

MOTION NO. M2011-38
Contract with EMC Research for Market Research Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Operations and Administration Committee	05/19/11	Final Action	Ron Klein, Executive Director of Communications and External Affairs Tim Healy, Manager of Marketing & Creative Services	206-398-5393 206-398-5062

PROPOSED ACTION

Authorizes the chief executive officer to execute a five-year contract with EMC Research, Incorporated to provide market research services to support Sound Transit ridership building initiatives on an as-needed basis for a total authorized contract amount not to exceed \$1,500,000.

KEY FEATURES

- The contractor will deliver research services and advise on research strategies that meet the goals of building and maintaining ridership laid out in Sound Transit’s strategic communications plan.
- EMC Research will help develop the agency’s long-term research plan and implement the market research and customer satisfaction components of that plan. The contract scope includes:
 - Developing a multi-year research strategy for the Agency.
 - Providing baseline information through the development, fielding and analysis of quantitative and/or qualitative research.
 - Developing, fielding and analyzing customer-oriented research such as customer value, customer experience or customer satisfaction studies.
 - Developing, fielding and analyzing focus groups to test rider information or marketing communications pieces.
 - Developing, fielding and analyzing behavioral, psychographic or other market segmentation studies to help shape marketing plans and develop appropriate tools to reach potential markets.
 - Using tools to more accurately assess and analyze people’s preferences and behaviors.
 - Developing research approaches that meet the goals laid out in Sound Transit’s strategic communications plan.
- The contract will be used on an as needed basis. Each project will require a scope of work and work order before any work is authorized by the project manager.
- Annual spending for the contract will be \$300,000. The contract amount is sufficient for the five-year contract term.

PROJECT DESCRIPTION

Sound Transit currently conducts an annual on-board customer satisfaction survey and a telephone survey within the agency’s three-county service area about the agency’s ongoing performance. This contract would include those surveys and perform additional work to expand the agency’s research program with other initiatives aimed at increasing ridership or market share.

FISCAL INFORMATION

Summary for Board Action (Year of Expenditure \$000)

Action Item: EMC Research for Market & Public Awareness Research Services

Current Year Budget	Adopted 2011 Budget	Committed to date	This Action	Remaining 2011 Budget
Communications & External Affairs Budget - Advertising/Marketing	481	30	240	211
Service Delivery Budget - Marketing and Rider Information	1,373	273	60	1,040
Total	1,854	303	300	1,251

Contract Spending Plan	Prior Year(s) Spending	2011 Spending	Future Expenditures	Total
EMC Research	-	300	1200	1500

Contract Budget	Current Contract Value	Committed to date	Proposed Action	Proposed Total Contract Value
EMC Research	-	-	1,500	1,500
Contingency	-	-	0	0
Total Contract	-	-	1,500	1,500
Percent Contingency	-	-	0%	0%

Notes:

1. Adopted 2011 Communications & External Affairs Staff Budget is located on page 108 of the Adopted 2011 Budget book. Market Research is included in the Services category under Advertising/Marketing. Committed to date information reflects spending through March 31, 2011.
2. The Adopted 2011 Service Delivery Budget is on page 33 of the Adopted 2011 Budget Book. Market Research is included in the Services category under Marketing and Rider Information. Committed to date information reflects spending through March 31, 2011.

SMALL BUSINESS PARTICIPATION

Sound Transit Goal: 15%
 Commitment: 60%

Subconsultant/Subcontractor	Business Type	% of Work
EMC Research	Small Business	57%
T.D. Wang	DBE	3%
Total		60%

EQUAL EMPLOYMENT WORKFORCE PROFILE

15 employees; 40% women; 6% minorities.

BACKGROUND

Sound Transit has conducted marketing and customer satisfaction research periodically since fall 1996. Research has been conducted to measure the effectiveness of Sound Transit programs and services.

This contract will allow continuity in the research products already being produced and allow the agency to respond more quickly as new research needs arise.

Sound Transit issued a request for proposal for Marketing Research Consultant Services. In March 2011, Sound Transit received proposals from eight firms. A selection panel evaluated the written proposals and recommended selecting two separate firms to provide research services for the agency on an as-needed basis: EMC Research and Resource Systems Group, Inc. The selection panel felt that having both firms under contract with the agency would provide the broad range of research services needed by Sound Transit.

EMC Research will help develop the agency's long-term research plan and implement the market research, and customer satisfaction components of Sound Transit's strategic communications plan. There is a separate concurrent Committee action for a research services contract with Resource Systems Groups, Inc. (RSG, Inc.). That firm will provide more technical research related to ridership modeling and assessing and analyzing market response to factors such as pricing changes, new fare products, or new amenities on Sound Transit vehicles or at transit facilities. RSG, Inc. may also be used to identify new revenue generation possibilities at ST facilities.

The specific research goals include:

- Defining and refining the markets for Sound Transit's services.
- Identifying the barriers that prevent the key markets from trying Sound Transit services and the incentives that would encourage them to try Sound Transit services.
- Testing the effectiveness of messages and tools used to attract new riders.
- Establishing benchmarks for consistently measuring the effectiveness of the tools and programs used to attract new riders.
- Determining the types of amenities Sound Transit could offer on vehicles or at facilities that would attract and retain riders.
- Modeling forecast demand and market responses to changes within Sound Transit's control (such as pricing or service and facility improvements) and outside of Sound Transit's control (such as fuel prices or tolls).
- Identifying potential new markets for pre-paid fare media (tickets and ORCA cards) such as employment clusters, schools, tourist packages, and residential complexes based on identified gaps in our current customer base and best/emerging practices at other transit agencies.

Analysis of Contracting Out vs. Performing In-House

Sound Transit does not currently employ research staff. To employ the appropriate staff to conduct comparable research projects anticipated as part of this contract would exceed the annual contract amount budgeted for research services. Since research services are only needed periodically, it is not cost effective to maintain full-time research staff.

ENVIRONMENTAL COMPLIANCE

SK 5-10-11

PRIOR BOARD/COMMITTEE ACTIONS

None.

TIME CONSTRAINTS

A one month delay would not create a significant impact to the project schedule.

PUBLIC INVOLVEMENT

Not applicable to this action.

LEGAL REVIEW

JW 5/11/11

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MOTION:

It is hereby moved by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a five-year contract with EMC Research, Incorporated to provide market research services to support Sound Transit ridership building initiatives on an as-needed basis for a total authorized contract amount not to exceed \$1,500,000.

APPROVED by the Operations and Administration Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 19, 2011.



Dave Enslow
Operations and Administration Committee Chair

ATTEST:



Marcia Walker
Board Administrator