

Date: May 24, 2017

To: Board of Directors

From: Neil McFarlane *Neil McFarlane*

**Subject: RESOLUTION 17-05-49 OF THE TRI-COUNTY METROPOLITAN
TRANSPORTATION DISTRICT OF OREGON (TRIMET)
AUTHORIZING CONTRACTS WITH PRR, INC., PULSAR, INC. AND
STRUCK, INC. FOR ADVERTISING AGENCY SERVICES**

1. Purpose of Item

The purpose of this item is to request that the TriMet Board of Directors (Board) authorize the General Manager to execute contracts with PRR, Inc. (PRR), Pulsar, Inc. (Pulsar), and Struck, Inc. (Struck) for advertising agency services (Services).

2. Type of Agenda Item

- Initial Contract
 Contract Modification
 Other _____

3. Reason for Board Action

Board approval is required for personal services contracts obligating TriMet to pay in excess of \$150,000.

4. Type of Action

- Resolution
 Ordinance 1st Reading
 Ordinance 2nd Reading
 Other _____

5. Background

TriMet's Marketing and Communications staff has a need for additional creative and marketing services capacity. TriMet currently has a contract with an advertising agency of record, procured through an RFP process in 2014. While that contract has one option year remaining, funding will be exhausted this fiscal year. In light of this, TriMet staff elected to start a new solicitation process to select multiple contractors to provide expertise in a broad array of creative and marketing services that TriMet needs. Having multiple contractors under contract will afford TriMet staff access to the best firm who has the necessary expertise on any given project throughout the duration of the contracts.

6. Procurement Process

TriMet conducted a Request for Proposals (RFP) process to select multiple contractors to perform the Services. The RFP was issued on January 16, 2017. TriMet received twelve proposals in response to the RFP from:

- 24 Seven, Inc.
- Colehour + Cohen, Inc.
- Coates Kokes
- HMH Agency
- HUB Collective, Ltd.
- Lara Media Services, LLC
- PRR, Inc.
- Pulsar, Inc.
- Sacunas, Inc.
- Skeye Media, Inc.
- Struck, Inc.
- Stori, LLC

An Evaluation Committee (EC) comprised of staff from TriMet's Public Affairs Division was appointed to review, evaluate, and score the proposals. The evaluation criteria in the RFP included qualifications of firm, staff, and diversity; and understanding and implementation of the scope of services. Due to the nature of the work involved, pricing was not evaluated because there was no example project identified and, therefore, no basis to evaluate pricing equally. Proposers were required to submit price forms which listed rates for certain key positions that would perform Services under the contract.

After initial evaluation of the technical proposals, the EC determined that Colehour + Cohen (C+C), Coates Kokes (Coates), PRR, Pulsar, Stori, LLC (Stori) and Struck were the highest ranked firms. The EC elected to open price proposals of those six firms to review hourly rates and subsequently invited all six in for interviews. The table below shows the scoring for the six firms:

Evaluation Criteria	Proposers					
	C + C	Coates	PRR	Pulsar	Stori	Struck
Qualifications of Proposer, Staff, and Diversity (40 points)	35	35	32	35	32	33
Understanding and Implementation of Scope (60 points)	43	44	55	51	26	56
Total	78	79	87	86	58	89

Following interviews, the EC decided three firms (PRR, Pulsar, and Struck) demonstrated the best understanding of TriMet's brand and had the expertise necessary for the agency. The EC then requested Best and Final Offers (BAFO) from these three firms reflecting revised hourly rates for key positions performing Services under these contracts. Average hourly rate reductions ranged from 1% to 30%. TriMet staff performed a price analysis on these BAFO rates and determined that they are fair and reasonable.

The term of the contracts will be for a one (1) year base term with four (4) additional one (1) year options to renew. Each contract will be established with a not-to-exceed amount of \$60,000 per year for a maximum not-to-exceed amount of \$300,000 each for the full five (5) year term if all options are exercised. The contracts will be task order based and will be competed amongst the three selected firms. TriMet staff will request a work plan based on a scope of services provided, accompanied by a cost proposal based on contractually agreed upon hourly rates. Task orders will be awarded to the firm that presents the most advantageous task order proposal. For task orders estimated to cost less than \$10,000, TriMet staff will have the option of directly awarding task orders to the contractor deemed most appropriate given the scope of work.

7. Diversity

All three firms will be self-performing the work. PRR is a certified DBE and WBE. Their workforce is 68% women and 17% minority employees. Pulsar has applied for DBE certification and their workforce is 53% women and 32% minority employees. Struck is non-certified and their workforce is 40% women and 3% minority employees. Struck has a total of 38 employees.

8. Financial/Budget Impact

The maximum amount of each contract will be \$300,000 for a total of \$900,000 over 5 years for all three contracts. The contracts will be utilized as needed and as budget permits.

9. Impact if Not Approved

TriMet could re-procure the contract, however, this option is not recommended because these three firms are well qualified to perform the Services and have offered fair and reasonable pricing. Re-procuring the contract would result in unnecessary delay and hinder TriMet's ability to market and advertise vital projects commencing soon.

RESOLUTION 17-05-49

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING CONTRACTS WITH PRR, INC., PULSAR ADVERTISING, INC., AND STRUCK, INC. FOR ADVERTISING AGENCY SERVICES

WHEREAS, TriMet has authority under ORS 267.200 to enter into a contract with PRR, Inc. (PRR), Pulsar Advertising, Inc. (Pulsar), and Struck, Inc. (Struck) for advertising agency services (Services); and

WHEREAS, the total amount of the Contracts shall exceed \$150,000; and

WHEREAS, the TriMet Board of Directors (Board), by Resolution dated November 25, 2009, adopted a Statement of Policies requiring the Board to approve personal services contracts obligating TriMet to pay in excess of \$150,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Contract shall be in conformance with applicable laws.
2. That the General Manager or his designee is authorized to execute the Contracts.

Dated: May 24, 2017

Attest:

Presiding Officer

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department