

AGENDA REPORT

Resolution: Authorization To Enter Into Contract with an Advertising Agency, Circa Now, LLC, for a Term of Two Years with One, 1-Year Option to Extend, in an Amount Not to Exceed \$450,000. **(Aviation)**

MEETING DATE: 7/25/2019

AMOUNT: Not to exceed \$300,000 over two years. (The Port will have an option to extend the contract an additional year with an estimated budget up to \$150,000, for a grand total of \$450,000.)
Operating Expense

PARTIES INVOLVED: Circa Now, LLC. Santa Rosa, CA
Dave Devencenzi

SUBMITTED BY: Bryant L. Francis C.M., Director of Aviation

APPROVED BY: J. Christopher Lytle, Executive Director

ACTION TYPE: Resolution

EXECUTIVE SUMMARY

Consistent with the Port's Strategic Plan goals, the Aviation Marketing Department's plan is to continue to execute strategic marketing campaigns promoting new and existing air services to maintain and grow passenger traffic.

Staff is seeking the Board's approval to authorize the Executive Director to execute a professional services agreement with the highest ranked advertising firm, Circa Now, LLC, for a two-year term, with the option to extend the contract for an additional one-year term, for a total not to exceed \$450,000 for the three-year period.

BACKGROUND

The Aviation Marketing Department promotes Oakland International Airport to two distinct groups of passengers with messages centered on OAK's relative convenience and reliability as a major San Francisco Bay Area airport.

1. To the local originating San Francisco Bay Area market, Oakland International Airport is promoted as the easily accessible, reliable, and centrally located airport in the region. "Fly the East Bay Way" is the identifiable message to the local audience.

2. To inbound domestic and international travelers, OAK is promoted as “The Best Way to San Francisco Bay.”

For the last five years, Circa Now, LLC has been Aviation Marketing’s agency of record. A full service creative design and advertising agency, Circa Now has successfully developed the existing advertising campaigns during a period of time in which the airport’s passenger traffic has grown over 40% and 21 new nonstop markets, 15 domestic and six international, were initiated and sustained. OAK’s marketing program has been acknowledged as best in class and has won multiple awards, including Overall Winner of the 2019 Routes Americas Marketing Awards.

Approximate annual expenditures with Circa Now over the past three years are as follows:

Year	Amount
2016	\$84,000
2017	\$109,000
2018	\$124,000

On March 8, 2019, Port staff issued a Request for Proposal (RFP) No. 18-19/19 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 agency will be tasked to further develop and execute the existing integrated marketing campaigns to increase the use of Oakland International Airport by both outbound and inbound travelers. It is intended that the contract amount includes the cost of administration, market research, strategy development and design of creative assets.

By April 5, 2019, the proposal due date, the Port received fourteen proposals in response to the RFP. Four staff member panelists analyzed and ranked the proposals independently and interviewed the highest ranked firms, and staff is now seeking the Board’s approval to authorize the Executive Director to execute a professional service agreement with Circa Now, LLC.

ANALYSIS

Fourteen firms responded to the Port’s RFP and were evaluated based on their ability to meet the needs of Oakland International Airport’s advertising goals: knowledge and experience; plan and approach; resources; references and key personnel; proposed costs, and meeting the Port’s Non-Discrimination and Small Local Business Utilization Policy (NDSLBP).

Local Business Utilization

The Social Responsibility Division worked closely with Aviation Marketing to ensure outreach and analysis in the accordance with the NDSLBP. Outreach was conducted in the following ways:

- Direct email to known, qualified advertising design firms, including six (6) entities certified with the Port's Social Responsibility Division.
- Port website announcement of the contract opportunity.
- Advertisement in the Oakland Tribune.
- Information sharing and NDSLBP applicability, potential point allocations, and certification requirements.
- Solicitation notifications sent to 133 recipients subscribed through Community-Based Organizations and Chamber of Commerce branches.
- E-blasts to sister agencies (i.e., City of Oakland and County of Alameda).

To evaluate the proposals received, the Port established a four-person Evaluation Committee (the "Committee") comprised of staff from the Aviation Marketing Department. The top five ranked firms were invited for interviews.

Final evaluations were based on the firm's proven ability to fulfill the full scope of work as outlined in the RFP that included:

1. Brand growth and development:
 - a. Capability to further develop the Oakland International Airport brand identity.
 - b. Assist in the consistency of the brand message throughout all marketing programs and campaigns.
2. Print/ Digital production: Produce and reproduce high quality print advertising for newspaper and magazines as well as digital advertisements in various digital formats.
3. Graphic/ Website design: Provide graphic design and content development for digital print and collateral material to expand and develop brand awareness. These designs will be required to maintain graphic integrity and consistency with the overall image and brand of Oakland International Airport.

The final ranking of the firms following the panel's evaluation and interviews is as follows:

Proposers	Location	Rank
Circa Now, LLC	Santa Rosa, CA	1
Nice & Company, LLC	San Francisco, CA	2
Hiltachk Marketing Group	Sacramento, CA	3
Polytechnic Marketing, LLC	Berkeley, CA	4
The M-Line	Oakland, CA	5
Lowercase Production LLC	San Francisco, CA	6
Barretto Co.	Oakland, CA	7
PorterCo Agency	Sacramento, CA	8

Chen Design Associates, Inc.	Oakland, CA	9
LEVEL Brand, LLC	Minneapolis, MN	10
DB&M Media, Inc.	Costa Mesa, CA	11
McKenna Design Group, Inc.	Evanston, IL	12
Firespring Print, Inc.	Lincoln, NE	13
Pixel by Inch, LLC	Oakland, CA	14

The Committee evaluated each proposal based on criteria set forth in the RFP, and as listed below:

Criteria	Weighting
1. Adherence to Port Policy Requirements and Required Forms (Pass/Fail) – Completion of forms attached to RFP	Pass/Fail
2. Company Information – Company Information, Client References, Litigation Information, Past Performance, Resources	10%
3. Knowledge and Experience – Key personnel, and project experience in the following areas: Managing creative design, production costs, materials, and advertising; research and development; experience in promotional media, including internet and social media; experience working with non-profit and/or government clients.	25%
4. Plan and Approach - Evidence of capabilities to fulfill the general scope of work required in the RFP.	25%
5. Proposed Costs - Fee structure, with hourly rates and distribution of hours by staff type	25%
6. Non-Discrimination and Small Local Business Utilization – Up to 15 preference points are granted in accordance with the Port's Non-Discrimination and Small Local Business Utilization Policy	15%

The five finalist proposals stood out in terms of scoring in comparison to the other nine proposers. Among the finalists, each of whom participated in an in-person interview, Circa Now, LLC's experience and approach set it apart from the others.

BUDGET & STAFFING

Aviation Division includes operating expenses for marketing in its annual budget. The proposed action does not have any budget or staffing impact.

MARITIME AVIATION PROJECT LABOR AGREEMENT (MAPLA)

The matters included in this Agenda Report do not fall within the scope of the Port of Oakland Maritime and Aviation Project Labor Agreement (MAPLA) and the provisions of the MAPLA do not apply.

STRATEGIC PLAN

The action described herein would help the Port achieve the following goals and objectives in the Port's Strategic Business Plan (2018-2022).

<https://www.portofoakland.com/wp-content/uploads/Port-of-Oakland-Strategic-Plan.pdf>

- Goal: Grow Net Revenue. Focus on the top 50 markets for Bay Area travelers and increase service to underserved markets by utilizing aggressive advertising campaigns and strategies to increase awareness of OAK and its flight offerings.
- Goal: Grow Net Revenue. Target international and unserved domestic markets and continue branding efforts to establish OAK as the most centrally-located airport in the San Francisco Bay Area and closest airport to the region's top business and tourism venues.

LIVING WAGE

Living wage requirements, in accordance with the Port's Rules and Regulations for the Implementation and Enforcement of the Port of Oakland Living Wage Requirements (the "Living Wage Regulations"), do not apply to this agreement as the tenant does not employ 21 or more employees working on Port-related work. However, the tenant will be required to certify that should living wage obligations become applicable, the tenant shall comply with the Living Wage Regulations.

SUSTAINABILITY

Port staff have reviewed the Port's 2000 Sustainability Policy and did not complete the Sustainability Opportunities Assessment Form. 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.

ENVIRONMENTAL

This action, to enter into a contract with a creative design agency, Circa Now, LLC, was reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA) Guidelines. The general rule in Section 15061(b)(3) of the CEQA Guidelines states that CEQA applies only to activities that have a potential for causing a significant effect on the environment. It can be seen with certainty that entering into a contract with a creative design agency, Circa Now, LLC will not result in a physical change in the environment, and therefore this action is not subject to CEQA and no further environmental review is required.

GENERAL PLAN

This project is for professional services and will not directly include any alteration of property. Development projects that result from these professional services will be subject to separate

findings of conformity with the City of Oakland General Plan in accordance with Section 727 of the Charter.

OWNER-CONTROLLED INSURANCE PROGRAM (OCIP)

Professional service agreements are not subject to the Port's Owner Controlled Insurance Program (OCIP) as professional services are not construction activities.

OPTIONS

- Authorize the Executive Director to execute a professional services agreement with Circa Now, LLC for creative design services in a total amount not to exceed \$300,000 for two years, with an option to extend the contract an additional year pending performance, for a total amount not to exceed \$450,000. This is the recommended action.
- Do not authorize the professional services procurement. This would result in the Port reverting to no advertising with a loss of opportunity to enhance OAK print, online, and incentive advertising abilities and to significantly lessen brand visibility and the prospect of growing passenger traffic and customer loyalty at Oakland International Airport.

RECOMMENDATION

Port staff recommends the Board of Port Commissioners adopt a resolution authorizing the Executive Director to enter into a professional services agreement with Circa Now, LLC as OAK's advertising and creative design agency in a total amount not to exceed \$300,000 for two years, with an option to extend the contract an additional year, for a total amount not to exceed \$450,000.

Approval will allow Port staff to continue to build upon its global advertising program and increase awareness of Oakland International Airport and its air service offerings.