Management Agreement, on or before May 1 for each year of the Management Term, SMGJ shall prepare and submit the Annual Plan, which shall include the Annual Operating Budget and Annual Cash Flow Plan for JPAC and the performance of SMGJ's Scope of Services for the upcoming Fiscal Year.

According to Section 6.3 of the Management Agreement, on or before May 1 in each year during the Management Term, SMGJ shall provide the Parish an annual management plan for the succeeding Fiscal Year (the "Annual Plan"), which shall include the annual operating budget and annual cash flow budget described in Section 4.6 for the next Fiscal Year.

FINDING

2) There is no finding resulting from this area of analysis.

OBSERVATIONS

The following recommendations were documented via Internal Audit 2018-006:

2A) Reports, as required per the Management Agreement, should be collected and reviewed by the parish.

2B) References within the Management Agreement should be clear and valid.

The Administration's response was, in brief, "we agree with the Internal Audit findings."

REPORTS

During the prior audit, Internal Audit found that the Management Company did not submit an annual cash flow plan and annual management plan as required per the contract. This practice continued throughout the term of the previous management agreement. However, the Management Company submitted unaudited annual financial statements within forty-five (45) days of year-end for the years under review. Similar requirements do not exist in the new management agreement.

MANAGEMENT AGREEMENT REFERENCES

The prior audit noted contract language referencing other sections that did not exist. Internal Audit examined the new contract and did not observe a similar scenario. The previous finding is considered to be resolved.

RECOMMENDATION

2) There is no recommendation resulting from this area of analysis.

FINDING #3: ANNUAL FINANCIAL STATEMENTS

CRITERIA

According to Section 6.2 of the Management Agreement, SMGJ shall deliver to the Parish annual financial statements within 30 days after the close of each Fiscal Year prepared in accordance with Generally Accepted Accounting Principles.

FINDING

3) There is no finding resulting from this area of analysis.

OBSERVATIONS

The following recommendation was documented via Internal Audit 2018-006:

3) Annual financial statements should be obtained from SMGJ within 30 days after the close of each Fiscal Year in accordance with the Management Agreement. Such statements should be reviewed and monitored by the Parish.

The Administration's response was, in brief, "we agree with the Internal Audit findings."

ANNUAL FINANCIAL STATEMENTS

Internal Audit requested internally prepared (unaudited) December 31 financial statements and audited financial statements for 2018, 2019, 2020, and 2021. The unaudited financial statements were generally received within the 30-day requirement, with one exception. December 31, 2021, was received within 45-days. Although technically not within the 30-day requirement, overall reports were sent regularly for review by Jefferson Parish. Financial statements were audited each year by certified public accountants. The audited financial statements for the year-end, December 31, 2021, were received by the Parish on July 8, 2022.

Internal Audit obtained the new management agreement with the Jefferson Performing Arts Society. An annual reporting requirement is specified in Section 8.2 (Periodic and/or Annual Reports). The section states:

8.2 Periodic and/or Annual Reports. At any time, the MANAGER may request that FIRM, with the minimum of ten (10) days written notice, prepare and/or produce a report of the results of operations, as it pertains to this Agreement, in the previous fiscal year prepared in accordance with GAAP. The report must be prepared and certified by an independent certified public accounting firm. For purposes of this Agreement, each "fiscal year" begins on January 1 and ends on December 31 of the same year.

The aforementioned section allows the Management Company ten (10) days of written notice to prepare and/or produce financial statements for the fiscal year. An independent certified public accountant must prepare such financial statements.

Unlike the previous management contract, the Parish will not advance funds to the Jefferson Performing Arts Society (JPAS) for operating costs. Instead, the contract is structured for payments on a

reimbursement basis, limited to two hundred fourteen thousand five hundred dollars (\$214,500) annually. The current contract has a provision for monthly reporting, as discussed in the next section. Given the reduced risk to the Parish of funds being misappropriated (reimbursed versus advanced), the ten (10) day written notice for collection of annual audited financial statements is adequate.

RECOMMENDATION

- 3) There is no recommendation resulting from this area of analysis.

FINDING #4: MONTHLY REPORTING

CRITERIA

According to Section 6.4 of the Management Agreement, on or before the last day of each month during the Management Terms, SMGJ shall provide to the Parish a written monthly report in a form approved by the Parish setting out JPAC's anticipated activities and financial condition for the upcoming month and reporting on the prior month's activities and finances.

FINDING

- 2) Monthly operational reporting was not consistently collected and reviewed per the Management Agreement with SMGJ. (This finding relates to the previous audit period but applies to the current management contract.)

OBSERVATIONS

The following recommendations were documented via Internal Audit 2018-006:

4A) Any future contract should be reviewed and revised to include a realistic timeframe for the monthly reporting component of the contract.

4B) The Department should have the content of the monthly reporting tailored to include the following in the Performance Dashboard:

1. Facility usage by Event Category (Assemblies, Concerts, Performing Arts, JPAS, etc.).
2. \$3.00 Facility Fee earned then remitted to the Parish, along with the amount of fees waived.

The Administration's response is shown below (excerpted):

As recommended, the reports will continue to be furnished by SMGJ once the financials are complete; reminders will be sent to SMGJ by Parish President Office staff if they are not received by the 15th day of the subsequent month. Future contracts will be reviewed and revised to include a realistic timeframe for the monthly reporting component. We will also reach out to SMGJ to ensure the recommended performance indicators and deliverables are included in the report.

REQUIRED REPORTING

After the previous audit, the Management Company and the Parish established a monthly reporting format, as shown below. Internal Audit requested a sample of such reports; however, according to the Director of General Services, Ryan Babcock, “No one from my office or ASM³ [the management company] can tell me anything about the forms.” Therefore, it is reasonable to conclude that the practice of sending and evaluating such forms monthly did not occur consistently, or at least in the latter dates of the contract term.

Monthly reporting format established under the previous management agreement

Jefferson Performing Arts Center December 2016 Monthly Parish Report					
SMG Regional Supervisor: Sam Vojisin			Accession: Jefferson Performing Arts Center		
SMG General Manager: Jose Torres			City: Metairie, LA		
Reporting Period: December 2016			Renewal Date: 12/31/2018		
Performance Unaudited					
Financial Reporting Date: November 2016					
FY16 Rolling Forecast*		Actual	On Target	Below	
*We approximate this		X			
					Fiscal Year Ending Date: December, 2016
					FY16 Forecasted Net Surplus (Deficit) \$ (562,707)
Item	YTD Budget	YTD Actual	Variance	Customer Satisfaction	Score
Attendance	50,800	44,569	-11,231	Marketing /Sales Staff	95
F of Events	80	84	4	Event Staff Knowledge, Respons	95
Net Income / (Loss)	(156,238)	(243,736)	310,492	Operations - Accuracy, Respons	95
Rental Income	942,800	856,828	11,225	Concessions/Catering	95
PA&S Commission	13,650	23,447	10,397	Cleanliness	95
Salaries & Benefits	455,246	378,202	76,986	Overall	95.6
Comments:					
(1) JPAS performances of Nutcracker					
(10) JPAS rehearsal/lead-in days					
(11) Corporate Christmas Party					
(12) Christmas Dance Recital					
(13) LPO Christmas Concert					
(14) JPAS Art Adventure Series for Nutcracker					
Client Communication		12/14/2016		Facility Site Visit	
Last client meeting:		1/9/2017		Last visit:	
Next Communication: Monthly				Next Visit:	
Comments / Client Issues:		FBO			
1. Incentive Fee payment is TBD. 2. No word on mandatory bag checks for all public events. 3. Two Muse statues donated by Jefferson Foundation were unveiled at the JPAC entrance. 4. New designs for the JPAC Marquee are being considered. 5. New phone system is installed and working properly. 6. JPAS will begin moving into their JPAC offices starting January 2, 2017. 7. New parking arrangement with Babytunes has worked out well. 8. JPAC Promo drone video has been completed. Go to: https://drive.google.com/open?id=0_Pskuxu117v48RfZjN5R6dN0					
Major Challenges / Issues / Monthly Highlights					
1. Continue working with Chris Perdon (SMG Mobile, Seeger) local promoters and national agencies on future bookings and routing opportunities. 2. Establish a targeted distribution list to send regular updates regarding JPAC events. 3. Notable BOOKED dates: "Under the Street Lamp", "Men are from Mars, Women are from Venus", "Jim Bridman in Concert", "Rock'n Road to Dublin", "Krew of Stars" Mardi Gras Ball and L&LPO Concerts. 4. Notable HOLD dates: "Harry Potter in Concert" with LPO, "Menopause", Moscow Ballet, Neil Diamond Tribute, Rat Pack Tribute, "It's a Wonderful Life" in Concert with LPO, Marcell Arts Show and Lightwave Theater's Christmas Show.					

The Parish also collected monthly unaudited financial reports from the previous management company. In the latter months of the contract, receipt of the reports was as follows:

Report Month	Date Received
January 2022	March 23, 2022
February 2022	May 4, 2022
March 2022	July 29, 2022
April 2022	July 29, 2022
May 2022	Not received ⁴
June 2022	Not received

³ On September 30, 2019, AEG Facilities, LLC announced the completion of a merger with SMGJ, resulting in a newly created company named ASM Global (ASM).

⁴ The referenced reports were not received as of August 4, 2022, per Madison Martin, Director of Accounting.

Mr. Babcock is working with the previous management company on transition and closeout items. Internal Audit obtained the new management agreement with the Jefferson Performing Arts Society. An annual reporting requirement is specified in Section 8.3 (Monthly Reports). The section states:

8.3 Monthly Reports. FIRM will furnish the PARISH monthly reports by the 15th day of the following month summarizing the activity of the prior month. The report shall include at a minimum the following items; summary of marketing activities, expense detail, revenue detail, calendar of booked events and holds for reporting month and subsequent twelve (12) months, new prospective clients/events, and an income statement for the month's activity.

The Parish should collect and review such reports to monitor the management company's operational performance.

RECOMMENDATION

- 4) Monthly reports should be consistently collected and reviewed under the new management agreement with the Jefferson Performing Arts Society.



FINDING #5: BUDGET REPORTS

CRITERIA

According to Section 5.3 of the Management Agreement, all budgeted or pre-approved travel and professional expenses of individuals not employed at JPAC by SMGJ shall be paid as incurred when included in the Agreed Annual Budget. All non-budgeted travel and professional expenses shall be paid only with the prior written approval of the Parish.

FINDING

5) There is no finding resulting from this area of analysis.

OBSERVATIONS

The following recommendations were documented via Internal Audit 2018-006:

5A) The next budget should consider amounts actually needed and be prepared with reasonable expenditure amounts in mind. The Parish Travel and Training Policies & Procedures and published per diem rates should be used as a guide in determining the reasonableness of travel and related expenses.

5B) SMGJ should ensure proper procedures are in place to substantiate meal expense reimbursement within parish policies and procedures and to detect duplicate payments of travel expenses. The \$277.95 duplicate payment to the General Manager should be returned to the Parish.

The Administration's response was, in brief, "we agree with the Internal Audit findings."

The new Management Agreement in place with the Jefferson Performing Arts Society has one reference to an approved budget as follows:

Section 4.2. Obligations of FIRM:

FACILITIES:

- c. Monitor actual and projected operating expenses and advise PARISH if Projected costs exceed the amounts set forth in approved budgets.

As further explained in this report's "Facility Utilization and Financial Performance" section, the current (new) Management Agreement limits the amount paid to the Management Company, making the aforementioned prior findings marginally applicable to the present scenario.

Internal Audit reviewed the general ledger accounts of travel expenses of the previous management company and did not note anything out of the ordinary.

For these reasons, the prior findings will be considered resolved.

RECOMMENDATION

5) There is no recommendation resulting from this area of analysis.

FINDING #6: FACILITY FEES

CRITERIA

According to Jefferson Parish Ordinance No. 25030 (October 21, 2015), there shall be a three-dollar (\$3.00) facility fee on tickets purchased at the Jefferson Parish Performing Arts Center to defray the costs of operating the facility. The JPAS Arts Adventure Series performances, as well as student groups, are exempt from the payment of the facility fee.

FINDING

- 6) A process to consistently reconcile and account for the \$3 facility fee is not in effect. (This finding relates to the previous audit period and applies to the previous and current management contracts.)

OBSERVATIONS

The following recommendations were documented via Internal Audit 2018-006:

6A) Amounts due to the parish for the \$3.00 facility fee should be paid in a timely manner.

6B) A system should be put in place to collect fees at the time tickets are sold, or the process should otherwise be streamlined so that such a backlog does not occur in the future.

The Administration's response is shown below:

We agree with Internal Audit's findings and will assign a member of the President's Office staff to review, reconcile and communicate with SMGJ regarding facility fee payments. A tickler or calendar file will be administered for follow up by staff in the Parish President's Office in order to ensure compliance for the remaining term of the agreement.

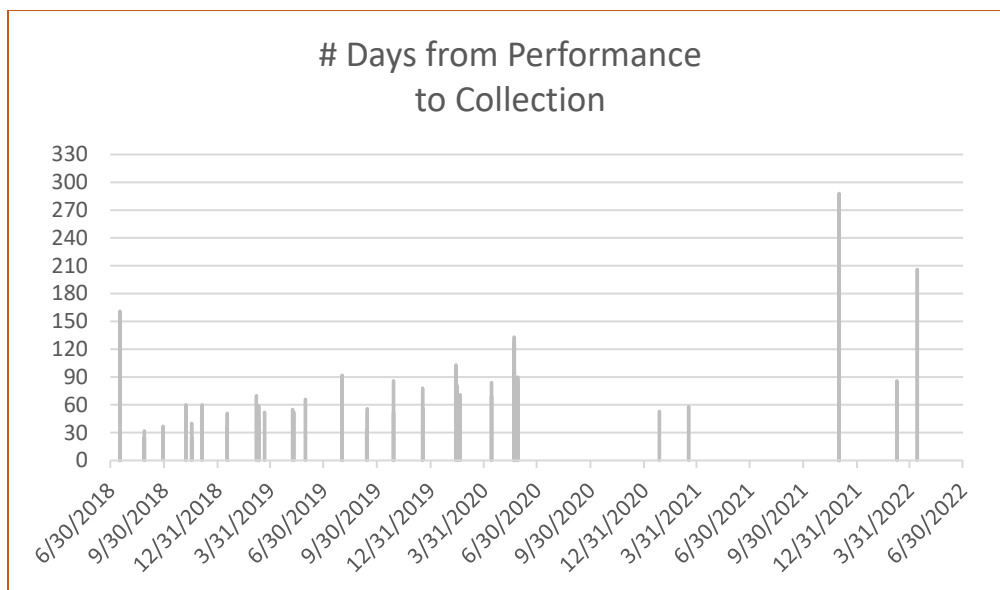
We will continue the practice of assessing the fee based on tickets sold as this is an easily reconcilable method based on reporting available. However, we will consider other fee structures for future agreements.

\$3 FACILITY FEES

The last audit documented that facility fees for nineteen (19) performances held during 2017 had not been remitted to the Parish as of June 8, 2018. In some cases, over seventeen (17) months passed without the imposed three-dollar (\$3.00) facility fee is remitted to the Parish. As a result of the audit, the Parish received fifty-one thousand two hundred ninety-one dollars (\$51,291) from late June 2018 through mid-July 2018. An additional twenty thousand four hundred forty-eight dollars (\$20,448) was remitted in August and September 2018 in an attempt to resolve delinquent fee remittances.

Internal Audit generated a report from the Parish's AS/400 Financial Management System to reconfirm and determine the aforementioned revenues and to analyze collections since the last audit. For the current period under audit, once delinquencies were resolved, fees were remitted to the Parish within thirty (30) to ninety (90) days. This occurred through approximately March 2020. After which time, there appears to be another grouping of fees submitted in May 2020, which were over one hundred twenty (120) days past the production date.

One can assert that this delay was due to the COVID-19 pandemic, also known as the coronavirus pandemic, declared by World Health Organization in March 2020. Reasonable delays aside, there were reduced collections with two remittance periods until about November 2021, when another revenue batch was received. From there, the number of days to collect the fee tops out at two hundred eighty-eight (288). A graphical depiction of this is shown below.



Further, as of June 30, 2022, the Parish has not received remittances for any productions in 2022. This period of collections and remittances is under the management contract with SMGJ/ASM, which concluded on June 30, 2022. (See Attachment D for a complete listing of revenues as of June 30, 2022.)

Via a telephone conversation on June 30, Internal Audit advised the Director of General Services, Ryan Babcock, regarding the status of facility fee collections. Subsequently, the Parish received another \$19,707 on July 18, 2022, and \$2,652 on August 3, 2022.

The Parish should ensure a full accounting of the \$3 facility fees earned under the previous management company and that all such fees have been appropriately turned over to the Parish.

The Parish should develop and implement a process of collection of the facility fees in the future to ensure that all fees are accounted for and collected timely.

As a note, the new contract institutes an increased facility fee from \$3 to \$5 per ticket sold. Based on the \$310,572 of fees received thus far, the revenue to the parish would have been \$207,048 more under the new fee structure.

RECOMMENDATIONS

6A) The Parish should ensure a full accounting of the \$3 facility fee earned under the previous management company, and ensure that all such fees have been relinquished to the Parish.

6B) The Parish should develop and implement a process to collect the facility fees in the future to ensure that all fees are received timely.

FINDING #7: FACILITY UTILIZATION AND FINANCIAL PERFORMANCE

CRITERIA

According to Section 5.3 of the Management Agreement, SMGJ shall establish and maintain operating, payroll and other bank accounts incumbent to the promotion, operation, and management of JPAC. SMGJ shall be the signatory authority for such accounts, and SMGJ shall indemnify and hold the Parish harmless for any misuse or misappropriation of funds by its officers, employees or agents. All Adjusted Gross Income collected or received by SMGJ shall be deposited into such accounts, and Operating Expenses shall be paid by SMGJ from such accounts. The funding of all of the foregoing accounts shall be made by the Parish to cover all projected Operating Expenses and Capital Expenses at JPAC to the extent not covered by the Adjusted Gross Income.

FINDING

- 7) A potential conflict of interest exists with the relationship between the new management company of the Jefferson Performing Arts Center and a Cooperative Endeavor Agreement with a division of the management company. (This relates to the current management contract with the Jefferson Performing Arts Society.)

OBSERVATIONS

The following recommendations were documented via Internal Audit 2018-006:

7A) Consider restructuring the CEA with JPAS to include usage at a fixed amount of rent waived along with parameters for the number of days' usage. This will enable the parish to better plan for funding needs and potentially increase revenues for the rental of the facility.

7B) Review the SMGJ budget to ensure that necessary items are included that would lend to the promotion and rental of the facility.

7C) Review the SMGJ staffing structure to determine if the facility is right-staffed and employees are appropriately compensated, including allocation and bonus structures.

7D) Review the SMGJ budget relative to Travel and Meal expenses to ensure the amounts budgeted and spent are prudent and necessary.

The Administration's response is shown below (excerpted):

Most civic centers operate at a net loss. The JPAC has an extra "hurdle" as there are two agencies that are allowed to utilize and compete for booking dates at the center; this also lends to pointing fingers if dates are not used.

This Administration contributes the decrease in net loss to the negotiation of the JPAS agreement, which allowed for more days for SMGJ/JPAC to book events/performances and a conversation with both parties acknowledging the need to work together to increase the value and decrease the deficit of the facility.

As highlighted previously in this report, the contract with SMG Jefferson, LLC (SMGJ), the first company to provide management, marketing, and operations services at the Jefferson Performing Arts Center (JPAC), ended on June 30, 2022. The Jefferson Parish Council selected the Jefferson Parish Performing Arts Society (JPAS) via the Request for Proposal process. Jefferson Parish (JP) negotiated a contract with JPAS, which restructured the previous agreement to include a limit on the amount JP will pay for the management company salaries and related expenses and eliminated a monthly management fee and the potential for annual incentive payments. As in the previous contract, JP retains the responsibility for JPAC's general operating and capital costs; however, operating costs will be paid directly by the Parish versus the Management Company. (See items A through E in the table shown below.)

The new agreement institutes a ten percent (10%) commission on all non-ticketed rentals. This provision did not exist in the previous contract. Additionally, the Parish collects a Facility Fee on each ticket sold. This fee has been increased from three dollars (\$3) per ticket to five dollars (\$5). The Facility Fee is imposed to "defray the costs of operating" JPAC.⁵ (See items F and G in the table shown below.)

The spirit of the new management company contract is to decrease expenses and increase revenues. Jefferson Parish also has a focus on improving the utilization of JPAC. This is discussed in the following sections.

COMPARISON OF OLD VERSUS NEW MANAGEMENT SERVICES FEE STRUCTURE

Item	Description	SMGJ (old)	JPAS (new)
A	Management Fee	\$90,000 annually	\$0
B	Incentive Payments	25% of improvement in annual gross income not to exceed annual fixed management fee.	\$0
C	Management Company Salaries and Related Expenses	Average \$525,659 (Pre-Covid)	Limited to \$214,500
D	JPAC operating expenses	Parish expense: paid through mgmt. company	Parish expense: paid directly by Parish
E	Capital Costs	Parish expense: paid directly by Parish	Parish expense: paid directly by Parish
F	Facility Fee (Revenue)	\$3 per Ord 24798, 06.24.2015	\$5 per ticket sold for all events held (Ord 26450, 06.29.2022)
G	10% commission (Revenue)	\$0	Parish receives revenue of 10% on all non-ticketed event rentals.

⁵ Jefferson Parish Ordinance No. 26450, approved on June 29, 2022, increased the Facility Fee from \$3 to \$5.

ARTISTS IN RESIDENCE

The Parish had a Cooperative Endeavor Agreement (CEA) with the Jefferson Performing Arts Society (JPAS), which ended on June 30, 2022. The agreement designated JPAS as the “Artist in Residence” for the Jefferson Performing Arts Center (JPAC), essentially giving them free use of JPAC for thirty-two (32) weeks of engagements on an annual basis. (See Internal Audit #2018-007 for more information). Jefferson Parish (JP) paid a total of \$500,000 over the life of the CEA (July 1, 20016, to June 30, 2022)⁶.

The Parish chose not to designate another company as Artist in Residence (AIR); however, as of the writing of this report, a new CEA with Jefferson Performing Arts Society Productions (JPASP) has been drafted with plans to obtain approval at a future Council Meeting⁷. The new CEA contains the same deliverables as the previous CEA for AIR, minus two items: produce and present two (2) children’s theater productions, and host an annual summer musical theatre camp for children. See Attachment L for a comparison of deliverables from the two (2) CEAs.

In consideration of the deliverables, JPASP is provided with twenty-two (22) weeks of JPAC usage without cost, free office space at a JP-owned property on Clearview Parkway in Metairie, and reimbursement of expenses up to one hundred thousand dollars (\$100,000) annually. The previous CEA provided for thirty-two (32) weeks of free JPAC usage; however, actual usage ranged from nineteen (19) to twenty-four (24) weeks. Reducing free usage from thirty-two (32) weeks to twenty-two (22) weeks brings the usage in line with historical data. See below for a comparison of rights and compensation contained within the two CEA’s

DESCRIPTION	OLD AIR CEA	NEW CEA
Utilize JPAC for thirty-two (32) weeks at no cost (actual = 19 to 24)	\$200,382	-
Utilize JPAC for twenty-two (22) weeks at no cost	-	\$191,670
Occupy 671 square feet of space at JPAC - free of charge	\$10,065	-
Occupy office space at 1118 Clearview Parkway - pay upkeep only	\$33,500	\$33,500
Annual Consideration for Deliverables	\$100,000	\$100,000
TOTAL PARISH PAYMENT/SUBSIDY	\$343,947	\$325,170

The reader should note that the new CEA contains the following stipulation not included in the previous one, “JPASP shall not book any events in May, June, or July during this contract.”

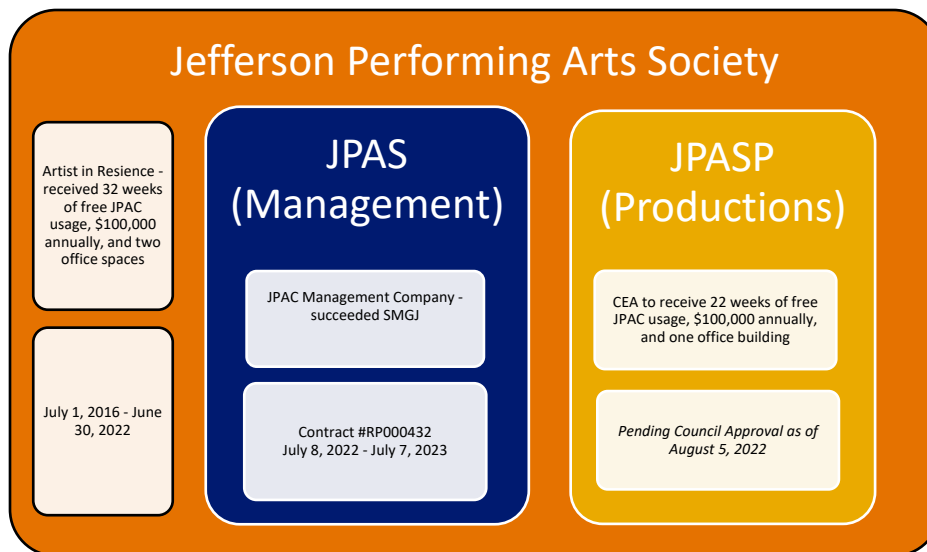
See Attachment I for the drafted CEA with JPASP.

⁶ The Parish’s financial management system indicates that CEA with JPAS ended on December 31, 2021; however, Ryan Babcock, Director of General Services represented that it was extended through June 30, 2022. (Jefferson Parish Contract reference #55-00016098.

⁷ This information is as of August 5, 2022.

POTENTIAL CONFLICT OF INTEREST

The Jefferson Performing Arts Society has restructured its operations into two (2) divisions: one (1) designated as the Management division and the other as the Productions division. The Management Company division is referred to as the Jefferson Performing Arts Society (JPAS) and holds the contract for management services for the Jefferson Performing Arts Center (JPAC). The Productions division is poised to sign a Cooperative Endeavor Agreement (CEA), providing them with free use and compensation, as discussed on the previous page. Below is a visual depiction of the organization with the outer box signifying the whole organization before the restructuring and the inner blue and gold boxes symbolizing two newly named divisions of the entire company.



Before the restructuring, the company had a Federal ID number 72-0861706. According to Parish records, the two (2) divisions resulting from the restructuring have that same Federal ID number. The organizational chart submitted with a proposal for management services shows Mr. Todd Simmons as the Executive Director & HR Director for the Management division and Mr. Dennis Asaaf as the sole employee of the Productions division. However, a more detailed organizational chart provided later showed two (2) employees added to the Productions division who also work for the Management division at JPAC, the Facilities Director and the Production Manager. Both the Management division and Productions division have the same Board of Directors. (See Attachments J and K for the organizational charts and a summary of personnel who appear to work for both divisions.)

Mr. Simmons and Mr. Asaaf are each listed on the Louisiana Secretary of State's website as "Director" of the Jefferson Performing Arts Society. There does not appear to be a clear differentiation between the Management and Productions divisions of the Jefferson Performing Arts Society. The non-profit organization operates under one Federal Identification Number, one Board of Directors, and has employees who work on behalf of both divisions.

The same company that stands to gain (earn revenue) from the usage of the facility is responsible for and is being paid to manage and maximize the use of the facility. The structure points to a Conflict of Interest, a situation in which a person or organization has two or more competing interests. When a conflict of interest occurs, the person or organization cannot perform their duties appropriately because it would mean betraying their interests to one of the parties within the situation⁸.

⁸ <https://www.indeed.com/career-advice/career-development/conflict-of-interest>

The Parish has limited its financial exposure relative to historical contracts by capping the fee paid to manage the facility at \$214,500 and setting the Management contract and Productions contract at one (1) year with renewal options. Additionally, as of the timing of this report, the Parish has included a provision in the pending Cooperative Endeavor Agreement prohibiting the Productions division from booking events during peak months: May, June, and July.

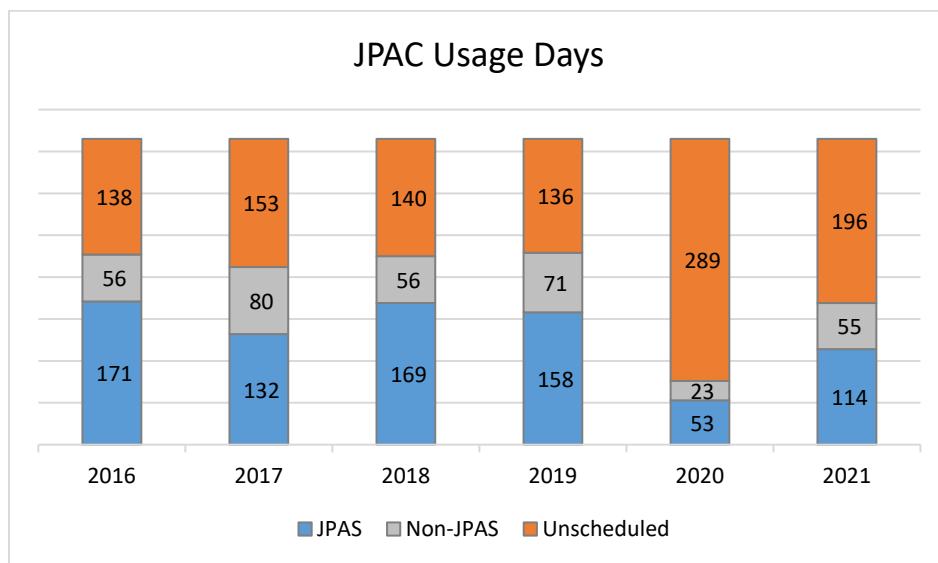
The Parish should be diligent about monitoring the performance of each contract to ensure a maximum return on taxpayers' dollars spent for JPAC and a positive trend upward in maximizing the usage of the facility. The statistics below and on the following page were accumulated and provided to facilitate this effort.

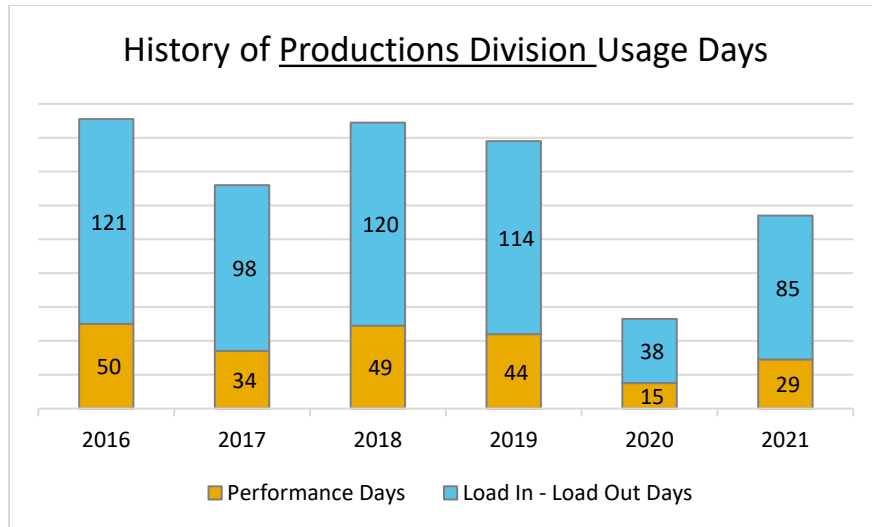
The Parish should also evaluate these and future contracts and agreements to ensure Conflicts of Interest, either in fact or appearance, do not exist.

TREND OF USAGE

Historically, the usage of the Jefferson Performing Arts Center (JPAC) has ranged from twenty-one percent (21%) to sixty-two percent (62%) of its capacity. The data below is a visual representation of the usage, with the orange bar lines at the top representing unscheduled or unused days at JPAC. The gray and blue bar lines collectively represent days scheduled for both JPAS and non-JPAS events. Note that the scheduled days include production days, along with theater load-in and load-out days. Also, note that the year 2020 has unscheduled days higher than typical due to the Coronavirus Pandemic.

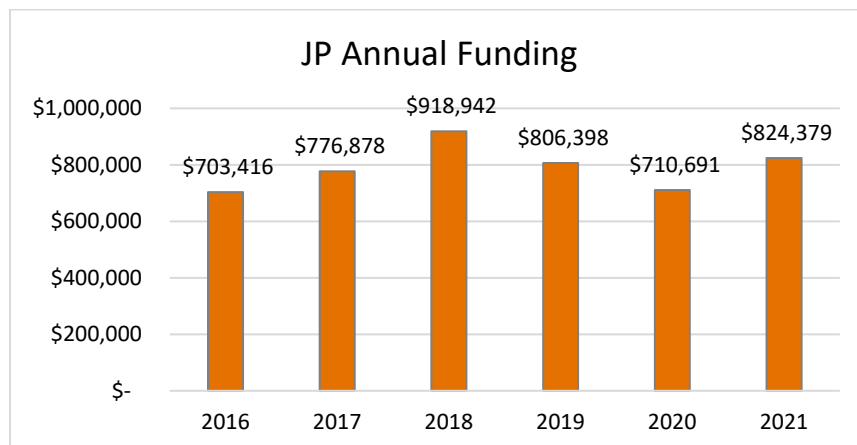
This facility usage information is provided to assist with a historical review of facility management. A chart illustrating the Performance division's performance days versus load-in/out days is shown on the next page. The data can be used in contract monitoring to gauge a positive forward trend. See Attachment F for more details.





TREND OF FUNDING FOR JPAC

The operations of the Jefferson Performing Arts Center have resulted in a net loss since its opening in 2015. As stated previously in this report section, the Parish has restructured its management contract and secured a different management company. The Parish should monitor the financial results of this new arrangement. The following financial information is provided to assist with a historical look back on financial performance. This can be used to gauge a positive forward trend.



Annual Funding amounts shown above include JPAC loss from operations, management fees to the previous management company, and funding to the artist in residence. See Attachment E for more details.

RECOMMENDATIONS

7A) The Parish should be diligent about monitoring the performance of each contract to ensure a maximum return on taxpayers' dollars spent for the Jefferson Performing Arts Center and a positive trend upward in maximizing the usage of the facility.

7A) The Parish should evaluate these and future contracts and agreements to ensure Conflicts of Interest, either in fact or appearance, do not exist.

SUMMARY

The new contract for management services for the Jefferson Parish Performing Arts Center appears to have been thoughtful in its creation. The Parish has addressed many items in the previous audit report and is attempting to reduce the costs associated with contracting a management company while simultaneously increasing the facility's utilization. With that, Internal Audit has concerns about a potential conflict of interest between the management company and its related productions (theatrical) division's free use of the facility.

Individuals from the departments of General Services, Accounting, and the Parish Attorney's office are charged with collective monitoring of the Jefferson Performing Arts Society management division and its productions division. The Parish's monitoring team should review and take appropriate actions as noted in the recommendations contained within this report.



RECAP OF RECOMMENDATIONS

#	Pg.	Recommendations	Amount	Impact
1	7	Payments for Management Services should be made timely and in accordance with the Management Agreement.	-	Management Tool
2	8	N/A	-	-
3	10	N/A	-	-
4	12	Monthly reports should be consistently collected and reviewed under the new management agreement with the Jefferson Performing Arts Society.	-	Management Tool
5	13	N/A	-	-
6A	15	The Parish should ensure a full accounting of the \$3 facility fee earned under the previous management company, and ensure that all such fees have been relinquished to the Parish.	TBD	Increase Cash
6B	15	The Parish should develop and implement a process to collect the facility fees in the future to ensure that all fees are received timely.	\$48,245 ⁹	Increase Cash
7A	21	The Parish should be diligent about monitoring the performance of each contract to ensure a maximum return on taxpayers' dollars spent for JPAC, and a positive trend upward in maximizing the usage of the facility.	\$214,500 ¹⁰	Dollars At Risk
7B	21	The Parish should evaluate these and future contracts and agreements to ensure Conflicts of Interest, either in fact or appearance, do not exist.	-	Management Tool
		TOTAL IMPACT ON FUNDING / RESOURCES	\$ 48,245	
		DOLLARS AT RISK	\$214,500	

****END REPORT****

⁹ Annual average remitted to Jefferson Parish

¹⁰ Year 1 management contract obligation

ATTACHMENT A

INTERNAL AUDIT 2018-006

Internal Audit Report #2018-006
SMG Jefferson - JPAC: Contract #RP-201C
Draft Date: August 10, 2018
Final Date: September 25, 2018



Tara Hazelbaker, CPA
DIRECTOR OF INTERNAL AUDIT | JEFFERSON PARISH

OVERVIEW

BACKGROUND

The Jefferson Parish Performing Arts Center (JPAC) is located at 6400 Airline Drive in Metairie and opened in the summer of 2015. JPAC has a seating capacity of 1,063 in an 86,000 square foot theatrical venue able to accommodate theater productions, concerts, dance recitals, meetings, graduations, and other special events. The facility includes a spacious lobby and terrace, catered services, and a hospitality suite.

SMG Jefferson, LLC (SMGJ) was contracted to provide management, marketing, and operations services at JPAC. The contract term with SMGJ began on December 10, 2014, and continues through December 31, 2019. The term may be extended for an additional five (5) years upon mutual agreement of Jefferson Parish (the Parish) and SMGJ. (See Attachment A) The Parish remits monthly payments to SMGJ for the services.

The Parish entered into a Cooperative Endeavor Agreement (CEA) to designate the Jefferson Performing Arts Society (JPAS) as the "Artist in Residence" essentially giving JPAS free use of JPAC for thirty-two (32) weeks of engagements on an annual basis. (See Internal Audit #2018-007.) For the other twenty (20) weeks of the year, revenues are generated for JPAC via facility rentals for dance recitals, concerts, theater productions and various catered meetings and events. (See Attachment G for Rental Rates.) Tickets are sold for theatrical productions with such revenues going to the production company versus JPAC, with the exception of productions that are co-produced in which case there is typically a revenue-sharing arrangement in place in lieu of facility rental.

The Parish funds the balance of operations not covered by revenues (net loss). JPAC has operated at a net loss since its opening in 2015. The source of funding for JPAC is largely from Culture and Parks Ad Valorem taxes. (See Finding #7)

OBJECTIVES

The objectives of this review were to ensure compliance with the following Sections of the Management Agreement dated December 10, 2014, between the Parish of Jefferson and the SMG Jefferson, LLC, referenced by the Parish as Contract #RP-201C:

- 1) Sections 4.3: SMGJ's Compensation and Payment
- 2) Section 5.1: Budgets, Operating Expenses, Operating Budget
- 3) Section 5.3: Receipts and Disbursements; Accounts
- 4) Section 6.2: Annual Reporting Requirements
- 5) Section 6.3: Annual Plan
- 6) Section 6.4: Monthly Reports

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SCOPE

The Management Agreement between SMGJ and the Parish was retrieved, along with related Council Resolutions (See Attachments A & B). Select financial data was obtained from the AS/400 Financial Management System and parish files such as a contract payables listing for calendar years 2016 and 2017, Audited Financial Statements, and monthly JPAC Financial Statements.

Invoices were selected for specific review. The Annual Operating Budgets for 2016 and 2017 and other financial data was requested from the vendor. A roster of scheduled and completed events, advertising and promotional activities, and information regarding personnel counts and plans were also obtained. This review covers only the sections of the agreement as indicated in the Objectives section of this report and does not cover any other parts of the agreement.

FINDING #1

CRITERIA

According to Section 4.3(a), SMGJ's Compensation, of the Management Agreement, an annual fixed management fee in the amount of ninety thousand dollars (\$90,000) payable in twelve (12) equal payments of seven thousand five hundred dollars (\$7,500) due and payable to SMGJ on the first business day of each month of the Management Term (and extension thereof).

According to Section 4.3, Payment, of the Management Agreement, all Management Fees payable shall be funded to SMGJ within 30 days following receipt of an invoice from SMGJ.

FINDINGS

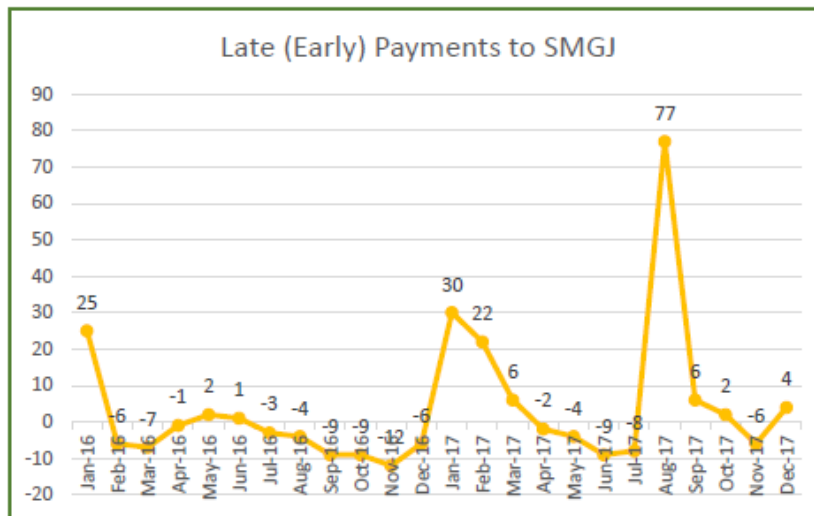
- A) Payments to SMGJ were not always made timely. (General Services)
- B) Contract language appears to be inconsistent in regards to the due date of the payments to SMGJ. (Parish Attorney's Office)

OBSERVATIONS

The Management Agreement contains two (2) Sections numbered 4.3. One titled, "SMGJ's Compensation", and the other titled, "Payment."

Seven thousand five hundred dollars (\$7,500) was paid monthly to SMGJ for January 2016 through December 2017 services (twenty-four months). According to Section 4.3(a), SMGJ's Compensation, payments are due and payable to SMGJ on the first business day of each month. Actual payments made ranged from twelve (12) days early to seventy-seven (77) days late. Ten (10) payments or forty-two percent (42%) of the population of payments were paid late.

The following graph illustrates the timing of each payment. The horizontal axis value of zero (0) indicates an on-time payment, whereas a positive value represents a late payment and a negative value indicates an early payment.



Based on a sample of three (3) invoices or twelve point five percent (12.5%) of the population of invoices, payments were funded and remitted to SMGJ within thirty (30) days of receipt as per the terms of the second Section 4.3, Payment, of the Agreement.

Language within both 4.3 Sections indicate different requirements, that is, invoices “due and payable” on the first business day of each month versus “funded” within thirty (30) days of receipt of an invoice. However, the language in both sections appears to be inconsistent or, at a minimum, confusing to the reader.

SUGGESTIONS

- A) Payments to SMGJ should be made timely in accordance with Section 4.3(a) of the Management Agreement. (General Services)
- B) Contract terms should be labeled with unduplicated numbering and should contain clear and consistent terms. (Parish Attorney’s Office)

RESPONSE FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the findings presented by Internal Audit.

Upon coming into office, we learned that the JPAS and JPAC agreement monitoring was designated to General Services. The review of this audit has further acknowledged that General Services is not the proper designee for the monitoring of this agreement, which requires a detailed review of reports relative to a business they are not familiar with as well as a review of financial statements.

As there is no Parish department dedicated to such a task nor technically assigned to the agreement, we will assign a member of the President’s Office staff as well as the Alario Center Manager to review reports. We will also request a member of Finance and/or the Accounting Department to review financial statements, reimbursement submittals and monitor payments. This situation is also applicable to other Jefferson Parish agreements. We will be more attentive regarding designation of contract monitoring as these agreements go before the Council.

We will also speak with SMGJ and work with the Parish Attorney's Office to send proper notice to clarify the intentions regarding confusing payment terms and comply with Section 4.3(a) of the Management Agreement.

RESPONSE FROM JEFFERSON PARISH ATTORNEY'S OFFICE

The Parish Attorney's Office has reviewed Internal Audit Report #2018-006 SMG Jefferson - JPAC: Contract #RP-201C Finding #1 and, in general, concurs with the recommendations of the Internal Audit Department based upon the facts detailed in the Report. The contract language for the fixed fee (Section 4.3(a)) provides that the annual fixed management fee is "due and payable" on the first day of each month, while Section 4.3(b) provides language relating to the Performance Incentive Fee which is an annual payment based on increases in Adjusted Gross Income for the facility. Section 4.3 (which should have been labeled 4.3 (c)) provides that any and all fees defined in the foregoing paragraphs shall be "funded" by the Parish within 30 days following receipt of invoices. The Parish Attorney's Office agrees that the language is somewhat confusing here but it is not inconsistent. The references refer to what is "due and payable" versus the mechanism for "funding" the same. As such, the language is not inapposite. We do not deem it necessary to amend the contract at this time but in future agreements the number formatting should be corrected so as not to create confusion. The Parish Attorney's Office suggests that when the contract is renewed or amended that this matter be addressed but the contract remains enforceable in its current format.

FINDING #2

CRITERIA

According to Section 5.1 of the Management Agreement, on or before May 1 for each year of the Management Term, SMGJ shall prepare and submit the Annual Plan, which shall include the Annual Operating Budget and Annual Cash Flow Plan for JPAC and the performance of SMGJ's Scope of Services for the upcoming Fiscal Year.

According to Section 6.3 of the Management Agreement, on or before May 1 in each year during the Management Term, SMGJ shall provide the Parish an annual management plan for the succeeding Fiscal Year (the "Annual Plan"), which shall include the annual operating budget and annual cash flow budget described in Section 4.6 for the next Fiscal Year.

FINDINGS

- A) The Annual Cash Flow Plan, reporting on the performance of SMGJ's Scope of Services, and annual management plan was not submitted to Jefferson Parish in accordance with Sections 5.1 and 6.3 of the Management Agreement. (General Services)
- B) The Management Agreement contains a reference to a section within the agreement which does not exist. (Parish Attorney's Office)

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OBSERVATIONS

SMGJ submitted an Annual Operating Budget for 2016 and 2017 which was approved by Jefferson Parish. An Annual Cash Flow Plan for JPAC was requested from SMGJ; however, the Accounting Manager indicated that they do not prepare such a plan. Likewise, reporting on the performance of SMGJ's Scope of Services and formal Annual Management Plan was not available.

Section 6.3 of the Agreement references Section 4.6; however, Section 4 includes only 4.1, 4.2, and 4.3 (two times).

SUGGESTIONS

- A) Reports, as required per the Management Agreement, should be collected and reviewed by the parish. (General Services)
- B) References within the Management Agreement should be clear and valid. (Parish Attorney's Office)

RESPONSE FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the Internal Audit findings.

The Administration will assign a member of the President's Office staff as well as the Alario Center Manager to review reports and evaluate performance relative to SMGJ's Scope of Services as well as the annual management plan once submitted. We will also request a member of Finance and/or the Accounting Department to review the annual management plan.

Reference sections for all RFPs are reviewed during regular meetings of General Advisory Board (GAB). This practice and precaution intended to catch errors prior to advertisement will continue; however, these reviews are subject to human error and may still be overlooked.

RESPONSE FROM JEFFERSON PARISH ATTORNEY'S OFFICE

The Parish Attorney's Office has reviewed Internal Audit Report #2018-006 SMG Jefferson - JPAC: Contract #RP-201C Finding #2 and, in general, concurs with the recommendations of the Internal Audit Department based upon the facts detailed in the Report. A review of the agreement between the parties reveals in Section 6.3, references to Section 5.6, and describing the "Annual Plan." Internal Audit is correct, there is no Section 5.6 in the Agreement. Instead, the Annual Plan is described/defined in Section 5.1, rather than Section 5.6. This would appear to be an error in the versions of the draft agreement that were not corrected in the final version. As the requirement is detailed elsewhere (See Section 5.1), and what comprises the annual plan is defined therein the intent of the agreement can be ascertained from the four corners of the document. Again, the Parish Attorney's Office agrees that the language is somewhat confusing because of the misidentification of sections. However, we do not deem it necessary to amend the contract at this time. In future agreements this can be rectified. The Parish Attorney's Office suggests that when the contract is renewed or amended that this matter be addressed but the contract remains fully enforceable in its current format. Furthermore, the Parish Attorney's Office agrees that Reports, as required per the Management Agreement, should be collected and reviewed by the parish.

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FINDING #3

CRITERIA

According to Section 6.2 of the Management Agreement, SMGJ shall deliver to the Parish annual financial statements within 30 days after the close of each Fiscal Year prepared in accordance with Generally Accepted Accounting Principles.

FINDING

Annual financial statements were not delivered to the Parish within 30 days after the close of each Fiscal Year.

OBSERVATIONS

For the Fiscal Year Ended December 31, 2016, the annual audited financial statements were sent to the Parish on July 28, 2017. The statements should have been sent by the end of January 2017, which means they were approximately six (6) months late. Other financial records were delivered to the parish by February 9, 2018; however, they did not contain draft financial statements. For the Fiscal Year Ended December 31, 2017, the annual audited financial statements were approximately three and a half (3.5) months late. The following exhibit contains details of the dates and reports submitted.

Financial Information Received	For the Year Ended December 31,	
	2016	2017
Annual Financial Statements (audited)	28-Jul-2017	14-May-2018
Bank Reconciliation	9-Feb-2017	14-Mar-2018
Cash Flow Statement	9-Feb-2017	14-Mar-2018
Detailed General Ledger	9-Feb-2017	14-Mar-2018
Trial Balance	9-Feb-2017	14-Mar-2018
Budget versus Actual Expenses	9-Feb-2017	14-Mar-2018

SUGGESTION

Annual financial statements should be obtained from SMGJ within 30 days after the close of each Fiscal Year in accordance with the Management Agreement. Such statements should be reviewed and monitored by the Parish.

RESPONSE FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the Internal Audit findings. A tickler or calendar file will be administered for follow up by staff in the Parish President's Office in order to ensure compliance for the remaining term of the agreement.

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FINDING #4

CRITERIA

According to Section 6.4 of the Management Agreement, on or before the last day of each month during the Management Terms, SMGJ shall provide to the Parish a written monthly report in a form approved by the Parish setting out JPAC's anticipated activities and financial condition for the upcoming month and reporting on the prior month's activities and finances.

FINDING

Monthly reports are not provided to the Parish on or before the last day of each month as required by Section 6.4 of the Management Agreement.

OBSERVATIONS

The General Manager prepares a report monthly that contains financial and customer satisfaction data along with key information regarding operational activities, including successes and challenges. (See Exhibit 4A for an example of the monthly report.) This type of reporting is occurring on a monthly basis; however, it is typically sent to the Parish by the middle of the subsequent month. For example, the June 2018 report was sent to the Parish on July 17th.

According to the General Manager, he needs to wait for the financials to be complete before he can prepare the report. Internal Audit believes that reporting on or before the last day of each month is an unrealistic timeframe to produce such a report.

SUGGESTIONS

- A) The General Manager should strive to produce and send the monthly report to the Parish in a timely manner. Any future contract should be reviewed and revised to include a realistic timeframe for the monthly reporting component of the contract.
- B) The Department should have the content of the monthly reporting tailored to include the following in the Performance Dashboard:
 - 1) Facility usage by Event Category (Assemblies, Concerts, Performing Arts, JPAS, etc.).
 - 2) \$3.00 Facility Fee earned then remitted to the Parish, along with the amount of fees waived. (See Finding #6 for more details.)

RESPONSES FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the Internal Audit findings.

Over the past year, the Parish Administration has noticed that the required reporting in most CEAs and IGAs was not being received and/or monitored. Standard contract language indicates reporting requirements and such reports to be turned in to the Internal Auditor. Therefore, we are in the process (originally started in Q1 2018) of working with Internal Audit and EIS to create an online system that will allow for easy submittal of reports required in each agreement.

Further, no database exists to track reporting requirements, which agencies should be submitting nor a direct department contact for report review. We have assigned personnel in the Parish President's Office

to create this tracking list and tasked them with sending notification to agencies contracting with the Parish regarding reporting submittal deficiencies; this will be sent once the online submittal system is functioning as it would be too difficult to track manually at this time with limited resources. It will also allow for continuity.

Upon coming into office, we learned that the JPAS and JPAC agreement monitoring was designated to General Services. The review of this audit has further acknowledged that General Services is not the proper designee for the monitoring of this agreement, which requires detailed review of reports relative to a business they are not familiar with as well as a review of financial statements.

We have evaluated resources and determined the Alario Center Director to be the most qualified staff member to review the SMGJ reports as the business of the Alario Center should be similar to the JPAC. We will also assign a member of the President's Office staff to review deliverables regarding performance and will request a member of Finance and/or the Accounting Department to review any financials provided.

As recommended, the reports will continue to be furnished by SMGJ once the financials are complete; reminders will be sent to SMGJ by Parish President Office staff if they are not received by the 15th day of the subsequent month. Future contracts will be reviewed and revised to include a realistic timeframe for the monthly reporting component. We will also reach out to SMGJ to ensure the recommended performance indicators and deliverables are included in the report.

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EXHIBIT 4A

Jefferson Performing Arts Center December 2016 Monthly Parish Report					
SMG Regional Supervisor: Sam Voisin SMG General Manager: Jose Torres Reporting Period: December 2016			Account: Jefferson Performing Arts Center City: Metairie, LA Renewal Date: 12/31/2019		
Performance Dashboard					
Financial Reporting Date: November-2016					
FYE Rolling Forecast*		Ahead	On Target	Behind	Fiscal Year Ending Date: December, 2016
*N in appropriate box		X			FYE Forecasted Net Surplus (Defic \$ (562,707)
Item	YTD Budget	YTD Actual	Variance	Customer Satisfaction	Score
Attendance	55,800	44,569	-11,231	Marketing /Sales Staff	95
# of Events	80	84	4	Event Staff -Knowledge, Respon	95
Net Income / (Loss)	(556,228)	(245,736)	310,492	Operations - Accuracy, Respons	95
Rental Income	342,800	356,026	13,226	Concessions/Catering	95
F&B Commission:	13,050	23,447	10,397	Cleanliness	98
Salaries & Benefits	455,246	378,260	-76,986	Overall	95.6
Comments:					
(2) JPAS performances of Nutcracker (10) JPAS rehearsal/load-in days (1) Corporate Christmas Party (1) Christmas Dance Recital (1) LPO Christmas Concert (1) JPAS Art Adventure Series for Nutcracker					
Client Communication			Facility Site Visit		
Last Client Meeting:			Last Visit:		
Next Communication: Monthly			Next Visit:		
Comments / Client Issues:			12/14/2016 12/14/2016 TBD		
1. Incentive Fee payment is TBD. 2. No word on mandatory bag checks for all public events. 3. Two Muse statues donated by Jefferson Butification were unveiled at the JPAC entrance. 4. New designs for the JPAC Marquee are being considered. 5. New phone system is installed and working properly. 6. JPAS well begin moving into their JPAC offices starting January 2, 2017. 7. New parking arrangement with Babycakes has worked out well. 8. JPAC Promo drone video has been completed. Go to: https://drive.google.com/open?id=0B_PishoXCU7NakhEZINSRXdkN2s					
Major Challenges / Issues / Monthly Highlights					
1. Continue working with Chris Penton (SMG Mobile, Seenger) local promoters and national agencies on future bookings and routing opportunities. 2. Establish a targeted distribution list to send regular updates regarding JPAC events. 3. Notable BOOKED dates: "Under the Street Lamp", "Men are from Mars, Women are from Venus", "Jim Brickman in Concert", "Rock'n Road to Dublin", "Krewe of Stars" Mardi Gras Ball and (2)LPO Concerts. 4. Notable HOLD dates: "Harry Potter in Concert" with LPO, "Menopause", Moscow Ballet, Neil Diamond Tribute, Rat Pack Tribute, "It's a Wonderful Life" in Concert with LPO, Martial Arts Show and Lightwire Theater's Christmas Show.					

FINDING #5

CRITERIA

According to Section 5.3 of the Management Agreement, all budgeted or pre-approved travel and professional expenses of individuals not employed at JPAC by SMGJ shall be paid as incurred when included in the Agreed Annual Budget. All non-budgeted travel and professional expenses shall be paid only with the prior written approval of the Parish.

FINDINGS

- A) Travel and meal expenses while below budget in total, appear to be excessive on a per transaction basis.
- B) Internal controls are not in place to require appropriate documentation to substantiate meal expenses or to prevent duplicate payment of travel expenses.

OBSERVATIONS

Actual travel and related expenses were below budget in total for fiscal years 2017 and 2016; however, when vouching individual transactions, Internal Audit noted amounts in excess of reasonable and prudent expenditures per parish policies and procedures. Internal Audit vouched fifty-two point four percent (52.4%) of Travel and Related Expenses incurred in 2017, and thirty-five point nine percent (35.9%) in 2016.

2017					
Travel and Related Expenses	Actual	Budget	Over (Under)	Amount Vouched	Percent
Travel	2,284	7,360	(5,076)	1,793	78.5%
Corporate Travel	388	600	(212)	-	0.0%
Meals & Entertainment	1,326	2,400	(1,074)	211	15.9%
Meetings & Conventions	4,103	2,000	2,103	2,244	54.7%
TOTAL	8,101	12,360	(4,259)	4,248	52.4%

2016					
Travel and Related Expenses	Actual	Budget	Over (Under)	Amount Vouched	Percent
Travel	5,105	11,360	(6,255)	1,968	38.6%
Corporate Travel	525	1,900	(1,375)	-	0.0%
Meals & Entertainment	2,713	2,400	313	1,230	45.3%
Meetings & Conventions	569	5,000	(4,431)	-	0.0%
TOTAL	8,912	20,660	(11,748)	3,198	35.9%

Travel and Related Expenses are included in the "General and Administrative" line item on the Income Statement. (See Attachment C.)

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Notable results are as follows:

Travel

- Hotel rooms rates were noted at two hundred seventy-seven dollars (\$277) and three hundred twenty-three dollars (\$323) per night on two (2) different trips. (See Attachment D.)
- Meal expense incurred while traveling included breakfast for one with a cost of fifty-one dollars (\$51). (See Attachment D.)
- A hotel room deposit in the amount of \$277.95 was paid twice. Once at the time the deposit was required, and a second time after the stay was complete. (See Attachment D.)

Meals & Entertainment

When vouching Meals & Entertainment expenses, seventy-six point four percent (76.4%) of 2017 and eighty-four point five percent (84.5%) of 2018 meal expenses vouched were for internal meetings such as holiday meals for SMGJ staff, staff meetings, and staff team building activities.

Meals & Entertainment				
Description	2017	%	2016	%
Vouched	211.48	15.9%	1,230.39	45.4%
Per Financials	1,326.00		2,713.00	
External Meetings	49.93	23.6%	54.44	4.4%
Internal Meetings	161.55	76.4%	1039.3	84.5%
JPAS	-	0.0%	84.93	6.9%
Jeff Parish	-	0.0%	51.72	4.2%
Total Vouched	211.48	100.0%	1,230.39	100.0%

Meetings & Conventions

A one hundred nineteen dollar (\$119) meal expense was incurred while the General Manager (GM) was at the International Entertainment Buyers Association (IEBA) in Nashville, TN. Such expense was reimbursed to the GM without an itemized receipt, only a credit card receipt was attached to the expense report. There were not any notations indicating the business purpose or if any other person was in attendance. (See Attachment D.)

In total, two hundred fifty-three dollars and fourteen cents (\$253.14) was spent on meals during the four (4) day Nashville trip calculating to a per diem rate of sixty-three dollars and twenty-eight cents (\$63.28). The published Parish per diem reimbursement rate is fifty-four dollars (\$54.00) for Nashville, TN and would need to be adjusted downward for any meals provided at the conference. According to the IEBA website, three (3) breakfasts and two (2) lunches were provided at the conference which requires a reduction of sixty-nine dollars (\$69) from the potential reimbursement. The total excess reimbursement if the Parish policies and procedures were followed was one hundred six dollars and fourteen cents. (\$106.14).

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Meal	Amount
Smoothie King	\$ 7.08
Walgreens/snacks	11.98
Lunch at Airport	7.99
Dinner	20.26
Dinner	119.17
Breakfast at Airport	7.19
Hotel Lunch	30.22
Hotel Lunch	24.54
Hotel Lunch	24.71
Actual Reimbursement	<u>\$ 253.14</u>

Description	Amount
Per Diem - Nashville	\$ 54.00
# of Days	4.00
Potential Reimbursement	216.00
Less Meals Provided	(69.00)
Calculated Reimbursement	147.00
Actual Reimbursement	253.14
Overage	<u>\$(106.14)</u>

SUGGESTIONS

- A) The next budget should give consideration to amounts actually needed and be prepared with reasonable expenditure amounts in mind. The Parish Travel and Training Policies & Procedures and published per diem rates should be used as a guide in determining the reasonableness of travel and related expenses.
- B) SMGJ should review internal controls and place proper procedures in place to substantiate meal expense reimbursement within parish policies and procedures, and to detect duplicate payments of travel expenses. The \$277.95 duplicate payment to the General Manager should be returned to the Parish.

RESPONSES FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with the Internal Audit findings; however, the agreement did not require compliance with Parish travel and expense policies. We will review this finding with the Parish Attorney's Office to determine if the Parish can enforce or request the review of these expenditures if they are not exceeding budgeted amounts that have been pre-approved. We will also inquire about the duplicate payment to the General Manager.

This Administration will consider requiring similarly contracted agencies to follow Parish policies in future agreements that allow for reimbursement of such expenses and include such language in future contracts.

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FINDING #6

CRITERIA

According to Jefferson Parish Ordinance No. 25030 (October 21, 2015), there shall be a three dollar (\$3.00) facility fee on tickets purchased at the Jefferson Parish Performing Arts Center to defray the costs of operating the facility. The JPAS Arts Adventure Series performances, as well as, student groups are exempt from the payment of the facility fee. (See Attachment E.)

FINDING

Facility fees due to the parish are not remitted in a timely fashion.

OBSERVATIONS

As a result of the request for information related to this review which was sent to SMGJ on June 8, 2018, the SMGJ Accounting Manager indicated that the \$3.00 facility fee had not been paid for the following nineteen (19) performances held in JPAC during 2017, and that SMGJ was in the process of reconciling the accounts to determine correct payment amounts to Jefferson Parish.

2017 Facility Fees Not Paid As of June 8, 2018 – Per SMGJ	Event Dates
Under the Streetlamp	2/27/2017
Rockin' Road to Dublin	2/21/2017
Jim Brickman Concert	03/30/2017
War on the Catwalk Drag Show	9/15/2017
Miss LA Pageant	10/20-21/2017
The Big Teasy	10/22/2017
Men are from Mars, Women are from Venus	10/27/2017
Evening with Ronnie Lamarque	11/11-14/2017
A Christmas Carol	12/21-22/2017
A Very Electric Christmas	12/23/2017
Rat Pack is Back	8/4-5/2017
Harry Potter in Concert	8/26/2017
JPAS – Tarzan	3/3-28/2017 (AAS 3/21-22)
Articulate Motions Dance Academy	6/3,15/2017
JPAS – Guys & Dolls, Jr.	4/10-24/17
JPAS – Singin' in the Rain, Jr.	7/21-31/2017
JPAS – Chicago	9/18 – 10/17/2017
JPAS – U.S. Marine Corp Band	11/12/2017
JPAS – Tuck Everlasting AAS	12/12-13/2017

In some cases, seventeen (17) months have passed, as of the timing of this report, without the imposed \$3.00 facility fee being remitted to the parish. The performances in gold above were subsequently paid to Jefferson Parish in late June through mid-July 2018.

Per the AS/400 Financial Management System, a total of \$135,021 has been remitted for the \$3.00 facility fee during the calendar years 2016, 2017 and year to date as of July 31, 2018. Of that approximately \$120,579 is related to the 2016 and 2017 years.

The \$3.00 facility fee is based on the number of tickets sold. Tickets are sold through various methods, and statistics were not available to Internal Audit. For this reason, an estimated total amount due to the parish for 2016 and 2017 was calculated based on attendance at JPAC as tracked by SMGJ. Total attendance excluding banquets, meetings, and other events for 2016 and 2017 combined was 86,275. This results in a total of \$258,825, due for the \$3.00 facility fee which suggests that \$138,246, is still owed to the Parish as of the timing of this report. (See Attachment F for usage data.)

Calculated Facility Fees Due to JP	\$ 258,825
Less: Actual Facility Fees Remitted to JP	\$ 120,579
Estimated Amount Due to JP (as of July 31, 2018)	\$ 138,246

SUGGESTIONS

- A) Amounts due to the parish for the \$3.00 facility fee should be paid in a timely manner. The Department should work with SMGJ to determine the specific amount due and to collect all outstanding fees. A monitoring mechanism needs to be put in place by the Department to ensure that future amounts due are collected timely.
- B) A system should be put in place to collect fees at the time tickets are sold, or the process should otherwise be streamlined so that such a backlog does not occur in the future. Consider changing the \$3.00 fee basis from tickets sold to attendance for all types of events which would match revenues to actual facility usage since all who purchase a ticket do not attend an event. This could potentially streamline the process as well. The imposed fee could be collected from the facility renter versus at the time of ticket sales.

RESPONSES FROM JP DEPARTMENT OF GENERAL SERVICES

We agree with Internal Audit's findings and will assign a member of the President's Office staff to review, reconcile and communicate with SMGJ regarding facility fee payments. A tickler or calendar file will be administered for follow up by staff in the Parish President's Office in order to ensure compliance for the remaining term of the agreement.

We will continue the practice of assessing the fee based on tickets sold as this is an easily reconcilable method based on reporting available. However, we will consider other fee structures for future agreements.

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FINDING #7

CRITERIA

According to Section 5.3 of the Management Agreement, SMGJ shall establish and maintain operating, payroll and other bank accounts incumbent to the promotion, operation, and management of JPAC. SMGJ shall be the signatory authority for such accounts, and SMGJ shall indemnify and hold the Parish harmless for any misuse or misappropriation of funds by its officers, employees or agents. All Adjusted Gross Income collected or received by SMGJ shall be deposited into such accounts and Operating Expenses shall be paid by SMGJ from such accounts. The funding of all of the foregoing accounts shall be made by the Parish to cover all projected Operating Expenses and Capital Expenses at JPAC to the extent not covered by the Adjusted Gross Income.

FINDING

The operations of JPAC have resulted in a net loss since its opening in 2015. The Parish has provided funding related to JPAC of \$771,269, and \$825,707, for fiscal years 2017 and 2016, respectively.

OBSERVATIONS

SMGJ has one checking account to which all income is deposited, and from which all operating and payroll payments are remitted.

For Fiscal Years 2017 and 2016, Income for the operations of JPAC consisted of Direct Event Income for performances, concerts, assemblies, etc., Ancillary Income such as concessions and novelty sales, and Other Income. Total Income for 2017 and 2016 was \$476,720, and \$461,057, respectively. The Direct Event Income includes an imputed amount for facility rents in 2017 and 2016 of \$234,378, and \$301,151, respectively, which was waived for JPAS, the artist-in-residence. The income does not include the \$3.00 facility fee per ticket as imposed by Ordinance #25030 (See Finding #6) as it is parish revenue and not JPAC revenue.

INCOME	2017	2016
Direct Event Income	\$ 421,387	\$ 430,017
Ancillary Income	45,645	26,062
Other Income	9,688	4,978
TOTAL INCOME	\$ 476,720	\$ 461,057

(See Attachment C for financial data.)

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Total Operating Expenses for 2017 and 2016 was \$780,046, and \$743,890, respectively. Operating Expenses consisted mainly of Salaries and Related expenses, Utilities, Repairs and Maintenance, General and Administrative, Operational Supplies and Insurance.

OPERATING EXPENSES	2017	2016
Salaries, related benefits, taxes	\$ 471,026	\$ 382,363
Executive Oversight	21,899	21,365
Bonuses	14,173	14,049
Total Salaries and Related Expenses	\$ 507,098	\$ 417,777
Utilities	110,323	110,735
Repairs and Maintenance	51,813	60,413
General and Administrative	45,951	45,707
Operational Supplies	47,029	84,384
Insurance	13,466	18,781
Other Expenses	4,356	6,093
TOTAL OPERATING EXPENSES	\$ 780,046	\$ 743,890

Salaries and Related Expenses equaled \$507,098 and \$417,777, for 2017 and 2016, respectively. Included in this expense were amounts allocated by SMGJ for Executive Oversight (Director of Operations, Director of Finance, and Human Resources). Internal Audit attempted to determine the method of allocation for such salaries but SMGJ executive management simply indicated that the amounts were "determined by corporate." After repeated requests, SMGJ would not provide further details as to the allocation methodology. Typically, allocated salary amounts are determined based upon time studies. Without further details of the allocation method, it was not possible for Internal Audit to determine the appropriateness of the amounts allocated and ultimately paid for by Jefferson Parish.

Further, SMGJ would not provide third-party payroll registers to Internal Audit. Without such reports, it was not possible to determine that payroll amounts paid by Jefferson Parish were related to only positions for the operations of the performing arts center. Also, included in the salary expense are Bonuses awarded to the General Manager, Director of Operations, and Director of Finance.

General and Administrative expenses include Travel and Related Expenses which were vouched and exceptions noted via Finding #5.

The detailed general ledger was reviewed for all other expenses resulting in nothing remarkable.

The performing arts center experienced a loss from operations for both 2017 and 2016 of \$303,326, and 282,833, respectively. Recall that the Total Income includes an imputed amount for facility rents which were waived (not received or collected), for the artist-in-residence.

	2017	2016
TOTAL INCOME	\$ 476,720	\$ 461,057
TOTAL OPERATING EXPENSE	780,046	743,890
LOSS FROM OPERATIONS	\$ (303,326)	\$ (282,833)

The parish provides funding for the operations of JPAC, exclusive of capital, for three (3) different components: SMGJ Management Fee, a Management Fee Incentive, and Loss from Operations of JPAC. Additionally, the Parish provides an Annual Reimbursement for the Artist in Residence, Free Office Space to JPAS, and a subsidy to JPAS in the form of Rent Waived for performances held at JPAC. For fiscal years 2017 and 2016, the Parish provided funding for operations and subsidies related to JPAC in the amount of \$771,269, and \$825,707, respectively, as follows:

Funding Description	2017	2016
SMGJ Management Fee	\$ 90,000	\$ 90,000
Management Incentive Fee	-	8,158
Loss from Operations ^	303,326	282,833
Total Operational Funding	\$ 393,326	\$ 380,991
^ Includes imputed income for JPAS Rent Waived		
JPAS - Artist in Residence	\$ 100,000	\$ 100,000
JPAS - Free Office Space: 2 locations	43,565	43,565
JPAS - JPAC Rent Waived	234,378	301,151
Total JPAS Funding	\$ 377,943	\$ 444,716
Total Annual Funding for JPAC *	\$ 771,269	\$ 825,707
* Exclusive of capital items		

The sources of funding for these components is from Culture and Parks Ad Valorem taxes (22540-3554) for Total Operational Funding and JPAS-JPAC Rent Waived, and the General Fund (10010-0850) for the Artist in Residence.

Operational funding needs were as a result of the facility being unutilized 42% of the time in 2017, and 38% of the time in 2016. Additionally, JPAS utilized the facility for 36% of the time in 2017, and 50% of the time in 2016, in accordance with the CEA in place which allows them usage for 32 weeks out of the year, or approximately 62% of the time. Funding needs would increase if JPAS utilizes the facility to the full extent allowed.

Description	2017		2016	
	# of Days	% Usage	# of Days	% Usage
JPAS Usage	130	36%	181	50%
JPAS / SMGJ Usage	3	1%	4	1%
SMGJ Usage	79	22%	42	12%
Unscheduled	153	42%	138	38%
TOTAL DAYS	365	100%	365	100%

(See Attachment F for Schedule of usage by month.)

SUGGESTIONS

- A) Consider restructuring the CEA with JPAS to include usage at a fixed amount of rent waived along with parameters for the number of day's usage. This will enable the parish to better plan for funding needs and potentially increase revenues for rental of the facility.
- B) Review the SMGJ budget to ensure that necessary items are included that would lend to the promotion and rental of the facility.
- C) Review the SMGJ staffing structure to determine if the facility is right-staffed and employees are appropriately compensated, including allocation and bonus structures.
- D) Review the SMGJ budget relative to Travel and Meal expenses to ensure amounts budgeted and spent are prudent and necessary.

RESPONSE FROM JP DEPARTMENT OF GENERAL SERVICES

Most civic centers operate at a net loss. The JPAC has an extra "hurdle" as there are two agencies that are allowed to utilize and compete for booking dates at the center; this also lends to pointing fingers if dates are not used.

This Administration contributes the decrease in net loss to the negotiation of the JPAS agreement, which allowed for more days for SMGJ/JPAC to book events/performances and a conversation with both parties acknowledging the need to work together to increase the value and decrease the deficit of the facility.

The current agreement with SMGJ allows for the shared resources and expertise of the company; however, it leaves little control over the direct operation of the business and facility which is clearly recognized in this audit. In order to gain more insight and hopefully reduce the net loss, we will have the Alario Center Director review the reports. As she manages a similar facility, she can evaluate the staffing structure, bonus structures, etc. She can also work with SMGJ staff to try to accommodate clients in one of the two Jefferson Parish facilities. Likewise, she will turn leads over to SMGJ if the Alario Center is not a "good fit" for the potential client. This data will be tracked as well.

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SUMMARY

In summary, the review highlighted the need for both the Parish and SMGJ to adhere to the provisions of the Management Agreement in place. The Parish should work with SMGJ to ensure that adequate internal controls are in place when processing expense reimbursements, and for SMGJ to remit the imposed \$3.00 facility fee to the Parish in a timely manner. An opportunity exists for the Parish to review the CEA with the Artist-in-Residence to either continue or revise the level of support given. An additional opportunity exists for the Parish to review the overall operations of JPAC to determine any way the facility can achieve a break-even financial position or minimize the amount of public funds necessary to support JPAC so that funds may be allocated to other areas as necessary.

While this report is meant to stand alone, Internal Audit Report #2018-007: Jefferson Performing Arts Society was written as a companion to this report. Please refer to such report for supplemental information.

Internal Audit recommends that the Department of General Services should review and take appropriate actions as noted in the Findings #1 through #7. Additionally, the Parish Attorney's Office should review and take appropriate actions as noted in Findings #1 and #2.

REPORT WRAP UP

Internal Audit obtained responses from all departments which are noted in the "Response From..." section of each Finding. A response from the Parish Administration can be found in Attachment #2, immediately following this report. Additionally, comments from the management company, SMG Jefferson, LLC, can be found in Attachment #3.

****END****

ATTACHMENT B

CONTRACT PAYABLE LISTING – MANAGEMENT FEES: JANUARY 2018 TO JUNE 2022

```
PROGRAM . . . : CT0430
REPORT . . . : CONTRACT PAYABLE LISTING
USER . . . : THAZELBA
DATE . . . : 7/25/22
TIME . . . : 15:46
HOLD . . . : YES
COPIES . . . : 1
OUTPUT QUEUE: *DEFAULT
DISTRIBUTION: *NONE

SELECT OPTIONS
FROM CONTRACT NUMBER: RP-0000201B MANAGEMENT SERVICES FOR THE JPAC
THRU CONTRACT NUMBER: RP-0000201B MANAGEMENT SERVICES FOR THE JPAC
VENDOR NUMBER . . . : 280723 SMG JEFFERSON LLC
FROM INVOICE DATE . . : 1/01/2018
THRU INVOICE DATE . . : 6/30/2022
COMPLETION STATUS . . : BOTH
```

-Contract Analysis-----			
Contract Number	:	RP-0000201B	
Contract Description . .	:	MANAGEMENT SERVICES FOR THE JPAC	
Contract Status	:	SERV SERV MAIN	
Contract Start Date . .	:	12/10/2014	
Contract End Date . . .	:	6/30/2022	
Contract Vendor	:	280723 SMG JEFFERSON LLC	
Contract Amount	:		686,185.00
Posted Expenses	:	678,685.00	
Posted Encumbrances . .	:	7,500.00	
Balance	:		.00

Jefferson Parish FMS
DATE 7/25/22
TIME 15:46:21

FINANCIAL MANAGEMENT
CONTRACT PAYABLE LISTING

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CT0430
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CONTRACT	DESCRIPTION	START DATE	END DATE	STS	BALANCES			
					ORIGINAL	EXPENSED	ENCUMBERED	REMAINING
RP-0000201B	MANAGEMENT SERVICES FOR THE JPA	12/10/2014	6/30/2022	0	686,185.00	678,685.00	7,500.00	.00
	VENDOR: SMG JEFFERSON LLC							
<hr/>								
ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT	
0010 - MANAGEMENT SERVICES FOR	PAID	ARIV0000001	1/31/2022	1.0000	MO	7,500.0000	7,500.0000	
INVOICED ITEMS . . :	1						7,500.0000	
<hr/>								
ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT	
0010 - MANAGEMENT SERVICES FOR	PAID	ARIV0000002	1/31/2022	1.0000	EA	7,500.0000	7,500.0000	
INVOICED ITEMS . . :	1						7,500.0000	
<hr/>								
ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT	
0010 - MANAGEMENT SERVICES FOR	PAID	ARIV0000003	2/22/2022	1.0000	EA	7,500.0000	7,500.0000	
INVOICED ITEMS . . :	1						7,500.0000	
<hr/>								
ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT	
0010 - MANAGEMENT SERVICES FOR	PAID	ARIV0000005	4/30/2022	1.0000	MO	7,500.0000	7,500.0000	
INVOICED ITEMS . . :	1						7,500.0000	
<hr/>								
ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT	
0010 - MANAGEMENT SERVICES FOR	PAID	ARIV0000006	5/31/2022	1.0000	MO	7,500.0000	7,500.0000	
INVOICED ITEMS . . :	1						7,500.0000	
<hr/>								
ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT	
0010 - MANAGEMENT SERVICES FOR	PAID	ARIV1000861	3/11/2022	1.0000	MO	7,500.0000	7,500.0000	
INVOICED ITEMS . . :	1						7,500.0000	
<hr/>								
ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT	
0010 > 0010-MANAGEMENT SERVICE	PAID	097935	1/01/2018	1.0000	EA	7,500.0000	7,500.0000	
INVOICED ITEMS . . :	1						7,500.0000	
<hr/>								
ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT	
0010 > 0010-MANAGEMENT SERVICE	PAID	098653	1/25/2018	1.0000	EA	7,500.0000	7,500.0000	
INVOICED ITEMS . . :	1						7,500.0000	
<hr/>								
ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT	

Jefferson Parish FMS
DATE 7/25/22
TIME 15:46:21

FINANCIAL MANAGEMENT
CONTRACT PAYABLE LISTING

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CT0430
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CONTRACT	DESCRIPTION	START DATE	END DATE	STS	BALANCES			
					ORIGINAL	EXPENSED	ENCUMBERED	REMAINING
0010 >	0010-MANAGEMENT SERVICE	PAID	099497		3/01/2018	1.0000	EA	7,500.0000
	INVOICED ITEMS . . :		1					7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
0010 >	0010-MANAGEMENT SERVICE	PAID	100177		3/31/2018	1.0000	EA	7,500.0000
	INVOICED ITEMS . . :		1					7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
0010 >	0010-MANAGEMENT SERVICE	PAID	101018		4/25/2018	1.0000	EA	7,500.0000
	INVOICED ITEMS . . :		1					7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
0010 >	0010-MANAGEMENT SERVICE	PAID	101666		6/01/2018	1.0000	EA	7,500.0000
	INVOICED ITEMS . . :		1					7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
0010 >	0010-MANAGEMENT SERVICE	PAID	102186		7/01/2018	1.0000	EA	7,500.0000
	INVOICED ITEMS . . :		1					7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
0010 >	0010-MANAGEMENT SERVICE	PAID	103274		8/01/2018	1.0000	EA	7,500.0000
	INVOICED ITEMS . . :		1					7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
0010 >	0010-MANAGEMENT SERVICE	PAID	103918		9/01/2018	1.0000	EA	7,500.0000
	INVOICED ITEMS . . :		1					7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
0010 >	0010-MANAGEMENT SERVICE	PAID	104797		9/01/2018	1.0000	EA	7,500.0000
	INVOICED ITEMS . . :		1					7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
0010 >	0010-MANAGEMENT SERVICE	PAID	105633		11/01/2018	1.0000	EA	7,500.0000
	INVOICED ITEMS . . :		1					7,500.0000

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					ORIGINAL	EXPENSED	ENCUMBERED	REMAINING
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 > 0010-MANAGEMENT SERVICE	PAID	106438	11/27/2018	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	107044	1/01/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	107845	1/24/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	108766	2/25/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	109227	3/26/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	109907	4/24/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	110595	5/22/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	111207	6/25/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	111579	7/19/2019	1.0000	EA	7,500.0000	7,500.0000

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CONTRACT	DESCRIPTION	START DATE	END DATE	STS	ORIGINAL	EXPENSED	ENCUMBERED	REMAINING
	INVOICED ITEMS . . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	112329	8/01/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	113385	10/01/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	113386	10/30/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - 0010 - MANAGEMENT SERVI	PAID	113930	12/01/2019	1.0000	EA	7,500.0000	7,500.0000
	INVOICED ITEMS . . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	114626	1/01/2020	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	115275	2/01/2020	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	115717	3/01/2020	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	116299	3/24/2020	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT

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CONTRACT	DESCRIPTION	START DATE	END DATE	STS	ORIGINAL	EXPENSED	ENCUMBERED	REMAINING
	0010 - MANAGEMENT SERVICES FOR	PAID	116791		4/22/2020	1.0000	MO	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #		INV DATE	QUANTITY	U/M	COST/UNIT
	0010 - MANAGEMENT SERVICES FOR	PAID	117176		5/19/2020	1.0000	MO	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #		INV DATE	QUANTITY	U/M	COST/UNIT
	0010 - MANAGEMENT SERVICES FOR	PAID	117516		6/24/2020	1.0000	MO	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #		INV DATE	QUANTITY	U/M	COST/UNIT
	0010 - MANAGEMENT SERVICES FOR	PAID	118037		7/27/2020	1.0000	MO	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #		INV DATE	QUANTITY	U/M	COST/UNIT
	0010 - MANAGEMENT SERVICES FOR	PAID	118388		8/31/2020	1.0000	MO	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #		INV DATE	QUANTITY	U/M	COST/UNIT
	0010 - MANAGEMENT SERVICES FOR	PAID	118811		9/28/2020	1.0000	MO	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #		INV DATE	QUANTITY	U/M	COST/UNIT
	0010 - MANAGEMENT SERVICES FOR	PAID	119276		11/01/2020	1.0000	MO	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #		INV DATE	QUANTITY	U/M	COST/UNIT
	0010 - MANAGEMENT SERVICES FOR	PAID	119655		11/18/2020	1.0000	MO	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #		INV DATE	QUANTITY	U/M	COST/UNIT
	0010 - MANAGEMENT SERVICES FOR	PAID	120218		1/01/2021	1.0000	MO	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000

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		BALANCES						
CONTRACT	DESCRIPTION	START DATE	END DATE	STS	ORIGINAL	EXPENSED	ENCUMBERED	REMAINING
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	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	120791	1/25/2021	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . .	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	121334	3/01/2021	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . .	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	121666	3/30/2021	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . .	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	121932	4/23/2021	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . .	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	122413	5/28/2021	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . .	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	122754	7/01/2021	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . .	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	122923	8/01/2021	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . .	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	123416	9/01/2021	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . .	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	124219	10/01/2021	1.0000	MO	7,500.0000	7,500.0000

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CONTRACT	DESCRIPTION	START DATE	END DATE	STS	ORIGINAL	EXPENSED	ENCUMBERED	REMAINING
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	INVOICED ITEMS . . :	1						7,500.0000
	ITEM DESCRIPTION	STATUS	INVOICE #	INV DATE	QUANTITY	U/M	COST/UNIT	TOTAL AMOUNT
	0010 - MANAGEMENT SERVICES FOR	PAID	124484	11/01/2021	1.0000	MO	7,500.0000	7,500.0000
	INVOICED ITEMS . . :	1						7,500.0000
	TOTAL CONTRACTS . . :	1						=====
	TOTAL INVOICED ITEMS:	53						397,500.0000

ATTACHMENT C

MANAGEMENT AGREEMENT BETWEEN SMGJ AND JEFFERSON PARISH

MANAGEMENT AGREEMENT
FOR THE JEFFERSON PERFORMING ARTS CENTER

BETWEEN

SMG Jefferson LLC

AND

THE PARISH OF JEFFERSON

DATED MARCH 3, 2015

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (hereinafter, the "Agreement"), dated the 3rd day of March, 2015 is made by and between Jefferson Parish, Louisiana (hereinafter, the "Parish"), represented by Christopher L. Roberts in his capacity as Chairman of the Jefferson Parish Council, duly authorized pursuant to Resolution No. 124045 adopted on the 10th day of December, 2014, and SMG Jefferson LLC, a Delaware limited liability corporation ("SMGJ"), duly authorized to do business in this State, and represented herein by J. Douglas Thornton, in his capacity as Executive Vice President.

RECITALS

- A. WHEREAS, the Parish is the owner of the Jefferson Performing Arts Center (hereinafter, "JPAC") located at 6400 Airline Highway, Metairie, , Louisiana, 70003; and
- B. WHEREAS, pursuant to RFP 0201 as authorized by Resolution 113305 adopted on the 14th day of October, 2009 and Resolution 114130 adopted on the 24th day of March, 2014, SMGJ was selected to provide management, marketing and operations services at JPAC; and
- C. WHEREAS, SMGJ is engaged, among other things, in the business of providing management services, including operations and marketing services for public assembly facilities; and
- D. WHEREAS, the Parish desires to engage SMGJ, and SMGJ desires to accept such engagement, to provide management services for the JPAC on the terms and conditions set forth herein; and
- E. WHEREAS, the Parish intends to work in mutual accord with SMGJ in order to ensure provision of high quality management services, thereby enhancing the use and enjoyment of the JPAC.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants and agreements herein contained, the parties hereto, intending to be legally bound as evidenced by their respective signatures hereto, hereby agree as follows:

AGREEMENT

- 1. **Preambles.** The foregoing preambles are accepted as true and correct by the Parish and SMGJ and are incorporated herein by reference as if fully stated herein in their entirety.
- 2. **Definitions.**

In addition to the capitalized terms defined elsewhere in this Agreement, the following terms have the meanings referred to in this Section 2:

“Artist in Residence” – the artist in residence shall be the Jefferson Performing Arts Society.

“Adjusted Gross Income” -- any and all revenues of every kind or nature derived, received directly or indirectly, from owning, operating, managing or promoting JPAC, including but not limited to proceeds of rental of JPAC or equipment, F&B Gross Revenues, sales of merchandise, sales of advertising, utility receipts, box office receipts (but only to the extent retained for the account of the Parish and not remitted to the event promoter) and interest income, all as determined in accordance with generally accepted accounting principles, consistently applied, but excluding interest income.

“Affiliate” -- a person that directly or indirectly controls or is controlled by, or is under common control with, a specified person. For purposes of this definition, “control” means ownership of equity securities or other ownership interests that represent more than 50 percent of the voting power in the controlled person.

“Annual Financial Statements” – As defined in Section 6, and otherwise agreed by the parties.

“Annual Cash Flow Plan” – As defined in Section 6, and otherwise agreed by the parties.

“Annual Plan” – Plan of management and operations of JPAC, due on or before December 1 of each year during the Management Term for the succeeding Fiscal Year. The Annual Plan shall include a roster of scheduled events and associated fees, existing personnel counts and personnel plans, the proposed Annual Operating Budget and Annual Cash Flow Plan for JPAC for each referenced year, inclusive of requested Capital Expenses.

“Annual Operating Budget” -- any budget submitted by SMGJ and approved by the Parish pursuant to Section 6.

“Capital Equipment” and “Capital Improvements” -- any and all furniture, fixtures, seats and chairs, signs, displays, systems (including plumbing systems, electrical wiring, conduits, junctions and other equipment, and heating and air conditioning systems) machinery, ovens, warming boxes and other concessions and catering equipment and all other equipment used in connection with the operation of the JPAC, whether additional or replacement, and any and all building additions, alterations, renovations, repairs or improvements.

“Capital Expenses”-- all expenditures to purchase or replace Capital Equipment or Capital Improvements and all expenditures in excess of \$2,500 in the aggregate for repair or maintenance of any class of items of Capital Equipment or Capital Improvements.

“F&B Gross Revenues” -- Revenues derived from the sales of food and beverage and provision of food and beverage concession and catering services at or from the JPAC.

“Fiscal Year” -- a one-year period beginning January 1 and ending December 31.

“Initial Term” -- The first five year term of this Agreement, commencing on December 10, 2014 and expiring midnight, December 31, 2019, unless otherwise earlier terminated in accordance with the termination provisions contained herein.

“JPAC”-- The Jefferson Performing Arts Center, located at 6400 Airline Highway, Metairie, Louisiana 70003.

“Laws”— all federal, state, local and municipal regulations, ordinances, statutes, rules, laws and constitutional provisions.

“Losses” -- any and all losses, liabilities, claims, damages and expenses (including reasonable attorneys’ fees).

“Management Fee” -- The monthly payable Fixed Management Fee payable to SMGJ in accordance with Section 4.3(a).

“Management Term” – the Initial Term of this Agreement and any extensions thereof in accordance with Section 3.2.

“Monthly Reports” – written reports, in form and substance approved by Parish, prepared and submitted by SMGJ on or before the 10th day following the end of each month during the Management Term, using Generally Accepted Accounting Principles and certified true and correct setting out anticipated activities and financial condition of JPAC, including anticipated Capital Expenses for the upcoming month, and reporting detailed receipts, account statements, expenses, including Capital Expenses for the prior month’s operation.

“Net Operating Loss/Profit” -- with respect to a Fiscal Year, the excess, if any, of Operating Expenses for the Fiscal Year over Adjusted Gross Income for the Fiscal Year, in the case of a loss, and the excess, if any, of Adjusted Gross Income for such Fiscal Year over Operating Expenses for the Fiscal Year, in the case of a profit.

“Operating Budget” -- As defined in Section 6, and otherwise agreed by the parties.

“Operating Expenses” -- any and all expenses and expenditures of whatever kind or nature incurred, directly or indirectly, in promoting, operating, maintaining and managing the JPAC, including those listed in Exhibit A, but excluding all Parish’s Expenses, all as determined in accordance with generally accepted accounting principles, consistently applied, and excluding depreciation, and Capital Expenditures.

“Parish” – Jefferson Parish, Louisiana.

“Parish’s Expenses” -- As defined in paragraph 5.4.

“Scope of Services” – those services defined herein to be performed by SMGJ, and outlined in Exhibits B and C, hereto.

“SMGJ” – As defined in the preamble.

3. Engagement of SMGJ.

3.1. Engagement and Authority of SMGJ. Subject to the terms and conditions set forth in this Agreement, the Parish hereby engages SMGJ to manage, operate, and, in conjunction with the efforts and activities of the Parish and the Artist in Residence, to promote JPAC during the Management Term, and SMGJ hereby accepts such engagement. In such capacity, SMGJ shall have authority over the day-to-day operation of JPAC and all activities therein, including the provision of food and beverage concession and catering services at JPAC. Without limiting the generality of the foregoing, the services to be provided by SMGJ and its authority with respect to those services shall include those described on Exhibit B (Services) and Exhibit C (Food and Beverage Services). Exhibit C sets forth the parties' respective rights and obligations with respect to the provision of food and beverage services. In performing its booking and promotion responsibilities hereunder, SMGJ shall accept the input and assistance of the Artist in Residence.

3.2. Reservation of Rights of Parish.

(a) In General. The Parish and its designees reserve the right to enter all portions of JPAC and the appurtenances thereto, to inspect same, to observe the performance of SMGJ of its obligations under this Agreement, to install, remove, adjust, repair, replace or otherwise handle any equipment, utility lines, or other matters in, on, or about the premises, or to do any act or thing which the Parish may be obligated or have the right to do under this Agreement or otherwise. Parish and its designees shall use reasonable efforts to minimize interference with SMGJ's business activities during its right of access provided herein. Excepting Emergencies, where exigent circumstances warrant that no notice may be provided, Parish will endeavor to, but is not required to, provide twenty-four (24) hours advance notice to SMGJ for security purposes. Nothing contained in this Section (i) is intended or shall be construed to limit any other rights of the parties under this Agreement nor (ii) shall impose or be construed to impose upon the Parish any independent obligation to construct or maintain or make repairs, replacements, alterations, additions or improvements or create any independent liability for any failure to do so.

(b) Emergencies. The Parish reserves the right in the exercise of its police powers to assume control of and responsibility for the Parish and to preempt scheduled events or activities as necessary in case of natural disasters or other emergencies in order to use the JPAC as shelter, staging area or other function in response to such exigent circumstances but shall act in good faith to minimize the disruption of the use of the JPAC under this Agreement.

4. Management Term; Extensions; Compensation.

4.1. Initial Term. The term of this Agreement shall begin on December 10, 2014 and shall continue through December 31, 2019 (the "Initial Term"), unless earlier terminated pursuant to the provisions of this Agreement.

4.2. Extensions. The Parish and SMGJ, may prior to the expiration of the Initial Term mutually agree to extend this Agreement for an additional five (5) year Management Term. Additionally, the Parish, in its sole discretion, may unilaterally elect to extend the Management

Term thereafter for up to three (3) additional one-year periods each extension to be effected by written notice to SMGJ between ninety (90) and one-hundred eighty (180) days prior to the expiration of the applicable Management Term. Thereafter the parties by mutual consent may extend the Management Term for successive one-year periods.

4.3. SMGJ's Compensation. For each Fiscal Year during the Management Term, SMGJ shall be entitled to receive from the Parish as compensation for its services under this Agreement a Management Fee computed as follows:

(a) **Fixed Management Fee.** An annual fixed management fee in the amount ninety thousand dollars (\$90,000.00), payable in twelve (12) equal payments of seven thousand five hundred dollars (\$7,500.00) due and payable to SMGJ on the first business day of each month of the Management Term (and any extension thereof). The Fixed Management Fee shall be adjusted annually on the first day of each full Fiscal Year during the Management Term (and any extension thereof) by the percentage change in the Consumer Price Index -- All Urban Consumers (CPI-U) -- U.S. City Average -- All Items, for the one year period measured from the first day of October to the last day of September of the immediately preceding Fiscal Year of the Management Term, as published by the Bureau of Labor Statistics of the U.S. Department of Labor, or of any revised or successor index hereafter published by the Bureau of Labor Statistics or other agency of the United States Government succeeding to its functions ("CPI").

Allocations of the Fixed Management Fee shall be as follows:

- | | |
|-----------------------------------|---------|
| • Facility Operations/Maintenance | \$4,600 |
| • Marketing and Production | \$1,825 |
| • Concessions/Catering | \$1,075 |

(b) **Performance Incentive Fee.** In addition to the Fixed Management Fee, SMGJ shall be entitled to receive a Performance Incentive Fee based upon improvement in the annual Adjusted Gross Income achieved each year. The formula for determining the Performance Incentive Fee shall be calculated as follows:

- Twenty-five percent (25%) of improvement in annual Adjusted Gross Income stated in the submitted and approved annual budget, not to exceed the Fixed Management Fee defined in subparagraph (a), above.
- For purposes of this Subsection (b), the Adjusted Gross Income calculation shall include imputed amount(s) of any rental waivers, discounts and operating subsidies requested by Parish, and funded operating expenses.

4.3 Payment. All Management Fees payable shall be funded to SMGJ within 30 days following receipt of an invoice from SMGJ. The Parish reserves the right to audit the Annual Financial Statement for any Fiscal Year during the Management Term; SMGJ shall thereafter recalculate the Performance Incentive Fee paid in accordance with Section 4.2(b)

above, for that Fiscal Year based upon the audited numbers. In the event that the amount of the Performance Incentive Fee paid SMGJ differs from such recalculated amount, SMGJ shall promptly remit to the Parish any excess paid, or conversely, the Parish shall promptly pay any applicable shortfall, as determined by such audit.

5. Budgets and Operating Expenses.

5.1. Budgets, Operating Expenses, Operating Budget. On or before May 1 for each year of the Management Term, SMGJ shall prepare and submit the Annual Plan, which shall include the Annual Operating Budget and Annual Cash Flow Plan for JPAC and the performance of SMGJ's Scope of Services for the upcoming Fiscal Year. These annual budgets are subject to review and approval by the Parish. The timing of the submission of the budgets and the Annual Plan and of the Parish's approval thereof will be mutually agreed upon by the parties. Once approved, the Approved Budgets may be amended by the parties pursuant to procedures mutually agreed upon by the parties.

5.2. Discounts and Rental Waivers: The Parish reserves the right to use JPAC at no rental cost for certain Parish approved activities and functions. In addition, the Parish SMGJ reserves the right to provide rental discounts or rental waivers to certain users of the facility; these users shall pay all applicable hard-cost operating expenses incurred in connection with the use of JPAC. In accordance with Section 4.2(b) above, the yearly aggregate value of any rental waiver and discounted use shall be included in the Adjusted Gross Income calculation in determining the amount of any incentive fee due SMGJ.

5.3. Receipts and Disbursements; Accounts. SMGJ shall establish and maintain operating, payroll and other bank accounts incumbent to the promotion, operation and management of JPAC. SMGJ shall be the signatory authority for such accounts, and SMGJ shall indemnify and hold the Parish harmless for any misuse or misappropriation of funds by its officers, employees or agents. All Adjusted Gross Income collected or received by SMGJ shall be deposited into such accounts and Operating Expenses shall be paid by SMGJ from such accounts. The funding of all of the foregoing accounts shall be made by the Parish to cover all projected Operating Expenses and Capital Expenses at JPAC to the extent not covered by the Adjusted Gross Income. All budgeted or pre-approved travel and professional expenses of individuals not employed at JPAC by SMGJ, shall be paid as incurred when included in the Agreed Annual Budget. All non-budgeted travel and professional expenses shall be paid only with the prior written approval of the Parish. Professional fees will be incurred only if properly qualified experts in such areas necessitating such services are not present within the staffs of either the Parish or SMGJ and such fees are pre-approved by the Parish.

5.4. Parish's Services and Expense. The Parish shall fund, at its sole cost and at no cost to SMGJ, Capital Expenses, which shall specifically include all maintenance, repairs and replacements of the heating, ventilation and air conditioning systems at the Theater ("Parish's Expenses"). The obligation to pay all Capital Expenditures, and authority to perform, direct and supervise Capital Equipment and Capital Improvements of JPAC, shall remain with the Parish. SMGJ shall be responsible for performing routine maintenance for JPAC from funds provided by SMGJ as an Operating Expense. The Annual Plans submitted pursuant to Section 5.2 shall include SMGJ's recommendation for Capital Equipment and Capital Improvements purchases to

be accomplished during the year and shall be accompanied by an estimate of the cost of all such items and projects and a request that the Parish budget funds therefore. The Parish shall retain the discretion to determine whether and to what level to fund Capital Equipment and Capital Improvements purchases for the JPAC.

SMGJ shall provide the Parish its current SMG Operating Manual, and shall provide the Parish with any and all updates.

5.5. Limitation of SMGJ Liability; Indemnification.

(a) Except as where specifically provided in this Agreement, SMGJ shall have no obligation to fund any cost, expense or liability with respect to the operation, management or promotion of JPAC.

(b) To the extent not covered by insurance procured by SMGJ under Section 7 of this Agreement and permitted by law:

(i) The Parish shall indemnify and defend and hold harmless SMGJ, its respective officers, agents, employees, directors, and shareholders from any and all losses, liabilities, costs, and expenses (including reasonable attorneys' fees and costs of court), arising out of any act or omission of the Parish with regard to which SMGJ was not itself guilty of contributory negligence, intentional misconduct, knowing violation of law or material breach of this Agreement, provided, however, that nothing contained in this Agreement shall be deemed to constitute a waiver of statutory damage caps or other limitations on liability enjoyed by the Parish as a matter of law and SMGJ acknowledges that the Parish does not waive any immunity defenses or the applicability of the statutory damages caps.

(ii) SMGJ shall indemnify and defend and hold harmless the Parish, its respective officers, agents, employees, from and all losses, liabilities, costs, and expenses (including reasonable attorneys' fees and costs of court), arising out of any act or omission of SMGJ with regard to which the Parish was not itself guilty of contributory negligence, intentional misconduct, knowing violation of law or material breach of this Agreement.

6. Records, Audits, and Reports.

6.1. Records and Audits. SMGJ shall keep full and accurate accounting records in accordance with Generally Accepted Accounting Principles relating to its activities at JPAC. SMGJ shall provide Parish unfettered access to those records which shall include but not be limited to bank statements for all JPAC accounts, itemized expenses, cash flow, and such other records customarily kept in performing the scope of services underlying this Agreement. SMGJ shall provide to the Parish monthly financial statements in a format agreed to between the Parish and SMGJ. SMGJ shall give the Parish and its authorized representatives access to such books and records maintained at JPAC during business hours upon twenty-four (24) hours advance notice. Upon the request of the Parish, SMGJ shall deliver to the Parish copies of all bank statements and other documents and reports kept by SMGJ relative to JPAC. SMGJ shall keep and preserve for at least seven years following each Fiscal Year all sales slips, rental agreements,

purchase order, sales books, credit card invoices, bank books or duplicate deposit slips, and other evidence of Adjusted Gross Income and Operating Expenses for such period.

6.2. Annual Reporting Requirements. SMGJ shall deliver to the Parish annual financial statements within 30 days after the close of each Fiscal Year prepared in accordance with Generally Accepted Accounting Principles. The Parish shall have the right to conduct an audit of any annual report delivered in connection with this Section 6.2 and/or any monthly report delivered hereunder. In the event additional costs and expenses relating to field visits to the JPAC by auditors are incurred due to errors and/or omissions in the financial statements prepared and delivered by SMGJ hereunder, SMGJ shall be liable for such additional costs and expenses inclusive of the hard costs of any such audit to the extent that such errors or omissions exceed 1% of the reported amount.

6.3. Annual Plan. On or before May 1 in each year during the Management Term, SMGJ shall provide to the Parish an annual management plan for the succeeding Fiscal Year (the "Annual Plan"), which shall include the annual operating budget and annual cash flow budget described in Section 4.6 for the next Fiscal Year. The Annual Plan shall include information regarding SMGJ's anticipated operations for such Fiscal Year and requested Capital Equipment and Capital Improvements purchases, and anticipated budgets therefore. The Annual Plan shall be subject to review, revision and approval by the Parish.

6.4. Monthly Reports. On or before the last day of each month during the Management Term, SMGJ shall provide to the Parish a written monthly report in a form approved by the Parish setting out JPAC's anticipated activities and financial condition for the upcoming month and reporting on the prior month's activities and finances.

7. SMGJ Employees.

7.1. Employees. During the Management Term, SMGJ shall select, train and employ at JPAC such number of employees as SMGJ deems necessary or appropriate to satisfy its responsibilities hereunder. SMGJ shall appoint, subject to the Parish's approval, an experienced and competent general manager for JPAC.

7.2. Responsibility and Control. SMGJ employees performing the Scope of Services at JPAC shall not for any purpose be considered to be employees of the Parish, and SMGJ shall be solely responsible for their supervision and daily direction and control and for setting compensation, and paying as an Operating Expense. Their compensation (including federal, state and local income tax withholding) and any employee benefits, shall be subject to prior Parish approval, and all costs related to their employment shall be treated as an Operating Expense. SMGJ shall have the sole authority to hire, terminate and discipline any and all personnel working at JPAC. The Parish reserves the right to request that SMGJ replace any person working at JPAC.

7.3. Parish's Covenant Not to Solicit or Employ. During the Management Term (and any extension thereof) and for a period of one year thereafter, except with SMGJ's prior written consent, the Parish agrees, to not directly or indirectly, solicit for employment, or hire,

any of the senior management personnel employed by SMGJ at JPAC, including, without limitation, the general manager, director-level employees and department heads. SMGJ

8. Insurance.

SMGJ agrees to obtain, maintain and keep current on behalf of SMGJ and the Parish, all insurance coverages as set forth in the attached Exhibit E (Insurance) and such other coverage as shall be prescribed by law from time to time. The cost of all insurance premiums shall be paid by SMGJ as an Operating Expense.

9. Assignment.

Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party without the prior written consent of the other party; provided, however, that SMGJ may (i) subcontract, subject to the approval of the Parish, services as contemplated by Section 2.1 and Exhibit B, (ii) SMGJ may assign its rights to receive the Fees to its lender(s) as collateral security for SMGJ's obligations under any credit facilities provided to it by such lender(s), provided that such collateral assignment shall not in any event cover SMGJ's rights to manage, promote or operate JPAC hereunder; and (iii) SMGJ may assign, only with the written approval of the Parish, its rights and obligations under this Agreement in connection with the sale by SMGJ of all or substantially all of its assets to the purchaser thereof.

10. Termination.

10.1. Termination Upon Default.

Either party may terminate this Agreement upon an uncured default by the other party hereunder. A party shall be in default hereunder if (i) such party fails to pay any sum payable hereunder within 15 days after same is due and payable, or (ii) such party fails in any material respect to perform or comply with any of the other terms, covenants, agreements or conditions hereof and such failure continues for more than 60 days after written notice thereof from the other party. In the event that a default (other than a default in the payment of money) is not reasonably susceptible to being cured within the 60 day period, the defaulting party shall not be considered in default if it shall within such 60 day period have commenced with due diligence and dispatch to cure such default and thereafter completes with dispatch and due diligence the curing of such default.

10.2. Appropriation Dependency

The continuation of this Contract is contingent upon the appropriation of funds by Parish. If the Council fails to appropriate sufficient monies to provide for the continuation of this Contract, the Contract shall terminate on the last day of the fiscal year for which funds were appropriated. Such termination shall be without penalty or expense to the Parish except for payments which have been earned prior to the termination date. Termination of this Contract by the Parish under the provision of this section shall not constitute an event of default. The decision to fund or not to fund this Contract for the next fiscal year will be made by the Parish Council in its unfettered discretion based upon what the Parish Council believes to be in the best

interests of the Parish. The Parish Council may in its discretion opt not to fund this Contract for a subsequent fiscal year or years for any reason.

10.3. Bankruptcy

By the Parish if SMGJ should file for bankruptcy, or should SMGJ make a general assignment for the benefit of its creditors, or if a Receiver should be appointed on account of SMGJ's insolvency.

10.4. For Convenience

By the Parish upon one-hundred eighty (180) days written notice.

10.5. Effect of Termination or Expiration.

Upon the expiration or earlier termination of this Agreement, (i) all Operating Expenses incurred as of the date of expiration or earlier termination shall be paid using funds on deposit in the account(s) maintained by SMGJ in accordance with Sections 5.3 and to the extent such funds are not sufficient, the Parish shall pay all such budgeted and approved Operating Expenses, and (ii) the Parish shall promptly pay SMGJ all fees earned up to and including the date of expiration or earlier termination (the fees described in Section 4 being prorated). Upon termination or earlier expiration of this Agreement, all obligations of the parties hereunder shall cease except for those obligations expressly surviving such expiration or earlier termination.

10.6. Surrender of Premises.

Upon expiration or earlier termination of this Agreement, SMGJ shall surrender and vacate the Facility upon the effective date of such termination or expiration. The JPAC premises and all equipment, systems and furnishings shall be returned to the Parish in good condition and repair, reasonable wear and tear excepted, in broom-clean condition, subject to Parish's funding obligations contained herein. All reports, records, including financial records, and documents maintained by SMGJ at the JPAC relating to this Agreement other than materials containing SMGJ's proprietary information or property shall be immediately surrendered to the Parish by SMGJ upon termination or expiration.

11. Miscellaneous.

11.1. Certain Representations and Warranties.

(a) The Parish represents and warrants to SMGJ the following: (i) all required approvals have been obtained, and the Parish has full legal right, power and authority to enter into and perform its obligations hereunder, (ii) this Agreement has been duly executed and delivered by the Parish and constitutes a valid and binding obligation of the Parish, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws affecting creditors' rights generally or by general equitable principles.

(b) SMGJ represents and warrants to the Parish the following: (i) all required corporate approvals have been obtained, and SMGJ has full legal right, power and authority to enter into and perform its obligations hereunder, and (ii) this Agreement has been duly executed and delivered by SMGJ and constitutes a valid and binding obligation of SMGJ, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws affecting creditors' rights generally or by general equitable principles.

11.2. Certain Other Provisions.

(a) **Alternate Dispute Resolution.** Parties agree that any disputes arising hereunder will first be referred by the parties to non-binding mediation/arbitration (which shall toll the applicable prescriptive period) prior to the parties initiating legal suit, with the prescriptive period to be tolled during the pendency of any such mediation/arbitration. To the extent that any dispute remains unresolved 60 days following completion of the non-binding mediation/arbitration process, then either party may initiate litigation and/or terminate this Agreement.

(b) **No Partnership or Joint Venture.** Nothing herein contained is intended or shall be construed in any way to create or establish the relationship of partners or a joint venture between the Parish and SMGJ.

(c) **Entire Agreement; Prior Agreements; Amendments.** This Agreement for management, operation, administration, promotion and maintenance of the JPAC contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect thereto. No other agreements, representations, warranties or other matters, whether oral or written, will be deemed to bind the parties hereto with respect to the subject matter hereof. This Agreement shall not be altered, modified or amended in whole or in part, except in writing executed by each of the parties hereto. In order to be binding upon the Parish, any such amendment must be ratified by the Jefferson Parish Council.

(d) **Force Majeure.** No party will be liable or responsible to the other party for any delay, damage, loss, failure, or inability to perform caused by "Force Majeure" if notice is provided to the other party within ten days of date on which such party gains actual knowledge of the event of "Force Majeure" that such party is unable to perform. The term "Force Majeure"

as used in this Agreement means the following: an act of God, strike, war, public rioting, lightning, fire, storm, flood, explosions, inability to obtain materials, supplies, epidemics, landslides, lightning storms, earthquakes, floods, storms, washouts, civil disturbances, explosions, acts of terrorism, breakage or accident to machinery or lines of equipment, temporary failure of equipment, freezing of equipment and any other cause whether of the kinds specifically enumerated above or otherwise which is not reasonably within the control of the party whose performance is to be excused and which by the exercise of due diligence could not be reasonably prevented or overcome.

(e) Binding Upon Successors and Assigns. This Agreement and the rights and obligations set forth herein shall inure to the benefit of, and be binding upon, the parties hereto and each of their respective successors and permitted assigns.

(f) Notices. Any notice, consent or other communication given pursuant to this Agreement will be in writing and will be effective either (a) on the second business day following mailing by an overnight courier service that is generally recognized as reliable, (b) on the fifth day following mailing by certified or registered mail, return receipt requested, postage prepaid, or (c) on the date transmitted by telecopy as shown on the telecopy confirmation therefore as long as such telecopy transmission is followed by mailing of such notice by certified or registered mail, return receipt requested, postage prepaid, in any case addressed to such party as set forth below or as a party may designate by written notice given to the other party in accordance herewith.

To the Jefferson Parish:

Parish Council Chairman
Joseph S. Yenni Building
1221 Elmwood Park Blvd., 10th Floor
Jefferson, LA 70123-2337
Office: (504) 736-6615

With copies to:

Parish President
Joseph S. Yenni Bldg.
1221 Elmwood Park Blvd.
Jefferson, LA 70123-2337
Office: (504) 736-6400

Parish Attorney
Joseph S. Yenni Bldg.
1221 Elmwood Park Blvd.
Jefferson, LA 70123-2337
Office: (504) 736-6300

To SMGJ:
SMG Jefferson, LLC

300 Conshohocken State Rd., Suite 770
West Conshohocken, PA 19428
Attention: President
With a copy to:

SMG Jefferson, LLC
300 Conshohocken State Rd., Suite 770
West Conshohocken, PA 19428
Attention: Counsel

With a copy to:

Mr. J. Douglas Thornton
Executive Vice President, SMG
Mercedes Benz Superdome
1500 Sugar Bowl Drive
New Orleans, LA 70112
Office: (504) 587-3663

(g) **Governing Law; Counterparts.** This Agreement will be governed by and construed in accordance with the internal Laws of the State of Louisiana, without giving effect to otherwise applicable principles of conflicts of law. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original copy of this Agreement, and all of which, when taken together, shall be deemed to constitute but one and the same agreement. SMGJ hereby agrees and consents to the jurisdiction of the courts of the State of Louisiana over its person. The parties hereto agree that the sole and exclusive jurisdiction and venue for any suit or proceeding brought pursuant to this contract shall be the 24th Judicial District Court for the Parish of Jefferson, State of Louisiana.

(h) **Cooperation with Inspector General.** It shall be the duty of every parish officer, employee, department, agency, special district, board, and commission; and the duty of every contractor, subcontractor, and licensee of the parish, and the duty of every applicant for certification of eligibility for a parish contract or program, to cooperate with the inspector general in any investigation, audit, inspection, performance review, or hearing pursuant to this chapter. Every parish contract and every bid, proposal, application or solicitation for a parish contract, and every application for certification of eligibility for a parish contract or program shall contain a statement that the corporation, partnership, or person understands and will abide by all provisions of this chapter.

(i) **Severability.** The invalidity or unenforceability of any particular provision, or part of any provision, of this Agreement shall not affect the other provisions or parts hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions or parts were omitted.

(j) **Interpretation.** All section titles or captions in this agreement are for convenience of reference only. They should not be deemed to be part of this agreement or to in any way define, limit, extend, or describe the scope or intent of any provisions of this agreement.

Except as specifically provided otherwise, reference to "Sections" and "Exhibits" are to sections of and exhibits to this Agreement.

(k) **Non-Waiver.** A failure by either party to take any action with respect to any default or violation by the other of any of the terms, covenants, or conditions of this Agreement shall not in any respect limit, prejudice, diminish, or constitute a waiver of any rights of such party to act with respect to any prior, contemporaneous, or subsequent violation or default or with respect to any continuation or repetition of the original violation or default.

(l) **Contract Representatives.** The Parish hereby designates its Parish President and SMGJ designates its Executive Vice-President for the corporate region in which the JPAC is located as their respective representatives in all matters relating to this Agreement, and in either case, any individual from time to time designated by either of the foregoing with general or particular authority. Each party shall be permitted to rely on the actions taken by the designated representative of the other party or by any person authorized by a designated representative in writing in any matter relating to this Agreement, including granting any required authorizations, consents and approvals. Any party may change its designated representative by written notice to the other parties.

(m) **No Third Party Beneficiaries.** None of the provisions of this Agreement shall be for the benefit of or enforceable by a third party.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties as of the day and year first above written.

Jefferson Parish, Louisiana

By: _____

Christopher L. Roberts
Council Chairman

SMGJ

By: _____

J. Douglas Thornton
Executive Vice President

EXHIBIT A
OPERATING EXPENSES

Operating Expenses include but are not limited to:

- (1) Payroll, benefits and related costs (including relocation and bonus costs to the extent approved by the Parish) of all SMGJ and F&B Employees employed at or performing services with respect to JPAC.
- (2) Cost of operating supplies.
- (3) Advertising costs.
- (4) Cleaning expenses.
- (5) Data processing and computer costs including an allocation of a portion of the costs of SMGJ central payroll system.
- (6) Dues, subscriptions and membership costs.
- (7) Insurance costs, as set forth herein.
- (8) Professional fees.
- (9) Printing and stationary costs.
- (10) Postage and freight costs.
- (11) Equipment rental costs.
- (12) Repairs and maintenance costs, as set forth herein.
- (13) Security expenses.
- (14) Cost of office supplies.
- (15) Telephone charges.
- (16) Travel and entertainment expenses within amounts included in an Approved Budget and such unbudgeted travel and professional expenses as are approved in writing by the Parish.
- (17) Cost of employee uniforms.
- (18) Trash and garbage removal costs.
- (19) Extermination and pest control costs.
- (20) Cost of food, beverage and other goods sold related to Concessions and Catering.

(21) Allocated overhead reimbursement payments made to SMGJ as agreed to in writing e.g. "The Budget" by the parties.

(22) Utilities

EXHIBIT B SERVICES

SMGJ shall have the right and authority, without (except as otherwise expressly noted below or as noted previously in this Agreement) any prior approval by the Parish, to:

(1) Provide or cause to be provided, through itself and/or one or more of its Affiliates and/or third party subcontractors, booking services, catering and concession services, decorating services, maintenance services, and all other services in connection with the management, promotion and operation of the Facility. If alcohol is served at the Facility, maintain a Liquor Legal Liability policy naming the Parish as an additional insured.

(2) Negotiate, execute in its name as agent for the Parish, deliver and administer any and all licenses, occupancy agreements, rental agreements, booking commitments, advertising and sponsorship agreements, catering and concession agreements, decorating agreements, supplier agreements, service contracts and all other contracts and agreements in connection with the management, promotion and operation of JPAC, provided that if any such license, agreement, commitment or contract other than those involving the license, lease or rental of any of JPAC (or any portion thereof) in the ordinary course has a term that extends beyond the remaining Management Term, such license, agreement, commitment or contract shall be approved in advance by the Parish, in its sole judgment and discretion. In addition, SMGJ, as agent for the Parish, may rent JPAC or any part thereof to itself in connection with any event in the promotion of which SMGJ is involved, so long as such rental is on prevailing rates and terms or such other rates and terms as the Parish approves.

(3) Establish and adjust prices, rates and rate schedules for the aforesaid licenses, agreements and contracts and any other commitments relating to JPAC to be negotiated by SMGJ in the course of its management, operation and promotion of JPAC. In determining such prices and rate schedules, SMGJ shall evaluate comparable charges for similar goods and services at similar and/or competing facilities and shall consult with the Parish about any adjustments to the rate schedules to be made by SMGJ.

(4) To the extent that Adjusted Gross Income or funds supplied by the Parish are made available therefore, (i) maintain JPAC in the condition received, reasonable wear and tear excepted, and (ii) rent, lease or purchase all equipment and maintenance supplies necessary or appropriate for the operation and maintenance of JPAC; provided that the Parish shall be responsible for undertaking all Capital Improvements and Capital Equipment purchases as provided in Section 5.4.

(5) Pay, when due, on behalf of the Parish, all Operating Expenses from accounts established pursuant to Sections 5.3 of this Agreement.

(7) SMGJ shall have authority over the day-to-day operation of the Facility, including the provision of food and beverage concession and catering services at the Facility, and shall work together with the Artist in Residence to achieve booking and marketing objectives. Without limiting the generality of the foregoing, the services to be provided by SMGJ or its

subcontractors and its authority with respect to those services shall include those described on Exhibit B (Services) and Exhibit C (Food and Beverage Services).

(8) Provide or cause to be provided by its Affiliate SAVOR or one or more third party subcontractors (the "Food Service Manager"), management of all in-house food and beverage operations and services at the JPAC including catering, concessions, menu development, staffing, and liquor license procurement and maintenance in accordance with the guidelines and policies described this Exhibit B (collectively, the "F&B Services").

(a) Third Party/Outside Catering: To the extent mutually agreed upon in writing by the Parish and SMGJ, certain organizations and/or not-for-profit entities utilizing the JPAC may contract catering services. SMGJ retains the opportunity to bid on such services as deemed appropriate from time to time.

(9) Engage in such advertising, solicitation, and promotional activities as SMGJ deems necessary or appropriate to develop the potential of the Facility and the cultivation of broad community support.

(10) Exercise all rights and authority implied in Section 3.1 of the Agreement and this Exhibit B.

(11) Respond timely to all comments and complaints communicated to the Parish or to SMGJ by members of the public.

(12) The Parties agree that the Jefferson Performing Arts Society ("JPAS") will be designated as the "Artist in Residence" and will be considered the primary resident company in the facility for artistic presentations. This designation will afford JPAS certain rights and privileges for scheduling, rehearsals, economic entitlements, reduction of fees and charges and other such benefits as approved by the Parish as part of a long-term cooperative endeavor agreement. JPAS shall have the right to occupy reasonable office space in the center subject to Parish approval of terms and conditions. Brian Blaum shall be the designated liaison between SMGJ and JPAS.

EXHIBIT C
FOOD AND BEVERAGE SERVICES

1. **REPORTING OBLIGATIONS.** Before the end of each calendar month during the Management Term, SMGJ shall provide or cause the Food Service Manager, if other than SMGJ, to provide the Parish with a statement F&B Gross Revenues for previous calendar month.

2. **F&B EMPLOYEES.**

(A) **Staffing Levels and Training.** Food Service Manager shall provide adequate numbers of staff for all catered events and for concessions. All Food Service Manager employees involved in the sale, service, and distribution of alcoholic beverages shall be trained by Food Service Manager in effective alcohol awareness, which includes training based on any applicable laws of the Parish or the State of Louisiana.

(B) **Food and Beverage Director.** Food Service Manager shall select a Food and Beverage Director ("FBD") to oversee the F&B Services. The FBD shall report to Food Service Manager's General Manager.

3. **SMGJ OPERATIONAL RESPONSIBILITIES.**

(A) **Periods of Operations.** SMGJ or its designated Food Service Manager shall provide the F&B Services at such times as shall be reasonably necessary to serve customers of JPAC.

(B) **Quality.** All food and beverage items offered for sale by Food Service Manager shall be of high quality. Food Service Manager shall not offer for sale any food or beverage items that are spoiled, of poor quality, or otherwise unfit for consumption, and any such items shall immediately be removed by Food Service Manager from any food preparation or service area. Food Service Manager shall maintain a level of service that will provide an effective and convenient operation of food and beverage service. All food, drinks, beverages, confections and other items sold or kept for sale at the concessions will conform in all respects to applicable federal, state and Parish regulations.

(C) **Notice of Health Code Violations.** Food Service Manager will provide the Parish, immediately upon Food Service Manager's receipt, copies of any reports, citations, or notices that appear from the local health department, as well as copies of any Food Service Manager field inspection reports in response thereto. Food Service Manager shall promptly correct any such violations.

(D) **Cleaning.** Food Service Manager shall maintain all food service equipment in a clean and sanitary condition.

(E) **Removal of Trash and Garbage.** Food Service Manager shall be responsible for the removal of all trash, refuse and garbage produced by the F&B Services.

(F) Guidelines. Food Service Manager shall adhere to the guidelines set forth in its banquet server guidelines and concession point of service ratio guidelines, copies of which are available for review by the Parish.

(G) Menus and Pricing. All menu items and prices relating to food and beverage services shall be submitted to the Parish in advance of the proposed effective date of change for review and comment.

(H) Liquor License. Food Service Manager shall maintain a liquor license (unless hereinafter prohibited by law) and all other licenses or permits required by law in order to provide the F&B Services. Food Service Manager shall pay all federal, state and local license and permit fees and collect, withhold, remit, and/or pay for all sales, use and excise taxes and compensation taxes relating to the provision of the F&B Services. The costs of the foregoing shall be an Operating Expense

(I) SMGJ Oversight of Food Service Manager. In any period in which SMGJ is not acting as Food Service Manager, SMGJ shall cause the Food Service Manager performs its obligations under this Agreement.

4. OWNER RESPONSIBILITIES

(A) Space; Access; Use of Facility. The Parish shall provide adequate space within the Facility for the performance of the F&B Services, the space now available being deemed adequate for purposes of this paragraph. The Parish shall also make available to Food Service Manager and its employees and agents such common areas, fixtures, equipment and storage facilities within the Theater necessary for Food Service Manager to provide the F&B Services as contemplated herein.

(B) Capital Improvements. The Parish shall, during the Management Term fund Capital Expenses designed to improve the food service operation at JPAC, in such amounts as Food Service Manager and the Parish may mutually agree. Such purchases may include items such as, portable kiosk enhancements, concession stand upgrades, new menu signage, a point-of-service credit card system, small wares and service ware upgrades, and uniforms.

5. Exclusive Catering / Catering Fees. As a general rule, no outside catering will be permitted in JPAC except subcontractor as approved in writing by the Parish. Food Service Manager acknowledges that certain users of JPAC such as, The JPAS, clubs and charity organizations have historically been granted permission to use their own caterer from time-to-time. Food Service Manager and the Parish agree to regularly review this practice to determine whether it should be continued. In all cases where such permission has been granted to a non-profit organization, the licensee for the event may or may not be charged a fee as mutually agreed upon by Food Service Manager and the Parish. The fee so charged shall be included as part of the F&B Gross Revenue. In addition, the licensee for the event shall be required to secure all necessary licenses for such service and will be required to provide the appropriate insurance coverages, naming SMGJ, the Food Service Manager (if other than SMGJ) and Parish as additional insureds.

EXHIBIT D
PERFORMANCE REVIEW

The Parish may review SMGJ's Performance as indicated below:

1. Achievement of Combined Annual Budget
2. Achievement of Minimum Customer Service Survey Results
3. Achievement of Performance Goals as outlined in the Annual Budget
4. Control of Operating Expenses

In recognition of the fact that SMGJ is unable to control the rates charged for utilities and the premiums charged for insurance, so long as a good faith effort is made to manage such costs through utilization control, all computations made determining whether SMGJ has met the applicable standard shall make appropriate adjustments to negate any increases in Operating Expenses attributable to increases in the rates charged for energy supplied to the Theater over rates assumed in Approved Budgets and increases in actual insurance premiums over premiums contained in Approved Budgets.

EXHIBIT E INSURANCE

(a) SMGJ shall obtain and keep in force at all times during the Management Term:

(1) a commercial liability insurance policy, including, independent contractors, contractual liability, products and completed operations, liquor liability (as long as SMGJ is providing the food and beverage and catering services hereunder; otherwise, it should be contingent liquor liability), personal and advertising injury, public liability and property damage, covering the premises, the operations hereunder, in the amount of \$5,000,000 per occurrence for bodily injury and \$5,000,000 per occurrence for property damage. The policy shall include medical liability for EMTs, if any, while working for SMGJ;

(2) an umbrella liability insurance policy with a limit of \$5,000,000 in the aggregate;

(3) a comprehensive automotive bodily injury and property damage insurance policy for business use covering all vehicles operated by SMGJ officers, employees in connection with the JPAC, whether owned by the Parish, or otherwise, with a combined single limit of not less than \$5,000,000 per occurrence (including an extension of hired and non-owned coverage);

(4) worker's compensation insurance (including occupational disease hazards) with an authorized insurance company or through the Louisiana State Compensation Insurance Fund;

(5) fidelity/crime insurance covering SMGJ's employees.

SMGJ shall pay the premiums for such coverages as an Operating Expense from funds supplied by the Parish.

(b) (d) The terms of all insurance policies referred to in Section 8 of the Agreement and on this Exhibit E shall preclude subrogation claims against SMGJ, the Parish and their respective partners, members, officers, directors, employees and agents.

(e) SMGJ shall be the named insured(s) under all of the liability described in paragraph (a) above. The Parish shall be an additional insured under the insurance described in paragraphs (a) (1), (2), (3), and (5) above. The insurance maintained by each party hereunder shall contain a provision covering the parties' indemnification liabilities to each other.

(f) Certificates evidencing the existence of the above policies shall be delivered by each party to the other before the start of the Management Term. Notwithstanding the provisions of Section 8 and this Exhibit E, the parties acknowledge that the above insurance may contain exclusions from coverage which are reasonable and customary for insurance of such type. Each such policy or certificate shall contain a valid provision or endorsement stating, "This policy will not be canceled or materially changed or altered without first giving 30 days' written notice thereof, sent by certified mail, return receipt requested, to (i) in the case of SMGJ's policies, the Parish of Jefferson, 200 Derbigny Street, Suite 6200, Gretna, LA 70053, and (ii) in the case of the Parish's policies, SMGJ, 300 Conshohocken State Rd., Suite 770, West Conshohocken, PA 19428, Attention: Risk Management."

(g) A renewal binder of coverage shall be delivered by the named insured to the other party at least 20 days after a policy's expiration date, with a complete copy of such renewal insurances to follow.

ATTACHMENT D

\$3 FACILITY FEE REVENUE THROUGH JUNE 30, 2022

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PROGRAM . . . : PA0480
REPORT . . . : GENERAL LEDGER DISTRIBUTION REPORT
USER . . . . : THAZELBA
DATE . . . . : 7/05/22
TIME . . . . : 9:15
HOLD . . . . : YES
COPIES . . . : 1
OUTPUT QUEUE: *DEFAULT
DISTRIBUTION: *NONE

SELECTION OPTIONS
FROM FUND . . . . : 45870 LASALLPARK
THRU FUND . . . . : 45870 LASALLPARK
FROM DEPARTMENT . . : *ALL
THRU DEPARTMENT . . : *ALL
FROM ACCOUNT . . . . : 5364
THRU ACCOUNT . . . . : 5364
CASHIER CODE . . . . : *ALL
REVENUE STATION . . : *ALL
FROM PAYMENT DATE . : *ALL
THRU PAYMENT DATE . : *ALL
OPEN/POSTED . . . . : POSTED
PAGE BREAK LEVEL . . : *ALL
SORT BY . . . . . : GL ACCOUNT
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Jefferson Parish FWS
DATE 7/05/22
TIME 9:15:15

REVENUE ACCOUNTING
GENERAL LEDGER DISTRIBUTION REPORT

PAGE 1
PAGE 80480
THAZELBA

DATE PAID	RECEIPT #	REV CODE	TRANSACTION DESCRIPTION	DEBIT AMOUNT	CREDIT AMOUNT
FUND 45870 - LASALLE PARK AC					
DEPARTMENT 0000 - REVENUES					
ACCOUNT: 5364					
TICKET SERVICE CHARGES					
8/26/2015	050199786	JPAS	BEAUTY AND THE BEAST	.00	4,455.00
11/10/2015	050203492	JPAS	RIGOLETTO/TICKET SALE	.00	1,944.00
11/25/2015	050204651	JPAS	SISTER ACT	.00	2,367.00
12/22/2015	050205333	JPAS	NUTCRACKER/TICKETS	.00	5,253.00
1/11/2016	050206278	JPAS	MY FAIR LADY	.00	5,265.00
1/22/2016	050206932	JPAS	LITTLE RIVER BAND	.00	9,177.00
2/02/2016	050207798	JPAS	S3 FACILITY FEE ON TICKET	.00	1,617.00
7/08/2016	050216106	JPAS	INV 2016025	.00	27,408.00
8/30/2016	050219830	JPAS	INV 2016025	.00	216.00
8/30/2016	050219831	JPAS	INV 2016013	.00	3,789.00
8/30/2016	050219832	JPAS	INV 2016011	.00	1,863.00
9/07/2016	050220141	JPAS	DANCE RECITAL - ENCORE STUDIO	.00	2,226.00
1/30/2017	050226812	JPAS	INV 2016044 FUNNY GIRL	.00	7,323.00
1/30/2017	050226813	JPAS	INV 2016043 SEUSSICAL	.00	2,799.00
1/30/2017	050226814	JPAS	INV 2016042 WEST SIDE STORY	.00	7,275.00
1/30/2017	050226815	JPAS	INV 2016046 NUTCRACKER	.00	4,050.00
2/07/2017	050227088	JPAS	ROMAN STREET	.00	270.00
2/07/2017	050227088	JPAS	MISS LA/MISS TEEN LA	.00	4,158.00
7/18/2017	050234770	JPAS	INV 2017029	.00	3,465.00
7/18/2017	050234771	JPAS	INV 2017030	.00	1,785.00
7/28/2017	050235649	JPAS	CDSO TDS LLC	.00	381.00
8/18/2017	050236278	JPAS	CREATIVE DANCE & MUSIC	.00	15.00
4/04/2018	050247078	JPAS	BEETHOVEN & BLUE JEANS OCT'17	.00	648.00
6/20/2018	050250158	JPAS	ALICE IN WONDERLAND	.00	2,748.00
6/22/2018	050250330	JPAS	ARTICULATE DANCE ACADEMY	.00	51.00
6/22/2018	050250330	JPAS	HARRY POTTER IN CONCERT	.00	4,737.00
6/22/2018	050250330	JPAS	JERUSALEM SHRINERS-RAT PACK	.00	3,075.00
6/28/2018	050251003	JPAS	A CHRISTMAS CAROL	.00	606.00
7/06/2018	050251145	JPAS	INV 2018049	.00	990.00
7/09/2018	050251187	JPAS	INV 2018018	.00	3,864.00
7/16/2018	050251500	JPAS	HUNCHBACK OF NOTRE DAME	.00	7,494.00
7/16/2018	050251501	JPAS	ANNIE JR	.00	4,185.00
7/16/2018	050251502	JPAS	HONK JR	.00	2,304.00
7/16/2018	050251503	JPAS	TARZAN	.00	5,982.00
7/16/2018	050251503	JPAS	GUYS & DOLLS JR	.00	2,268.00
7/16/2018	050251503	JPAS	SINGING IN THE RAIN JR	.00	3,297.00
7/16/2018	050251503	JPAS	CHICAGO	.00	6,561.00
7/16/2018	050251503	JPAS	TUCK EVERLASTING	.00	3,129.00
8/27/2018	050253629	JPAS	MARY POPPINS	.00	4,191.00
8/27/2018	050253630	JPAS	CREATIVE DANCE STUDIO	.00	93.00
9/20/2018	050254201	JPAS	A VERY ELECTRIC CHRISTMAS	.00	2,052.00
9/20/2018	050254201	JPAS	MEN FROM MAAS/WOMEN FROM VENUS	.00	810.00
9/20/2018	050254201	JPAS	WAR ON THE CATWALK	.00	3,108.00
9/20/2018	050254201	JPAS	RAT PACK IS BACK	.00	582.00
9/20/2018	050254203	JPAS	JIM BRICKMAN	.00	519.00
9/20/2018	050254203	JPAS	UNDER THE STREETLAMP	.00	1,911.00
9/20/2018	050254203	JPAS	ROCKIN ROAD TO DUBLIN	.00	795.00

Jefferson Parish FMS
DATE 7/05/22
TIME 9:15:15

REVENUE ACCOUNTING
GENERAL LEDGER DISTRIBUTION REPORT

PAGE 2
R20480
TEAZELBA

DATE PAID	RECEIPT #	REV CODE	TRANSACTION DESCRIPTION	DEBIT AMOUNT	CREDIT AMOUNT
9/20/2018	050254203	JPAS	MISS TEEN LOUISIANA	.00	3,849.00
9/20/2018	050254203	JPAS	RONNIE LAMARQUE	.00	1,212.00
9/28/2018	050254986	JPAS	PINK FLOYD LASER LIGHT SHOW	.00	1,326.00
11/06/2018	050256392	JPAS	RONNIE MILSAP	.00	1,650.00
11/06/2018	050256392	JPAS	WAR ON THE CAWALK	.00	1,917.00
11/07/2018	050256415	JPAS	BB&J CHRISTMAS CONCERT	.00	1,845.00
11/07/2018	050256415	JPAS	BEETHOVEN & BLUE JEANS 10/16	.00	1,293.00
11/07/2018	050256415	JPAS	BEETHOVEN & BLUE JEANS 03/17	.00	1,545.00
11/16/2018	050256730	JPAS	PETER PAN	.00	9,297.00
12/04/2018	050257575	JPAS	MISS LA/MISS TEEN LA	.00	2,805.00
1/16/2019	050259292	JPAS	WHITE CHRISTMAS	.00	7,197.00
3/07/2019	050261804	JPAS	THE LULA ELZY NO DANCE	.00	330.00
3/11/2019	050261879	JPAS	LIVERPOOL LEGENDS	.00	5,571.00
3/11/2019	050261879	JPAS	STEVEN CHAPMAN	.00	1,326.00
3/21/2019	050262355	JPAS	DREAM GIRLS	.00	9,192.00
5/08/2019	050264808	JPAS	IRISH TENORS	.00	1,953.00
5/10/2019	050264901	JPAS	AMERICAN GIRL LIVE	.00	1,002.00
5/30/2019	050265906	JPAS	SOUTH PACIFIC	.00	8,742.00
8/01/2019	050268553	JPAS	COPELIA	.00	1,959.00
8/01/2019	050268553	JPAS	BAND OF EXCELLENCE	.00	633.00
8/01/2019	050268553	JPAS	LITTLE MERMAID	.00	3,855.00
9/12/2019	050270317	JPAS	WONDERFUL SCHOOL OF DANCE	.00	177.00
9/13/2019	050270376	JPAS	MY FAIR LADY	.00	1,857.00
10/28/2019	050272554	JPAS	2019070 PINK FLOYD LASER SHOW	.00	2,967.00
10/28/2019	050272554	JPAS	2019072 WHO DAT FESTIVAL	.00	2,592.00
12/17/2019	050274404	JPAS	THE SOUND OF MUSIC	.00	9,804.00
1/16/2020	050275716	JPAS	LA PHILHARMONIC ORCHESTRA, THE	.00	873.00
2/12/2020	050277249	JPAS	2019063 GINO VANNELLI	.00	2,631.00
2/14/2020	050277404	JPAS	NUTCRACKER	.00	4,512.00
2/14/2020	050277404	JPAS	ANNIE	.00	9,153.00
2/19/2020	050277504	JPAS	HE IS BORN CHRISTMAS CONCERT	.00	1,662.00
4/13/2020	050279922	JPAS	MOUSETRAP	.00	7,254.00
5/22/2020	050281918	JPAS	ATLANTA RHYTHM SECTION	.00	1,407.00
5/22/2020	050281918	JPAS	BLACK JACKET SYMPHONY	.00	1,350.00
5/22/2020	050281918	JPAS	LIVERPOOL LEGENDS	.00	1,863.00
5/22/2020	050281918	JPAS	LILLIAN AXE	.00	498.00
5/28/2020	050281982	JPAS	SCHOOLHOUSE ROCK	.00	2,094.00
1/26/2021	050291452	JPAS	NUTCRACKER	.00	3,396.00
2/19/2021	050292634	JPAS	MISS LOUISIANA/MISS TEEN LA	.00	2,772.00
3/17/2021	050294023	JPAS	ONE FLEW OVER CUCKOO'S NEST	.00	1,785.00
11/30/2021	050305153	JPAS	ARSENIC & OLD LACE	.00	2,010.00
11/30/2021	050305153	JPAS	NEWSIES JR	.00	3,288.00
11/30/2021	050305153	JPAS	SHREK JR	.00	3,090.00
11/30/2021	050305153	JPAS	A COMEDY OF TENDERS	.00	2,349.00
11/30/2021	050305154	JPAS	HERE'S JOHNNY	.00	912.00
11/30/2021	050305154	JPAS	PINK FLOYD LASER SHOW	.00	1,593.00
3/09/2022	050309389	JPAS	NUTCRACKER	.00	5,094.00
4/13/2022	050310905	JPAS	YOU NIGHT 2022 FASHION SHOW	.00	1,989.00
ACCOUNT TICKETSVCHG TOTALS :				.00	310,572.00

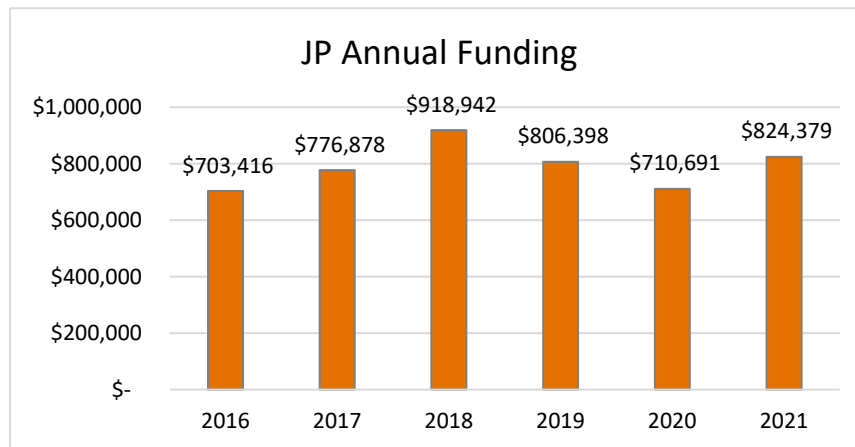
95 ACCOUNT TRANSACTIONS

DEPARTMENT 0000 TOTALS : .00 310,572.00

ATTACHMENT E

HISTORICAL COSTS OF JPAC

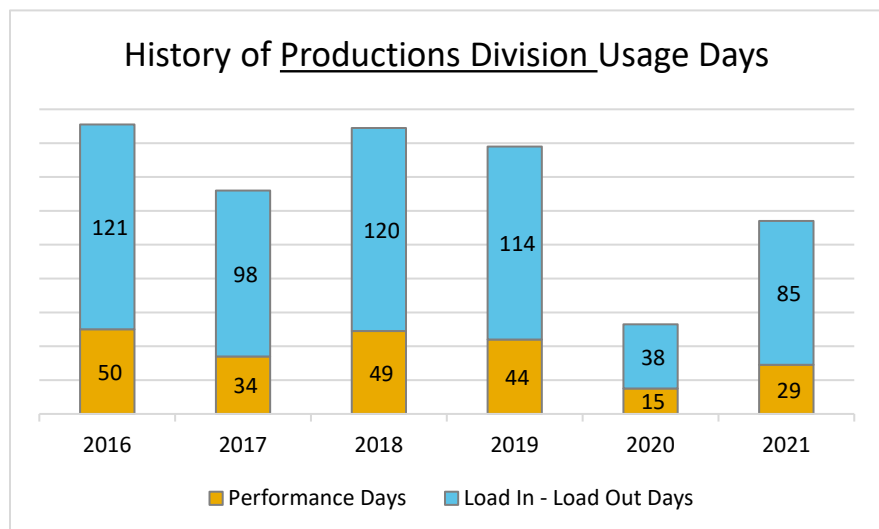
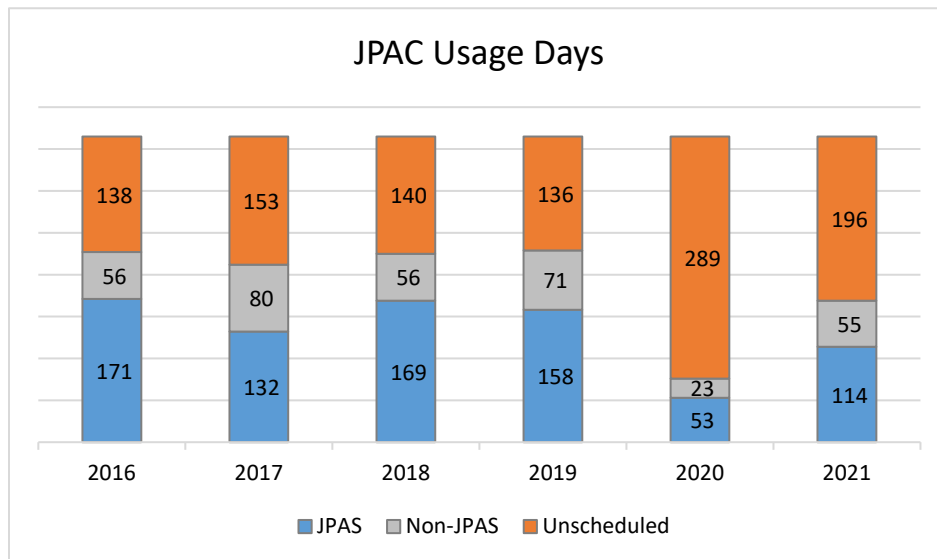
Funding Description	2021	2020	2019	2018	2017	2016
SMGJ Management Fee	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000
Management Incentive Fee	-	-	-	-	-	8,158
Loss from Operations ^	454,760	428,415	376,185	417,152	303,326	282,833
Total Operational Funding	\$ 544,760	\$ 518,415	\$ 466,185	\$ 507,152	\$ 393,326	\$ 380,991
^ Includes imputed income for JPAS Rent Waived						
JPAS - Artist in Residence	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
JPAS - Free Office Space: 2 locations	43,565	43,565	43,565	43,565	38,352	33,500
JPAS - JPAC Rent Waived	114,276	48,711	196,648	268,225	245,200	188,925
Total JPAS Funding	\$ 257,841	\$ 192,276	\$ 340,213	\$ 411,790	\$ 383,552	\$ 322,425
Total Annual Funding for JPAC *	\$ 802,601	\$ 710,691	\$ 806,398	\$ 918,942	\$ 776,878	\$ 703,416



ATTACHMENT F

HISTORICAL FACILITY USAGE OF JPAC

	2021	2020	2019	2018	2017	2016
JPAS	114	53	158	169	132	171
Non-JPAS	55	23	71	56	80	56
Unscheduled	196	289	136	140	153	138
Total	365	365	365	365	365	365
% of Days Scheduled	46%	21%	63%	62%	58%	62%
Attendance (Capacity = 387,995)	24,192	10,312	52,737	45,882	43,244	48,452
	6.2%	2.7%	13.6%	11.8%	11.1%	12.5%



ATTACHMENT G

MANAGEMENT AGREEMENT WITH JEFFERSON PERFORMING ARTS SOCIETY

12236989

DocuSign Envelope ID: 617C0F61-8AEC-43B3-9BC2-60AD54A3E9F5

**AGREEMENT
BETWEEN
THE PARISH OF JEFFERSON
AND
JEFFERSON PERFORMING ARTS SOCIETY**

THIS AGREEMENT (the "Agreement") is made and entered into as of the date of full execution by the parties, as evidenced by the electronic signatures, by and between the Parish of Jefferson, State of Louisiana, herein represented by its Ricky J. Templet, Chairperson of the Jefferson Parish Council (hereinafter referred to as "PARISH"), duly authorized to act by Resolution No. 139464, adopted on the 27th day of April 2022 and Resolution No. 139980, adopted on the 29th day of June, 2022, and Jefferson Performing Arts Society, (hereinafter referred to as "FIRM"), duly authorized to do and doing business in the State of Louisiana, represented herein by Todd Simmons, its Executive Director. For the purposes of this Agreement, PARISH shall designate FIRM the JPAS/Management Unit. PARISH and FIRM may be referred to herein as "PARTY," individually, and "PARTIES," collectively.

1.0 Administration of Agreement. All work shall be under the direction of the Director of the Department of General Services or his designee (hereinafter called "MANAGER") and all requests, plans, reports, etc. shall be submitted to said department and all approvals and administration of this Agreement shall be through it.

2.0 Scope of Agreement. Subject to the terms and conditions set forth in this Agreement, FIRM shall provide management services for the Jefferson Performing Arts Center ("JPAC") located at 6400 Airline Drive, Metairie, LA 70003. Management services shall include marketing and promoting JPAC for events. FIRM shall meet the scope of services and requirements as per this Agreement, and FIRM's written proposal dated January 20, 2022 (as clarified on March 10, 2022), which is incorporated herein by reference (hereinafter the "Proposal").

3.0 Reservation of Rights of PARISH

3.1 In General. The PARISH and its designees reserve the right to enter all portions of JPAC and the appurtenances thereto, to inspect same, to observe the performance of FIRM of its obligations under this Agreement, to install, remove, adjust, repair, replace or otherwise handle any equipment, utility lines, or other matters in, on, or about the premises, or to do any act or thing which the PARISH may be obligated or have the right to do under this Agreement or otherwise. PARISH and its designees shall use reasonable efforts to minimize interference with FIRM's business activities during its right of access provided herein. Except in emergencies, where exigent circumstances warrant that no notice may be provided, PARISH will endeavor to, but is not required to, provide twenty-four (24) hours advance notice to FIRM for security purposes. Nothing contained in this Section 3.0 is intended or shall be construed to limit any other rights of the Parish under this Agreement.

3.2 Emergencies. The PARISH reserves the right in the exercise of its police powers to assume control of and responsibility for the PARISH and to preempt scheduled events or activities as necessary in case of natural disasters or other emergencies in order to use the JPAC as shelter, staging area or other function in response to such exigent circumstances but shall act in good faith to minimize disruption of the use of the JPAC under this Agreement.

3.3 PARISH's Use of JPAC. PARISH reserves the right to use JPAC for a minimum of twelve (12) calendar days per year at no cost to the PARISH.

Page 1 of 10
Resolution No. 139980
Jefferson Performing Arts Society

EFIL: 07/20/2022 1:51 PM JEFF PAR 7245747 Jlh \$205.00 ::: 12236989 MORTGAGE BOOK 4994 PAGE 939

3.4 Concessions and Catering. PARISH reserves the right to select a vendor to provide concessions and catering for all non-FIRM related events.

4.0 Obligations of PARISH and FIRM

4.1 Obligations of PARISH:

- a. PARISH will maintain the exterior of JPAC clean and free from trash, debris, etc. and pressure wash all concrete as needed to maintain a high level of appearance.
- b. PARISH will be responsible for the maintenance and repairs of the roof, walls, floors, windows, doors, electrical, and plumbing of the interior and exterior of JPAC.
- c. PARISH will be responsible for the maintenance, inspections, and repairs of all mechanical, life safety, and elevator equipment in JPAC and termite and pest control services.
- d. PARISH will maintain the existing VoIP telephone service and internet connection.
- e. PARISH will process payment of all operating expenses, such as utilities, taxes, insurance, maintenance and other bills.
- f. PARISH will provide management oversight for procurement and installation of furniture, fixtures, and equipment (FF&E) and non-FF&E building improvements.
- g. PARISH will coordinate, manage and oversee repairs and alterations to preserve the economic life and upkeep of the property.
- h. PARISH will provide once a week Janitorial Services and Janitorial supplies.
- i. PARISH will provide daily security to JPAC.

4.2 Obligations of FIRM:

FACILITIES:

- a. Provide asset and property-management services.
- b. Provide marketing for the use of JPAC and advertisement of events.
- c. Monitor actual and projected operating expenses and advise PARISH if Projected costs exceed the amounts set forth in approved budgets.
- d. Attend Jefferson Parish Council meetings as often as necessary to facilitate communications and coordination of the JPAC operations and activities.
- e. Submit periodic reports as required, including public record request responses.
- f. Provide accounting and bookkeeping services, and coordinate third-party audit and tax preparation.
- g. Ensure that all required licensing, bonding and insurance requirements are carried by FIRM, all employees and subcontractors, and all other persons engaged in all work pursuant to this Agreement.
- h. FIRM shall provide 24-hour year-round emergency response for call outs for building emergencies.
- i. FIRM will be responsible for the maintenance and repairs of all theatrical elements.
- j. FIRM will be responsible for its printing, stationary and postage.
- k. FIRM will be responsible for its computer maintenance and supplies and office equipment and maintenance of office equipment.
- l. FIRM will be responsible for the acquisition, support, maintenance, and security of computers, computer peripherals, and other related technology, including network equipment, supplies. FIRM shall not alter, reset, or reconfigure PARISH network equipment without PARISH Information Technology approval.
- m. FIRM shall provide PARISH with their security protocols for all events at JPAC. FIRM'S security protocols must meet PARISH approval.

FISCAL MANAGEMENT:

- a. In accordance with Generally Accepted Accounting Principles ("GAAP") and industry best practices, FIRM shall provide professional bookkeeping necessary

- to maintain the records (electronic and hard copy) specified in this Agreement and associated RFP and retain those records for seven (7) years. PARISH shall have the right to audit the FIRM's books with respect to the management and JPAC operations with not less than forty-eight (48) hours' notice during reasonable business hours.
- b. In accordance with GAAP and industry best practices, FIRM shall provide general ledger detailed account reconciliation for each event.
 - c. FIRM shall be responsible for establishing policies and procedures to ensure financial records are complete and accurate. These policies and procedures should be in compliance with best practices such as the COSO Framework and include proper segregation of duties and internal controls.

OPERATIONS:

- a. Coordinate the work of all parties performing work in connection with operating JPAC
- b. Negotiate, execute, and perform contracts, use agreements, licenses and other agreements with persons who desire to schedule events, performances, telecasts, broadcasts or other transmissions in, from or to JPAC or who desire otherwise to use JPAC or any part thereof or that otherwise pertain to the use and occupancy of JPAC or any part thereof. FIRM will administer and enforce the terms of all agreements entered into by FIRM pursuant to this Agreement.
- c. Coordinate and negotiate contracts for all advertising, licensing, promotional activities, ticket sales, marketing, and public relations for JPAC.
- d. Plan, coordinate, and administer the operations of JPAC and continue to identify, select, and train JPAC's staff and volunteers.
- e. Require that all persons using JPAC or attending events therein comply with all legal requirements of all governmental authorities having jurisdiction over JPAC.
- f. Furnish all services, personnel, materials, tools, machinery, equipment and other items necessary to accomplish the foregoing requirements.

EVENTS:

- a. FIRM shall provide janitorial services during and after every event at JPAC.
- b. FIRM shall provide licensed professional security during every event at JPAC. PARISH reserves the right to approve the security entity used by FIRM.
- c. FIRM shall provide additional services to renters such as equipment rental, linen rental, ushers, etc. with the expectation of charging these services to the renter.

5.0 General Conditions, Rights, and Obligations.

- a. FIRM shall not enter into any contracts or agreements regarding the upkeep, operation or maintenance of JPAC without approval from PARISH.
- b. FIRM shall not cancel and/or modify any event presently scheduled or booked at JPAC without the prior approval of PARISH.

6.0 Operations.

6.1 Term. The term of this Agreement shall commence on the date of full execution hereof, and shall expire at midnight on the day immediately preceding the first anniversary thereof. The PARTIES shall have the option to renew the Agreement for five (5) one (1) year terms. These options shall be exercised upon mutual consent of the PARTIES and shall be memorialized by written amendment approved by the Jefferson Parish Council and signed by both parties.

6.2 Locations. FIRM shall operate out of any location deemed necessary by PARISH.

6.3 Hours. FIRM shall maintain such hours as necessary to meet the requirements of

this Agreement.

- 6.4 Efficient and High-Quality Operation.** FIRM shall maintain an operation which is efficient and of a level of quality equal to or greater than industry standards.
- 6.5 Products and Necessities.** FIRM shall furnish all working capital, services, inventory, personnel, materials, tools, machinery, equipment and other items necessary to perform FIRM's obligations under this Agreement.
- 6.6 Licenses and Permits.** FIRM shall obtain and keep at its own expense all federal, state and local licenses and ABO permits required to be in its name in connection with this Agreement.
- 6.7 Compliance with Law, Rules and Regulation.** FIRM shall comply with all applicable laws, rules and regulations.
- 6.8 Duty and Responsibilities.** FIRM owes to MANAGER a duty to perform FIRM's obligation under this agreement with integrity and good faith and in a manner that is in the best interests of the MANAGER and FIRM and consistent with the terms of this Agreement.

7.0 Financial Matters.

- 7.1 Operating Expenses.** FIRM is responsible for the payment of all operating expenses required as a result of providing the services set forth in Section 4.2.

7.2 Payments.

- a. FIRM shall pay the PARISH a five dollar (\$5.00) building fee for each ticket sold for all events held at the JPAC including FIRM productions.
- b. If FIRM rents JPAC for a non-ticketed event, PARISH is to receive a ten percent (10%) royalty on revenues received, which is to be calculated on the total rental cost, the building rental fee and any incidentals such as renting chairs and tables.
- c. All net income received from rentals, catering, concessions, and any other services charged by FIRM for the operation of JPAC shall be applied to venue operations and costs and included in the monthly accounting to the PARISH.
- d. PARISH shall pay FIRM on a reimbursement basis in accordance with the final Cost Proposal submitted by FIRM on March 10, 2022 (scored by the RFP Committee on March 11, 2022) and attached hereto as Attachment B, on a net thirty (30) day basis from the date of receipt by PARISH. FIRM shall submit to the Parish on a monthly basis reports documenting the financial activity for that month. Operating costs shall be offset by rental and other revenues generated by JPAC assets. Any monthly surplus is to be remitted to the PARISH where as any monthly deficits shall be reimbursed to the FIRM. Expenditures should be documented with invoices and/or payroll records. Revenues to be supported by a bank statement and invoices generated by FIRM. The annual contract cap shall not exceed two hundred and fourteen thousand, five hundred Dollars (\$214,500.00) for the first year of the contract, and one hundred seventeen thousand, five hundred Dollars (\$117,500) for subsequent years.
- 7.3 Appropriation Dependency.** This Agreement is contingent upon the appropriation of funds by PARISH. If the Jefferson Parish Council fails to appropriate sufficient monies to provide for the continuation of this Agreement, the Agreement shall terminate on the last day of the fiscal year for which funds were appropriated. Such termination shall be without penalty or expense to PARISH except for payments which have been earned prior to the termination date. Termination of this Agreement by

PARISH under the provision of this section shall not constitute an event of default. The decision to fund or not to fund this Agreement for the next fiscal year will be made by the Jefferson Parish Council in its unfettered discretion based upon what the Jefferson Parish Council believes to be in the best interests of PARISH. The Jefferson Parish Council may in its discretion opt not to fund this Agreement for a subsequent fiscal year or years for any reason.

7.4 Fidelity Bond. Contemporaneous with the execution of this Agreement, FIRM shall provide a fidelity bond issued by Travelers Casualty and Surety Company of America, which is underwritten by a commercial surety, in the amount of one hundred thousand 00/100 Dollars (\$100,000.00) to ensure that the Parish is protected from fraudulent acts performed by the successful proposer and/or its employees. The proposer acknowledges and agrees that the fidelity bond may be forfeited for losses that are incurred as a result of fraudulent acts by the successful proposer and/or its employees.

7.5 Performance Bond. The successful proposer shall be required to provide a performance bond issued by Capitol Indemnity Corporation which is underwritten by a commercial surety, in the amount of fifty-thousand dollars (\$50,000.00) to insure the successful performance of the agreement in accordance with the negotiated terms and conditions of the parties. The proposer acknowledges and agrees that the performance bond may be forfeited for successful proposer's failure to fully and faithfully perform its obligations in accordance with the negotiated and executed agreement.

8.0 Records, Accounts and Reports.

8.1 Books and Records. FIRM shall maintain adequate books of account with respect to its services, in accordance with GAAP in a form and method acceptable to MANAGER, within Jefferson Parish for a period not to exceed three (3) years after termination of this Agreement. FIRM shall permit MANAGER and MANAGER's agents from time-to-time within forty-eight (48) hours written notice, to inspect, copy and audit during FIRM's normal business office hours, the books and records pertaining to the services provided under this Agreement. MANAGER's right to audit, inspect, and make copies of FIRM's records shall be at the sole expense of MANAGER.

8.2 Periodic and/or Annual Reports. At any time, the MANAGER may request that FIRM, with the minimum of ten (10) days written notice, prepare and/or produce a report of the results of operations, as it pertains to this Agreement, in the previous fiscal year prepared in accordance with GAAP. The report must be prepared and certified by an independent certified public accounting firm. For purposes of this Agreement, each "fiscal year" begins on January 1 and ends on December 31 of the same year.

8.3 Monthly Reports. FIRM will furnish the PARISH monthly reports by the 15th day of the following month summarizing the activity of the prior month. The report shall include at a minimum the following items; summary of marketing activities, expense detail, revenue detail, calendar of booked events and holds for reporting month and subsequent twelve (12) months, new prospective clients/events, and an income statement for the month's activity.

9.0 Personnel.

9.1 Employees. FIRM shall employ, train and supervise personnel with appropriate qualifications and experience and in sufficient numbers to provide all services required under this Agreement. All persons engaged by FIRM shall be the sole and exclusive employees of FIRM and shall be paid by FIRM. FIRM shall pay all

applicable social security, unemployment, workers' compensation and other employment taxes.

9.2 Appropriate Personnel. FIRM shall provide only trained personnel. FIRM's employees shall conduct themselves at all times in a proper and respectful manner in accordance with MANAGER's employee policy. If MANAGER determines that any employee of FIRM is unsatisfactory in any material respect, MANAGER shall request FIRM to exclude the employee or employees from work under this contract, and FIRM shall so comply with such request.

9.3 Non-Discrimination. FIRM shall not discriminate against any employee or applicant for employment on the basis of age, race, creed, sex, color, national origin, or disability.

9.4 Substitution of Personnel. FIRM acknowledges that this Agreement is contingent upon the personnel defined in FIRM's Proposal, and that if during the term of this Agreement, FIRM is unable to provide those defined personnel, FIRM shall substitute personnel which shall meet or exceed the requirements stated herein. A detailed resume of qualifications and justifications shall be submitted to PARISH for approval prior to each personnel substitution request, said approval not to be unreasonably withheld conditioned or delayed.

10.0 Termination or Suspension. The terms of this Agreement shall be binding upon the PARTIES hereto until the work has been completed and accepted by PARISH; but this Agreement may be terminated under any or all of the following conditions:

- a. By mutual agreement and consent of the PARTIES hereto;
- b. By PARISH as a consequence of the failure of FIRM to comply with the terms or quality of work in a satisfactory manner, proper allowance being made for circumstances beyond the control of FIRM, provided PARISH will give FIRM written notice of any such failure and thirty (30) days (or more if authorized in writing by the MANAGER) to cure any such failure;
- c. By either PARTY upon failure of the other PARTY to fulfill its obligation as set forth in the Agreement; or
- d. By PARISH for convenience by issuing FIRM thirty (30) days written notice.

11.0 Notice. Any communications to be given hereunder by either PARTY to the other shall be deemed to be duly given if set forth in writing and personally delivered or sent by mail, registered or certified, postage prepaid with return receipt requested, as follows:

PARISH: Ricky J. Templet
Council Chairperson
Jefferson PARISH Council
200 Derbigny Street, Suite 6200
Gretna, LA 70053

FIRM: Todd Simmons
Executive Director
Jefferson Performing Arts Society
1118 Clearview Parkway
Metairie, LA 70001

Written notices hereunder delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated five (5) days after deposit in the mail, postage prepaid, certified, in accordance with this Section 10.

12.0 Independent Contractor. While in the performance of services or carrying out the obligations under this Agreement, FIRM shall be acting in the capacity of independent contractor and not as employee of PARISH, and not as partner of, or joint venturer of PARISH. PARISH shall not be obliged to any person, firm or corporation for any obligations of FIRM arising from the performance of their services under this Agreement.

The PARTIES hereto acknowledge and agree that PARISH shall not:

- a. withhold federal or state income taxes;
- b. withhold federal social security tax (FICA);
- c. pay federal or state unemployment taxes for the account of FIRM; or
- d. pay workers' compensation insurance premiums for coverage for FIRM.

12.1 FIRM agrees to be responsible for and to pay all applicable federal income taxes, federal social security tax (or self-employment tax in lieu thereof) and any other applicable federal or state unemployment taxes.

12.2 FIRM agrees to indemnify and hold PARISH harmless from any and all federal and/or state income tax liability, including taxes, interest and penalties, resulting from PARISH's treatment of FIRM as an independent contractor. FIRM further agrees to reimburse PARISH for any and all costs it incurs, including, but not limited to, accounting fees and legal fees, in defending itself against any such liability.

13.0 Insurance. FIRM shall secure and maintain at its expense such insurance that will protect it and PARISH, from claims under the Workers' Compensation Acts and from claims for bodily injury, death or property damage which may arise from the performance of services under this Agreement. All certificates of insurance shall be furnished to PARISH and shall provide that insurance shall not be canceled without notice of cancellation given to PARISH in writing, on all of the required coverage provided to PARISH. All notices will name FIRM and identify the Jefferson Parish Council Resolution approving the terms of this Agreement. PARISH may examine the policies at any time and without notice.

13.1 All policies and certificates of insurance of the firm shall contain the following clauses:

- a. FIRM insurers will have no right of recovery or subrogation against PARISH, it being the intention of the PARTIES that the insurance policy so affected shall protect both PARTIES and be the primary coverage for any and all losses covered by the below described insurance.
- b. PARISH shall be named as additional insured as regards to general liability and automobile liability with respect to negligence by FIRM.
- c. The insurance company(ies) issuing the policy or policies shall have no recourse against PARISH for payment of any premiums or for assessments under any form of policy.
- d. Any and all deductibles in the below described insurance policies shall be assumed by and be at the sole risk of FIRM.

13.2 Prior to the execution of this Agreement, FIRM shall provide at its own expense, proof of the following insurance coverage required by the contract to PARISH by insurance companies authorized to do business in the State of Louisiana. Insurance is to be placed with insurers with an A.M. Best Rating of no less than A:VI.

- a. In the event FIRM hires workers within the State of Louisiana, it shall obtain Workers' Compensation Insurance. As required by Louisiana State Statute exception, employer's liability shall be at least \$1,000,000.00 per occurrence when work is to be over water and involves maritime exposures; otherwise this limit shall be no less than \$500,000.00 per occurrence.
- b. Commercial General Liability Insurance with a Combined Single Limit of at least \$1,000,000.00 per occurrence for bodily injury and property damage.
- c. Business Automobile Liability Insurance with a Combined Single Limit of \$1,000,000.00 per occurrence for bodily injury and property damage, unless

otherwise indicated. This insurance shall include coverage for bodily injury and property damage.

- 13.3 All policies of insurance shall meet the requirements of PARISH prior to the commencing of any work. PARISH has the right but not the duty to approve all insurance policies prior to commencing of any work. If at any time any of the said policies shall be or becomes unsatisfactory to PARISH as to form or substance, or if a company issuing any such policy shall be or become unsatisfactory to PARISH, FIRM shall promptly obtain a new policy, submit the same to PARISH for approval and submit a certificate thereof as provided above.
- 13.4 Upon failure of FIRM to furnish, to deliver and maintain such insurance as above provided, this contract, at the election of PARISH, may be forthwith declared suspended, discontinued or terminated. Failure of FIRM to take out and/or to maintain insurance shall not relieve FIRM from any liability under the contract, nor shall the insurance requirements be construed to conflict with the obligation of FIRM concerning indemnification.
- 14.0 **Indemnification.** FIRM shall indemnify and hold harmless PARISH against any and all claims, demands, suits, costs, liabilities or judgments for sums of money, and fines or penalties asserted by any person, firm or organization for loss of life or injury or damages to person or property in connection with the services required to be performed by FIRM under this Agreement. Further, FIRM hereby agrees to indemnify PARISH for all reasonable expenses and attorney's fees incurred by or imposed upon PARISH in connection therewith for any loss, damage, injury or other casualty pursuant to this Section. FIRM further agrees to pay all reasonable expenses and attorney's fees incurred by PARISH in establishing the right to indemnity pursuant to the provisions of this Section.
- 15.0 **Non-exclusivity.** FIRM acknowledges and agrees that the rights and obligations conferred and contained herein shall be exclusive in nature, and PARISH makes no representations or warranties to the contrary.
- 16.0 **Covenant against Contingent Fees.** FIRM warrants that it has not employed or retained any company or person, other than a bona-fide employee working solely for FIRM, to solicit or secure this contract, and that it has not paid or agreed to pay any company or person, other than bona-fide employees working solely for FIRM, any fee, commission, percentage, brokerage fee, gifts, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, PARISH shall have the right to annul this Agreement without liability.
- 17.0 **Assignment.** This Agreement shall be binding upon the successors and assigns for the PARTIES hereto. This Agreement, being for the personal services of FIRM, shall not be assigned or subcontracted in whole or in part by FIRM as to the services to be performed hereunder without the written consent of PARISH, in PARISH's sole discretion.
- 18.0 **Governing Law and Jurisdiction.** This Agreement shall be deemed to be made under the laws of the State of Louisiana, and for all purposes shall be interpreted in its entirety in accordance with the laws of said State. FIRM hereby agrees and consents to the jurisdiction of the courts of the State of Louisiana over its person. The PARTIES hereto agree that the sole and exclusive jurisdiction and venue for any suit or proceeding brought pursuant to this contract shall be the 24th Judicial District Court for the PARISH of Jefferson, State of Louisiana.
- 19.0 **Inspector General.** It shall be the duty of every parish officer, employee, department, agency, special district, board, and commission, and the duty of every contractor, subcontractor, and licensee of the parish, and the duty of every applicant for certification of eligibility for a parish contract or program, to cooperate with the inspector general in any

investigation, audit, inspection, performance review, or hearing pursuant to Code of Ordinances, Jefferson Parish, State of Louisiana ("JPCO") §2-155.10(19). By signing this document, every corporation, partnership, or person contracting with PARISH, whether by cooperative endeavor, intergovernmental agreement, bid, proposal, application or solicitation for a parish contract, and every application for certification of eligibility for a parish contract or program, attests that it understands and will abide by all provisions of JPCO §2-155.10.

20.0 Severability. If any provision of this Agreement is held invalid by a Court of competent jurisdiction, such provision will be deemed amended in a manner which renders it valid, or if it cannot be amended, it will be deemed to be deleted. Such amendment or deletion shall not affect the validity of any other provisions of this Agreement.

21.0 Entire Agreement and Amendment. This Agreement represents the entire Agreement between PARISH and FIRM. This Agreement may only be amended in writing by authority of a Jefferson PARISH Council Resolution and must be signed by both PARISH and FIRM.

22.0 Order of Precedence. Should there be any conflict among the contract documents, the RFP and FIRM's Proposal, the following order of precedence shall govern the resolution of the conflict:

- 1) This Agreement;
- 2) FIRMS's proposal;
- 3) Resolution No. 113646, as amended;
- 4) RFP 0432 and addenda;


This Agreement is fully executed on the latest date indicated below.

DATE:

PARISH OF JEFFERSON

7/6/2022

By:


Ricky J. Templet, Chairperson
Jefferson Parish Council

DATE:

JEFFERSON PERFORMING ARTS
SOCIETY

7/8/2022

By:


Todd Simmons
Executive Director



Page 9 of 10

Resolution No. 139980

Jefferson Performing Arts Society

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12236989

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ATTACHMENT B

PRICING SCHEDULE/FEE SCHEDULE

REVISED for Clarification of
Addendum #1 ATTACHMENT
"B"

Cost Proposal: JEFFERSON PERFORMING ARTS SOCIETY

Line Item	Quantity	U/M	Description Provide a cost for the following items needed at JPAC. The total price must include the following:	Unit Cost	Total Cost
0010	3	Years	Management Fees associated with this contract	\$0	\$0
0020	3	Years	Salaries for all employees associated with this contract (must include all employee benefits)	Yr. 1- 213,000 Yr. 2-116,000 Yr. 3-116,000	\$445,000
0030	3	Years	Insurance (Fidelity insurance and employee theft) associated with this contract	\$1,500	\$4,500
Totals				Yr. 1- 214,500 Yr. 2- 117,500 Yr. 3- 117,500	\$449,500

NOTE: Please be advised that this REVISED for Clarification of Addendum #1 ATTACHMENT "B", Cost Proposal form replaces the Cost Proposal form in the original RFP #0432 and the Addendum #1.

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On motion of **Mr. Walker**, seconded by **Mr. Temple**, the following resolution was offered:

RESOLUTION NO. 139980

A resolution approving an Agreement with Jefferson Performing Arts Society to provide management services for the Jefferson Performing Arts Center (JPAC) located at 6400 Airline Drive, Metairie, LA 70003, for the Department of General Services under RFP No. 0432 for an amount not to exceed Two Hundred Fourteen Thousand Five Hundred Dollars (\$214,500.00) (Council District 2)

WHEREAS, pursuant to Resolution No. 138663, adopted the 8th day of December, 2021, the Jefferson Parish Council authorized the Purchasing Department to advertise for Request for Proposals to provide management services for the Jefferson Performing Arts Center (JPAC) under RFP No. 0432; and

WHEREAS, public bids are not mandated by law and technical requirements inherent in services dictate that price is not the sole criterion, it is in the best interest of Jefferson Parish to obtain competitive proposals as allowed by Section 2-895 et. Seq.; and

WHEREAS, pursuant to Resolution No. 139464 adopted the 27th day of April, 2022 the Jefferson Parish Council selected Jefferson Parish Performing Arts Society to provide management services for the Jefferson Performing Arts Center (JPAC) under RFP No. 0432.

NOW, THEREFORE, BE IT RESOLVED by the Parish Council of Jefferson Parish, State of Louisiana as governing authority of said Parish:

SECTION 1. That the Agreement with Jefferson Performing Arts Society to provide management services for the Jefferson Performing Arts Center (JPAC) located at 6400 Airline Drive, Metairie, LA 70003, under RFP No. 0432 for an amount not to exceed Two Hundred Fourteen Thousand Five Hundred Dollars (\$214,500.00) is hereby approved.

SECTION 2. That the costs associated with this agreement shall be charged to Account No. 22540-3554-7349.1- Operations Contract.

SECTION 3. That the term of contract shall commence on the date of full execution of the Agreement by the Parties.

SECTION 4. That the Chairman of the Jefferson Parish Council, or in his absence the Vice-Chairman, is hereby authorized to execute any and all documents necessary to give full force and effect to this resolution.

The resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:7 NAYS: None ABSENT: None

The resolution was declared to be adopted on this the 29th day of June, 2022.

THE FOREGOING IS CERTIFIED
TO BE A TRUE & CORRECT COPY


PAULA A. LOPEZ
PARISH CLERK
JEFFERSON PARISH COUNCIL

ATTACHMENT H

REQUEST FOR PROPOSAL NO 0432 – JPAC MANAGEMENT SERVICES

EXCLUDING PART V - APPENDICES

REQUEST FOR PROPOSAL
TO PROVIDE MANAGEMENT SERVICES FOR
THE JEFFERSON PARISH PERFORMING ARTS CENTER



RFP No.: 0432

Proposal Receipt Date: January 20, 2022

Proposal Receipt Time: 3:30 PM

Jefferson Parish
Department of Purchasing
P. O. Box 9
Gretna, Louisiana 70054

(504) 364-2678

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**REQUEST FOR PROPOSAL
FOR
PROVIDE MANAGEMENT SERVICES FOR THE
JEFFERSON PARISH PERFORMING ARTS CENTER**

1.1 Background

The Jefferson Performing Arts Center (JPAC) is located at 6400 Airline Drive, Metairie, Louisiana 70002 between LaSalle Park and the former Zephyr baseball stadium.

Positioned ideally in the suburbs of New Orleans and in the heart of Jefferson Parish, Jefferson Performing Arts Center offers its clients a unique population base. Over 500,000 people reside within a 15-mile radius of the facility. A broad array of ethnic and cultural heritages makes up the demographics of these residents and adds to the potential draw for successful events.

Jefferson Performing Arts Center is an ideal venue for events of all kinds, including world-renowned theater performances, major corporate rollouts, international dance competitions, community theater, ethnic festivals, consumer shows, meetings, galas and other major events.

Jefferson Parish, hereafter referred to as the "Parish", is seeking proposals from qualified, experienced organizations or firms to provide venue and event consultation, management and operations services for Jefferson Performing Arts Center on behalf of Jefferson Parish. Proposers must demonstrate proven experience in providing comprehensive management and full-service operations at performing arts type facilities in comparable or larger markets.

Proposers must agree to provide all of the services included in this Request for Proposal. Jefferson Parish will, however, consider proposer's use of affiliated companies or subcontractors to provide consolidated and support services (individually or collectively referred to as "Subcontractors"). In the event proposer intends to use Subcontractors for any services described herein, proposer shall identify such Subcontractors in the response to this Request for Proposals inclusive of complete contact information, the proposed scope of work anticipated to be assigned to the Subcontractor with demonstrated evidence of experience and qualifications to perform commensurate with the level of quality necessary to fulfill the obligations of the proposer as required in this Request for Proposals and any resulting agreement with Jefferson Parish. Subcontractors shall not be used as a management partner.

1.2 Purpose

The purpose of this Request for Proposal (RFP) is to obtain competitive proposals as allowed by Jefferson Parish Code of Ordinances Section 2-895 et. seq. from bona fide, qualified proposers who are interested in providing Scope of Work as defined in Part II hereof. By submitting a proposal, proposer agrees to comply with all provisions of

Louisiana law as well as compliance with the Jefferson Parish Code of Ordinances, Louisiana Code of Ethics, applicable Jefferson Parish ethical standards and Jefferson Parish (hereinafter sometimes referred to as the "Parish") standard terms and conditions as adopted by Jefferson Parish Council Resolution.

1.3 Goals and Objectives

The objective is to select a firm with experience in facility services that can demonstrate a reduction in operating costs while maintaining or improving the quality and level of service to the public and the variety of offerings.

Firm must be experienced at providing systems similar in nature and complexity, in comparable or larger markets, to the project outlined in this request for proposal.

Proposers submitting responses to this RFP must have at least ten (10) years of experience in managing comparable facilities of similar size, functionality and complexity.

1.4 Proposer Minimum Requirements

To be considered under this RFP, Firm and member(s) of Firm's senior staff must be experienced at providing management services similar in nature and complexity to the project outlined in this Request for Proposal, and meet the following criteria by providing written documentation validating the following:

- a) Proposer must be properly licensed to perform all services identified within this RFP.
- b) Proposer must currently provide management services of comparable stand-alone performing arts venues.
- c) Proposer must demonstrate a minimum ten (10) years' experience as the sole and exclusive provider of facility management services in successful management and operations of stand-alone performing arts venues of similar size, scope, functionality and complexity.
- d) Proposer must provide a minimum of five (5) references (governmental and/or private), for whom equal or larger scope of services, in at least five (5) facilities comparable in size, scope, functionality and complexity, are either currently being provided or have been provided in the last six years. Name, title, current address, facsimile number, e-mail address, and telephone number for contact person(s) of each reference shall be included, along with the name of and a description of the type of facility, annual attendance, and scope of services provided.

- e) Proposer must provide an overview of their business plan relevant to the performance of the functions for all identified areas of scope.
- f) Proposer must provide a capital replacement plan for end-of-useful-life, including budget, for capital replacements.

1.5 Schedule of Events

	<u>Date</u>	<u>Time (CST)</u>
A. RFP posted online @ www.jeffparishbids.net	12/15/2021	At least 30 days prior to the last day that proposals will be accepted
B. Pre-Proposal Conference (if required)	1/5/2022	10:00 AM
C. Deadline to receive written inquiries	1/10/2022	End of Business
D. Proposal Receipt Date and Time	1/20/2022	3:30 PM
E. RFP Evaluation Committee Meeting		TBD
Proposers are encouraged to check the general information board in the General Government Building located at 200 Derbigny St., Gretna and the Joseph S. Yenni Building located at 1221 Elmwood Park Blvd., Jefferson. Additionally, proposers may check for meeting information posted on the Jefferson Parish website.		
F. Council Selection via resolution		To be scheduled
G. Contract Ratification via resolution		To be scheduled

NOTE: The Parish of Jefferson reserves the right to deviate from these dates.

1.6 Proposal Submittal

All proposals including mandated affidavits in accordance with Section 2-895 of the Jefferson Parish Code of Ordinances shall be received by the Jefferson Parish Purchasing Department **no later than date and time shown in the Schedule of Events in order to be considered responsive.**

Important – Clearly mark outside of electronic envelope, with the following information and format:

- Proposal Name: **Provide management services for the Jefferson Parish Performing Arts Center.**
- Proposal No. **0432**
- Proposal Receipt Date and Time: **January 20, 2022 at 3:30 PM**

Proposals will **only** be received **online through Central Bidding**. Central Bidding can be accessed by visiting either www.jeffparishbids.net or www.centralbidding.com. All proposers will be required to register with Central Bidding. Jefferson Parish proposers are able to register for free by accessing the following link: www.centralbidding.com/registration.

Proposer is solely responsible for the timely **submission** of its proposal. Late proposals will not be accepted.

PROPOSALS SHALL NOT BE OPENED PUBLICLY. Cost proposals and/or price schedules shall be submitted in separate, sealed online envelopes as notated on the Central Bidding page as Decryption Key #2 and will remain sealed until the RFP Evaluation Committee meeting has completed scoring the technical portion of the submission. COST PROPOSALS/PRICES SHALL NOT BE READ UNTIL THE COMPLETION OF THE TECHNICAL EVALUATION. Cost proposals/prices shall be worth twenty-five percent (25%) of the total points assigned. Evaluation of cost proposals/price schedules shall take place after technical evaluation has been completed.

1.7 Proposal Response Format

Proposals submitted for consideration should follow the format and order of presentation described below:

- A. Cover Letter: Containing summary of proposer's ability to perform the services described in the RFP and confirming that proposer is willing to perform those services and negotiate a contract with the Parish. The letter should be signed by a person having authority to negotiate and to commit the proposer to a contract. If proposer is a sole-proprietorship, proposer should include a statement that the company is a sole-proprietorship signed by the owner. If proposer is an agency, corporation, partnership or other legal entity, the president, vice-president, secretary or treasurer, or an authorized agent shall sign the proposal, **and** satisfactory evidence of the authority of the person signing for the agency, corporation, partnership or other legal entity should be attached to the proposal. A sample corporate resolution may be downloaded from the Purchasing Department webpage of the Jefferson Parish website.

Proposers should exhibit their understanding and approach to the project and address how each element will be accomplished. Proposers are advised that except as otherwise provided by law, all documents submitted to the Parish under this RFP are subject to the Louisiana Public Records Act, LSA-R.S. 44:1 et seq., and may be released when a public records request is made in accordance with the law.

- B. Table of Contents: Should be organized in the order cited in the format contained herein.

- C. Technical Proposal: Must illustrate and describe compliance with the RFP requirements defined in the Scope of Work/Services (Part II) and Proposer Qualifications.
- Proposer must include a/an:
 1. maintenance plan to keep the JPAC in good order and condition, subject to ordinary wear and tear, as required by Section 2.1, Scope of Work/Services(Facilities);
 2. property and asset management plan;
 3. security plan;
 4. operational plan for execution of the proposed facility services. This plan should include tasks to be performed, responsibilities of both parties, and a timeline for the execution of all operational activities;
 5. business plan (per 1.4f above); and
 6. capital replacement plan (per 1.4 g above).
- D. Proposer Qualifications and Experience: History and background of Proposer, including but not limited to status of related services to government entities, documentation of existing client satisfaction, demonstrated volume of merchants, etc.
- E. Project Schedule: Detailed schedule of implementation plan for pilot (if applicable) and for full implementation. This schedule is to include implementation actions, timelines, responsible parties, etc.
- F. Financial Profile: Proposers are required to submit documentation from the past three (3) years demonstrating proposer's financial stability and economic independence to include documentation of any donations, grants, subsidies, etc. Documentation may include audited financial statements including balance sheets, income statements, documentation regarding retained earnings, assets, liabilities, etc. Such information should be included in the technical portion of the proposal submission and **MUST NOT** be included with the cost proposals and/or price schedules.
- G. Proposer must include a proposed budget that includes projected revenues and expenditures by line item for proposed operating costs for years 1 through 5 (see Attachment "C" which is **ONLY** a sample and may not be inclusive or exclusive of actual budget elements).
- H. Cost Proposal: Proposer's fees and other costs shall be submitted **in a separate online envelope (Named Decryption Key #2)** with proposal submission. This cost proposal shall include any and all costs the proposer wishes to have considered in the proposed contractual arrangement with the Parish of Jefferson. The cost proposal shall be worth twenty-five percent (25%) of the total points assigned. Evaluation of cost proposal shall take place after technical evaluation has been completed.

1.8 Number of Response Copies

Each proposer shall submit one (1) **online** signed original proposal, including mandatory affidavits (signed and properly notarized) in original format. PDF files are **preferred**. Cost proposals ***should not*** be included in the **Technical portion of your submission**.

1.9 Legibility/Clarity

Proposals submitted in response to the requirements of this RFP in the formats requested are desirable with all questions answered in as much detail as practicable. The proposal should demonstrate an understanding of the requirements. Proposals should be prepared simply and economically, providing straightforward, concise descriptions of the proposer's ability to meet the requirements of the RFP. Each proposer is solely responsible for the accuracy and completeness of its proposal.

1.10 Pre-proposal Conference

A pre-proposal conference will be held at **10:00 AM, on January 5, 2022 at the General Government Building located at 200 Derbigny Street, Suite 3503, Gretna, LA 70053.** Prospective proposers may participate in the conference to obtain clarification of the requirements of the RFP and to receive answers to relevant questions. Any proposer intending to submit a proposal is encouraged to attend and should have at least one authorized representative attend the Pre-proposal Conference.

Although impromptu questions will be permitted and spontaneous answers will be provided during the conference, the only official answer or position of the Parish of Jefferson will be stated in writing in response to written questions in the form of addenda provided to all prospective proposers.

1.11 Written Inquiries

The Parish shall only consider written and timely communications from proposers. No negotiations, decisions, or actions shall be binding as a result of any oral discussions with any Parish employee or Parish consultant. Answers to questions that materially change or substantially clarify the RFP shall be addressed by addendum and provided to all prospective proposers.

1.12 Inquiry Periods

An initial inquiry period is hereby firmly set for all interested proposers to perform a detailed review of the RFP documents and to submit any written questions relative thereto. *Without exception*, all questions **MUST** be in writing (even if an answer has already been given to an oral question during the Pre-proposal conference) and received by the close of business on the Inquiry Deadline date set forth in the Schedule of Events. Initial inquiries shall not be entertained thereafter. All official responses to inquiries will be communicated in the form of an addendum.

The Parish of Jefferson shall not and cannot permit an open-ended inquiry period, as this creates an unwarranted delay in the procurement cycle and operations of our agency and departments. The Parish of Jefferson reasonably expects and requires responsible and interested proposers to conduct their in-depth proposal review and submit initial inquiries in a timely manner.

A final 3-day inquiry period may be granted, if additional questions or requests for clarification are received as a result of an addendum. Questions relative to the addendum shall be submitted no later than 3:30 P.M., three (3) full business days from the date the addendum is posted. If necessary, another addendum will be issued to address any final questions received. Thereafter, all proposal documents, including but not limited to the specifications, terms, conditions, plans, etc., will stand as written and/or amended clarified by any addendum issued as a result of the final inquiry period.

Said written inquiries submitted by the proposer should clearly cross-reference the relevant RFP section. The Parish shall only respond to those inquiries received by the established deadline. Answers to questions that change or substantially clarify the solicitation shall be issued by addendum and provided to all prospective proposers.

Inquiries in accordance with this section may be delivered by e-mail or **posted on the Central Bidding site**:

Phone: (504) 364-2682

Buyer Email: sduffy@jeffparish.net

Buyer Name: Ms. Sidney Duffy

1.13 Required Signed and Notarized Affidavits

Affidavits in accordance with Section 2-895 et. seq. of the Jefferson Parish Code of Ordinances are required with proposal submission. For the convenience of proposers, these affidavits have been combined into one form entitled, *Request for Proposal Affidavit*. **This affidavit (Request for Proposal Affidavit) must be completed, signed, properly notarized and submitted in its original format with the proposal submission. Failure to submit or properly execute the RFP Affidavit will result in the proposal being deemed non-responsive in accordance with Section 2-895(b) of the Jefferson Parish Code of Ordinances.**

All proposers who submit a proposal with Jefferson Parish or with any of its agencies, divisions or special districts must identify **in list format** all subcontractors and persons, excluding full time employees of the proposer, who would assist in providing services or materials under the proposal or who would share in any fees, commissions or other remuneration under the proposal. Substitutions or subsequent addition of subcontractor(s) or other persons to this RFP and any ensuing contract must be requested in writing and approved by Council resolution. Said written request shall provide to the detailed justification of the compelling need for such addition substitution.

1.14 Proposal Guarantee

NOT REQUIRED FOR THIS RFP.

1.15 Performance Bond

The successful proposer shall be required to provide a performance (surety) bond in the amount of fifty thousand dollars (\$50,000.00) to insure the successful performance of the agreement in accordance with the negotiated terms and conditions of the parties. The proposer acknowledges and agrees that the performance bond may be forfeited for successful proposer's failure to fully and faithfully perform its obligations in accordance with the negotiated and executed agreement.

1.16 Fidelity Bond Requirements

The successful proposer shall be required to provide a fidelity bond in the amount of one hundred thousand dollars (\$100,000.00) to ensure that the Parish is protected from fraudulent acts performed by the successful proposer and/or its employees or subcontractors. The proposer acknowledges and agrees that the fidelity bond may be forfeited for losses that are incurred as a result of fraudulent acts by the successful proposer and/or its employees or subcontractors.

1.17 Proposal Validity

All proposals shall be irrevocable and considered valid from the receipt date for acceptance until such time a contract is executed.

1.18 Revisions, Withdrawals, Protest Procedures

If the proposer needs to submit changes or revisions, proposers shall submit these in writing, signed by an authorized representative of the proposer. All addenda and changes must cross-reference the relevant RFP section. Said changes or revisions shall be delivered prior to the RFP Proposal Receipt Date and Time, and submitted in a sealed envelope to be opened contemporaneously with the proposal submission. Proposer(s) request(s) for withdrawal of proposal(s) to this RFP must be submitted in writing and received prior to the RFP Proposal Receipt Date and Time as set forth in Section 1.5, Schedule of Events.

Any proposer that submitted a proposal in response to this Requests for Proposals may protest in writing to the Director of Purchasing within 48 hours of the evaluation committee meeting. The Purchasing Director will review the complaint in conjunction with the Parish Attorney's Office who will then respond as soon as possible in writing to the proposer.

1.19 Cost of Offer Preparation

All proposals submitted in response to this RFP shall be at the sole cost and expense of the proposer and shall not be subject to reimbursement by the Parish of Jefferson.

1.20 Acceptance of Proposal Content

Proposer's submission to this RFP shall be construed as an acceptance to be bound by the terms and conditions stated herein. Any action in contradiction of this acceptance may result in rejection by the Council.

1.21 Written or Oral Discussions/Presentations

The Parish may conduct written or oral discussions with proposer(s) to clarify and/or enhance the Parish's understanding of submitted material. Any commitments or representations made during these discussions, if conducted, may become formally recorded in the final contract. Conversely, the Parish may make awards based on initial offers. Neither negotiations nor changes to proposals will be allowed during these discussions.

1.22 Standard Terms and Conditions and Non-negotiable Contract Terms

- A. The standard general terms and conditions used by the Parish of Jefferson may be found in Resolution No. 136353 (previously 113646). A copy may be obtained from the Parish Clerk's Office, 6th Floor, General Government Building, 200 Derbigny Street, Gretna, LA 70053, 364-2626. A copy of the resolution may also be downloaded by viewing the Purchasing Department webpage of Jefferson Parish's website, www.jeffparish.net.
- B. Non-negotiable contract terms include but are not limited to taxes, assignment of contract, audit of records, EEOC and ADA compliance, record retention, content of contract/order of precedence, contract changes, force majeure, governing law, including ethics statements, claims or controversies, and termination based on contingency of appropriation of funds.
- C. It shall be the duty of every Parish officer, employee, department, agency, special district, board, and commission; and the duty of every contractor, subcontractor, and licensee of the Parish and the duty of every applicant for certification of eligibility for a Parish contract or program, to cooperate with the Inspector General in any investigation, audit, inspection, performance review, or hearing pursuant to Jefferson Parish Code of Ordinances Section 2-155.10 (19). By submitting a proposal, proposer acknowledges this and will abide by all provisions of the referenced Jefferson Parish Code of Ordinances.

1.23 Taxes

Jefferson Parish is exempt from paying sales taxes under Louisiana State Revised Statute 47:301(8)(c). All prices for purchases of supplies and materials by Jefferson Parish shall be quoted exclusive of State and Parish taxes.

1.24 Selected Proposer's Responsibilities

The selected proposer shall be required to provide all items and services offered in his/her proposal. The proposer shall be the sole point of contact for all contractual matters, including payment of any and all charges resulting under the contract.

1.25 Sub-Contractor Requirements

If the proposer intends to subcontract portions of the work or to satisfy any of the Proposer Requirements and/or Scope of Work through the use of a subcontractor, the proposer shall include the name of the subcontractor and specific designations of the tasks to be performed or Vendor Requirements to be met by respective subcontractor(s). Unless specifically permitted in the contract with the Parish of Jefferson, the successful proposer(s) shall not contract with any other party for furnishing any of the work herein requested in the Scope of Work without the ratification by Jefferson Parish Council resolution.

1.26 Insurance Requirements

Proposer shall furnish the Parish with certificates of insurance evidencing mandated coverage(s) pursuant to Resolution No. 136353 (amends Resolution No. 113646), as amended, and Attachment "A". A copy of Resolution No. 136353 may be downloaded from the Purchasing Department webpage on the Jefferson Parish website, www.jeffparish.net.

1.27 Subcontractor Insurance

The proposer should include all subcontractors as named insured under its policies or shall furnish separate certificates for each subcontractor. All coverages for subcontractors shall be in conformity with Resolution No. 136353 (amends Resolution No. 113646), as amended. A copy of Resolution No. 136353 may be downloaded from the Purchasing Department webpage on the Jefferson Parish website, www.jeffparish.net.

1.28 No Guarantee of Quantities

The Parish of Jefferson does not guaranty quantity or services required in the Scope of Work defined in Part II. The proposer shall provide all materials, labor, and equipment, whether specified or not, to provide a complete working system.

The quantities of items or extent of Scope of Work are estimated values. In the event a greater or lesser quantity is required, the Parish reserves the right to increase or decrease said values in accordance with the cost proposal.

1.29 Contract Negotiations

The Parish administration shall negotiate the details of service delivery, the terms of the contract, and the contract price most advantageous to the Parish with the proposer(s) selected by the Jefferson Parish Council (sometimes referred to throughout this document

as the "Council") and submit the contract, in final form, to the Council for ratification. Contract negotiations are limited by Section 1.22(B), Non-negotiable Contract Terms in this RFP. In the event a contract cannot be successfully negotiated, the RFP Evaluation Committee shall seek authorization from the Council to negotiate a contract with another proposer under this RFP.

1.30 Cancellation of RFP or Rejection of Proposals

In accordance with Section 2-895 of the Parish of Jefferson Code of Ordinances, the Parish through its Council may reject any or all proposals received in response to this RFP, or cancel this RFP prior to proposal Receipt Date and Time if in the best interest of the Parish.

1.31 Evaluation and Selection

In conformity with Section 2-895 of the Jefferson Parish Code of Ordinances, all proposals will be evaluated by the RFP Evaluation Committee. Before beginning the evaluation process, the Evaluation Committee must review the entire RFP, including scope of work, required elements, proposer qualifications and evaluation criteria.

The Evaluation Committee shall be comprised of members from requesting department(s), Research and Budget, Purchasing, Finance and Legal Department (Parish Attorney's Office). The representative of the Legal Department shall act as secretary of the Evaluation Committee, and is solely responsible for disseminating all information received during the review process. Also, if deemed necessary and duly authorized by Council resolution, additional employees of Jefferson Parish may be appointed as members of the RFP Evaluation Committee. After completion and tallying of the Technical Evaluation scores, each RFP Evaluation Committee member shall sign and date his/her individual score sheet. After the secretary of the Evaluation Committee collects all individual score sheets, the Purchasing Department and the requesting department shall tally the individual scores to obtain a total technical evaluation score for each proposer. Following the tabulation of technical scores, the Purchasing Department shall open the sealed cost proposals, and shall read the pertinent portions of those cost proposals aloud. To the extent necessary, the Evaluation Committee may further review and analyze the cost proposals and/or request and receive clarification of the pricing information provided by the proposers for submission to the Council. After discussion of all price proposals, the Finance Department shall calculate the cost evaluation portion of the scoring sheet, using the pricing proposals submitted by proposers and the formula below. The cost evaluation shall constitute twenty-five percent (25%) of the total points assigned, and will be based upon standard rates submitted by the proposers. The proposer with the lowest cost shall receive the highest cost evaluation score.

Other proposers will receive a cost evaluation score computed as follows:

$$CS = (LPC/PC \times X)$$

Where:

CS = Computed cost score for Proposer

LPC = Lowest proposed cost of all Proposers

PC = Proposer's cost

X = 25% of the total number of points assigned.

After the Finance Department completes the cost evaluation scores, the Purchasing Department and the requesting department shall each add the cost evaluation scores for each proposer to the tabulated technical scores of each proposer, totaling the final number of points assigned to each proposer. The tabulated score sheet shall be signed and dated by the Purchasing Department, the Finance Department and the requesting department. The secretary of the Evaluation Committee shall collect all individual and tabulated score sheets and deliver them to the Parish Clerk. The Evaluation Committee shall prepare and forward to the Council a memorandum identifying the qualified proposers and explaining their rationale. Attached to the memorandum shall be copies of the cost proposals received in accordance with the RFP, along with any analysis or clarification completed regarding those cost proposals. A list of names of the responsive and responsible proposers shall be submitted to the Council along with a list of the non-responsive and non-responsible proposers. Responsiveness shall be determined considering the materials that the proposer has submitted and the core requirements of the RFP. Proposers are invited to attend the evaluation meeting(s) and are encouraged to check the Jefferson Parish website, www.jeffparish.net, for meeting details.

Upon completion of its analysis, the Council may either (i) adopt the resolution selecting the proposer(s) to supply the non-standard item(s) or perform the statement of work or scope of services; or (ii) reject all proposals. The Council shall select the proposal which received the highest cumulative score from the Evaluation Committee; except that the Council may select a proposer other than the highest-ranked proposer provided that proposer selected has been given a cumulative score by the committee that is no more than ten percent (10%) lower than the cumulative score for the highest-ranked proposer.

Award of the contract may be made without discussions after proposals are received and evaluated. Proposals should, therefore, be submitted on the most favorable terms which the proposer can submit, from a technical standpoint; and from a price standpoint. If the Evaluation Committee determines that discussions are necessary, written submissions or oral discussions/presentations may be required from all proposers.

1.32 Indemnification

Proposer shall agree to indemnify and hold harmless the Parish of Jefferson, its departments, agencies, boards and commissions, officers, agents, servants and employees, including volunteers, against any and all claims, demands, suits, costs, liabilities or judgments for sums of money, and fines or penalties asserted by any party, firm or organization for loss of life or injury or damages to person or property, growing out of, resulting from, or by reason of any negligent acts, errors, and/or omissions by

proposer, its agents, servants or employees, while engaged upon or in connection with the services required to be performed by proposer under this RFP.

Further, proposer shall agree to indemnify the Parish of Jefferson, its departments, agencies, boards and commissions, officers, agents, servants and employees, including volunteers for all reasonable expenses and attorney's fees incurred by or imposed in connection therewith for any loss, damage, injury or other casualty pursuant to this RFP. Proposer additionally shall agree to pay all reasonable expenses and attorney's fees incurred by the Parish of Jefferson, its departments, agencies, boards and commissions, officers, agents, servants and employees, including volunteers in establishing the right to indemnity pursuant to the provisions stated herein.

1.33 Payment for Services

The proposer shall address and send the invoice to the CONTRACT MONITOR pursuant to the payment terms negotiated in the contract. Payments will be made by the Department of Accounting no earlier than thirty (30) days after receipt of a properly executed invoice, and approval by the CONTRACT MONITOR of the respective Jefferson Parish Department. Invoices shall include the contract and order number, using department and product or service purchased. Invoices submitted without the referenced documentation will not be approved for payment until the required information is provided.

With each invoice submitted, the successful proposer holding said non-bid contract shall acknowledge that no subcontractors or other persons have been added to the contract without prior Council approval by resolution. Failure to comply with this section shall result in penalties imposed upon the successful proposer under contract as set forth in section 2-935.1 for professional service providers.

1.34 Termination

The proposer affirmatively acknowledges and agrees that the terms of any ensuing contract shall be binding upon the parties thereto until the work has been completed and accepted by the Parish; but said contract may be terminated under any or all of the following conditions:

- A. By mutual agreement and consent of the parties thereto.
- B. By the Parish as a consequence of the failure of successful proposer(s) to comply with the terms or quality of work in a satisfactory manner, proper allowance being made for circumstances beyond the control of successful proposer(s) provided the Parish will give successful proposer(s) written notice of any such failure and ten (10) days (or more if authorized in writing by the manager) to cure any such failure.
- C. By either party upon failure of the other party to fulfill its obligation as set forth in the contract.
- D. By the Parish for convenience by issuing successful proposer(s) thirty (30) days written notice.

The continuance of this contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the Council. If the Council fails to appropriate sufficient monies to provide for the continuation of the contract, or if such appropriation is reduced by the veto of the Parish President to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

1.35 Assignment

The proposer affirmatively acknowledges and agrees that any ensuing contract shall be binding upon the successors and assigns for the parties thereto. The ensuing contract being for the personal services of the successful proposer(s) shall not be assigned or subcontracted in whole or in part by said successful proposer(s) as to the services to be performed hereunder without the written consent of the Parish, in the Parish's sole discretion.

1.36 EEOC and ADA Compliance

The proposer agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistant Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination in Employment Act of 1972, and the Contracting Party agrees to abide by the requirements of the American with Disabilities Act of 1990.

The proposer shall keep informed of and comply with all federal, state and local laws, ordinances and regulations, which affect his/her employees or prospective employees.

Any act of discrimination committed by the proposer, or failure to comply with these statutory obligations, when applicable, shall be grounds for termination of the contract.

1.37 Audit of Records

- A. Proposer(s) affirmatively acknowledges and agrees that pursuant to any ensuing contract, successful proposer shall maintain adequate books of account with respect to its services, in accordance with generally accepted accounting principles (GAAP) in a form and method acceptable to the Parish. Successful proposer(s) shall permit Parish and Parish's agents from time-to-time within forty-eight (48) hours written notice, to inspect, copy and audit during successful proposer(s) normal business office hours, the books and records pertaining to the services provided under the contract. Parish's right to audit, inspect, and make copies of proposer's records shall be at the sole expense of Parish.
- B. Periodic and/or Annual Reports. At any time, the Parish may request that the successful proposer(s) with the minimum of thirty (30) days written notice, prepare

and/or produce a report of the results of operations, as it pertains to any ensuring contract, in the previous fiscal year prepared in accordance with generally accepted accounting principles (GAAP). The report must be prepared and certified by an independent certified public accounting firm. (For purposes of said contract, each "fiscal year" begins on January 1 and ends on December 31 of the same year.)

1.38 Record Retention

The proposer shall maintain all records in relation to the proposed contract at its location for a period of at least five (5) years upon expiration or earlier termination of the contract or for a period stipulated by the governing State and Federal regulations, whichever is longer.

1.39 Record Ownership

The proposer acknowledges and agrees that all records, reports, documents, or other material(s) developed or resulting from this RFP shall be the sole property of the Parish of Jefferson, and shall be returned to the Parish by proposer upon request at expiration or earlier termination of a contract.

1.40 Content of Contract/Order of Precedence

In the event of a conflict among documents, the order of precedence which shall govern is as follows: 1) the final contract; and, 2) the Request for Proposal (RFP) and addenda (if any); and, 3) the proposer's proposal; and, 4) Resolution No. 136353 (previously 113646) and any amendments thereto.

1.41 Contract Changes

Upon negotiation of a bona-fide contract between the parties, no additional changes, amendments, or modifications may be completed without the prior ratification of the Council.

1.42 Substitution of Personnel

Substitution of personnel shall be approved by the Council, prior to any replacements. In addition to the foregoing, if during the term of the contract, the successful proposer cannot provide the personnel or subcontractor as stated in its submission, proposer shall submit a written request for substitution supported by resume of qualifications and written certification that said substitution shall meet or exceed the requirements stated herein. Said substitution shall be at the Parish's sole discretion.

1.43 Force Majeure

The proposer or Parish of Jefferson shall be exempted from performance under the terms and conditions of the negotiated contract if the proposer or Parish is prevented from performing any services in whole or in part as a result of any act of God, strike, war, civil disturbance, epidemic, pandemic or court order; provided the proposer or Parish of

Jefferson has prudently and promptly acted to undertake any and all corrective steps that the respective parties can perform. Subject to this provision, such nonperformance shall not be construed as considered cause or grounds for early termination of the contract.

1.44 Governing Law

All activities associated with this RFP process shall be interpreted under the laws of the State of Louisiana. All proposal submissions shall be governed in accordance with provisions of Louisiana State laws and Jefferson Parish Code of Ordinances; standard terms and conditions; Resolution No. 136353 (previously 113646).

1.45 Claims or Controversies

Proposer, as evidenced by his/her signature, agrees that the ensuing contract shall be made in accordance with the laws of the State of Louisiana. The proposer hereby agrees to the exclusive jurisdiction and venue of the 24th Judicial District Court for the Parish of Jefferson, State of Louisiana.

PART II – SCOPE OF WORK/SERVICES

2.1 Scope of Work/Services

Management Firm shall be required to manage and operate the Jefferson Performing Arts Center and contract for its use in a manner that will promote and further the goals and objectives as outlined in this Request for Proposals. In order to facilitate a more uniform price proposal this section has been broken down into four services, Facilities, Fiscal Management, Operations, and Concessions. For each of the categories the successful Firm will be required to do the following:

- A. Coordinate the efforts of all parties involved in the operation of the Jefferson Performing Arts Center and establish and maintain consistent procedures for cost estimating, reporting, maintenance and payment of invoices, and preparation of budgets and reports.
- B. Provide marketing for the use of the facility, advertisement of events, and generate income from the "reader board" advertisement capabilities.
- C. Monitor actual and projected operating expenses and advise Jefferson Parish if projected costs exceed the amounts set forth in approved budgets.
- D. Provide a maintenance plan to the Parish that includes preventive and predictive maintenance procedures reasonably designed to keep the Jefferson Performing Arts Center in good order and condition, subject to ordinary wear and tear, and maintain the Jefferson Performing Arts Center in such order and condition.
- E. Attend Parish Council meetings as often as necessary to facilitate communications and coordination of the Jefferson Performing Arts Center operations and activities.

Facilities

- A. The Management Firm shall provide all labor to maintain the exterior of the facility clean and free from trash, debris, etc. and pressure wash all concrete twice a year or as needed to maintain a high level of appearance.
- B. The Management Firm will be responsible for the maintenance and repairs of the roof, walls, floors, windows, doors, theatrical elements, electrical, and plumbing of the interior and exterior of the facility. The Parish will be responsible for the maintenance, inspections, and repairs of all mechanical, life safety, and elevator equipment in the facility and termite and pest control services.
- C. The Management Firm will provide asset and property-management services.
- D. The Management Firm will process payment of all operating expenses, such as utilities, taxes, insurance, maintenance and other bills.
- E. The Management Firm will provide accounting and bookkeeping services, and coordinate third-party audit and tax preparation.
- F. The Management Firm will submit periodic reports as required, including public record request responses.
- G. The Management Firm will coordinate, manage and oversee repairs and alterations to preserve the economic life and upkeep of the property.
- H. The Management Firm will provide management oversight for procurement and installation of furniture, fixtures, and equipment (FF&E) and non-FF&E building improvements.
- I. The Management Firm will comply with all local, state and federal codes, policies and regulations pertaining to all work pursuant to this Scope of Services.
- J. The Management Firm will ensure that all required licensing, bonding and insurance requirements are carried by the Management Firm, all employees and subcontractors, and all other persons engaged in all work pursuant to this Scope of Services.
- K. The Management Firm will administer and enforce the terms of rental agreements.
- L. The Management Firm will provide a set of Standard Property Management Operating Procedures and a Property and Asset Management Plan with proposal.
- M. The Management Firm will provide 24-hour year-round emergency response for call outs for fire alarms and other building emergencies.
- N. The Management Firm will not hire, or attempt to hire, employees or former employees of Jefferson Parish for a period of two (2) years after their separation from Parish employment.
- O. The Management Firm shall not enter into any contracts or agreements without approval from Jefferson Parish.

Fiscal Management

- A. In accordance with Generally Accepted Accounting Principles (GAAP) and industry best practices, provide professional bookkeeping necessary to maintain the records (electronic and hard copy) specified in this RFP and retain those records for seven (7) years. Jefferson Parish shall have the right to audit the management firm's books with respect to the management and facility operations with not less than forty-eight (48) hours' notice during reasonable business hours.
- B. In accordance with GAAP and industry best practices, provide general ledger detailed account reconciliation for each event.

Operations

- A. Coordinate the work of all parties performing work in connection with operating the Jefferson Performing Arts Center.
- B. Negotiate, execute, and monitor contracts, use agreements, licenses and other agreements with persons who desire to schedule events, performances, telecasts, broadcasts or other transmissions in, from or to the Jefferson Performing Arts Center or who desire otherwise to use the Jefferson Performing Arts Center or any part thereof or that otherwise pertain to the use, operation and occupancy of the Jefferson Performing Arts Center or any part thereof.
- C. Coordinate and negotiate contracts for all advertising, licensing, promotional activities, ticket sales, marketing, and public relations for the Jefferson Performing Arts Center.
- D. Plan, coordinate, and administer the operations of the Jefferson Performing Arts Center and continue to identify, select, and train the Jefferson Performing Arts Center's staff and volunteers.
- E. Require that all persons using the Jefferson Performing Arts Center or attending events therein comply with all legal requirements of all governmental authorities having jurisdiction over the Jefferson Performing Arts Center.
- F. Furnish all services, personnel, materials, tools, machinery, equipment and other items necessary to accomplish the foregoing requirements.

Concessions

- A. Select and negotiate contracts with vendors for all concessions at the Center including the sale of food, beverages, alcoholic beverages, souvenirs, novelties and programs. The management firm will be allowed to keep all revenues derived from the sale of the concessions after paying the appropriate vendors. These revenues should be considered in the annual price charged to the parish to manage the center.
- B. The scope of work shall be limited in that the right to distribute and sell beer, wine, and mixed drinks inside the premises of the Jefferson Performing Arts Center will be exclusive to the firm holding the necessary

licenses and permits; however, the right to distribute and sell beer, wine, and mixed drinks in the Festival Fields shall be non-exclusive.

2.2 Period of Agreement

The term of any resulting contract shall be for three (3) years with a three (3) year option to extend, upon mutual agreement of the parties.

2.3 Cost Proposal (Price Schedule)

Cost proposals must be submitted in separate sealed envelopes, which will remain sealed until such time after the evaluation committee makes its evaluation of the proposals on all factors and criteria state in the RFP. The cost proposals shall not be included in the evaluation criteria. Cost shall be worth twenty-five percent (25%) of the total points assigned. Evaluation of cost shall take place after technical evaluation has been completed.

Pricing **must** be submitted on the Cost Proposal (Price Schedule) furnished in Attachment "B". All proposed pricing shall be inclusive of all additional costs and expenses, including shipment. Prices submitted shall remain firm for the term of the contract, unless otherwise negotiated.

2.4 Deliverables

The deliverables listed in this section are the minimum desired from the successful Proposer. Every proposer must describe what deliverables will be provided per their proposal, and how the proposed deliverables will be provided.

2.5 Location

The primary location where service is to be performed is 6400 Airline Drive, Metairie, LA 70003.

2.6 Financial Profile

Proposers are requested to submit documentation from the past 3 years demonstrating proposer's financial stability and economic independence to include documentation of any donations, grants, subsidies, etc. Documentation may include audited financial statements including balance sheets, income statements, documentation regarding retained earnings, assets, liabilities, etc.

Proposer must include information demonstrating the proposer's financial stability and ability to obtain and maintain bonding and insurance requirements in order to be eligible to be assigned a higher score. Proposals which lack the description of the proposer's

financial status or the required certification of bonding and insurance requirements may be assigned a lower score.

2.7 Proposal Elements

A. Technical

- Each proposer shall address how the proposer will achieve/meet the scope of work as stated in Section 2.1. Technical approach shall detail the following:
 1. Plans and/or schedule of implementation, orientation, and/or installation, etc.
 2. Plans for necessary training including temporary employees and volunteers.
 3. Plan for maintaining current I-9 forms on all temporary employees and volunteers.
 4. An affirmative statement that the proposer has reviewed the scope of work, understands the nature thereof and is willing and capable of providing the services thereof.
 5. Information concerning any innovative concepts pursuant to this RFP that the proposer wants considered by the Parish.

B. Qualifications and Experience

The respondent must meet the minimum requirements by providing written documentation validating the following:

Proposer must submit documentation that demonstrates that the proposer has at least ten (10) years' experience as the sole and exclusive provider of facility management services in successful management and operations of stand-alone performing arts venues of comparable size, scope, functionality and complexity

1. Proposer shall provide a listing of all comparable or larger publicly-owned performing arts facilities it currently manages and operates, inclusive of the performing arts centers' names, addresses, primary management personnel with contact information, and contact information of the public entity's contract manager, or equivalent position, who oversees proposer's agreement for performing arts center management.
2. Proposer shall provide documentation of a minimum ten (10) years' experience as the sole and exclusive provider of facility management services in successful management and operations of stand-alone performing arts venues of similar size, scope, functionality and complexity.

3. Proposer shall provide a minimum of five (5) references (governmental and/or private), for whom equal or larger scope of services, in at least five (5) facilities comparable in size, scope, functionality and complexity, are either currently being provided or have been provided in the last six years. Name, title, current address, facsimile number, e-mail address, and telephone number for contact person(s) of each reference shall be included, along with a description of the type of facility, annual attendance, and scope of services provided.
4. Proposer shall demonstrate knowledge of and experience in providing tourism, destination marketing, and sales services at centers it currently manages.
5. Proposer shall provide specific detail concerning how the Firm will assist the Owner with developing policies, procedures, rate schedules, service pricing and lease agreement terms and conditions.
6. Proposer shall provide a list of all senior level corporate personnel anticipated to be actively participating in the response to this RFP and/or any of the services contemplated in the award of an agreement resulting from this RFP.
7. Proposer shall describe how the management function will be organized and shall provide a staff organizational chart. Include any relevant information regarding additional services that can be provided in support of the onsite management team and the functions that will be performed.
8. Proposer shall disclose any agreement terminated, with or without cause, or not renewed by a public or private entity for management and operations of any arena, performing arts center or outdoor amphitheater within the past five (5) years, together with the reasons for termination or non-renewal.
9. Proposer shall demonstrate the financial capability necessary for the Jefferson Parish to assess, in its own judgment, the viability of the proposer to enter into and to provide the services at the level anticipated in this RFP, or higher, as well as any action with respect to a contemplated sale, act of receivership or reorganization of the proposer or any subsidiary that is, or has previously been, engaged in delivery of performing arts center services as contemplated in this RFP.
10. Proposer shall submit a plan to operate the venue using proven and current protocols for the prevention of the spread of communicable diseases.
11. Proposer shall submit a plan to operate the venue using proven and current protocols for facility security and event security.

12. Proposers shall submit plans for the following services related to the management and operations of the Jefferson Parish Performing Arts Center.

- a. Corporate Support – Summarize any plans to provide corporate and/or regional support to the proposer's services associated with management and operation of the Jefferson Performing Arts Center.
- b. Sales & Marketing – Summarize elements constituting proposer's sales and marketing strategy for promoting and securing events to be scheduled and presented at the Jefferson Performing Arts Center. Demonstrate proposer's experience working with Destination Marketing Organizations and other entities with missions supportive of comparable convention center bookings and/or operations.
- c. Operations – Provide an operational plan that describes procedures for operations, security, customer service, repair and maintenance and other primary building functions. Provide examples of a preventive maintenance program anticipated to be used by the proposer at the Jefferson Performing Arts Center.

13. Proposer shall provide a description of the firm's strategy for minimizing annual operating expenses and maximizing the annual operating revenues of the facility, including identification of any cost savings that may result from allocated personnel, application of regional resources, or other strategies that will help achieve optimum financial efficiency.

14. Proposer shall provide resumes for key staff members who will be delivering the scope of services, including account manager(s), designated customer service representative(s) and any and all key personnel anticipated to be assigned to this project.

15. Proposer shall include information demonstrating the Proposer's financial stability and certification to obtain and maintain bonding and insurance requirements.

PART III – FEDERAL CONTRACT PROVISIONS

3.1 Federal Contract Provisions

NOT APPLICABLE

PART IV – EVALUATION

4.1 Evaluation Criteria

The proposed evaluation criteria shall be looked upon as standards which measure how well a proposer's approach meets desired performance requirements, and which permit an evaluation of the differences between desired performance characteristics and what the proposer proposes to do.

The proposed evaluation criteria shall measure how well a proposer's approach meets desired minimum performance standards defined in the RFP, and shall allow for the quantification of the differences between those stated minimum standards and what the proposer intends to do. In accordance with Section 2-895 of the Code of Ordinances for Jefferson Parish, a scoring system must be devised and impartially applied to each proposal to assure objectivity and thoroughness in comparative analysis.

Cost shall be worth twenty-five percent (25%) of the total points assigned. Evaluation of cost shall take place after technical evaluation has been completed.

A. TECHNICAL PROPOSAL (Maximum of 75 Points)

The following criteria shall measure the qualifications, technical capabilities and core competency of the proposers and their submissions:

- | | |
|---|-----------|
| i. Specific Experience – similar or larger scope of services currently being provided in venues of similar size, scope, functionality and complexity. | 20 points |
| ii. Personnel – experience of management staff in similar projects | 20points |
| iii. Scope of Services | 20 points |
| iv. Financial Profile of Company | 15 points |

B. COST PROPOSAL

The proposer with the lowest cost shall receive the highest cost evaluation score.

Other proposers will receive a cost score computed as follows:

$$CS = (LPC/PC \times X)$$

Where:

CS = Computed cost score for Proposer

LPC = Lowest proposed cost of all Proposers

PC = Proposer's cost

X = 25% of the total number of points assigned

Maximum # of
Points 25

TOTAL MAXIMUM POINTS FOR THIS RFP 100

Only those persons or firms receiving an overall cumulative score of at least seventy points (70) or greater by the participating Evaluation Committee members shall be deemed qualified to perform all of the services included in this Request for Proposal.

ATTACHMENT I

DRAFT CEA WITH JPAS PRODUCTIONS (AS OF 08/05/2022)

**Cooperative Endeavor Agreement
Between
The Parish of Jefferson
and
The Jefferson Performing Arts Society Productions**

THIS AGREEMENT (the "Agreement") is made and entered into as of the date of full execution by the parties, as evidenced by the electronic signatures, by and between the Parish of Jefferson, State of Louisiana, herein represented by its Ricky J. Templet, Chairperson of the Jefferson Parish Council (hereinafter referred to as "PARISH"), duly authorized to act pursuant Resolution No. _____, adopted on the ____ day of _____, 2022, and the Jefferson Performing Arts Society Productions, ("JPASP"), a 501(C)(3) not-for-profit corporation, Federal ID No. 72-0861706, hereinafter called JPASP represented by Todd Simmons, its Executive Director. PARISH and FIRM may be referred to herein as "PARTY," individually, and "PARTIES," collectively.

WHEREAS, Art. VII, Sec. 14(C) of the Louisiana Constitution of 1974 provides that for a public purpose, the State and its political subdivisions may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual; and

WHEREAS, Art. VII, Sec. 14(B) of the Louisiana Constitution of 1974 provides that public funds may be used for programs of social welfare for the aid and support of the citizens of Jefferson Parish; and

WHEREAS, PARISH desires to cooperate with JPASP to promote cultural, social, and educational initiatives for the citizens of Jefferson Parish, pursuant to the Charter of Jefferson Parish, Louisiana, Article I, § 1.01.15; and

WHEREAS, the public purpose of the cooperative endeavor is described as: to provide cultural, social, and educational initiatives for the citizens of Jefferson Parish by sponsoring JPASP in its performing arts programs within Jefferson Parish; and

WHEREAS, the PARISH has a reasonable expectation of receiving cultural, recreational, and educational programs which are at least equivalent to the consideration provided in this Agreement; and

WHEREAS, the transfer or expenditure of public funds or property is not a gratuitous donation; and

WHEREAS, the citizens of Jefferson Parish will benefit from the efforts of these parties working together; and

WHEREAS, PARISH desires to cooperate with JPASP in the implementation of this cooperative endeavor as hereinafter provided.

NOW, THEREFORE, the PARISH and JPASP hereby agree as follows:

1.0 Services/Deliverables.

JPASP shall:

- (1) Produce and present three (3) major productions of cultural and educational significance;
- (2) Serve area schools focusing on at-risk students through JPASP's S.W.A.T. program, Cultural Crossroads Program, Arts Adventure Series and other like programs;
- (3) Offer complimentary admissions whenever audience seating is available to Jefferson Parish Head Start, Title 1, and Chapter 1 enrollees, to Jefferson Parish school groups of physically-impaired and/or mentally-impaired citizens or any program for the benefit of Jefferson Parish underserved youth.
- (4) Offer discounted admissions at all events to senior citizens.

JPASP rights:

- (1) JPASP has the right to retain all box office revenues earned by way of JPASP PERFORMANCES. If by Resolution or Ordinance the Parish Council levies a building fee on tickets sold for events or a royalty fee on rental revenues received from events, such fee will be promptly remitted by JPASP to the Parish as directed in the Resolution or Ordinance.
- (2) JPASP may at all JPASP ENGAGEMENTS sell performance-related merchandise, including but not limited to: show programs, cast recordings, window cards, autographed memorabilia, books, scripts, souvenirs, and apparel; and JPASP may retain all revenues earned by way of the sale of such items.
- (3) JPASP may deploy at all JPASP ENGAGEMENTS a kiosk for the purpose of showcasing and sale of JPASP performance-related merchandise.
- (4) JPASP will be allowed to store sound & technical equipment at JPAC.
- (5) JPASP will be solely responsible for all sound & technical equipment stored and used at JPAC.
- (6) The PARISH shall provide JPASP use of the property located at 1118 Clearview Parkway, Metairie, LA 70001, which has an annual fair market rental value of thirty-three thousand five hundred dollars (\$33,500.00). JPASP will not be required to pay PARISH rent, but JPASP will be responsible for the costs of utilities, upkeep, and maintenance and shall obtain acceptable insurance on the property which shall be designated by the Jefferson Parish Director of Risk Management.
- (7) During each calendar year, JPASP shall have reasonable access to and use of the Jefferson Performing Arts Center (JPAC) for twenty-two (22) weeks of engagements: However, JPASP shall not book any events in the months of May, June, or July during this contract.

- (8) JPASP access to and use of JPAC for commercial performances whether wholly and exclusively produced by JPASP or presented by JPASP shall be at no additional cost to JPASP and will be included in the 22 weeks.
- (9) Excepting any cancellation necessitated by a declared state of emergency by the Parish President of Jefferson Parish, should JPASP cancel any scheduled performance(s) during the TERM of this Agreement, such cancelled performance shall be counted against JPASP's allotted 22 weeks.
- (10) Should JPASP utilize its entire twenty-two (22) weeks allotted for JPASP performances, JPASP has the right to request and/or book additional date(s) of performances at JPAC, subject to availability and upon payment of published rates for those performances not wholly produced by JPASP.

2.0 Payment.

In consideration of the foregoing, the PARISH hereby agrees to reimburse JPASP one hundred thousand dollars (\$100,000.00) for each calendar year during the term of this Agreement. Nothing contained herein shall prevent JPASP from seeking additional funding. Reimbursement shall be made, pursuant to Code of Ordinances, Jefferson Parish, Louisiana, Chapter 2, Article VII, § 2-925.1, based upon the seasonal budgets attached as Exhibit B in the following manner:

Reimbursement shall be defined as payment by the PARISH to JPASP for those amounts actually incurred, without increase or mark-up, and supported by documentation to the reasonable satisfaction of the PARISH.

3.0 Term of Agreement.

The term of this Agreement shall commence on the date of full execution hereof, and shall expire at midnight on the day immediately preceding the first anniversary thereof. The PARTIES shall have the option to renew the Agreement for five (5) one (1) year terms. These options shall be exercised upon mutual consent of the PARTIES and shall be memorialized by written amendment approved by the Jefferson Parish Council and signed by both parties.

4.0 Termination

The terms of this Agreement shall be binding upon the PARTIES hereto until the work has been completed and accepted by PARISH, but this Agreement may be terminated under any or all of the following conditions:

- a. By mutual agreement and consent of the PARTIES hereto.
- b. By PARISH as a consequence of the failure of JPASP to comply with the terms or quality of work in a satisfactory manner, proper allowance being made for circumstances beyond the control of JPASP, provided PARISH will give JPASP written notice of any such failure and ten (10) days to cure

any such failure.

- c. By either PARTY upon failure of the other PARTY to fulfill its obligation as set forth in the Agreement.
- d. By PARISH for cause by issuing JPASP thirty (30) days written notice.
- e. By PARISH for convenience by issuing JPASP thirty (30) days written notice.

JPASP shall be entitled to payment for deliverables in progress to the extent work has been performed satisfactorily.

5.0 Force Majeure. Neither PARTY to this Agreement shall be responsible to the other PARTY hereto for any delays or failure to perform caused by any circumstances reasonably beyond the immediate control of the party prevented from performing, including, but not limited to, acts of God.

6.0 Independent Contractor. While in the performance of services or carrying out the obligations under this agreement, JPASP shall be acting in the capacity of independent contractor and not as employee of PARISH, and not as partner of, or joint venturer of PARISH. PARISH shall not be obliged to any person, firm or corporation for any obligations of JPASP arising from the performance of their services under this Agreement.

The PARTIES hereto acknowledge and agree that PARISH shall not:

- a. withhold federal or state income taxes;
- b. withhold federal social security tax (FICA);
- c. pay federal or state unemployment taxes for the account of JPASP ; or
- d. pay worker's compensation insurance premiums for coverage of JPASP.

JPASP agrees to be responsible for and to pay all applicable federal income taxes, federal social security tax (or self-employment tax in lieu thereof) and any other applicable federal or state unemployment taxes.

JPASP agrees to indemnify and hold PARISH harmless from any and all federal and/or state income tax liability, including taxes, interest and penalties, resulting from PARISH's treatment of JPASP as an independent contractor. JPASP further agrees to reimburse PARISH for any and all costs it incurs, including, but not limited to, accounting fees and legal fees, in defending itself against any such liability.

7.0 Indemnification. JPASP shall indemnify and hold harmless PARISH against any and all claims, demands, suits, costs, liabilities or judgments for sums of money, and fines or penalties asserted by any person, firm or JPASP for loss of life or injury or damages to person or property in connection with the services required to be performed by JPASP under this Agreement.

Further, JPASP hereby agrees to indemnify PARISH for all reasonable

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Jefferson Performing Arts Society Productions

expenses and attorney's fees incurred by or imposed upon PARISH in connection therewith for any loss, damage, injury or other casualty pursuant to this section. JPASP further agrees to pay all reasonable expenses and attorney's fees incurred by PARISH in establishing the right to indemnity pursuant to the provisions of this Section.

- 8.0 Insurance.** JPASP shall secure and maintain at its expense such insurance that will protect it, and PARISH, from claims under the Worker's Compensation Acts and from claims for bodily injury, death or property damage which may arise from the performance of services under this Agreement. All certificates of insurance shall be furnished to PARISH and shall provide that insurance shall not be cancelled without thirty (30) days prior notice of cancellation given to PARISH, in writing, on all of the required coverage provided to PARISH. All notices will name JPASP, and identify the Council Resolution approving the terms of the contract. PARISH may examine the policies at any time and without notice.

All Policies and Certificates of Insurance of the JPASP Shall Contain the Following Clauses:

- 8.1.1** JPASP insurers will have no right of recovery or subrogation against PARISH, it being the intention of the parties that the insurance policy so affected shall protect both parties and be the primary coverage for any and all losses covered by the below described insurance.
- 8.1.2** PARISH shall be named as additional insured as regards to general liability and automobile liability with respect to negligence by JPASP.
- 8.1.3** The insurance company(ies) issuing the policy or policies shall have no recourse against PARISH for payment of any premiums or for assessments under any form of policy.
- 8.1.4** Any and all deductibles in the below described insurance policies shall be assumed by and be at the sole risk of JPASP.
- 8.1.5** JPASP shall include all subcontractors as additional insureds under its policies or shall furnish specific certificates of insurance for each subcontractor. All coverage for subcontractors shall be subject to all the requirements stated herein for JPASP.

Prior to the execution of this Agreement, JPASP shall provide at its own expense, proof of the following insurance coverages required by the contract to PARISH by insurance companies authorized to do business in the State of Louisiana. Insurance is to be placed with insurers with an A.M. Best Rating of no less than A:VI.

- a. In the event JPASP hires workers within the State of Louisiana it shall obtain Worker's Compensation Insurance. As required by State Statute exception, employer's liability, Section B, shall be at least \$1,000,000.00 per occurrence when work is to be over water and involves maritime exposures, otherwise this limit shall be no

- less than \$500,000.00 per occurrence.
- b. Commercial General Liability Insurance with a Combined Single Limit of at least \$1,000,000.00 per occurrence for bodily injury and property damage.
- c. In the event JPASP owns or leases automobiles it shall obtain Comprehensive Automobile Liability insurance with a Combined Single Limit of \$1,000,000.00 per occurrence for bodily injury and property damage.
- d. No insurance required herein shall include a deductible greater than \$10,000.00. The cost of the deductible shall be borne by JPASP.
- e. Umbrella Liability coverage or excess liability coverage may be used to meet the minimum requirements.
- f. Commercial Property: Commercial Property Insurance, including the peril of Flood, covering the building, as well as Lessee's property, fixtures, equipment, improvements and betterments. Perils insured should be equivalent to ISO special causes of loss form CP 1030, and the valuation of covered property should be the replacement cost value.

All policies of insurance shall meet the requirements of PARISH prior to the commencing of any work. PARISH has the right but not the duty to approve all insurance policies prior to commencing of any work. If at any time any of the said policies shall be or becomes unsatisfactory to PARISH as to form or substance or if a company issuing any such policy shall be or become unsatisfactory to PARISH, JPASP shall promptly obtain a new policy, submit the same to PARISH for approval and submit a certificate thereof as provided above.

Upon failure of JPASP to furnish, to deliver and maintain such insurance as above described, this contract, at the election of PARISH, may be forthwith declared suspended, discontinued or terminated. Failure of JPASP to take out and/or to maintain insurance shall not relieve JPASP from any liability under the contract, nor shall the insurance requirements be construed to conflict with the obligation of JPASP concerning indemnification.

9.0 Reports. JPASP shall furnish narrative reports to the Jefferson Parish Contract Monitor on the amounts and reasons for all expenditures of funds allocated under this Agreement. Agreements for amounts that are less than \$100,000.00 require annual narrative reporting and such reports shall be furnished by the end of the calendar year in which the Agreement is executed. Agreements for amounts of \$100,000.00 or greater require quarterly narrative reporting. Narrative reports for Agreements of less than 1 year in duration must be furnished within 30 days of the event taking place.

10.0 Cost and Collection Records. PARISH shall be entitled to audit the books, documents, papers and records of JPASP and any subcontractors which are

reasonably related to this Agreement. JPASP and its subcontractors shall maintain all books, documents, papers, accounting records and other evidence pertaining to funds collected and shall make such materials available at their respective offices at all reasonable times during the Agreement period and for three years from date of final payment under this Agreement, for inspection by PARISH, and copies thereof shall be furnished if requested.

- 11.0 Notice.** All notices and correspondence required to be sent shall be by U.S. Certified Mail – Return Receipt Requested, or via nationally recognized overnight courier service addressed as follows:

PARISH: Ricky J. Templet
COUNCIL CHAIRMAN
Jefferson Parish Council
200 Derbigny Street, Suite 6200
Gretna, La. 70053
Phone No.: (504) 364-2626

JPASP: Todd Simmons
Executive Director
Jefferson Performing Arts Society Productions
1118 Clearview Parkway
Metairie, LA 70001
Phone No.: (504) 885-2000

- 12.0 Assignment.** This Agreement shall be binding upon the successors and assigns for the PARTIES hereto. This Agreement shall not be assigned or subcontracted in whole or in part by JPASP as to the services to be performed hereunder without the written consent of PARISH.

- 13.0 Legal Compliance.** PARISH and JPASP shall comply with all federal, state, and local laws and regulations, including, specifically, the Louisiana Code of Governmental Ethics (R.S. 42:1101, *et seq.*) in carrying out the provisions of this Agreement and Legislative Auditor's authority to audit (R.S. 24:513) in order to monitor and evaluate the use of the funds to ensure effective achievement of project goals and objectives.

- 14.0 Employment of Parish Personnel.** JPASP certifies that it has not employed and will not employ any person to engage in the performance of this Agreement who is, presently, or at the time of such employment, an employee of PARISH.

- 15.0 Covenant against Contingent Fees.** JPASP warrants that it has not employed or retained any entity or person, other than a bona fide employee working solely for

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Resolution No.
Jefferson Performing Arts Society Productions

JPASP, to solicit or secure this Agreement, and that it has not paid or agreed to pay any entity or person, other than a bona fide employee working solely for JPASP any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, PARISH shall have the right to annul this Agreement without liability or, in PARISH's discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

16.0 Discrimination Clause. JPASP agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contracting Party agrees to abide by the requirements of the Americans with Disabilities Act of 1990. JPASP agrees not to discriminate in its employment practices, and will render services under this contract without regard to race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by JPASP, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Agreement.

17.0 Annual Appropriation. Agreement is contingent upon the appropriation of funds by PARISH. If the Jefferson Parish Council fails to appropriate sufficient monies to provide for the continuation of this Agreement, the Agreement shall terminate on the last day of the fiscal year for which funds were appropriated. Such termination shall be without penalty or expense to PARISH except for payments which have been earned prior to the termination date. Termination of this Agreement by PARISH under the provision of this section shall not constitute an event of default. The decision to fund or not to fund this Agreement for the next fiscal year will be made by the Parish Council in its unfettered discretion based upon what the Parish Council believes to be in the best interests of PARISH. The Parish Council may in its discretion opt not to fund this Agreement for a subsequent fiscal year or years for any reason.

18.0 Jurisdiction. This Agreement shall be deemed to be made under the laws of the State of Louisiana, and for all purposes shall be interpreted in its entirety in accordance with the laws of said State. JPASP hereby agrees and consents to the jurisdiction of the courts of the State of Louisiana over its person. The PARTIES hereto agree that the sole and exclusive jurisdiction and venue for any suit or proceeding brought pursuant to this contract shall be the 24th Judicial District Court for the Parish of Jefferson, State of Louisiana.

19.0 Severability. If any provision of this Agreement is held invalid by a Court of competent jurisdiction, such provision will be deemed amended in a manner which

renders it valid, or if it cannot be so amended, it will be deemed to be deleted. Such amendment or deletion will not affect the validity of any other provisions of this Agreement.

20.0 Inspector General. It shall be the duty of every parish officer, employee, department, agency, special district, board, and commission and the duty of every contractor, subcontractor, and licensee of the parish, and the duty of every applicant for certification of eligibility for a parish contract or program, to cooperate with the inspector general in any investigation, audit, inspection, performance review, or hearing pursuant to JPCO 2-155.10(19). By signing this document, every corporation, partnership, or person contracting with PARISH, whether by cooperative endeavor, intergovernmental agreement, bid, proposal, application or solicitation for a parish contract, and every application for certification of eligibility for a parish contract or program, attests that it understands and will abide by all provisions of JPCO 2-155.10.

21.0 Entire Agreement. This Agreement constitutes the entire Agreement between PARISH and JPASP, and supersedes all prior negotiations, representations or Agreements, either written or oral. This Agreement may be amended only by written instrument signed by both PARISH, through its Council Chairman and JPASP by its authorized representative.

This Agreement is fully executed on the latest date indicated below.

DATE: Parish of Jefferson

BY: _____
Ricky J. Templet
Council Chairman

DATE: Jefferson Performing Arts Society
Productions

BY: _____
Kyle Potts
Board President

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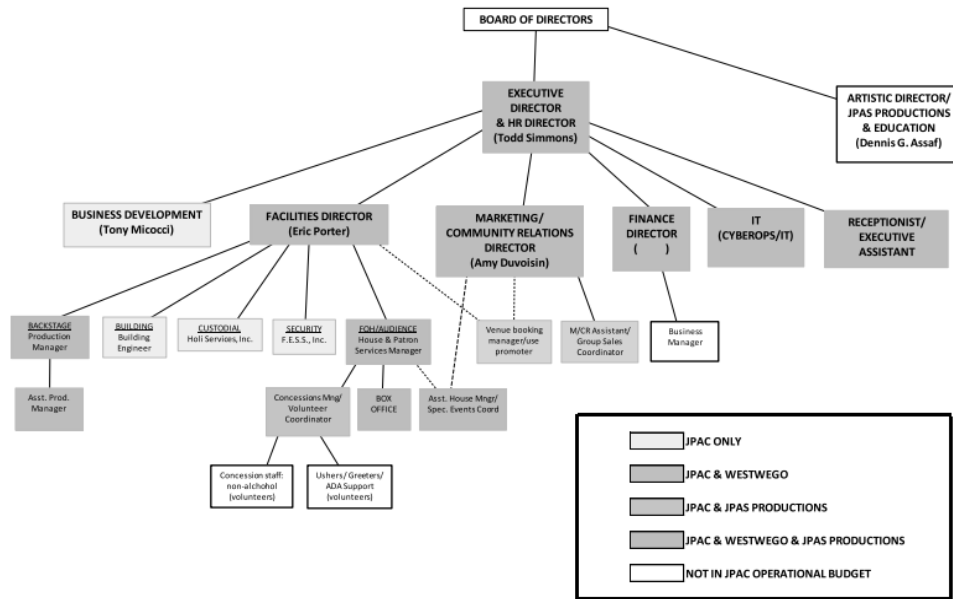
ATTACHMENT J

JEFFERSON PERFORMING ARTS SOCIETY ORGANIZATIONAL CHARTS

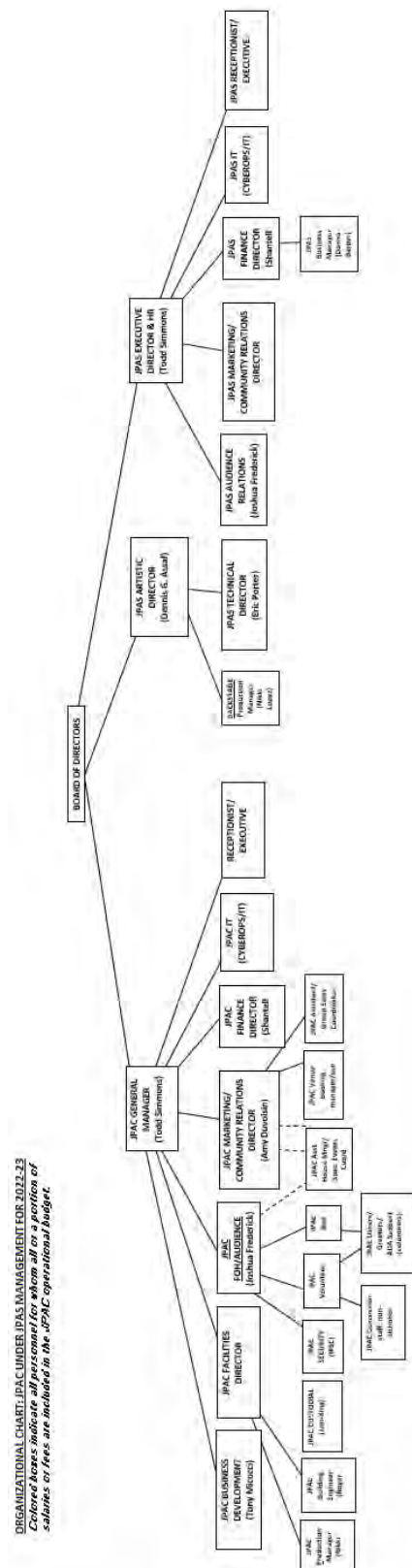
ORG CHART SUBMITTED WITH JPAC MANAGEMENT PROPOSAL

Jefferson Performing Arts Society Proposal for Management of JPAC

44



ORGANIZATIONAL CHART: FY2022-2023
(Positions in color are those whose remuneration is in part or in full included within the JPAC OPERATIONAL BUDGET)



ORGANIZATIONAL CHART PROVIDED AFTER MANAGEMENT COMPANY PROPOSAL

ATTACHMENT K

SHARED EMPLOYEES- JPAS AND JPASP

Name	JPAC staffing	JPAS - Management	JPASP - Productions
Todd Simmons	JPAC General Manager	JPAS Executive Director & HR	JPASP Executive Director*
Dennis Assaf			JPAS Artistic Director
Tony Micocci	JPAC Business Development		
Eric Porter	JPAC Facilities Director		JPAS Technical Director
Joshua Frederick	JPAC FOH/Audience	JPAS Audience Relations	
Amy Duvoisin	JPAC Marketing/Community Relations Director	JPAS Marketing/Community Relations Director	
Shantell Fisher	JPAC Finance Director	JPAS Finance Director	
Nikki Lopez	JPAC Production Manager		JPAC Production Manager
Roger Esude'	JPAC Building Engineer		
Donna Barber		JPAS Business Manager	
* As indicated on page 7 on the draft version of the CEA of the JPAS Productions division document			

11.0 Notice. All notices and correspondence required to be sent shall be by U.S. Certified Mail – Return Receipt Requested, or via nationally recognized overnight courier service addressed as follows:

PARISH: Ricky J. Templet
COUNCIL CHAIRMAN
Jefferson Parish Council
200 Derbigny Street, Suite 6200
Gretna, La. 70053
Phone No.: (504) 364-2626

JPASP: Todd Simmons
Executive Director
Jefferson Performing Arts Society Productions
1118 Clearview Parkway
Metairie, LA 70001
Phone No.: (504) 885-2000

12.0 Assignment. This Agreement shall be binding upon the successors and assigns for the PARTIES hereto. This Agreement shall not be assigned or subcontracted in whole or in part by JPASP as to the services to be performed hereunder without the written consent of PARISH.

13.0 Legal Compliance. PARISH and JPASP shall comply with all federal, state, and local laws and regulations, including, specifically, the Louisiana Code of Governmental Ethics (R.S. 42:1101, *et seq.*) in carrying out the provisions of this Agreement and Legislative Auditor's authority to audit (R.S. 24:513) in order to monitor and evaluate the use of the funds to ensure effective achievement of project goals and objectives.

14.0 Employment of Parish Personnel. JPASP certifies that it has not employed and will not employ any person to engage in the performance of this Agreement who is, presently, or at the time of such employment, an employee of PARISH.

15.0 Covenant against Contingent Fees. JPASP warrants that it has not employed or retained any entity or person, other than a bona fide employee working solely for

ATTACHMENT L

COMPARISON OF JPAS ARTIST IN RESIDENCE CEA DELIVERABLES TO JPASP (NOT DESIGNATED AS AN ARTIST IN RESIDENCE) CEA DELIVERABLES

JPAS DELIVERABLES	JPASP DELIVERABLES
<p>For each Theater Season during the Term of this Agreement, JPAS shall at minimum:</p>	<p>NOW, THEREFORE, the PARISH and JPASP hereby agree as follows:</p> <p><u>1.0 Services/Deliverables.</u></p> <p>JPASP shall:</p>
<p>1) Produce and present two (2) children's theatre productions;</p>	<p>No such requirement in new CEA</p>
<p>2) Produce and present three (3) major productions of cultural and educational significance;</p>	<p>(1) Produce and present three (3) major productions of cultural and educational significance;</p>
<p>3) Host annual summer musical theatre camps for children;</p>	<p>No such requirement in new CEA</p>
<p>4) Serve area schools focusing on at-risk students through JPAS' S.W.A.T. program, Cultural Crossroads program, Arts Adventure Series and other like programs;</p>	<p>(2) Serve area schools focusing on at-risk students through JPASP's S.W.A.T. program, Cultural Crossroads Program, Arts Adventure Series and other like programs;</p>
<p>5) Offer complimentary admissions whenever audience seating is available to Jefferson Parish Head Start, Title 1, and Chapter 1 enrollees, to Jefferson Parish school groups of physically-impaired and/or mentally-impaired citizens or any program for the benefit of Jefferson parish underserved youth.</p>	<p>(3) Offer complimentary admissions whenever audience seating is available to Jefferson Parish Head Start, Title 1, and Chapter 1 enrollees, to Jefferson Parish school groups of physically-impaired and/or mentally-impaired citizens or any program for the benefit of Jefferson Parish underserved youth.</p>
<p>6) Offer discounted admissions at all events to senior citizens.</p>	<p>(4) Offer discounted admissions at all events to senior citizens.</p>

ATTACHMENT 1

AUDITOR INDEPENDENCE STATEMENT

According to Ordinance No. 26063 (September 16, 2020), Sec.2-162.2(a) and (d), the Director of Internal Audit "shall engage in internal audit activities and complete engagements in an independent manner, free of any organizational or personal impairment. The Director shall attest in writing that all activity was concluded with independence, free from organizational or personal impairment."

Sec. 2-162.2. - Independence and objectivity; professional standards.

(a) The department function must be independent to retain objectivity, and the department's independence allows the director to make assessments impartially and without bias while avoiding conflicts of interest. In furtherance of the operation of an independent and objective department, the department shall use the following standards in the completion of all engagements and in the conduct of all activity:

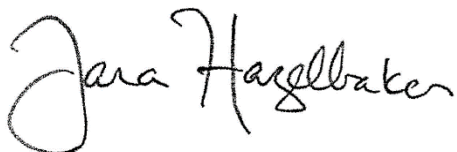
- (1) The standards and code of ethics produced by the Institute of Internal Auditors and published in the *Professional Practices Framework*;
- (2) The standards and principles produced by the Government Accountability Office and published in the *Government Auditing Standards*; and
- (3) The professional and ethical standards issued by the American Institute of Certified Public Accountants.

(d) The director shall engage in internal audit activities and complete engagements in an independent manner, free of any organizational or personal impairment. The director shall attest in writing that all activity was concluded with independence, free from organizational or personal impairment. Any impairment to independence, organizational or personal, shall be reported in writing to the council and copied to the parish president and the inspector general within seven (7) business days of discovering the impairment, organizational or personal.

The following is the required attestation meant to comply with both professional standards and Jefferson Parish Ordinance No. 26063.

ATTESTATION:

Internal Audit Report #2022-005 was conducted with independence and free from organizational or personal impairment.



TARA HAZELBAKER, CPA, CIA
DIRECTOR OF INTERNAL AUDIT



**Jefferson
Parish**
State of Louisiana

ATTACHMENT #2

RESPONSE FROM PARISH ADMINISTRATION



JEFFERSON PARISH

OFFICE OF THE PRESIDENT

CYNTHIA LEE SHENG
PARISH PRESIDENT

September 26, 2022

Via Electronic Mail

Tara Hazelbaker, Director
Internal Audit Department
Joseph S. Yenni Building
1221 Elmwood Park Blvd., Suite 306
Jefferson, LA 70123

RE: Internal Audit Report #2022-005
Jefferson Performing Arts Center-Follow-Up

Dear Ms. Hazelbaker:

In accordance with Sec. 2-162.5(h), Jefferson Parish Code of Ordinances, the Administration provides the following response to Internal Audit Report #2022-005 Jefferson Performing Arts Center-Follow-Up ("Report"), received by the Administration on August 12, 2022.

The Report contains six (6) "Recommendations" each of which is addressed below.

Recommendation: 1 Payments for Management Services should be made timely and in accordance with the Management Agreement.

Response: The Department of Accounting will make payments as outlined in the RFP and in accordance with the terms of the contract with the new management company. The Contract Monitor will review and monitor all invoices to ensure timely and accurate payment.

Recommendation: 2. N/A

Recommendation: 3. N/A

Recommendation: 4. Monthly reports should be consistently collected and reviewed under the new management agreement with the Jefferson Performing Arts Society.

Response: The Contract Monitor will collect and review all reports as required pursuant to the terms in the contract with the new management company.

Recommendation: 5. N/A

JOSEPH S. YENNI BUILDING-1221 ELMWOOD PARK BLVD-SUITE 1002-JEFFERSON, LA 70123-PO BOX 10242-JEFFERSON, LA 70118-0242
OFFICE 504.736.6400

GENERAL GOVERNMENT BUILDING-200 DERBIGNY ST-SUITE 6100-GRETN, LA 70053-PO BOX 9-GRETN, LA 70054
OFFICE 504.364.2700

WWW.JEFFPARISH.NET

Recommendation: 6A. The Parish should ensure a full accounting of the \$3 facility fee earned under the previous management company, and ensure that all such fees have been relinquished to the Parish.

Response: The Department of Accounting is reviewing facility fee collection under the previous contract to ensure that the Parish documents and collects all fees due.

Recommendation: 6B. The Parish should develop and implement a process to collect the facility fees in the future to ensure that all fees are received timely.

Response: The Contract Monitor will track all facility fees owed to the Parish to ensure accurate collection in accordance with the updated and revised terms of the contract with the new management company.

Recommendation: 7A. The Parish should be diligent about monitoring the performance of each contract to ensure a maximum return on taxpayers' dollars spent for JPAC, and a positive trend upward in maximizing the usage of the facility.

Response: The Administration agrees with this recommendation and is confident that through its' updated Contract Administration policy and training the Department of General Services and the Contract Monitor will work with the new management company to maximize revenue at JPAC.

Recommendation: 7B. The Parish should evaluate these and future contracts and agreements to ensure Conflicts of Interest, either in fact or appearance, do not exist.

Response: The Department of General Services and the Contract Monitor will work with the new management company to ensure proper utilization of JPAC and commensurate compensation to the Parish.

Thank you for your assistance, and for providing us an opportunity to respond.

If you have any questions, please contact me at your earliest convenience.

Sincerely,



Cynthia Lee Sheng
Parish President

cc: Honorable Ricky Templet, Councilman at Large, Div. A
Honorable Scott Walker, Councilman at Large, Div. B
Honorable Marion Edwards, Councilman, Dist. 1
Honorable Deano Bonano, Councilman, Dist. 2
Honorable Byron Lee, Councilman, Dist. 3
Honorable Dominick Impastato, Councilman, Dist. 4
Honorable Jennifer Van Vrancken, Councilwoman, Dist. 5