



Board Report

File #: 2021-0408, File Type: Contract

Agenda Number: 29.

EXECUTIVE MANAGEMENT COMMITTEE JULY 15, 2021

SUBJECT: MARKETING RESEARCH & BRANDING SERVICES

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award Contract No. PS74537000 to Sensis, Inc. to provide marketing research and branding services for a three-year base term in an amount not-to-exceed \$1,126,200, and \$375,400 for each of the two, one-year option terms, for a combined not-to-exceed amount of \$1,877,000, effective August 1, 2021, subject to resolution of protest(s), if any.

BACKGROUND

Metro has been increasingly using consumer research (surveys and focus groups) to inform decision-making to achieve Vision 2028 objectives. Metro Marketing has been increasingly asked to lead important research projects, such as Line Naming, Station Naming, Microtransit Market and User Experience Evaluation, and Fareless Transit External Survey, among others. In addition, Metro Marketing has and will continue to conduct research to inform ridership growth marketing strategy, message development, digital user experience design, and more.

ISSUE

Historically, Metro Marketing has procured market research through our media buying agency as part of the media planning process. However, as the number of research products have increased and the types of research have expanded beyond media related research, a dedicated research agency specializing in marketing research is needed to more skillfully and efficiently deliver high quality data. This contract will also allow our media planning agency to focus solely on media planning, protecting the contract authority for its primary purpose.

The marketing research and branding agency will be an extension of the Marketing department and help to perform research and inform communication messages and strategies to build support for Metro's agenda, to grow ridership, and to improve the customer experience, among other agency objectives.

DISCUSSION

Through a small business set aside procurement, four firms submitted proposals. Metro staff evaluated the recommended certified small business marketing research and branding agency and determined they possess the necessary competencies to plan and execute marketing research and marketing consulting to support the Marketing department and broader Metro agency in achieving Vision 2028 objectives.

Considerations

Partnering with a marketing research and branding agency, with a wide variety of market research and marketing capabilities, will give Metro Marketing the flexibility to leverage the external resource as needed. The contract is structured such that Metro Marketing can do as much of the research in-house as resources allow or to rely on the partner agency for full-service work when internal resources are maxed out and/or the research needs are very complex.

DETERMINATION OF SAFETY IMPACT

No impact to safety has been determined.

FINANCIAL IMPACT

Metro Marketing, including projects funded by other departments, has spent approximately \$245,000 per year on average from FY18-20 on marketing research. With the anticipated marketing research projects over the next five years, the agency's spend on marketing research is expected to increase.

Of the \$1,877,000 contract amount, it is estimated that Metro Marketing will be responsible for approximately \$1,300,000 over five years, or \$260,000 per year. The remaining research expenditures on this contract will likely come from other departments' existing budgets.

Impact to Budget

By doing marketing research to guide messages and tactics, Metro's marketing budget can be spent more efficiently and effectively.

Funding for this market research and branding contract will parallel the projects direct charged by this contract and may include operating eligible sources such as fares and sales tax. Because this is a multi-year contract, departmental budgets will be allocated as needed by project managers in future years.

EQUITY PLATFORM

This contract was evaluated in an equitable manner and includes services that will be performed in a way that yields positive impacts for Equity Focused Groups.

1. This was a small-business-certified set aside procurement. Sensis Inc. (Sensis) made an SBE commitment as the prime and is performing 30% of the work with its own workforce. Sensis listed one (1) subcontractor. Sensis made a 100% SBE commitment and is meeting the Small

Business Prime Set-Aside requirements established for this project. Additionally, vendors were rated on their ability to provide research services among respondent samples at representative and Census-proportionate ratios of demographics, including gender, age, ethnicity, income, and sub-region. In addition, potential vendors were rated on their ability to provide research services in the following languages: Chinese, Japanese, Korean, Vietnamese, Armenian, Russian, Spanish, and English. We anticipate that these requirements will guide the selected vendor to conduct research that is representative of the diverse Metro region.

- Of note, of the four vendors who submitted proposals, three were minority owned businesses, suggesting that minority businesses had at least equal, if not greater, awareness of this procurement, than non-minority-owned businesses. The awarded vendor is also a minority-owned business.
2. As a function of the recommended vendor's ability to conduct research among representative groups of Los Angeles residents and transit riders, voices of all groups will be heard. In fact, while the following was not a criterion on which vendors were rated, the recommended firm, Sensis, Inc., brands themselves as a "cross-cultural" marketing agency, with a focus on Latino/Hispanic audiences. With 59% of LA Metro riders identifying as Latino, Sensis's expertise in researching and marketing to Latinos will help ensure the voice of this large and important group is heard.
 3. To summarize, this board report action is anticipated to benefit marginalized groups including those with limited English proficiency and people of color, particularly in the Latino/Hispanic community, through culturally sensitive and competent research activities that will inform Metro's own marketing and communication strategies in line with the region's diverse communities. There are no anticipated burdens or harms to marginalized groups, including unintended harms, anticipated with this board report item. No need for mitigation strategies is anticipated.

Further details on the procurement equity impacts are in Attachment B: DEOD Summary

ALTERNATIVES CONSIDERED

Alternatives to Board approval include (1) procuring research through our media agency, (2) procuring research on a project-by-project basis, and (3) building out the internal market research team, however each of these solutions has unique drawbacks.

1. **Procuring research through our media agency:** Given the amount of research anticipated, research would consume 80% of the media agency contract authority. In addition, the variety of and depth of research expertise needed goes beyond the scope of services of our media agency whose research would be primarily focused on determining the best media to use to achieve campaign goals.
2. **Procuring research on a project-by-project basis:** While much of the market research we do is planned well in advance, many research projects come down the pipeline quickly, needing to be done in 1-2 months. A typical procurement process takes 6-8 months, so having a contractor research vendor in place will make us more flexible and able to do research as needs arise. In addition, some research projects require continuity of methodology over time and having the same partner for three-to-five years allows for that. Finally, having a consistent

partner will lead to efficiencies as we will know each other's processes and won't have to start from scratch with every project.

3. **Building out the internal market research team:** The Marketing department has one full-time permanent, and one temporary employee. While building out the team would increase capacity, there will always be a need to procure outside partners to go out into the field and get survey completes.

NEXT STEPS

Upon Board approval, staff will execute Contract No. PS74537000 with Sensis, Inc.

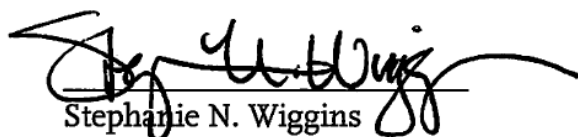
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Robert Heavrin, Manager, Communications, (213) 418-3238

Reviewed by: Glen Becerra, Executive Officer, Marketing, (213) 418-3264
Yvette Rapose, Chief Communications Officer, (213) 418-3154
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

MARKET RESEARCH AND BRANDING AGENCY / PS74537000

1.	Contract Number: PS74537000	
2.	Recommended Vendors: Sensis, Inc.	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> RFP <input type="checkbox"/> IFB <input type="checkbox"/> IFB-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: March 16, 2021	
	B. Advertised/Publicized: March 22, 2021	
	C. Pre-proposal Conference: March 31, 2021	
	D. Proposals Due: April 16, 2021	
	E. Pre-Qualification Completed: TBD	
	F. Conflict of Interest Form Submitted to Ethics: June 1, 2021	
	G. Protest Period End Date: July 17, 2021	
5.	Solicitations Picked up/Downloaded: 63	Proposals Received: 4
6.	Contract Administrator: Antwaun Boykin	Telephone Number: (213) 922-1056
7.	Project Manager: Robert Heavrin	Telephone Number: (213) 418-3238

A. Procurement Background

This Board Action is to approve the award of Contract No. PS74537000 issued in support of market research and branding services for Metro Communications Marketing Department for a three-year base term, with two, one-year option terms. Board approval of contract awards are subject to resolution of any properly submitted protest.

Request for Proposals (RFP) No. PS74537 was issued in accordance with and complies with Metro's Acquisition Policy for a competitive negotiated procurement and the contract type is indefinite delivery, indefinite quantity. The RFP was issued as a Small Business Set Aside procurement and was open to SBE certified small businesses only.

A virtual pre-proposal conference was held on March 31, 2021.

There were no amendments issued during the solicitation phase of this RFP. A total of four proposals were received on the due date of April 16, 2021.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro Communications Marketing Department was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- Degree of Skills, Experience, Capabilities for Quantitative Survey Operations: Brand Tracker and Ad-Hoc Surveys 30 percent

- Degree of Skills, Experience, Capabilities for Qualitative Market Research 20 percent
- Degree of Usefulness of Technology Platforms for DIY Survey Platform, Online Data Analysis Platform 10 percent
- Degree to Which Convey Skills & Experience for Full-Service Market Research, Brand and Marketing Consulting 10 percent
- Degree of Skills, Experience, Capabilities for Statistical Analysis 5 percent
- Degree of Usefulness of Technology Platforms for Market Research Online Community (I), and UX Testing 5 percent
- Cost 20 percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar service procurements. Several factors were considered when developing these weights, giving the greatest importance to degree of skills, experience, and capabilities for quantitative survey operations.

Of the four proposals received, three were determined to be within the competitive range and are listed below in alphabetical order:

1. Evitarus, Inc.
2. Noble Insight
3. Sensis, Inc.

One firm was determined to be outside the competitive range and was not included for further consideration.

On April 19, 2021, the technical proposals were distributed to the PET for their independent review and evaluation. On May 13, 2021, interviews were conducted with the firms within the competitive range. As a result of the evaluation process, the PET determined that the technical proposal received from Sensis, Inc. best addressed the RFP requirements and its personnel demonstrated they are qualified and experienced with all aspects of the required tasks. Based on a thorough evaluation of the proposals, the PET determined Sensis to be the highest ranked firm qualified to perform the services.

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	Sensis, Inc.				
3	Quantitative Survey Operations	94.33	30.00%	28.3	
4	Qualitative Market Research	81.16	20.00%	16.2	

5	Usefulness of Technology Platforms	100.00	10.00%	10.0	
6	Degree to Which Convey Skills and Experience	89.00	10.00%	8.9	
7	Statistical Analysis	87.33	5.00%	4.3	
8	Market Research Online Community (I), and UX Testing	93.33	5.00%	4.6	
9	Cost	95.50	20.00%	19.1	
10	Total		100.00%	91.4	1
11	Noble Insight				
12	Quantitative Survey Operations	80.00	30.00%	24.0	
13	Qualitative Market Research	76.66	20.00%	15.3	
14	Usefulness of Technology Platforms	75.00	10.00%	7.5	
15	Degree to Which Convey Skills and Experience	78.00	10.00%	7.8	
16	Statistical Analysis	71.33	5.00%	3.5	
17	Market Research Online Community (I), and UX Testing	86.66	5.00%	4.3	
18	Cost	100.00	20.00%	20.0	
19	Total		100.00%	82.4	2
20	Evitarus, Inc.				
21	Quantitative Survey Operations	70.00	30.00%	21.0	
22	Qualitative Market Research	82.33	20.00%	16.4	
23	Usefulness of Technology Platforms	81.66	10.00%	8.1	
24	Degree to Which Convey Skills and Experience	70.00	10.00%	7.0	
25	Statistical Analysis	78.66	5.00%	3.9	

26	Market Research Online Community (I), and UX Testing	60.00	5.00%	3.0	
27	Cost	46.50	20.00%	9.3	
28	Total		100.00%	68.7	3

C. Price Analysis

The proposed professional rates have been determined to be fair and reasonable based upon adequate competition, historical rates and technical analysis.

D. Background on Recommended Contractors

Sensis, Inc. is a Los Angeles based Metro certified SBE marketing agency with over 21 years of experience in advertising, digital communications, and multicultural marketing, across a variety of industries. Sensis has provided similar services for clients that include Metrolink, Foothill Transit and Auto Club Speedway.

DEOD SUMMARY

MARKET RESEARCH & BRANDING SERVICES / PS74537000

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.

Sensis, Inc., an SBE Prime, is performing 30% of the work with their own workforce and has listed an SBE subcontractor making a 100% SBE commitment.

SMALL BUSINESS SET-ASIDE

	SBE Prime Contractor	SBE % Committed
1.	Sensis, Inc. (Prime)	30%
2	ThinkNow	70%
Total SBE Commitment		100%

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.