



**November 28, 2018**

A handwritten signature in blue ink, likely belonging to Jennifer L. Bergener, the Managing Director.

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director

**Subject:** Agreements for Pacific Surfliner Marketing Services

**Overview**

On September 17, 2018, the Board of Directors approved the release of a request for proposals for consultant support to provide marketing services for the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency. 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 Civilian, Inc. and Monarch Sports, LLC as the firms to provide consultant services for the Pacific Surfliner marketing program.
- B. Authorize the Managing Director to negotiate and execute Agreement No. L-8-0011 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Civilian, Inc. in the amount of \$1,000,000, to provide strategic creative and advertising services for the Pacific Surfliner marketing program for a one-year initial term through December 31, 2019, with two, two-year option terms.
- C. Authorize the Managing Director to negotiate and execute Agreement No. L-8-0012 between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and Monarch Sport, LLC in the amount of \$600,000, to provide outreach and field marketing services for the Pacific Surfliner marketing program for a one-year initial term through December 31, 2019, with two, two-year option terms.

**Discussion**

The Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) is responsible for marketing the Pacific Surfliner service to enhance public awareness of the service and increase ridership and revenue.

In mid-2017, the LOSSAN Agency initiated a competitive procurement process for two independent agreements to assist staff in strategic, creative, and technical aspects of marketing the Pacific Surfliner service. On August 21, 2017, the LOSSAN Agency Board of Directors (Board) awarded two contracts for marketing services, each with a one-year initial term and two, one-year option terms. The one-year initial term of the agreements expired August 31, 2018. It was determined that it was not in the best interest of the LOSSAN Agency to execute the option years in the current contracts. Re-procuring for marketing services allowed staff to better structure the contracts moving forward and update the scopes of work to reflect the strategic marketing goals and anticipated efforts in the coming year. Therefore, the LOSSAN Agency initiated the procurement process for two new contracts that include updated scopes of work, including a combined budget consistent with the marketing services contracts previously approved by the Board.

To streamline the procurement process, Request for Proposals (RFP) 8-1795 included two separate 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 below:

#### Creative Services and Advertising (Project A)

Provide media buying and creative services, as well as strategic consultation as needed for:

- Implementing data-driven, multi-channel media campaigns that target specific audience segments and optimize direct response rates
- Supporting ongoing efforts including print and digital advertising, email marketing, collateral development, onboard communications, and social media
- Implementing campaigns and creating marketing materials that resonate with target audiences and meet both brand standards and business objectives to increase awareness, revenue, and ridership
- Utilizing existing data to create actionable insight and deliver pre- and post-campaign analysis for driving measurable marketing outcomes that advance business objectives to increase awareness, revenue, and ridership
- Developing new systems and approaches to capturing and leveraging audience insight that personalizes the Pacific Surfliner user experience and builds long-term customer relationships
- Expanding destination-based marketing efforts through advertising campaigns that leverage the engaging experiences, unique rider perspectives, and memorable events surrounding the Pacific Surfliner service

- Ensuring effective design, layout, editorial, and art direction from concept development, execution, and production for fulfillment of media campaigns

#### Field Marketing Services (Project B)

Provide field marketing and community outreach services as needed for:

- Driving awareness of the Pacific Surfliner in specific markets
- Leveraging key collegiate and professional sports sponsorships to connect with the regional target audience for the Pacific Surfliner service
- Influencing consumer purchase decisions within communities served
- Increasing ridership, positive brand associations, and visibility of the Pacific Surfliner
- Uncovering opportunities to expand reach and influence in college markets to build awareness in that key demographic
- Promoting brand goodwill and partnerships with key convention and visitor's bureau partners
- Identifying and completing valuation of existing assets that can be offered to partners as part of a sponsorship package

#### ***Procurement Approach***

The procurement was handled in accordance with the LOSSAN Agency's Board-approved procedures for professional and technical services. Various factors were considered in the award for professional and technical services. Award is recommended to the firm offering the most comprehensive overall proposal considering such factors as prior experience with similar projects, staffing and project organization, work plan, as well as cost and price.

On September 17, 2018, the LOSSAN Agency Board authorized the release of Request for Proposals (RFP) 8-1795, which was issued electronically on CAMM NET. The project was advertised in a newspaper of general circulation on September 17 and 24, 2018. A pre-proposal conference took place on September 24, 2018, with five attendees representing five firms. Two addenda were issued to make available the pre-proposal conference registration sheets and presentation, as well as respond to questions related to the RFP.

On October 8, 2018, proposals were received by eight firms. Seven of the eight firms proposed on Project A and five of the eight firms proposed on Project B. An evaluation committee consisting of OCTA staff from Contracts Administration and Materials Management and Rail Operations, as well as LOSSAN Agency staff, met to review all proposals received. The proposals were based on the following LOSSAN Agency Board-approved evaluation criteria and weights:



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

Several factors were considered in developing these 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 was weighted at 25 percent because, due to the breadth and depth of the requested services, the successful firm must have a proven track record for meeting similar requirements in previous projects. Staffing and project organization was also weighted at 25 percent as the firm's proposed project team had to demonstrate familiarity with required marketing specializations in terms of knowledge, skills, and experience. Cost was weighted at 20 percent to ensure the LOSSAN Agency receives the best value for the requested services.

On October 18, 2018, the evaluation committee reviewed the proposals based on the evaluation criteria for both Project A and Project B. Based on the overall scores and the point spread between the top-ranked firm, Monarch Sport, LLC (Monarch), and second-ranked firm, there were no interviews for Project B. For Project A, the evaluation committee short-listed the two most qualified firms listed below in alphabetical order:

Civilian, Inc. (Civilian)  
San Diego, California

Sensis, Inc. (Sensis)  
Los Angeles, California

On October 29, 2018, the evaluation committee conducted interviews with the two short-listed firms. The interviews consisted of a presentation to demonstrate the firms' understanding of the LOSSAN Agency's requirements. The firms' project managers and key team members had an opportunity to present each team's qualifications and respond to the evaluation committee's questions. Questions were asked relative to the firm's core competencies, creative experience and process, strategic campaign planning, and current assignments. In addition, each team was asked specific clarifying questions related to their proposal.

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 changed.

Based on the evaluation of the written proposals and information obtained from the interviews, the evaluation committee is recommending Civilian for consideration of

award for Project A. In addition, the evaluation committee is recommending Monarch for consideration of award for Project B. The following is a brief summary of the proposal evaluation results.

### Project A

#### Qualifications of the Firm

Civilian is a marketing communications agency and has been in business since 1999. The firm has 30 employees and three offices in San Diego, Los Angeles, and Sacramento. Civilian has provided marketing services, such as strategic planning, creative development, and media planning, to public agencies, which include North County Transit District, Los Angeles County Metropolitan Transportation Authority, and San Jose International Airport. The firm is currently providing media planning and buying services for the LOSSAN Agency. Civilian proposed to utilize two subcontractors to provide additional expertise in areas related to destination marketing and travel and tourism content marketing.

Sensis has been providing marketing services since 1998 and has 70 employees across five offices around the country. The firm demonstrated experience related to increasing ridership and destination marketing through its work with Metrolink, the Orange County Fair and Event Center, and Auto Club Speedway. Sensis proposed to utilize subcontracts for direct mail, video production, radio production, photography, and print and mail house services.

#### Staffing and Project Organization

Civilian proposed a project team with experience in strategic planning, creative development, and media planning. The proposed project manager has ten years of account management experience and has been with the firm for two years. The project team members, which include senior-level staff, are currently working together on other projects and proposed sufficient availability for this effort. During the interview, the project team discussed their roles and process for meeting the LOSSAN Agency's marketing needs, as well as responded to the evaluation committee's questions.

Sensis' proposed project team included senior-level staff with over 20 years of marketing experience. The proposed project manager was been with the firm for three months. Sensis proposed low availability and indicated that it would bring on additional staff as-needed. Sensis was unable to provide clarification about its proposed staff and their experience when asked during the interview. The project team discussed its creative and marketing approach and responded to the evaluation committee's questions during the interview.



## Work Plan

Civilian presented a work plan that addressed all elements of the scope of work. The firm demonstrated an understanding of the project requirements and detailed its approach for developing an integrated marketing campaign plan, digital advertising, traditional media planning, analytics monitoring and reporting, creative services, and digital storytelling. Civilian offered potential campaign ideas, which demonstrated the firm's familiarity with the Pacific Surfliner service. In addition, the firm's campaign concepts presented during the interview confirmed Civilian's understanding of the project goals and application of its strategic approach. The firm went through its approach step-by-step and discussed its thought process in developing the campaign concepts to encourage travel and drive online traffic to the Pacific Surfliner website.

Sensis presented its approach in its work plan. The firm discussed its marketing strategy, creative approach, media strategy, and reporting metrics. Sensis demonstrated an understanding of the Pacific Surfliner by including potential campaign ideas and creative designs. During the interview, the firm elaborated on the campaign concepts presented in its proposal and discussed its strategy to increase interest and travel on the Pacific Surfliner.

## Cost and Price

Pricing scores were based on a formula which assigned the highest score to the firm with the lowest weighted average hourly rate and scored the other proposals' weighted average hourly rates based on their relation to the lowest weighted average hourly rate. Although Civilian did not propose the lowest weighted average hourly rate, pricing was competitive with Sensis' proposed pricing and comparable to the independent cost estimate from the LOSSAN Agency project manager.

## Project B

### Qualifications of the Firm

Monarch is a boutique marketing agency that specializes in field marketing services. Located in the City of El Segundo, the firm began in 2001 and has five employees. Monarch has provided brand consulting, media services, sports sponsorships, and consumer promotions for its clients, such as iHeart Media, Amtrak West/Amtrak California, Hertz, and New Orleans Bowl. The firm is currently providing field marketing and community outreach services for the LOSSAN Agency.

While the other proposing firms have marketing experience, they did not demonstrate specific field marketing and outreach experience.

### Staffing and Project Organization

Monarch proposed the same project team that is on the LOSSAN Agency's current field marketing contract. The proposed project manager founded Monarch and has 20 years of experience. The proposed account directors previously worked for Amtrak and have experience in supporting revenue and ridership goals, managing travel industry sales, and negotiating and implementing advertisements to increase brand awareness, ridership, and revenue. The project team demonstrated experience building relationships and partnerships with sports organizations, tourism centers, and local events.

The other firms' proposed project teams did not demonstrate related outreach or partnership experience.

### Work Plan

Monarch demonstrated an understanding of the project requirements by addressing all the elements of the scope of work. The firm detailed its approach for maintaining and gaining partnerships, building community awareness, and increasing regional visibility. The firm listed tourism organizations to partner with, such as San Diego Tourism Authority, Visit Anaheim, and the San Luis Obispo Chamber of Commerce. To build awareness and ridership growth, the firm identified events for sponsorships or participation, such as the California Strawberry Festival, San Diego County Fair, and the Central Coast Railroad Festival. In addition, Monarch recommended sports sponsorships with teams, events, and media, such as the Anaheim Ducks, sports radio updates on ESPN, KLAC radio, and Mighty1090, and Big West 2019 basketball tournaments, to target key audiences.

The other proposing firms discussed marketing tactics but did not elaborate on strategic approaches to drive awareness of the Pacific Surfliner in specific markets.

### Cost and Price

Pricing scores were based on a formula which assigned the highest score to the firm with the lowest weighted average hourly rate and scored the other proposals' weighted average hourly rates based on their relation to the lowest weighted average hourly rate. Monarch proposed the lowest weighted average hourly rate.

### Procurement Summary

Based on the evaluation of the written proposals, the firms' qualifications, as well as the information obtained from the interviews, the evaluation recommends the selection of Civilian for Project A and Monarch for Project B to provide consultant services for the Pacific Surfliner marketing program.

**Fiscal Impact**

Marketing services were included in the LOSSAN Agency's Fiscal Year (FY) 2018-19 and 2019-20 annual business plan and Board-adopted budget. The LOSSAN Agency has requested \$2 million in state-provided marketing funds for FY 2018-19. This amount is consistent with the three prior FY marketing budgets approved by the California State Transportation Agency.

**Summary**

Based on the information provided, Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency staff recommends the Board of Directors authorize the Managing Director to negotiate and executive Agreement No. L-8-0011 with Civilian, Inc., and Agreement No. L-8-0012 with Monarch Sport, LLC, to provide consultant services for the Pacific Surfliner marketing program.

**Attachments**

- A. Review of Proposals, RFP 8-1795 Pacific Surfliner Marketing Services (Project A)
- B. Review of Proposals, RFP 8-1795 Pacific Surfliner Marketing Services (Project B)
- C. Proposal Evaluation Criteria Matrix, RFP 8-1795 Pacific Surfliner Marketing Services (Project A)
- D. Proposal Evaluation Criteria Matrix, RFP 8-1795 Pacific Surfliner Marketing Services (Project B)
- E. Contract History for the Past Two Years, RFP 8-1795 Pacific Surfliner Marketing Services

**Prepared by:**

Emilia Doerr  
Marketing & Communications Officer  
(714) 560-5370