



## Board Report

File #: 2021-0168, File Type: Contract

Agenda Number: 39.

### EXECUTIVE MANAGEMENT COMMITTEE APRIL 15, 2021

**SUBJECT: ADVERTISING AND COMMUNICATIONS SERVICES**

**ACTION: APPROVE CONTRACT AWARD**

#### **RECOMMENDATION**

- A. AUTHORIZE the Chief Executive Officer to award a four-year, firm fixed unit rate Contract No. PS71009000 to Civilian, Inc. to provide advertising and communications services, for an amount not-to-exceed \$1,738,469 for the three-year base term, effective June 1, 2021 through May 31, 2024, plus \$614,604 for the one-year option period, for a total not-to-exceed amount of \$2,353,073 subject to resolution of protest(s), if any.
- B. AUTHORIZE the Chief Executive Officer to award individual media purchases associated with the advertising and communication services to be provided by Civilian, Inc. under Contract No. PS71009000, for a total amount not to exceed \$28,000,000 for a four-year period, inclusive of a one-year option.
- C. APPROVE a four-year Media Buy Budget of \$28,000,000, inclusive of a one-year option, for both traditional marketing channels (television, radio, print) and digital channels (websites, social media, streaming).

#### **BACKGROUND**

Metro Communications Marketing is currently utilizing a media agency for ad planning and buying, and the contract is expiring on May 31, 2021. Also, the department is looking to expand on the scope of work to accommodate the growth and need of Metro due to the year-over-year (YOY) increases in digital advertising and promotions. The rise in Metro's digital spending requires more data analysis, creative development and accounting support. The goal is to contract with a full-service advertising agency that has a wide range of capabilities to deliver services that would address transit ridership growth, safety and security improvements, bus operator hiring expansion, etc. The advertising agency shall work closely with Metro's Marketing team to assess the annual advertising budget, strategize and develop integrated advertising plans for various ad campaigns to advance Metro products, services and brand. The contract will also help elevate Metro's strategic approach with consideration for all advertising channels in the form of, but not limited to, print, outdoor, broadcast, experiential, digital (programmatic, native, search, social, mobile) and emerging media.

## **DISCUSSION**

The recommended advertising agency possesses the necessary competencies to plan and execute advertising campaigns to support the department in pursuing the agency's business and communications goals as mentioned above. The project scope consists of the following four services:

1. Media Strategy and Planning
2. Analytics and Insights
3. Digital Creative Development
4. Administration and Billings

These services reflect the development of integrated media strategies and recommended media buys that cut across traditional boundaries of paid, earned and owned media. This includes proposing new and emerging media opportunities, assisting with social media campaigns, negotiating favorable advertising rates, and building relationships with multiethnic media channels to target local communities. Service also consists of research on the effectiveness of individual advertising outlets in delivering Metro's message to its various target audiences. This includes performing marketing research, evaluating message effectiveness, identifying target audiences, tracking brand awareness and perception, informing brand/product positioning, and understanding market potential for new services. In addition, there's creation of digital creative assets such as display, native, rich media, and mobile executions and management of the billing process from beginning to end which includes working with vendors/media partners and submitting consolidated invoices monthly to Metro Accounts Payable (AP).

This contract includes the management and administration of payments/billings for media purchases per campaign/project. Payment for media buys shall be treated as a pass-through expense.

## **DETERMINATION OF SAFETY IMPACT**

There are no safety issues or impact associated with this procurement.

## **FINANCIAL IMPACT**

In assessing Metro's potential budget for the life of the Contract, Metro's Marketing department will be responsible for overseeing \$2,353,073 in advertising and communications services along with the estimated \$28MM pass-through costs over the four years that the contract will be in place.

### **Impact to Budget**

Funding for advertising costs will parallel allocated project funding and may include sources like fares, sales tax, federal and state funds. The impact will vary year-to-year based on project and promotional budgets to support Metro programs and initiatives. Because this is a multi-year contract, departmental budget will be allocated as needed by project managers in future years.

## **ALTERNATIVES CONSIDERED**

Staff considered establishing an in-house advertising team, which would require hiring six (6) additional full-time employees with expertise in advertising, media planning and buying, digital creative design, and data analytics. This alternative would also require procurement and periodic upgrade of software and tools for campaign and tag management, ad serving, insights and analytics and market research in order to keep pace with the ever-evolving advertising and media landscape. Staff's assessment indicates that this is not a cost-effective option for Metro.

### **NEXT STEPS**

Upon Board approval, staff will execute Contract No. PS71009000 with Civilian, Inc. to provide advertising and communications services, effective June 1, 2021.

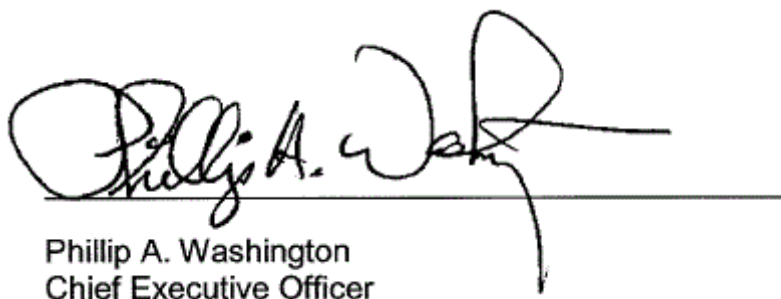
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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