

**Board Report**

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**File #:** 2021-0168, **File Type:** Contract**Agenda Number:** 39.

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**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.

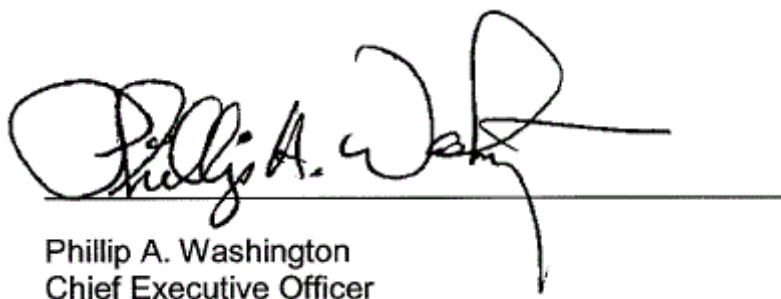
### **ATTACHMENTS**

Attachment A - Procurement Summary

Attachment B - DEOD Summary

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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## ADVERTISING AND COMMUNICATIONS SERVICES/PS71009000

1.	<b>Contract Number: PS71009000</b>	
2.	<b>Recommended Vendor:</b> Civilian, Inc.	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> August 24, 2020	
	<b>B. Advertised/Publicized:</b> August 24, 2020	
	<b>C. Pre-Proposal Conference:</b> September 9, 2020	
	<b>D. Proposals Due:</b> October 7, 2020	
	<b>E. Pre-Qualification Completed:</b> December 2, 2020	
	<b>F. Conflict of Interest Form Submitted to Ethics:</b> October 8, 2020	
	<b>G. Protest Period End Date:</b> April 19, 2021	
5.	<b>Solicitations Picked up/Downloaded:</b>  76	<b>Bids/Proposals Received:</b>  5
6.	<b>Contract Administrator:</b> Greg Baker	<b>Telephone Number:</b> (213) 922-7577
7.	<b>Project Manager:</b> Bunrort Em	<b>Telephone Number:</b> (213) 922-5246

**A. Procurement Background**

This Board Action is to approve the award of Contract No. PS71009000 to Civilian, Inc. to provide advertising and communications services. Board approval of contract awards are subject to resolution of any properly submitted protest.

On August 24, 2020, Request for Proposals (RFP) No. PS71009 was issued as a competitive negotiated procurement in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit rate. This solicitation was issued under the Small Business Prime Program.

One amendment was issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on September 21, 2020 extended the proposal due date.

A virtual pre-proposal conference was held on September 9, 2020. A total of 76 firms downloaded the RFP and were included in the planholders' list. A total of 71 questions were received, and Metro provided responses prior to the proposal due date.

A total of five proposals were received on October 7, 2020 from firms listed below in alphabetical order:

1. Acento Advertising

2. Civilian, Inc.
3. GP Generate, LLC
4. Pulsar Advertising, Inc.
5. Sensis, Inc.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro's Communications and Board Relations departments was convened and conducted a comprehensive technical evaluation of the proposals received.

On October 12, 2020, the PET met to review the evaluation criteria package, process confidentiality and conflict of interest forms and take receipt of the five proposals to initiate the evaluation phase. Evaluations were conducted from October 12, 2020 through October 29, 2020.

On October 20, 2020, Metro's Diversity and Economic Opportunity Department (DEOD) determined Acento Advertising to be ineligible for award under the SBE Prime Program since it is not a Metro-certified SBE firm at the time of the proposal due date. Hence, Acento Advertising was excluded from further consideration.

The PET continued to evaluate the remaining four proposals based on the following weighted evaluation criteria:

- |   |            |
|---|------------|
| • Degree of the Prime's Skills and Experience   | 40 Percent |
| • Experience and Qualification of Proposed Personnel  | 25 Percent |
| • Understanding of Work and Appropriateness of Approach for Implementation of the Services Identified in the Scope of Service (SOS) | 25 Percent |
| • Cost Proposal   | 10 Percent |

The evaluation criteria are appropriate and consistent with criteria developed for similar advertising and communication services procurements. Several factors were considered in developing these weights, giving the greatest importance to the degree of the prime's skills and experience.

On October 30, 2020, the PET reconvened and determined that of the remaining four proposals received, one firm was determined to be outside the competitive range and was not included for further consideration. The three firms within the competitive range are listed below in alphabetical order:

1. Civilian, Inc.
2. Sensis, Inc.
3. Pulsar Advertising, Inc.

Each firm provided an overview of existing clientele, presented the industry experience of each team member, proposed commitment to the project and existing engagements that may impact work performance on this contract.

**Qualifications Summary of Firms within the Competitive Range:**

**Civilian, Inc.**

Civilian, Inc. established in 1999, is an advertising and marketing agency for government and non-profit organizations. The firm specializes in strategic planning, research and audience insights, brand development, media planning and placement, digital and social media, web development, creative development and production, and stakeholder engagement.

**Sensis, Inc.**

Sensis, Inc. established in 1998 and headquartered in Los Angeles, provides full, integrated advertising and web development services to government agencies, with experience spanning all traditional and digital marketing, and communications services platforms. Its clients include the Department of Homeland Security, Department of Health and Human Services and the Department of Defense.

**Pulsar Advertising, Inc.**

Pulsar Advertising, Inc. has been in business for over 28 years and is a full-service advertising and marketing agency that provides a full range of advertising and marketing services in the transportation industry.

At the conclusion of the evaluation process, Civilian, Inc. was determined to be the top ranked firm.

A summary of the PET scores is provided below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Civilian, Inc.</b>				
3	Degree of the Prime's Skills and Experience	84.45	40.00%	33.78	
4	Experience and Qualification of Proposed Personnel	80.56	25.00%	20.14	
5	Understanding of Work and Appropriateness of Approach for Implementation of the Services Identified in the SOS	84.20	25.00%	21.05	

6	Cost Proposal	74.90	10.00%	7.49	
7	<b>Total</b>		<b>100.00%</b>	<b>82.46</b>	<b>1</b>
8	<b>Sensis, Inc.</b>				
9	Degree of the Prime's Skills and Experience	80.00	40.00%	32.00	
10	Experience and Qualification of Proposed Personnel	69.96	25.00%	17.49	
11	Understanding of Work and Appropriateness of Approach for Implementation of the Services Identified in the SOS	75.04	25.00%	18.76	
12	Cost Proposal	86.10	10.00%	8.61	
13	<b>Total</b>		<b>100.00%</b>	<b>76.86</b>	<b>2</b>
14	<b>Pulsar Advertising, Inc.</b>				
15	Degree of the Prime's Skills and Experience	78.35	40.00%	31.34	
16	Experience and Qualification of Proposed Personnel	72.24	25.00%	18.06	
17	Understanding of Work and Appropriateness of Approach for Implementation of the Services Identified in the SOS	68.36	25.00%	17.09	
18	Cost Proposal	100.00	10.00%	10.00	
19	<b>Total</b>		<b>100.00%</b>	<b>76.49</b>	<b>3</b>

### C. Cost/Price Analysis

The recommended firm fixed unit rates have been determined to be fair and reasonable based upon adequate price competition, price analysis, fact finding, negotiation and technical analysis.

### D. Background on Recommended Contractor

The recommended firm, Civilian, Inc. is headquartered in San Diego, CA. It is a full-service marketing communications agency that has provided advertising and communications services to Metro for the past five years. Civilian Inc.'s performance has been satisfactory.

Civilian, Inc. is a women-owned, Metro certified small business firm and will perform 100% of the work with its own workforce.

The proposed Executive Lead and Project Manager have over 30 years of combined experience in marketing, communications and outreach that is centered on public agencies, including the transportation industry.

## DEOD SUMMARY

## ADVERTISING AND COMMUNICATIONS SERVICES / PS71009000

**A. Small Business Participation**

Effective June 2, 2014, per Metro's Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute Small Business Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro's website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to SBE Certified Small Businesses Only.

Civilian, Inc., an SBE Prime, is performing 100% of the work with their own workforce.

	<b>SBE Firm Name</b>	<b>SBE % Committed</b>
1.	Civilian, Inc. (Prime)	100%
	<b>Total Commitment</b>	<b>100%</b>

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.