



SUPPLEMENTAL AGENDA REPORT

PROPOSED ACTION: Resolution: Approve and Authorize the Executive Director to Execute an Agreement with Lost Sox LLC dba Distill for Airport Marketing Services at the Oakland Airport for a Term of Two Years with One-Year Option to Extend in a Total Amount Not to Exceed \$1,500,000; and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act.

Submitted By: Craig Simon, Director of Aviation; Kristi McKenney, Executive Director

Parties Involved: Lost Sox LLC dba Distill, Oakland, CA

Amount: \$1,500,000.00 maximum in three years(Operating Expense)

EXECUTIVE SUMMARY: The Port of Oakland (Port) uses professional advertising and design firms to develop and implement Oakland Airport (OAK) related advertising programs to target various passenger groups. A formal request for proposals was issued to solicit professional consulting services to oversee the development, design and production of a variety of advertising assets for OAK. Lost Sox LLC dba Distill ranked highest based on this formal procurement process.

BACKGROUND & ANALYSIS

Port Staff are responsible for promoting Oakland Airport (Airport or OAK) as a convenient and reliable choice for air travel in the San Francisco Bay Area. The department's overarching mission is to drive increased passenger traffic and support the expansion of the Airport's route network.

To accomplish this, the department targets two key passenger audiences with distinct marketing strategies. For local San Francisco Bay Area travelers, OAK is positioned as the region's close, accessible, and dependable airport, with messages such as "Fly the East Bay Way." For inbound domestic and international travelers, OAK is primarily promoted as "The Best Way to San Francisco Bay," emphasizing the Airport's central location in the San Francisco Bay Area region and excellent connectivity to the area's major business, cultural, and entertainment destinations.

To effectively communicate these messages, the department requires the creation of fresh, high-quality, and visually compelling marketing assets to effectively build brand equity and drive demand for the Airport. These assets will be used across a wide range of advertising and outreach platforms and are essential to marketing OAK.

On November 8, 2024, Port Staff issued a Request for Proposal (RFP) No. 24-25/09, Aviation Marketing Services, to solicit professional consulting services to oversee the development, design and production of a variety of advertising assets to be used for various advertising programs pursued each year. The selected agency will be tasked to further develop and execute integrated marketing campaigns to increase the use of OAK by both inbound and outbound travelers. The contract amount includes the cost

of market research, strategy development, design of creative assets, assistance with campaign execution, and administration. An optional pre-proposal meeting was held on November 22, 2024, and was attended by 16 attendees.

The Port received seven proposals on January 16, 2025. The evaluation committee was comprised of three Port Staff and two external members who hold marketing roles: one at an airport and one at an airport related business. Evaluations were based on the firm's proven ability to fulfill the full scope of work as prescribed in the RFP included:

- **Brand Development:**
 - Further development of the Oakland Airport brand.
 - Assist in the consistency of the brand message throughout all marketing programs and campaigns.
 - Assist in strategic development of marketing initiatives and advertising campaigns.
- **Production:** Produce and reproduce high quality advertising assets.
- **Website Design:** Provide support for updates and content development to the Airport website: IFlyOAK.com. The airport's website is managed under a separate contract by the Port's communications department and that will not change. However, the design of website updates for marketing purposes is occasionally needed, and a selected firm can provide these services.
- **Monthly Newsletter Design:** The airport publishes an award-winning monthly newsletter in support of new and existing airline service, passenger amenities at the airport, and regionally curated feature stories. The selected firm(s) will have the capability to design, develop content, and execute the distribution of the newsletter with a monthly review of distribution analytics.

Port Staff held interviews on March 18, 2025, with the top three ranking firms followed by another interview of the top two ranking firms on May 15, 2025. Based on the scoring criteria, the firms were ranked as shown on Table 1.

Table 1
Firm Ranking

Company Name	Rank	Location
Lost Sox LLC dba Distill	1	Oakland, CA
Circa Now, LLC	2	Santa Rosa, CA
Nice + Company, LLC	3	San Francisco, CA
Polytechnic Marketing	4	Berkeley, CA
The Aviation Agency	5	Bloomington, MN
SDLC Corp	6	San Francisco, CA
Hit Agency	7	Rochester, MN

Based on the criteria set forth, Lost Sox LLC dba Distill (Distill) was the highest ranked firm for this project. Distill's technical expertise, experience, proposed plan and approach set them apart from the others. With diverse experience and a team spanning the San Francisco Bay Area and international markets, their approach combines local insights with global perspective. Distill has partnered with Oaklandish for this project and they collaborated together a number of years ago when they designed the "I Fly OAK" brand for the Oakland Airport.

OTHER FINDINGS AND CONSIDERATIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☐ Categorically exempt under the following CEQA Guidelines Section:
Choose an item.
- ☒ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- ☐ Other/Notes:

BUDGET

- ☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
- ☒ Operating ☐ Non-Operating ☐ Capital

Analysis: There is no budget impact as these costs were included in the FY 2026 Aviation Marketing Budget.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Budgeted Headcount.
Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

**MARITIME AND AVIATION PROJECT
LABOR AGREEMENT (MAPLA):**

LIVING WAGE (City Charter § 728):

<p><u>Applies?</u> No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port’s Capital Improvement Program in Aviation or Maritime areas above the threshold cost.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>	<p><u>Applies?</u>No (Not Covered Entity) – proposed action involves entity not covered by Living Wage requirements because it is not a covered service provider or tenant, does not employ at least 21 employees, or receive from or pay to Port at least \$50,000.</p> <p><input type="checkbox"/> <u>Additional Notes:</u></p>
<p><u>SUSTAINABLE OPPORTUNITIES:</u></p> <p><u>Applies?</u> No.</p> <p><u>Reason:</u> There are no sustainability opportunities related to this proposed action because it does not involve a development project, purchasing of equipment, or operations that presents sustainability opportunities.</p>	<p><u>GENERAL PLAN</u> (City Charter § 727):</p> <p><u>Conformity Determination:</u></p> <p>Not Required – conformity determination not required because proposed action does not change use of or make alterations to an existing facility, or create a new facility.</p>
<p><u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Capture Our Market and Grow the Economic Base <input type="checkbox"/> Modernize and Upgrade Infrastructure <input type="checkbox"/> Transition to Zero-Emissions and Build Climate Resilience <input type="checkbox"/> Maximize Land Use Value and Revenues <input type="checkbox"/> Workforce Training and Jobs Development <input checked="" type="checkbox"/> Create Opportunities for Local Businesses and Community Economic Development 	