

5

YORK REGION TRANSIT MARKETING AND COMMUNICATIONS AGENCY OF RECORD

The Transit Committee recommends the adoption of the recommendations contained in the following report, April 11, 2006, from the Commissioner of Transportation and Works and the Vice-President of the York Region Rapid Transit Corporation:

1. RECOMMENDATIONS

It is recommended that:

1. Regional Council award the marketing creative agency assignment for York Region Transit to Rao, Barrett and Welsh for an initial one-year term at a cost of \$500,000 as outlined in this report, and two additional one-year terms subject to successful negotiations.
2. The Regional Chair and Regional Clerk be authorized to sign the necessary agreements with Rao, Barrett and Welsh for the marketing and communications agency of record services, subject to review by Legal Services.

2. PURPOSE

The purpose of this report is to seek approval from Transit Committee and Regional Council to award the York Region Transit (YRT) marketing and creative agency contract to Rao, Barrett and Welsh (RBW). This contract is for a one-year term with the option to renew for two additional one-year terms subject to successful negotiations.

3. BACKGROUND

In order to increase ridership growth and promote the family of transit services available in York Region, a comprehensive Marketing, Communication and Public Education Plan was developed. This plan utilizes the individual and distinct strengths of YRT and Viva, while promoting the benefit of connectivity between the two services.

This Marketing, Communication and Public Education Plan includes both an emotive role that will create a desire to ride the York Region's transit system, and an informative role that will help people understand how public transit works and what it can do for them. The Region has a positive story to tell, and the approach outlined in the Marketing, Communication and Public Education Plan is fundamental to the future success of public transit.

The 2006 Marketing, Communications and Public Education Plan was presented and adopted by Regional Council in December 2005. In order to sustain the momentum of building awareness, several campaigns and strategies outlined in the plan were developed and executed immediately throughout January and February 2006. YRT/Viva continued to utilize Gee Jeffery and Partners (GJP) as the agency of record for creative assistance in early 2006. The contract with GJP concluded on February 28, 2006.

4. ANALYSIS AND OPTIONS

Assistance with creative development and design strategy is an important part of effectively developing attractive and effective marketing campaigns. To assist with the work beyond the contract with GJP, YRT/Viva issued an RFP on February 1, 2006. The objective of the RFP was to execute a contract with a successful proponent in order to establish a Marketing and Communications Agency of Record. The Agency of Record would work with YRT/Viva staff to implement various aspects of the 2006 Marketing, Communications and Public Education Plan.

Proponents were required as a part of the RFP process to provide a summary of team members assigned to this project, relevant experience and company references. In addition, proponents were asked to develop a Viva focused student campaign. York Region is home to an increasing number of university and college students and they are one of our key target groups identified in market research for both Viva and YRT. The goal of the campaign is to convert drivers to riders, encourage transit use more often and to improve the student perception of public transit in York Region.

Three companies submitted proposals on Friday, February 17, 2006 as follows:

- Rao, Barrett and Welsh
- Interkom Creative Marketing
- Lyton Promotional Development Group

4.1 Evaluation Process

Representatives from York Region Transit and Rapidco evaluated the proposals in a two step process:

- **Step One** – Evaluation of Creative and Management Proposal and Proposed Approach to the Student Campaign – 70%
- **Step Two** – Interview of Proponents – 30%

The objective of the evaluation process is to determine which proposal provides the best overall value to the Region in terms of technical and financial aspects. Only those proponents who achieved a 70% rating in Step One (i.e. 49 of 70 points) were invited to

continue to Step Two interviews. The proposals were evaluated on the basis of the following factors:

- Qualifications and experience
- Responsiveness and understanding of project objectives
- Project deliverables
- The value provided by the proposed approach with regard to fee

Based on the Step One evaluation, only one proponent, RBW, successfully achieved the minimum 70% (i.e., 49 of 70 points) needed to advance to Step Two interview.

Although there was only one proponent who advanced to Step Two, an interview was still required to ensure that they achieved a successful overall score. The interview with RBW took place on March 6, 2006. The interview evaluation was based on the following criteria:

- Effectiveness of the presentation
- Professional quality and effectiveness of the approach to the presentation and materials
- Presentation of key points in the student campaign
- Demonstrated ability to respond in a concise and accurate manner to the questions

Throughout the evaluation process RBW has successfully demonstrated that they possess the experience, resources and a thorough understanding of the requirements needed to meet YRT's marketing and customer service goals. RBW bring with them a wealth of experience in the advertising industry generally but also specific experience working with transit. RBW created and developed many of the Viva marketing campaigns executed in the summer/fall of 2005. In addition, they were retained by YRT/Viva to create the 2006 Marketing, Communications and Public Education Plan. The recommendation to award the contract to RBW is unanimously supported by the evaluation team members.

5. FINANCIAL IMPLICATIONS

Transit is a complex marketing category with a steep learning curve and many challenges. RBW have been immersed in Viva over the past 15 months and therefore have the knowledge and insight to hit the ground running in 2006. The expertise and transit experience that RBW bring to this project will provide good value to the Region.

This project is to be awarded to RBW at a cost of \$500,000, including applicable taxes. The contract will begin April 1, 2006 to coincide with the completion of the current contract with Gee Jeffery and Partners. The funds for this project have been included in the approved 2006 Transit Business Plan and Budget.

6. LOCAL MUNICIPAL IMPACT

The Region is growing at a rate of approximately 35,000 people per year. This influx of people, while positive for the economy, is leading to increased traffic congestion and worsening air quality.

In order to get people out of their cars and grow transit ridership, the Region must not only provide a great alternative to driving, it must also actively promote it. Build it and they won't necessarily come. YRT and Viva together offer customers an array of benefits, but it is imperative to communicate those benefits at every opportunity. By promoting public transit, the Region will attract new riders, remove more vehicles from the roads, and keep the local economy moving forward.

7. CONCLUSION

Perceptions and attitudes do not change automatically. People need to be informed and persuaded. Even famous brands do not become household names overnight, and once established still require ongoing marketing to ensure that appeal and advantage are maintained.

YRT and Viva are at an early stage. YRT has been in existence for five years and Viva is new. Marketing efforts have only just begun. It is through active marketing and communications that the Region is going to achieve its goals of converting drivers to riders.

In order to achieve our goals outlined in the 2006 Marketing, Communications and Public Education Plan, YRT/Viva requires a marketing and communications agency of record that can demonstrate a clear understanding of our needs and successfully assist in the development of marketing campaigns to reach our goals.

It is recommended that Transit Committee and Regional Council approve the marketing and communications agency of record contract award to Rao, Barrett and Welsh effective April 1, 2006.

The Senior Management Group has reviewed this report.