

## Transportation Committee

For the Metropolitan Council meeting of June 22, 2016

**Subject:** Authorization to Award Contract for Advertising Agency Services.

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to enter into a contract with Clarity Coverdale Fury to provide advertising agency services for Metro Transit and other Metropolitan Council work units on an as-needed basis over a five-year term in an amount not to exceed \$9 million.

### Summary of Committee Discussion/Questions

Council Member Dorfman asked the question: What is Metro Transit's annual marketing budget?

Response: Annual marketing budget is \$2.4M, which includes all project related expenses such as research, production and installation, and media buys. Total 5 year Advertising Agency contract costs are about \$5M, with a cap of \$9M – which allows for flexibility in growth and other MetCouncil divisions to use this contract.

Council Member McCarthy asked the question: What part of marketing budget is pure media buy expenses?

Response: About 80% of the budget is media costs.

Chair Schreiber asked the question: Why does the approval process for an Advertising Agency contract not include other MetCouncil committees since this contract can be used by all Council staff for various projects?

Response: The contract has historically been used exclusively by Metro Transit and is the primary user. Only in the last couple years has a small portion (5-10%) been used by other MetCouncil divisions and is considered optional.

Committee approved item with a unanimous vote.

## Transportation Committee

Meeting date: June 13, 2016

For the Metropolitan Council meeting of June 22, 2016

**Subject:** Authorization to Award Contract for Advertising Agency Services

**District(s), Member(s):** All

**Policy/Legal Reference:** Council Policy 3-3 Expenditures – Procurement of Goods and Services over \$250,000

**Staff Prepared/Presented:**

Brian J. Lamb, General Manager, 612-349-7510

Bruce Howard, Director of Customer Services and Marketing, 612-349-7694

Maria Cone, Manager of Market Development, 612-349-7534

Micky Gutzmann, Director of Procurement 651-602-1741

**Division/Department(s):** Metro Transit/ Marketing

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to enter into a contract with Clarity Coverdale Fury to provide advertising agency services for Metro Transit and other Metropolitan Council work units on an as-needed basis over a five-year term in an amount not to exceed \$9 million.

### Background

The existing contract for advertising agency services ends July 27, 2016. Metro Transit uses advertising agency services for specific marketing activities that cannot be accomplished in-house or for occasional overflow projects. These services mainly include production of some types of advertising, media planning and buying and market research. Growing Metro Transit's ridership, introducing new types of transit service, and supporting special-event services require significant marketing efforts many times needing advertising agency support. In addition, other divisions of the Metropolitan Council have utilized the advertising agency services for research, surveys and communications.

### Rationale

Staff issued a Request for Proposals (RFP) for advertising agency services on March 1, 2016 and received three responses. The RFP was downloaded from the Metropolitan Council's web site by 11 firms after being advertised on the Council's web site and as the result of direct email notifications.

The RFP required proposers to demonstrate the ability to provide a full range of services including strategy development, planning,

developing, coordinating and executing specific marketing campaigns, developing media-buying plans, conducting research, and measuring and evaluating advertising effectiveness. The RFP required proposers to include a statement of qualifications and relevant experience of both the firm and key personnel. In addition, each proposer was required to submit examples of four projects completed by the agency: working with a non-profit, a large event, a product, and research. They were also asked to submit a hypothetical plan to market the bus routes that were recently relocated from Nicollet Mall to Hennepin Avenue.

An evaluation panel independently read and evaluated each proposal and then met to discuss and rate each proposal. Four criteria were used in the evaluation – quality of the proposal in addressing the RFP requirements, qualifications of the proposer, experience, and price. The price proposal included the hourly rates of key personnel and was applied to a hypothetical project requiring forty hours of project work from various staff.

The panel determined that the proposal submitted by Clarity Coverdale Fury is the most advantageous to the Council. The Clarity Coverdale Fury proposal is the highest rated proposal based on technical merit and is the only one of the three finalists to receive a price proposal rating of very good based on the lowest hourly rates and was determined that their rates were fair and reasonable.

### **Funding**

Funding for advertising agency services is budgeted annually and included as part of the overall marketing department budget.

### **Known Support / Opposition**

None