



August 21, 2017

To: Members of the Board of Directors
From: Jennifer L. Bergener, Managing Director
Subject: Agreements for Pacific Surfliner Marketing Services

Overview

On April 17, 2017, the Board of Directors approved the release of a request for proposals for consultant services to assist the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency in strategic, creative, and technical aspects of marketing the Pacific Surfliner service. Proposals have been received and evaluated in accordance with the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency's procurement procedures for professional and technical services. Board of Directors' approval is requested to execute agreements for these services.

Recommendations

- A. Approve the selection of Webb & Duffy's, doing business as Truth and Advertising, to provide consultant services for the Pacific Surfliner marketing program.
- B. Authorize the Managing Director to negotiate and execute Agreement No. L-7-0003 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Webb & Duffy's, doing business as Truth and Advertising, in the amount of \$300,000, to provide consulting services for brand development and outreach services for the Pacific Surfliner marketing program for a one-year initial term with two, one-year option terms.
- C. Authorize the Managing Director to negotiate and execute Agreement No. L-7-0004 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Webb & Duffy's, doing business as Truth and Advertising, in the amount of \$250,000, to provide consulting services for integrated advertising and direct response marketing for the Pacific Surfliner marketing program for a one-year initial term with two, one-year option terms.

Discussion

An overview of the proposed Pacific Surfliner marketing program was provided in the fiscal year (FY) 2017-18 and 2018-19 Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) Business Plan (Plan), which was approved by the LOSSAN Agency Board of Directors (Board) on March 20, 2017. The Plan includes strategies for optimizing existing marketing efforts while building a framework to support future Pacific Surfliner marketing initiatives designed to grow awareness, ridership, and revenue. Marketing activities will utilize cost-effective, data-driven tactics that demonstrate return on marketing investments.

Procurement Approach

The procurement was handled in accordance with the LOSSAN Agency's procedures for professional and technical services. In addition to cost, many other factors are considered in an award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as staffing and project organization, prior experience with similar projects, work plan, and a fair and reasonable price structure.

On April 17, 2017, the Board authorized the release of Request for Proposals (RFP) 7-1687, which was issued and sent electronically on CAMM NET. The project was advertised in newspapers of general circulation, the Orange County Register and the Los Angeles Times, on April 17 and 24, 2017. A pre-proposal conference was held on April 24, 2017, with nine attendees representing nine firms. Two addenda were issued to provide a copy of the pre-proposal registration sheet and presentation, as well as to respond to questions related to the RFP.

In order to streamline the procurement process, RFP 7-1687 included two complementary scopes of work related to marketing services, which allowed firms to propose on one or both scopes of work. The two scopes of work are outlined as follows:

Brand Development and Outreach Services (Project A)

Develop the Pacific Surfliner identity and provide creative services as needed for the purpose of:

- Developing collateral and digital assets that create a memorable brand experience and advance business objectives to increase awareness, revenue, and ridership
- Planning and implementing short- and long-term advertising and outreach campaigns to increase market share and strengthen customer relationships

- Expanding destination-based marketing efforts through content that captures the engaging experiences, unique rider perspectives, and memorable events surrounding the Pacific Surfliner service

Integrated Advertising and Direct Response Marketing (Project B)

Provide media buying services and strategic consultation as needed for the purpose of:

- Implementing data-driven, multi-channel ridership campaigns that target specific audience segments and optimize direct response rates
- Utilizing data to create actionable insight and deliver pre- and post-campaign analysis to drive measurable marketing outcomes that advance business objectives to increase awareness, revenue, and ridership
- Developing new systems and approaches for capturing and leveraging audience insight that personalizes the Pacific Surfliner user experience and build long-term customer relationships

On May 15, 2017, proposals were received from eight firms. One of the eight firms only proposed on Project A. The others proposed on both Projects A and B. An evaluation committee consisting of Orange County Transportation Authority staff from Contracts Administration and Materials Management, as well as LOSSAN Agency staff, met to review all proposals received. The proposals were evaluated based on the following Board approved evaluation criteria and weights:

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|-------------------------------------|------------|
| • Qualifications of the Firm | 25 percent |
| • Staffing and Project Organization | 25 percent |
| • Work Plan | 30 percent |
| • Cost and Price | 20 percent |

Several factors were considered in developing the criteria weights. Work plan was weighted at 30 percent to emphasize the importance of the firm demonstrating its ability to provide solutions specific to the LOSSAN Agency's marketing needs and opportunities. Qualifications of the firm were weighted at 25 percent due to the breadth and depth of the requested services. The successful firm was required to demonstrate a proven track record for meeting the requirements included in the scope of work. Staffing and project organization was also weighted at 25 percent and required the firm's proposed project team to demonstrate familiarity with required marketing specializations in terms of knowledge, skills, and experience. Cost and price was weighted at 20 percent to ensure the LOSSAN Agency receives the best value for the requested services.

On May 30, 2017, the evaluation committee reviewed all proposals received based on the evaluation criteria and short-listed two firms for Project A and three firms for Project B. However, one of the short-listed firms for Project B withdrew its proposal

as the firm felt it was not advantageous to only be considered for Project B. The remaining three short-listed firms are listed below in alphabetical order:

Firm and Location

Civilian, Inc. (Civilian) – Project B
San Diego, California

PRR, Inc. (PRR) – Project A
Seattle, Washington

Webb & Duffy's, doing business as Truth and Advertising (Truth)
Project A and Project B
Santa Ana, California

The interviews took place on June 6 and 7, 2017, and consisted of a presentation to demonstrate the firms' understanding of the LOSSAN Agency's requirements for marketing the Pacific Surfliner. The firms' project managers and key team members had an opportunity to present qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firms' strategic approach and process, measuring success of a campaign, working with and managing subcontractors, as well as specific clarification questions related to each firm's proposal. After the interviews, the evaluation committee met to complete the evaluation.

After considering the responses to the questions asked during the interviews, the evaluation committee reviewed the preliminary ranking and made adjustments to individual scores. As a result, the ranking of the firms remained unchanged. Based on the evaluation of the written proposals and information obtained from the interviews, the evaluation committee recommends Truth for consideration of award for both Projects A and B. The following is a brief summary of the proposal evaluation results.

Qualifications of the Firm

The short-listed firms were qualified and demonstrated experience in providing marketing services.

Truth has been providing marketing services since 1996, is located in Santa Ana, California, and has 20 employees. The firm demonstrated relevant experience by discussing the approach used and results of past campaigns. Truth's past work with the Discovery Science Center, Bosch, the City of Santa Ana, Auction.com, and Samsung highlighted the firm's experience in brand development, advertising, direct response, as well as media planning and buying. The firm proposed to utilize subcontractors it has worked with in the past to provide support in media, direct response, research, videography, photography, and

translations services. In addition, Truth meets the Google Certified Partner requirement.

PRR is a full-service marketing firm with 90 employees. The firm is headquartered in Seattle, Washington and has seven locations. PRR has been in business for 35 years and has worked with many transportation agencies, including the Washington Department of Transportation (WSDOT), King County Metro Transit, and the Seattle Department of Transportation. PRR discussed relevant experience related to brand development and outreach services, such as providing marketing and outreach support to WSDOT for the Amtrak Cascades service. The firm proposed subcontractors to provide project management, media buying, and strategic resource support.

Founded in 1999, Civilian is a marketing communications firm with 30 employees located in San Diego, California. The firm's advertising and direct response marketing experience includes working with the City of Carlsbad, North County Transit District, the California Earthquake Authority, and the Los Angeles County Metropolitan Transportation Authority. The firm handles all printing and media buying in-house, which provides for a quicker turnaround and cost savings.

Staffing and Project Organization

Truth proposed a qualified project team with relevant experience. The proposed project team has previously worked together on the past projects identified in the firm's proposal. Most of the team members are tenured, having been with Truth for over 10 years. In addition, the proposed staffing plan clearly demonstrated an effective project management approach to ensure sufficient availability of resources to meet the LOSSAN Agency's marketing needs. During the interview, the project team demonstrated team cohesiveness and provided concise and thorough responses, which assured the evaluation committee of the project team's knowledge and expertise.

PRR proposed an experienced project team with good availability. Although the project manager has many years of experience, the individual's experience is more public relations and outreach-related rather than marketing. In addition, the proposed project manager is proposed as a subcontractor and has not previously worked in a prime-subcontractor basis with PRR. The firm's project team presented well and provided thorough responses during the interview.

Civilian proposed a mix of senior and junior level staff in order to be cost-effective. The project organization chart demonstrated a well-managed project team, as well as a deep bench of resources. The project team provided a good presentation and was responsive to the interview questions.

Work Plan

Truth presented a comprehensive work plan that addressed all of the elements of both scopes of work. The firm demonstrated a clear understanding of the project requirements and discussed its approach to meeting those objectives. The firm detailed its process of defining and analyzing the target audiences, identifying trends, developing the brand, creating a marketing plan, and measuring campaign effectiveness. Truth discussed developing the Pacific Surfliner brand and creating visuals to communicate the brand identity. In addition, the firm detailed how market research and metric tools aid in developing effective, integrated advertising and direct response marketing strategies. The firm also included examples of its branding and marketing ideas for the Pacific Surfliner with three campaigns and a video. The firm's campaign concepts presented during the interview confirmed Truth's understanding of the project goals and application of its strategic approach through creative designs.

PRR provided a detailed work plan that was responsive to the scope of work for Project A. The firm demonstrated an understanding of the target markets and market opportunities for the Pacific Surfliner. PRR described its brand development strategies and research ideas. While the firm presented good campaign concepts, PRR did not detail how its strategic approach tied into the development of its creative designs.

Civilian discussed its approach for meeting the requirements specified in the scope of work for Project B. Although the firm discussed the activities involved and the metrics to be used, Civilian did not elaborate on how its approach applied to the Pacific Surfliner. In addition, the firm demonstrated a lack of overall understanding of the marketing goals of the Pacific Surfliner. This was also apparent when the firm presented its campaign concepts.

Cost and Price

Pricing scores were based on a formula which assigns the highest score to the firm with the lowest weighted average hourly rate, and scores the other proposals' weighted average hourly rates based on their relation to the lowest weighted average hourly rate. Truth proposed a lower weighted average hourly rate and scored higher than the other short-listed firms.

Procurement Summary

Based on the evaluation of the written proposals, the firms' qualifications, and the information obtained from the interviews, the evaluation committee recommends the selection of Truth as the top-ranked firm to provide consultant services to support the Pacific Surfliner marketing program in the areas of brand development and outreach, as well as integrated advertising and direct response marketing.

Truth delivered a comprehensive proposal and an interview that was responsive to the requirements of the RFP.

Fiscal Impact

Funding for this project was approved by the LOSSAN Board in the LOSSAN Agency's FY 2017-18 and FY 2018-19 Plan, and is contingent on approval of the Plan by the California State Transportation Agency. The project will be funded through the \$2 million annual marketing budget provided by the State of California.

Summary

Based on the information provided, staff recommends the Board authorize the Managing Director to negotiate and execute Agreement No. L-7-0003 with Webb & Duffy's, doing business as Truth and Advertising, in the amount of \$300,000, and Agreement No. L-7-0004 with Webb & Duffy's, doing business as Truth and Advertising, in the amount of \$250,000, for a one-year initial term with two, one-year option terms, for consultant services to support the Pacific Surfliner marketing program in the areas of brand development and outreach, as well as integrated advertising and direct response marketing.

Attachments

- A. Review of Proposals, RFP 7-1687 Pacific Surfliner Marketing Services (Project A)
- B. Review of Proposals, RFP 7-1687 Pacific Surfliner Marketing Services (Project B)
- C. Proposal Evaluation Criteria Matrix (Short-listed Firms), Request for Proposals 7-1687 Pacific Surfliner Marketing Services (Project A)
- D. Proposal Evaluation Criteria Matrix (Short-listed Firms), Request for Proposals 7-1687 Pacific Surfliner Marketing Services (Project B)
- E. Contract History for the Past Two Years, RFP 7-1687 Pacific Surfliner Marketing Services

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