



Board Report

File #: 2023-0438, File Type: Contract

Agenda Number: 19.

EXECUTIVE MANAGEMENT COMMITTEE JULY 20, 2023

SUBJECT: ADVERTISING & COMMUNICATION SERVICES CONTRACT

ACTION: APPROVE CONTRACT MODIFICATION

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO) to execute Modification No. 1 to Contract No.PS71009000 with Civilian, Inc. for advertising and communication services in the amount of \$1,500,000, increasing the base contract value from \$1,738,469 to a not-to-exceed amount of \$3,238,469.

ISSUE

Metro's marketing communications team develops and implements campaigns to grow ridership and promote agency initiatives including those related to equity and safety. A current priority is to grow ridership to pre-pandemic levels, leveraging the growth of the rail system (including the K Line and Regional Connector station openings), continued service updates and improvements, fare program initiatives including the GoPass and LIFE programs, and sports and entertainment events that are so prevalent in Los Angeles. With this opportunity comes the need for expanded media purchasing and marketing services. Metro contracts with Civilian, Inc., for these services, however, a contract modification is required to fund the work that Metro requires through May 30, 2024, the end of the base term.

BACKGROUND

In April 2021, Civilian was awarded a multi-year contract for advertising & communications services in the not-to-exceed amount of \$1,738,469 for the three-year base term, plus \$614,064 for a one-year option, for a total not-to-exceed contract value of \$2,353,073. This contract was awarded amidst the uncertainty of the Covid-19 pandemic during which the focus was on rider education about pandemic-related safety and related service changes.

Since then, the focus expanded to support Metro's ridership and safety efforts, including the K Line and Regional Connector openings, LIFE and reduced fare programs, bus operator recruitment, Go 511 campaigns and Eat Shop Play.

Civilian currently supports Metro campaigns by developing paid media/advertising strategies, purchasing print, digital, and broadcast media/advertising, conducting CBO outreach, engaging social media influencers to amplify our social media efforts, optimizing marketing investments, and identifying new marketing communications channels to promote Metro and its priority initiatives.

One example of Civilian's effectiveness is their work on our Low-Income Fare is Easy (LIFE) program. Metro, in collaboration with Civilian-contracted CBOs, has enrolled more than 60,000 people in the LIFE program, increasing participation by 106 percent and significantly outpacing program goals two months ahead of project completion.

DISCUSSION

Now that the pandemic is behind us, the Metro Marketing team has expanded its work with the priority to recover and grow ridership by focusing on youth, lapsed returning office staff, and weekend and choice riders. This strategy requires new and innovative approaches to how we target and communicate to potential riders and deliver messaging in the way our individual riders expect.

The services provided by Civilian through this contract are essential for developing and implementing our marketing communications campaigns. Civilian serves as an extension of our in-house marketing and communications team and stays current on the latest trends, technologies, and audience behaviors which allows them to assist Metro's efforts to develop effective outreach strategies quickly.

Metro is currently working with Civilian on several high-profile marketing communications campaigns including the introduction of Fare Capping, the continued growth of adoption and use of the GoPass (including summer and back to school), and Summer Ridership (#METRO2DTLA) campaigns that will inspire and entice Angelenos and visitors to Go Metro for leisure and fun - in addition to work.

Campaigns will also educate our riders about our new fare structure and safety initiatives, build support for Metro projects and increase positive sentiment about Metro.

FINANCIAL IMPACT

The Marketing Department will reallocate \$1,500,000 of its FY24 Budget from several operating projects to project number 306005, Public Affairs, under cost center number 7140, Marketing, to support this Modification.

Since this is a multi-year contract, the cost center manager and the Chief Customer Experience Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact to Budget

The funding sources for this action include Proposition A 35%, C 40%, C 5%, Measure R 20%, Measure M 20%. Transportation Development Act (TDA) 4%, State Transit Assistance (STA) and local grants. These funds are eligible for bus and/or rail operating expenses.

EQUITY PLATFORM

Metro currently contracts with Civilian, a woman-owned, DBE, and SBE, full-service marketing communications agency specializing in raising awareness and promoting action among diverse, hard-to-reach audiences, as well as the general public.

Civilian has prioritized Metro's commitment to reaching underserved and communities of color by employing culturally relevant marketing and communication materials. Our media strategy development process focuses on intentional engagement with these diverse communities by utilizing in-language community publications, social media platforms, radio, and streaming services, as well as utilizing Metro's own channels and printed materials.

Civilian is exceeding Metro's goals by actively contributing to the Diversity & Economic Opportunity Department's (DEOD) 22% Small Business Enterprise (SBE) goal and demonstrates the real-life, tangible economic opportunity created through the involvement of small businesses.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support all the following goals by ensuring our audiences are aware of our mobility options and affordable access options, as well as increasing trial and repeat ridership consideration by increasing self-efficacy and decreasing negative perceptions removing barriers to ridership. In addition, the current #METRO2DTLA campaign further enforces our regional collaboration with local partners.:

1. Provide high-quality mobility options that enable people to spend less time traveling
2. Deliver outstanding trip experiences for all users of the transportation system
3. Enhance communities and lives through mobility and access to opportunity
4. Transform LA County through regional collaboration and national leadership

ALTERNATIVES CONSIDERED

The Board may request staff procure a separate advertising & communication services contract. This alternative is not recommended as it would result in a lengthy pause and gap in our marketing efforts, which would be detrimental to our ability to meet our ridership, equity, and access to mobility goals. In this case, all the services would fall to the internal Metro team, which is not adequately staffed to handle the workload nor equipped with the specialized skills to perform the depth and breadth of services. In this scenario, this internal shortfall would create delays, overburden staff, and potentially jeopardize the timing affecting approximately a dozen programs for at least six to nine months.

Without this contract modification, Metro will not be able to purchase media/advertising in key publications, on digital platforms and broadcast channels that are vital to generating awareness and driving trial and/or repeat ridership. In addition, Metro will have to reduce CBO outreach that supports our LIFE and reduced fare programs.

NEXT STEPS

Upon Board approval, staff will execute Modification No. 1 to Contract No. PS71009000 with Civilian

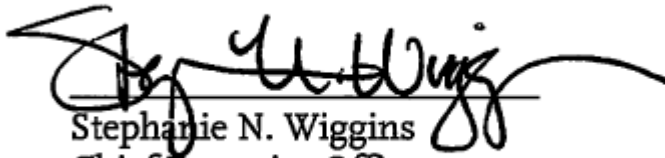
to continue to provide advertising and communication services through the base term.

ATTACHMENTS

Attachment A - Procurement Summary
Attachment B - Contract Modification/Change Order Log
Attachment C - DEOD Summary

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