



## Board Report

File #: 2023-0576, File Type: Contract

Agenda Number: 26.

### EXECUTIVE MANAGEMENT COMMITTEE OCTOBER 19, 2023

**SUBJECT: MULTICULTURAL MARKETING AGENCY SUPPORT SERVICES**

**ACTION: AWARD CONTRACT**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award and execute a four-year firm fixed unit rate Contract No. PS93705000 to Acento Advertising, Inc. for Multicultural Marketing Agency Support Services, for a not-to-exceed amount (NTE) of \$4,295,160 for the two-year base term and \$4,504,680 for the two-year option term, for a total combined NTE amount of \$8,799,840, effective November 1, 2023, subject to the resolution of any properly submitted protest(s).

#### **ISSUE**

The Customer Experience team requires a multicultural marketing agency to ensure that we are effectively communicating our services, programs, projects, and initiatives to all the diverse populations Metro serves in culturally-relevant ways.

#### **BACKGROUND**

According to the 2022 Metro Customer Experience survey, Metro riders are ethnically diverse: 58% are Latino or Hispanic, 14% are Black/African American 12% are White/Caucasian and 8% are Asian/Pacific Islander.

Metro's Customer Experience (CX) Department includes Marketing, Public Relations, Community Relations, Arts and Community Enrichment, Customer Care, and Customer Experience Strategy & Insights. Over the last year, the team began evaluating ways to improve our communications, outreach, and marketing with diverse customers, and last month, we started a cross-functional Latino/Hispanic team that is generating ideas and making recommendations about ways to improve our approaches to reaching those audiences. As the Customer Experience department continues its work to put customers at the center, it's imperative that we improve our ability to communicate with diverse audiences in a variety of languages and in ways that are culturally relevant.

#### **DISCUSSION**

As Metro works to grow ridership, Metro must proactively reach out to LA's communities in an

authentic way, taking into consideration the nuances of each segment's heritage, profile, and life experiences. To help more quickly inform and develop Metro's strategy to better reach our diverse audiences, the Metro Customer Experience department will partner with a multicultural marketing agency.

Staff recommends awarding this contract to Acento Advertising, Inc. (Acento), a full-service marketing communications firm specializing in multicultural marketing. The agency will assist Metro's efforts to increase brand awareness and favorability for Metro with the goals of growing and retaining customers across Metro's portfolio of mobility options, generating awareness and excitement for Metro's transportation vision and projects, engaging existing Metro customers in shaping the future of Metro's network and service and growing our workforce by exposing career and contracting opportunities to diverse audiences. The firm will support Metro's Customer Experience (CX) department and work directly with existing skill areas, including:

- Marketing and communications strategy
- Marketing research and insights
- Media planning and buying
- UX/UI and digital product development
- Public relations
- Messaging and copywriting
- Creative and graphic design
- Event production, event support, and experiential activations
- Partnership outreach and activation
- Influencer engagement

Metro needs a skilled agency at creating genuine relationships with the diverse communities Metro serves and recognizes the nuances of marketing and communications for which Metro is responsible, including legal requirements, cultural competency, and transcreation of existing creative work. This contract will also help in reaching underdeveloped specialty markets, such as low-income and hard-to-reach targets.

The contractor will trans create assets into languages, as prioritized in audience exploration. Depending on the campaign, this could include Spanish, Chinese, Korean, Armenian, Japanese, Russian, Khmer and Vietnamese.

These and all other services in the scope will be performed on an "as-needed" basis.

### **DETERMINATION OF SAFETY IMPACT**

The consultant may be required to conduct tasks on Metro property where customers and operations may be active. All safety requirements will be met with requisite training and clearance as established by Metro Safety and Operations protocols.

## **FINANCIAL IMPACT**

The FY24 Budget includes \$1,100,000 in cost center 7140, Marketing, under projects: 300022 - Rail Operations - A Line; 300033 - Rail Operations - C Line; 300044 - Rail Operations - B Line; 300066 - Rail Operations - E Line; and 306005 - Public Affairs to support this contract.

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 Enterprise Funds, sales tax revenues, and federal and state grants eligible for bus and rail operating expenses.

## **EQUITY PLATFORM**

The Multicultural Marketing Agency contract award advances Metro's commitment to equity and inclusion by ensuring marketing and communications activities provide targeted approaches to engage all customers and stakeholders, with a specific focus on reaching communities of color and underserved populations across the various disciplines: strategic marketing and communications, messaging, creative design, content development, partnerships, and public relations. Community-Based Organization (CBO) engagement in strategic marketing plans under this contract will be requested on a plan-by-plan basis. Understanding how our marginalized or vulnerable groups navigate the city and our system will help us define how to communicate with them, thus improving equitable outcomes and enhancing the customer experience.

The selected firm is committed to advancing diversity, equity, and inclusion. Their unique cross-cultural, multidisciplinary approach to developing insight-driven strategies demonstrates their commitment to reaching women, low-income individuals, people of color, and other marginalized populations. The firm utilizes its proprietary tools to engage diverse and multicultural communities: the Acento Culture Lab and the NAYA toolkit. The lab serves as an exploration and testing space that drives understanding of societal trends, current culture, and diverse groups' experience and expression of those things. This deepens the understanding of shared and divergent experiences and their impact on consumer decision-making. The toolkit includes proprietary consumer research, syndicated consumer data, social listening, channel usage/impact, and related tools - all are processed through their proprietary cross-cultural model.

To ensure maximum opportunity for participation in this contract, this solicitation was advertised through periodicals of general circulation, posted on Metro's Vendor Portal, and an e-mail notice to DBE firms with applicable NAICS codes. A 20% Disadvantaged Business Enterprise (DBE) goal was established for the solicitation. Acento Advertising, Inc. exceeded the goal with a 27.21% DBE commitment. The Proposal Evaluation Team was diverse and comprised of different department personnel with various backgrounds to comprehensively evaluate proposers and determine the most qualified firm.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended actions support the following goals:

- Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.
- Goal 2: Deliver outstanding trip experiences for all users of the transportation system.
- Goal 3: Enhance communities and lives through mobility and access to opportunity.
- Goal 5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

A new Multicultural Marketing Agency contract will allow the agency to effectively reach and communicate to diverse ethnic audiences authentically, meaningfully and responsively on all the agency's projects, programs and initiatives.

### ALTERNATIVES CONSIDERED

1. Utilize existing Marketing and/or Customer Experience staff to provide the required support services. If this alternative were exercised, Metro would need to hire dozens of additional staff with expertise in multicultural marketing to perform the desired work. Based on the magnitude of projects, programs and initiatives that require ethnic audience-specific marketing and communications campaigns, it is unlikely the agency can support this effort in-house.
2. Direct CX departments to procure services for their own needs. This option burdens the CX and Vendor/Contract Management departments, requiring them to expend significant and costly resources to develop and respond to multiple procurement processes each year. It also is counter to Metro's External Communications Policy, which is designed to consolidate, optimize, and strategically coordinate marketing and communications services across the agency.

## **NEXT STEPS**

Upon Board approval, staff will execute Contract No. PS93705000 with Acento Advertising, Inc. for Multicultural Marketing Agency services effective November 1, 2023. Once the contract is executed, staff will onboard the new agency to commence work.

## **ATTACHMENTS**

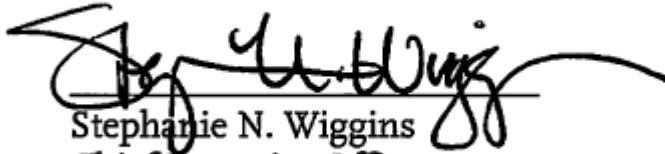
Attachment A - Procurement Summary  
Attachment B - DEOD Summary

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