

APPROVED
JUL 12 2006

REPORT OF GENERAL MANAGER

NO. 06-196

DATE July 12, 2006

**BOARD OF RECREATION
and PARK COMMISSIONERS**

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BOARD OF RECREATION AND PARK COMMISSIONERS

SUBJECT: GRIFFITH OBSERVATORY - VISITOR ACCESS PROGRAM - AWARD OF MEDIA NEGOTIATION AND BUYING CONTRACT TO FRASER COMMUNICATIONS

J. Combs _____
K. Regan _____
F. Mok _____
S. Huntley _____
H. Fujita _____
M. Shull _____
J. Kolb _____
*B. Jensen _____



General Manager

Approved _____

Disapproved _____

Withdrawn _____

RECOMMENDATION:

That the Board:

1. Award a personal services agreement for media negotiation and ad buying for the Griffith Observatory Visitor Access Management Program public education advertising campaign to Fraser Communications;
2. Approve a one-year personal services agreement with Fraser Communications, substantially as on file in the Board office, subject to review and approval of the Mayor in accordance with Executive Directive No. 3, and subject to review and approval by the City Attorney as to form;
3. Find, in accordance with Charter Section 1022, that the Department does not have the personnel available in its employ with the appropriate training and expertise to negotiate media placement, buy placements, and manage advertising results for a major consumer advertising campaign of the temporary duration necessary prior to reopening of Griffith Observatory, and that it is more feasible and economical to secure these services by contract;
4. Direct the Board Secretary to transmit the proposed agreement forthwith to the Mayor and City Attorney for expedited review; and,
5. Authorize the Board President and Secretary to execute the agreement subsequent to receipt of necessary approvals.

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SUMMARY:

The City of Los Angeles, Department of Recreation and Parks, owns and operates Griffith Observatory in Griffith Park. The Observatory was opened to the public in 1935 and operated continuously until 2002, establishing itself as an icon in the mountains above the Los Angeles basin, and a source of inspiration to millions and millions of visitors who saw the sun through its coelostat and stars through its telescope. The closure in 2002 was the beginning of an exciting new era, as the City embarked on a Renovation and Expansion project at Griffith Observatory which preserves the historic and well-loved Observatory while adding more than twice the exhibit space for more than sixty new, intriguing exhibits. Excellence has been the standard for all aspects of the renovation and expansion, and that is also true in regard to the plans for visitors to access, absorb, and enjoy the new Griffith Observatory. Visitor demand is expected to reach 17,000 persons a day, during a peak opening period of unknown duration; however, building capacity is only 8,000 to 10,000 a day, depending on operating hours. Parking and roadway capacity are inadequate to handle the demands of peak opening visitor levels. Through a period of research and community input, the Department of Recreation and Parks has developed a Visitor Access Management program which features:

- Timed entry reservations for all building visitors to balance visitors throughout the day
- Visitor access only by shuttle from two off-site locations

This program for managing visitors represents a comprehensive change in the previous visitation patterns of residents and visitors in the overall Southern California region: in the past, visitors drove personal vehicles or arrived in tour buses, or hiked or bicycled, or took public transit, to get up to the Observatory site, generally without pre-planning or restraints of any kind. During the reopening period, no visitor will be able to come to the Observatory spontaneously or in private transport. Everyone will need a reservation and a shuttle ticket. This change requires an expansive public education and outreach campaign featuring use of commercial advertising on billboards, radio, newspapers, and in other media. The need for commercial advertising was acknowledged by inclusion of \$600,000 in the Department's 2006-2007 General Fund budget for public education advertising for the Observatory.

Preparations for a public information campaign which would launch for a fall 2006 opening of the Observatory needed to be in process in spring 2006, prior to the start of the new fiscal year. To expedite this effort, the Friends Of The Observatory (FOTO) has already contracted for creative work and media planning with Zeesman Communications, Inc., who is developing the overarching "creative" concept for the advertising campaign, to include developing the copy, design, and layout for each of the chosen advertising vehicles. Zeesman will also be performing preliminary media planning for the campaign under their contract with FOTO, in anticipation of this separate agreement with the City of Los Angeles, for negotiation and placement of final orders to be paid from City of Los Angeles funds.

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A Request for Proposals (RFP) seeking an experienced, responsive contractor to finalize media planning, which includes negotiating the best possible package of advertising placement to maximize market penetration in the Los Angeles region, evaluating results, and handling all media payments, was advertised on June 5, 2006, with a shortened 20-day window for proposals to be received due to the urgency of getting an agreement in place or risk losing the ability to reserve available advertising space in the October pre-reopening time-frame. Three proposals were received on June 26, 2006:

- Fraser Communications
- RLR Advertising & Marketing, Inc.
- Zeesman Communications, Inc.

After initial review for compliance with the terms of the RFPs and for evident responsibility in previous contracting, further evaluation was conducted in accordance with the stated criteria in the RFPs, as summarized below. All proposers provided letters of referral to substantiate claims of comparable experience. Because all three proposers had recent or current clients among several City departments with advertising budgets, we turned to the Convention Center's marketing department, which did not have current contracts with any of the proposers, for expert review assistance. The Marketing Manager for the Los Angeles Convention Center reviewed proposals and provided advice and analysis. Proposals were also analyzed by Department contract administration staff and from an operational standpoint by Observatory staff.

The criteria for evaluation in the RFP:

1. Record of past performance of the proposer in providing similar services. Relevant public-agency or private experience of the Contractor in providing similar services.
2. Relevant public-agency experience and length of tenure of the key personnel who will be performing the work.
3. Strength of organization: Organizational structure, financial stability, resources.
4. Costs of the services in regard to percentage of advertising expenditures and/or estimated staff hours by hourly rate as detailed in the proposal.
5. Method and format of reporting and evaluating media buys and impacts.
6. Demonstrate sound understanding of the services required and ability to operate on a media planning program developed by others.

Fraser Communications was found to be the best overall proposer with a focused understanding of the assignment, critical experience in line with the Observatory challenge, a reputation for excellent client relations, and a strong track record in maximizing advertising budgets.

Zeesman Communications, Inc., is a Minority- and Woman-owned business with six staff, and is the contractor engaged by FOTO to perform the creative development. Zeesman has performed responsively on the project, achieving rapid and comprehensive understanding of the messaging and

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effectively developing visuals that communicate positively what might be considered a negative message (do not come to the Observatory without a reservation). As typical with contractors and others coming to the Observatory project, their work product has been timely and excellent, achieving approvals, for example, in record time. In regard to the media negotiation and buying however, Zeesman did not present the breadth and scope of past experience or current activity in this area. Although their commission was the lowest proposed at 5%, the bulk of their experience with public entities is on the creative side, and the other two proposers clearly had more experience and more presence in the media buying arena, which is crucial for the Department to be able to maximize available dollars.

RLR Advertising & Marketing, with 25 employees, has a strong orientation toward both English and Spanish media. This company has been the advertiser of record at the Los Angeles Zoo since 1997 and has the largest overall client base of the three proposers. RLR may be doing more buying in the media marketplace when the Observatory campaign is underway; potentially, this gives RLR a possible advantage in leveraging value-added concessions, such as additional placements or time. However, their proposal was less focused on the Observatory project and more generalized; resumes of all key staff were included, for example, with less sense of the team to be working on the Observatory. Their proposal included reformulating the media plan, while only a final review was a required service in the RFP, since the preliminary plan was done by others and conceptually approved. Also, RLR's Zoo experiences bear-out their repeated suggestions about the use of events and promotions as part of the overall media package to leverage additional exposure and advertising; however, due to the compressed time period to prepare the Observatory for reopening, events and promotions cannot be part of the media packaging. RLR's commission is 10%.

Fraser Communications is a woman-owned business with twenty employees. Their proposal preparation stood out notably as it specified all persons to be assigned to the contract and it tailored the descriptions of past experience to demonstrate specifically their approach to and understanding of the Observatory assignment. They acknowledged their role in review and execution of the media plan, not in reformulating a plan. Fraser discussed work for Los Angeles World Airports that, similar to the Observatory's needs, focused on changing consumer habits on travel. They were able to launch a recent campaign for Union Station Flyaway services within one month. While proposing a diverse usage of media, they also noted that they have experience effectively mixing in free media attention, without emphasizing events and promotions which the Observatory will not be in a position to handle. Although proposer RLR Advertising & Marketing has a larger overall client base and therefore a potential for higher value added leveraging, Fraser brings a proven record in negotiation and a level of focus and responsiveness that the Observatory project must have given the tight timelines and flexibility required in dealing with fluctuations in schedule and total advertising buying dollars. They also highlighted their skill in integrating with other creative and marketing staff on the Observatory team. Their commission is 10%, dropping to 8% if budget goes over \$1 million.

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The agreement proposed for approval integrates the requirements in the RFP, with key services being to coordinate with Zeesman on production of advertising based on their creative product; negotiating and contracting with advertising media for space or time to obtain the most favorable terms and rates available; placing insertion orders and making timely payments; monitoring advertising and evaluating delivery impacts. There is also an option for additional services at an hourly rate if needed. The term will be for one year. All provisions of the Standard Provisions for City Contracts (Rev. 10/03) with Attachments 1 and 2 will be applicable to these agreements. The contractor will retain a percentage of the media buy as commission, the standard method in the media buying industry.

Media negotiation and buying services are specialized and rarely used by the City, and therefore by nature this work is not practical or feasible for staff to attempt. Further, the short term but intense nature of the campaign, expected to be about four weeks, obviates hiring staff or training staff to perform this work, inasmuch as it is unlikely that the Department would need such services again. Finally, an experienced firm performing consumer advertising for many clients at the same time as the Department will be better able to leverage value-added concessions (such as extra advertising space) than staff representing only this one-time media purchase situation for the Observatory.

FISCAL IMPACT STATEMENT:

Advertising funds of \$600,000 are available in the 2006-2007 Budget; the agency will be paid via a commission of 10% on the media buys. Any additional funds for advertising identified and expended for the Observatory will be subject to that commission charge. There will be minor General Fund costs to administer the contracts.

Report prepared by Linda Barth, Administrative Resources