



## Motion No. M2019-09

### Marketing and Advertising Services

Meeting:	Date:	Type of action:	Staff contact:
Rider Experience and Operations Committee	02/07/2019	Final action	Craig Davison, Executive Director of Communications <b>Tim Healy, Marketing Director</b>

### Proposed action

Authorizes the chief executive officer to execute a five-year contract with two one-year options with Copacino + Fujikado, LLC to provide marketing and advertising services for Sound Transit for a total authorized contract amount not to exceed \$9,940,000 plus applicable taxes.

### Key features summary

- Under this contract, Copacino +Fujikado, LLC, will provide general business advice related to placing advertising media; analyzing present and potential markets for Sound Transit services; and developing plans and implementing marketing and advertising campaigns.
- In addition to developing annual advertising campaigns and route promotions, the contractor will help promote the launch of new light rail lines in 2021 and 2023.
- The purpose of this contract is to develop and implement advertising programs that:
  - Promote Sound Transit ridership development and customer retention;
  - Promote the launch of new services and opening of new facilities; and
  - Increase awareness of Sound Transit and all of its services within Pierce, Snohomish and King Counties.
- Sound Transit's existing contract to provide advertising and media buying services expired on January 31, 2019.
- The requested amount covers the five-year contract and the two, one-year options to extend and includes the cost of advertising media and production costs to produce advertising.
- Applicable taxes are currently estimated to be \$1,003,940.

### Background

Since 1999, Sound Transit has contracted for advertising and media buying services to build awareness of the agency and its services, promote the new services, and help build ridership. During that time, Sound Transit has experienced double-digit growth in ridership and grown its brand awareness.

The services provided under this contract include developing and producing digital, print, broadcast, billboard and transit exterior, online, and direct mail advertising to support Sound Transit's marketing objectives of building ridership and agency awareness. In particular, Copacino + Fujikado will be providing the following services:

- Supplying media buying services as required to place advertising for Sound Transit (media

buying services include developing a paid advertising strategy, purchasing advertising space and auditing media invoices for accuracy)

- Creating and preparing advertising ideas and programs
- Preparing estimates of costs for producing the recommended programs
- Checking and verifying insertions, displays, broadcasts or other means used
- Evaluating and reporting on advertising results

The work to be performed under this contract will consist of individual Task Order requests. Sound Transit will reimburse the consultant for actual hours worked at the contracted, fully burdened, hourly rate. The consultant will bill Sound Transit monthly for all goods and services approved by task order. The Consultant will only be reimbursed for actual production/subconsultant fees. Sound Transit will also reimburse the consultant for all pre-approved, reasonable out-of-pocket expenses, delivery charges and travel expenses when applicable. The consultant will also be reimbursed for the cost of paid media placed for Sound Transit as part of Task Order requests.

## **Procurement information**

Prior to issuing the solicitation for these services, Sound Transit considered the project scope and determining factors for contract award, and determined that a Request for Proposals procurement method was the most advantageous. The evaluation team was comprised of five voters and three additional subject matter experts as advisers.

On October 31, 2018, Sound Transit advertised RTA/RP 0161-18 requesting proposals from qualified firms who were interested in providing marketing and advertising services for the agency. Five firms submitted a proposal. The proposals were evaluated based on the advertised evaluation criteria which included: knowledge and experience of key individuals; firm experience and history; price project: capacity, approach, and organization; commitment to and compliance with equal opportunity employment law; and outreach efforts and commitment to small businesses and DBEs. Clarifications of the two highest ranked proposals were issued. The evaluation team incorporated the clarification responses into their consideration of the proposals and provided final consensus rating, which resulted in a clearly defined top rated proposal. Revised proposals were not requested.

Sound Transit recommends award of this contract based upon the determination that Copacino +Fujikado, LLC's negotiated proposal is fair and reasonable, best meets the evaluation criteria, and offers the best value to Sound Transit.

## **Fiscal information**

The proposed action will be funded from the services and miscellaneous categories within the Communications department's annual operating budget. The Services category budget is \$1,659,200, of which a total of \$488,000 is estimated to be spent in the first year of the contract and is within the agency's budget authority. The Miscellaneous category budget is \$1,779,016, of which a total of \$1,300,000 is estimated to be spent in the first year of the contract and is within the agency's budget authority. After approval of this action, the remaining annual budget amount will be used to fund other department expenditures anticipated in the 2019 annual budget.

Funding for the additional years of the contract will be included in future annual budget requests.

## Communications

(in thousands)

Cost Category	2019 Annual Operating Budget <sup>1</sup>	YTD Actuals <sup>2</sup>	This Action (Current Year Impact Only)	YTD Actuals Plus Action (Current Year Only)	Remaining Annual Operating Budget
Salaries and Benefits	\$8,341	\$226	\$	\$226	\$8,115
Services	1,659	22	488	510	1,149
Materials and Supplies	374	17	0	17	358
Utilities	3	0	0	0	3
Miscellaneous	1,779	6	1,300	1,306	473
Leases and Rentals	4	0	0	0	\$4
<b>Total Annual Operating Budget</b>	<b>\$12,161</b>	<b>\$271</b>	<b>\$1,788</b>	<b>\$2,059</b>	<b>\$10,101</b>

Contract Spending Plan	Forecasted Spend for Remainder of			
	Spending to Date <sup>3</sup>	2019	Future Spending	Total
Copacino + Fujikado	\$	\$1,788	\$9,156	\$10,944

Contract Detail	Proposed Revised Board Approved		
	Board Approved Contract Value	Proposed Action	Approved Contract Value
Copacino + Fujikado	\$	\$9,940	\$9,940
Contingency	0	0	0
Estimated Taxes	0	1,004	1,004
<b>Contract Amount - Total</b>	<b>\$</b>	<b>\$10,944</b>	<b>\$10,944</b>
Percent Contingency	0%	0%	0%

### Notes:

<sup>1</sup>2019 Annual Operating Budget is located on page 76 of the 2019 Financial Plan & Proposed Budget book.

<sup>2</sup>YTD Actuals as of January 28, 2019.

<sup>3</sup>There are no Spending to Date actuals as of January 28, 2019.

## Small and Disadvantaged Business participation

Sound Transit promotes and encourages small business participation, which also includes disadvantaged business enterprises (DBEs). Small business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of small businesses/DBEs available to perform such subcontracting work.

For this contract, the following small business commitment were made:

Small business goal	
Sound Transit goal: 20%	Commitment: 100%

Name	Small business	
Copacino + Fujikado	SBE	100%

## **Public involvement**

Not applicable to this action.

## **Time constraints**

A one-month delay would not create a significant impact.

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**Environmental review** – KH 1/23/19

**Legal review** – AJP 2/1/19



## Motion No. M2019-09

A motion of the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a five-year contract with two one-year options with Copacino + Fujikado, LLC to provide marketing and advertising services for Sound Transit for a total authorized contract amount not to exceed \$9,940,000 plus applicable taxes.

### Background

Since 1999, Sound Transit has contracted for advertising and media buying services to build awareness of the agency and its services, promote the new services, and help build ridership. During that time, Sound Transit has experienced double-digit growth in ridership and grown its brand awareness.

The services provided under this contract include developing and producing digital, print, broadcast, billboard and transit exterior, online, and direct mail advertising to support Sound Transit's marketing objectives of building ridership and agency awareness. In particular, Copacino + Fujikado will be providing the following services:

- Supplying media buying services as required to place advertising for Sound Transit (media buying services include developing a paid advertising strategy, purchasing advertising space and auditing media invoices for accuracy)
- Creating and preparing advertising ideas and programs
- Preparing estimates of costs for producing the recommended programs
- Checking and verifying insertions, displays, broadcasts or other means used
- Evaluating and reporting on advertising results

In addition to developing annual advertising campaigns and route promotions, the contractor will help promote the launch of new light rail lines in 2021 and 2023.

The purpose of this contract is to develop and implement advertising programs that promote Sound Transit ridership development and customer retention, promote the launch of new services and opening of new facilities, and increase awareness of Sound Transit and all of its services within Pierce, Snohomish and King Counties.

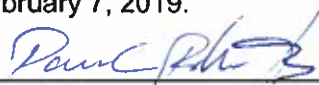
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The requested amount covers the five-year contract and the two, one-year options to extend and includes the cost of advertising media and production costs to produce advertising. Applicable taxes are currently estimated to be \$1,003,940.

## Motion

It is hereby moved by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a five-year contract with two one-year options with Copacino + Fujikado, LLC to provide marketing and advertising services for Sound Transit for a total authorized contract amount not to exceed \$9,940,000 plus applicable taxes.

APPROVED by the Rider Experience and Operations Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on February 7, 2019.



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Paul Roberts  
Rider Experience and Operations Chair

### Attest:



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Kathryn Flores  
Board Administrator