

**SOUND TRANSIT  
STAFF REPORT**

**MOTION NO. M2002-102**

**Contract for advertising and media buying services**

<b>Meeting:</b>	<b>Date:</b>	<b>Type of Action:</b>	<b>Staff Contact:</b>	<b>Phone:</b>
Finance Committee	9/5/02	Discussion/Possible Action	<b>Ric Ilgenfritz, Chief Communications Officer</b> Tim Healy, Marketing Manager	(206) 398-5239  (206) 398-5062

<b>Contract/Agreement Type:</b>		<b>Requested Action:</b>	
Competitive Procurement	3	Execute New Contract/Agreement	3
Sole Source	3	Amend Existing Contract/Agreement	3
Memorandum of Agreement		Contingency Funds Required	
Purchase/Sale Agreement		Budget Amendment Required	

4 Applicable to proposed transaction.

**OBJECTIVE OF ACTION**

- Develop and implement Sound Transit advertising campaigns.

**ACTION**

- Authorizing the Executive Director to execute a contract with COPACINO for advertising and media buying services for a term of three years and for a total authorized contract amount not to exceed \$1,000,000.

**KEY FEATURES**

- Provide the public with more information about Sound Transit's frequency and availability of services and projects.
- The services provided under this contract include the development and production of print advertising, broadcast advertising, transit advertising, outdoor billboard advertising, direct mail, collateral materials and audiovisual materials. In particular, COPACINO will provide the following services:
  - a. Creating and preparing communications and advertising ideas and programs.
  - b. Preparing estimates of costs for the recommended programs.
  - c. Employing knowledge of available media and means that can be effectively and efficiently used to communicate department services and messages.
  - d. Ordering the space, time or other means to be used for advertising, securing the most advantageous rates available.
  - e. Incorporating the message in mechanical or other form and forwarding it with proper instruction to fulfill the order.
  - f. Checking and verifying insertions, displays, broadcasts or other means used, to such degree as is usually performed by agencies.
  - g. Evaluating and reporting on communications and advertising results as required.

- h. Auditing invoices for space, time material preparation and services. Maintaining budget and records of project expenditures.
  - i. Submitting invoices to Sound Transit for payment in a format that meets Sound Transit's reporting requirements.
- All work will be performed on an "as-needed" basis. Each project will require a scope of work and work order before any work is authorized by the project manager.

**BUDGET IMPACT SUMMARY**

**Project Description:** Advertising and Media Buying services

**Current Status:** Pending contract approval – current contract expired 7/31/02

**Projected Completion Date:** Sept.-05

<b>Action Outside of Adopted Budget:</b>	<b>Y/N</b>	<b>Y</b>	<b>Requires Comment</b>
This Line of Business	N		
This Project	N		
This Phase	N		
This Task	N		
Budget amendment required	N		
<b>Key Financial Indicators:</b>	<b>Y/N</b>	<b>Y</b>	<b>Requires Comment</b>
Contingency funds required	N		
Subarea impacts	N		
Funding required from other parties other than what is already assumed in financial plan	N		

N = Action is assumed in current Board-adopted budget. Requires no budget action or adjustment to financial plan

**BUDGET DISCUSSION**

The previous advertising contract was budgeted partially in the Communications Department budget, and partially in marketing budgets in each line of business. Expenditures for this contract are expected to be budgeted in a similar manner. The reason for this is that a portion of our marketing effort is intended to highlight the regional transit system as a whole, and a portion is targeted toward marketing individual routes and services.

The motion calls for a contract period not to exceed three years with work performed on an as-needed basis via work orders. The contract would extend from September 2002 through September of 2005.

Anticipated spending for this contract is within existing and proposed budgets. It is anticipated that approximately \$542,000 of the total \$1,000,000 contract amount will be expended as part of the Communications Department marketing budget over the next three years. The remaining \$458,000 is expected to be allocated to service line budgets over the next three years through a direct charge process. When services from this contract are needed, a work order will be generated authorizing the direct charges to the individual project. Funds for this contract will depend upon adoption of future annual budgets.

## REVENUE, SUBAREA, AND FINANCIAL PLAN IMPACTS

The proposed action is consistent with the current Board-adopted budget and is affordable within Sound Transit's current long-term financial plan and the subarea financial capacity.

### SUMMARY FOR BOARD ACTION

#### Summary for Board Action (Year of Expenditure \$000)

Action Item: As Needed contract with Copacino Creative for advertising and media buying services

	(A) Current Approved Contract	(B) Spent to Date	(C) Proposed Action	(D) Proposed Total Contract Value
<b>Contract Budget</b>				
Copacino Creative	0	-	1,000,000	1,000,000
Contingency	0	-	-	-
<b>Total</b>	<b>0</b>	<b>-</b>	<b>1,000,000</b>	<b>1,000,000</b>
Percent Contingency	0%	-	0%	0%

Copacino Contract-Staff Budget	2002 Staff Budget	2003 Staff Budget	Future Staff Budgets	Direct Charges to Projects	Total
Marketing Svc - Agency	-	115,000	427,000	458,000	1,000,000
<b>TOTAL CONTRACT CHARGES:</b>	<b>-</b>	<b>115,000</b>	<b>427,000</b>	<b>458,000</b>	<b>1,000,000</b>

Copacino Contract-Line Budget	2002 Budget	2003 Budget	Future Budgets	Total
Link, Marketing Svc - Agency	30,000	45,000	87,000	162,000
REX, Marketing Svc - Agency	30,000	40,000	86,000	156,000
Souder, Marketing Svc - Agency	30,000	35,000	75,000	140,000
<b>TOTAL CONTRACT CHARGES:</b>	<b>90,000</b>	<b>120,000</b>	<b>248,000</b>	<b>458,000</b>

Copacino Contract-Total Budget	2002 Contract Budget	2003 Contract Budget	Future Contract Budget	Total
Agency, Marketing Svc - Agency	-	115,000	427,000	542,000
Link, Marketing Svc - Agency	30,000	45,000	87,000	162,000
REX, Marketing Svc - Agency	30,000	40,000	86,000	156,000
Souder, Marketing Svc - Agency	30,000	35,000	75,000	140,000
<b>TOTAL CONTRACT CHARGES:</b>	<b>90,000</b>	<b>235,000</b>	<b>675,000</b>	<b>1,000,000</b>

### M/W/DBE – SMALL BUSINESS PARTICIPATION

Minority, Women and Disadvantaged Business Enterprise and small business participation was strongly encouraged and proposals were required to address each firm's efforts to include M/W/DBE and small business participation. COPACINO is a small business with 50 percent ownership held by a minority woman. They are committed to utilize M/W/DBE and other small businesses whenever feasible.

## **HISTORY OF PROJECT**

COPACINO has been Sound Transit's advertising agency since November 1998. Their current contract expired on July 31, 2002. On June 10, 2002, Sound Transit advertised a request for qualifications and proposals from firms qualified and interested in providing advertising and media buying services to Sound Transit. A pre-bid open house was held on June 19, 2002, and fourteen vendors attended. Six proposals were submitted and reviewed. COPACINO was selected to provide advertising services for Sound Transit based on qualifications and performance during the procurement process.

### **Prior Board or Committee Actions and Relevant Board Policies**

<b>Motion or Resolution Number</b>	<b>Summary of Action</b>	<b>Date of Action</b>
Motion No. M98-80	Motion No. M98-80 authorized a contract for marketing and advertising services with Pacific Rim Resources/COPACINO in an amount not to exceed \$4 million for a total contract length not to exceed 5 years.	11/5/98
Reso No. R2001-17	Resolution No. R2001-17 adopted an annual budget for the period from January 1 through December 31, 2002. That budget includes \$370,000 for advertising services and \$1.2 million for paid advertising.	12/13/01

## **CONSEQUENCES OF DELAY**

Delays in executing this contract could affect implementation of ST Express and Sounder advertising campaigns planned for this fall which is scheduled to coincide with the September service change. It could also affect planning for the year 2003 advertising program.

## **REGIONAL PARTNERSHIP AND COOPERATION**

The advertising and media buying services may be used to help develop regional transit campaigns in conjunction with Sound Transit's regional transit partners.

## **PUBLIC INVOLVEMENT**

N/A

## **LEGAL REVIEW**

JDW 8/21/02

## SOUND TRANSIT

### MOTION NO. M2002-102

A motion of the Finance Committee of the Central Puget Sound Regional Transit Authority authorizing the Executive Director to execute a contract with COPACINO for advertising and media buying services for a term of three years and for a total authorized contract amount not to exceed \$1,000,000.

#### Background:

On June 10, 2002, Sound Transit advertised a request for qualifications and proposals from firms qualified and interested in providing advertising and media buying services, and developing and implementing advertising campaigns, including media purchases, creative product development, and print and audio-visual production. COPACINO was selected out of the six proposals that were submitted and reviewed.


#### Motion:

It is hereby moved by the Finance Committee of the Central Puget Sound Regional Transit Authority Board that the Executive Director is authorized to execute a contract for advertising and media buying services for Sound Transit with COPACINO for a term of three years and for a total authorized contract amount not to exceed \$1,000,000.

APPROVED by the Finance Committee of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on September 5, 2002.

  
Jack Crawford  
Finance Committee Vice Chair

ATTEST:

  
Marcia Walker  
Board Administrator