



City Clerk Document No. _____

City Council Meeting Date: September 23, 2021

**AMENDMENT TO CITY OF CHANDLER SERVICES AGREEMENT
INNOVATIONS INCUBATOR MANAGEMENT SERVICES
CITY OF CHANDLER AGREEMENT NO. ED0-918-4196**

THIS AMENDMENT NO. 1 (Amendment) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Northern Arizona Technology and Business Incubator, dba Moonshot at NACET, an Arizona 501(c)(3) nonprofit corporation (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made _____, 2021 (Effective Date).

RECITALS

WHEREAS, the Parties entered into an agreement for innovations incubator management services (Agreement); and

WHEREAS, the term of the Agreement was October 1, 2020, through September 30, 2021, with the option of up to four one-year extensions; and

WHEREAS, the Parties wish to exercise the first option through this Amendment to extend the Agreement for one year.

AGREEMENT

NOW THEREFORE, the Parties agree to amend the Agreement as follows:

1. The recitals are accurate and are incorporated and made a part of the Agreement by this reference.
2. City shall pay Contractor an amount not to exceed two hundred fifty thousand dollars (\$250,000), as set forth in the Fee Schedule attached hereto as Amended Exhibit B and incorporated herein by reference.
3. The Parties agree to the extension of the term of the Agreement for a one-year period from October 1, 2021, through September 30, 2022.

4. Amended Exhibit A, Scope of Work: Contractor shall provide the services as set forth in the Scope of Work attached hereto as Amended Exhibit A and incorporated herein by reference.
5. Amended Exhibit C, Performance Targets: Specific performance targets are attached hereto as Exhibit C (Performance Targets) and incorporated herein by reference and shall be used to evaluate and report progress on Contractor's performance of the Scope of Work.
6. All other terms and conditions of the Agreement remain unchanged and in full force and effect. If a conflict or ambiguity arises between this Amendment and the Agreement, the terms and conditions in this Amendment prevail and control.

IN WITNESS WHEREOF, the Parties have entered into this Amendment on the Effective Date.

FOR THE CITY

By: _____

Its: Mayor

FOR THE CONTRACTOR

By: Scott Hathcock

Its: President and CEO

APPROVED AS TO FORM:

By: _____
City Attorney *bm*

ATTEST:

By: _____
City Clerk

AMENDED EXHIBIT A SCOPE OF SERVICES

The Contractor will develop a program and a method of delivering incubator services. In the second term of the Agreement, major NACET staff activities and deliverables include:

Innovations Physical Location

- Maintain office space license with host partner, Arizona State University (ASU), to provide a physical location for NACET and Innovations activities at the ASU Chandler Innovation Center.
- Coordinate with the host partner on facility requirements for guests and in-person programming. NACET will inform the City about any restrictions related to the COVID-19 pandemic.
- Make recommendations to host partner regarding potential tenants. Innovations clients that wish to occupy a private office within the facility will license the space from the host partner.
- Report facility issues to host partner and act as liaison to Innovations clients, as appropriate.
- Provide regular program activities, including workshops, mentor meetings, events, client meetings and panels during the hours of 9:00 a.m. to 6:00 p.m., Monday through Friday, except on designated City holidays.
- Continue to track client usage and requests to ensure onsite staffing and program hours continue to meet client needs.
- Provide updated signage that displays office hours, contact information, as well as next steps to join the Chandler Innovations community.
- Collaborate with host partner to provide facility tours (in-person or virtual) and program overviews for potentially interested Chandler-based entrepreneurs.
- Collaborate with host partner and their staff to offer onsite direction and resources for walk-ins, including providing a one-page marketing sheet about Chandler Innovations and event list, and providing information to guide interested parties to apply online and/or to set-up a one-on-one call with Chandler Innovations staff.

Leadership Positions

- Provide City of Chandler City Manager or designee a non-voting, ex-officio position on the NACET board of directors.
- If desired by ASU, provide the vice president of ASU's Knowledge Enterprise or designee, a position on the Innovations Advisory Board.

Client Recruitment & Development

- Recruit technology ventures into the Innovations program.
- Develop and implement a standard template for application to Chandler Innovations.
- Develop, implement and facilitate a standard evaluation process for review of applications.
- Manage client onboarding, including execution of client service agreements and communication of programs rules and requirements, for both resident and non-resident clients.
- Provide regular client counseling, to be delivered by NACET staff and mentors.
- Develop business incubation programming for Innovations clients.
- Assess clients' growth and advancement through Innovations programming.
- Analyze program timing and delivery methods to determine client interest levels and value.

- Encourage Innovations clients to remain in Chandler after program participation and scaling.

Events: NACET is expected to host the following events in-person unless there is a conflict with host partner facility requirements or Centers for Disease Control recommendations.

- Outreach events for clients, mentors, community, investors.
- Workshops (e.g. marketing, recruiting, customer development).
- Training programs (e.g. PitchPower).
- Speaker Series (e.g. executives, entrepreneurs and experts).
- The Startup Connection event in collaboration with other event partners, which is traditionally held in September.

Partnerships

- Recruit a minimum of 25 mentors who will commit time to support Innovations clients. NACET is to create and have each mentor execute a Mentor's Agreement, affirming understanding of expectations, and a Mentor's Non-Disclosure Agreement, safeguarding client information.
- Recruit and maintain an Innovations Advisory Board with no less than nine or more than 13 members. NACET will be responsible for coordinating all Advisory Board activities. The City shall have final approval of Advisory Board Members.
- Develop partnerships (Arizona State University, University of Arizona, Maricopa SBDC, Chandler Chamber of Commerce, #yesphx, Arizona Tech Investors, Arizona Founders Fund, and other groups) to support client recruitment and enhance delivery of programs, services and events.
- Work with higher education partners to provide student research and internship opportunities to Innovations clients.

Strategic Plan & Marketing Activities

- Implement the Innovations Strategic Plan and marketing plan.
- Prepare monthly reports on marketing activities for the Advisory Board and the City.
- Prepare monthly reports on Strategic Plan performance for the Advisory Board and the City.
- Maintain the Innovations website with the "Innovations powered by Moonshot at NACET" brand; maintain all website information on programs, events, news and how to become a client.
- Manage all Innovations social media accounts, including Facebook, Twitter, and LinkedIn.
- Write, design and produce digital content (e.g. social media and blog posts) to align with the Innovations marketing strategy and deploy on appropriate Innovations digital assets to include social media accounts and website.
- Pitch client and program stories to regional media groups (Phoenix Business Journal, AZ Central, AZ Business Magazine, TechConnect, East Valley Tribune, etc.) and notify the City of story placement.
- Host media familiarization tours to promote coverage of the Innovations program and its clients.
- Represent the Innovations program at local and regional events that promote technology-based entrepreneurship, such as Chandler Science Spectacular, Global Entrepreneurship Week, and PHX East Valley Innovates Entrepreneur Week.

Reporting

- Collect data from clients related to the established program performance measures shown in Exhibit C of this contract.
- Submit monthly reports summarizing progress made per the Scope of Work.
- Conduct two surveys annually of clients regarding satisfaction with incubation programming and services and share the survey results with the City. City will approve survey questions prior to survey release. Results are to be delivered to City on March 1, 2022 and August 1, 2022.
- Deliver monthly, comprehensive social media reports to review campaign performance on mutually determined key performance indicators (KPIs) for engagement and audience reach. At a minimum, reports should include the following: number of total and new followers, post impressions and total social interactions (comments, shares, likes) for each platform.
- Deliver monthly, comprehensive Google Analytics reports to monitor website traffic and webpage interactions. At a minimum, NACET should provide the following: audience overview report (total users, sessions, pageviews, and top user locations by city), audience behavior report (new vs. returning users), acquisition overview report, acquisition traffic referral report, acquisition social overview report, and behavior site content report (all pages and top landing pages with associated bounce rate).

While participating in the program, Innovations clients will provide:

- Open book accounting.
- Monthly reviews and quarterly benchmark reviews.
- Monthly Group Client Meeting or CEO peer group participation.
- Employment information including new hires, retained employees, average wage.
- Investment and capital formation information.

**AMENDED EXHIBIT B
FEE SCHEDULE**

The fee below is inclusive of all costs associated with performance of services described in the Scope of Work.

Innovations Incubator Management Services
Year Two

\$20,833.33 per month, inclusive

The sum of the fees paid to the Contractor for the second term of the Agreement shall not exceed \$250,000.

**AMENDED EXHIBIT C
PERFORMANCE MEASURES**

The performance targets below shall be used to evaluate and report progress on Contractor's performance of services described in the Scope of Work:

Annual Performance Measure	FY 20-21 Targets	FY 20-21 Actuals*	FY 21-22 Targets
Total Number of Program Applicants	100	29	100
Total Number of Clients	35	22	35
Number of Clients Progressing from:			
• Track 1 to 2	6	6	6
• Track 2 to 3	6	6	6
• Track 3 to 4/Graduate	3	3	3
Percentage of Clients Submitting Required Metrics for Contractor's Quarterly Reports to the City	100%	100%	100%
Total Number of Jobs at Client Firms	85	55	70
Average Annual Salary of Jobs Created by Client Firms	\$50,000	\$71,800	\$50,000
Equity Capital/Grant Funds Raised by Client Firms	\$2,000,000	\$1,738,400	\$2,000,000
Revenue Generated by Client Firms	\$3,000,000	\$2,108,900	\$3,000,000
Number of Mentors in Local Mentor Network	25	30	25
Number of Events Hosted	50	92	50
Number of Event Attendees	1,500	665	1,000
Number of Press Releases Promoting Innovations Program Services, Events and Client Success Stories	12	10	12
Number of Articles by News Outlets Using Press Release Information	1,000	1,073	1,000
Total Potential Audience/Reach	600,000,000	1,141,000,000	600,000,000

Minimum Number of Client Profile Posts/Program Posts on All Social Media Channels Every Month (Facebook, Twitter, LinkedIn)	20	25	20
Minimum Number of Innovations Event Posts on All Social Media Channels Every Month (Facebook, Twitter, LinkedIn)	20	17	20
Minimum Number of Chandler Entrepreneurial Ecosystem Posts on All Social Media Channels Every Month (Facebook, Twitter, LinkedIn)	20	21	20
Number of Media Familiarization Tours Hosted (virtually or in-person)	2	3	2

*FY 20-21 actuals reported through July 31, 2021.