

BEFORE THE METRO [CONTRACT REVIEW BOARD] COUNCIL

AUTHORIZING THE CHIEF OPERATING)	RESOLUTION NO. 07-3870
OFFICER TO EXECUTE AN AMENDMENT TO)	
CONTRACT NO. 926509 WITH PT3, INC. FOR)	Introduced by Chief Operating Officer
PROVISION OF ADDITIONAL ADVERTISING)	Michael Jordan with concurrence of Council
FOR THE TRAVEL OPTIONS MARKETING)	President Bragdon
CAMPAIGN)	
)	
)	

WHEREAS, beginning in 2005 Metro entered into Metro Contract No. 926509 with PT3, Inc. in the amount of \$840,025 to develop and implement a multi-year marketing campaign to increase public awareness both of alternatives to driving alone and of techniques for driving wisely in the Portland metropolitan area; and,

WHEREAS, on 12/15/2005, the Metro Council adopted Resolution No. 05-3624, AUTHORIZING THE CHIEF OPERATING OFFICER TO EXECUTE AMENDMENT 1 TO THE CONTRACT NO. 926509 WITH PT3, INC. (PACWEST COMMUNICATIONS) FOR PROVISION OF ADDITIONAL ADVERTISING FOR THE TRAVEL OPTIONS MARKETING CAMPAIGN, thereby approving Amendment No. 1 to the PT3, Inc. contract to increase the amount of the contract to \$1,890,000; and

WHEREAS, on 10/26/2007, the Oregon Department of Transportation (ODOT) Travel Options Marketing Steering Committee increased the budget of the multi-year marketing campaign to allow for continued implementation of the public awareness campaign in the Portland metropolitan region for the period beginning January 1, 2008 and ending June 30, 2009; and,

WHEREAS, ODOT has requested that Metro continue management of the campaign and implementation of the campaign by amending its contract with PT3, Inc. to extend the contract and to increase the amounts paid to the contractor by \$1,615,140 to a total sum not to exceed \$3,495,165.00; and

WHEREAS, as a result of the action of the ODOT Travel Options Marketing Steering Committee, ODOT has agreed that it will amend its intergovernmental agreement with Metro concerning the marketing campaign, and will thereby provide Metro with sufficient revenues to support further additional amendment of the contract with PT3, Inc.;

WHEREAS, Metro Code Section 2.04.046 requires the approval of the Metro Council for amendments to personal service contracts when the proposed amendment exceeds by more than double the original amount of the personal service contract; and,

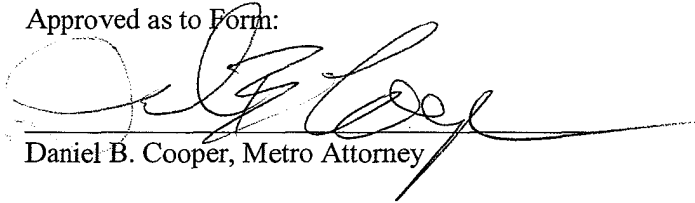
WHEREAS, in consideration both of the action of the ODOT Travel Options Marketing Steering Committee and of the request of the Oregon Department of Transportation, the Chief Executive Officer has reviewed and recommends approval of an amendment of Metro Contract No. 926509 with PT3, Inc. ; now therefore,

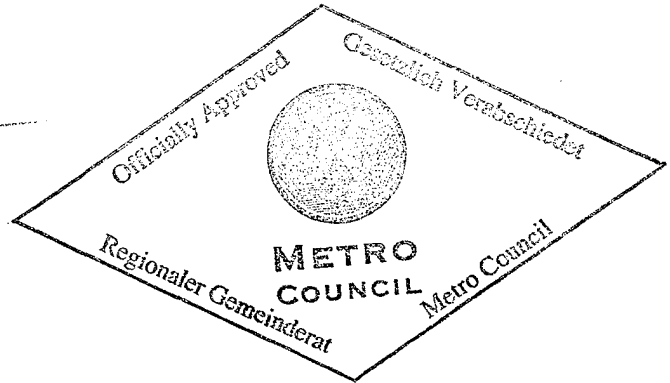
BE IT RESOLVED that the Metro Council, [sitting as the Metro Contract Review Board,] authorizes the Chief Operating Officer to execute Amendment 3 to Metro Contract No. 926509 with PT3, Inc. in a form substantially similar to that set forth as the attached Exhibit "A".

ADOPTED by the Metro Council this 13th day of December, 2007


David Bragdon, Council President

Approved as to Form:


Daniel B. Cooper, Metro Attorney



**AMENDMENT NO. 3 TO
Personal Services Contract No. 24838 (Metro Contract #926509)
Title: Travel Options Marketing Campaign**

1. This is Amendment No. 3 to Personal Services Contract No. 24838 (as amended from time to time) effective date June 24, 2005 between the Metro, a metropolitan service district organized under the law of the State of Oregon and the Metro Charter, hereafter called "Agency," and PT3, Inc., hereafter called "Contractor."
2. The Contract is hereby amended as follows:
 - Section 1, "Effective Date and Duration", of the Terms and Conditions shall be amended to extend the expiration date of this Personal Services Contract from December 31, 2007 until **June 30, 2009**.
 - Section 3, "Consideration," of the Terms and Conditions shall be amended to increase the maximum not to exceed sum by **\$1,612,750 to \$3,492,775**.
 - Exhibit F, "Contract Statement of Work," is hereby amended as set forth on the attached Exhibit F.
 - Exhibit G, "Delivery Schedule," is hereby amended as set forth on the attached Exhibit G.
3. Except as expressly amended above, all other terms and conditions of the original Contract and any previous amendments are still in full force and effect. Contractor certifies that the representations, warranties and certifications contained in the original Contract are true and correct as of the effective date of this Amendment and with the same effect as though made at the time of this Amendment.

Certification: **The individual signing on behalf of Contractor hereby certifies and swears under penalty of perjury:** (a) the number shown on the above-referenced Contract is Contractor's correct taxpayer identification; (b) Contractor is not subject to backup withholding because (i) Contractor is exempt from backup withholding, (ii) Contractor has not been notified by the IRS that Contractor is subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified Contractor that Contractor is no longer subject to backup withholding; (c) s/he is authorized to act on behalf of Contractor, s/he has authority and knowledge regarding Contractor's payment of taxes, and to the best of her/his knowledge, Contractor is not in violation of any Oregon tax laws, including any state tax imposed by ORS 401.792 to 401.816 (Tax For Emergency Communications), 118 (Inheritance Tax), 314 (Income Tax), 316 (Personal Income Tax), 317 (Corporation Excise Tax), 318 (Corporation Income Tax), 320 (Amusement Device and Transient Lodging Taxes), 321 (Timber and Forestland Tax), 323 (Cigarettes and Tobacco Products Tax), and the elderly rental assistance program under ORS 310.630 to 310.706, and any local taxes administered by the Department of Revenue under ORS 305.620; (d) Contractor is an independent contractor as defined in ORS 670.600, and (e) if required by 40 CFR 1506.5(c), Contractor has no financial or other interest in the outcome of the Project.

CONTRACTORS: PAYMENT SHALL NOT BE ISSUED FOR SERVICES RENDERED PRIOR TO NECESSARY STATE APPROVALS

CONTRACTOR

Name/Title	(PT3, Inc.)	Date
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LEGAL REVIEW

Approved for Legal Sufficiency by	Date
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AGENCY

Approved by	or designee	Date
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Approved by	or designee	Date
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Concurrence as to Process by ODOT Procurement Manager or designee	Date
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EXHIBIT F
Contract Statement of Work
January 2008 through June 30, 2009

Introduction

This is the Statement of Work (SOW) for Amendment 3 to Metro Personal Services Contract 926509. All twelve tasks authorized in the original contract as amended are complete or will be complete by the original contract expiration date of December 31, 2007. The following tasks, while new, are within the advertised scope of RFP No. 05-1144-PLAN. Because the following tasks are not the same as their original counterparts, that is, Task 2A below is similar to but not the same as Task 2 in the original SOW, an "A" has been assigned to each Task number to designate the uniqueness of the Task. Task 13 is the exception as it is a new task.

Task 2A - Develop ongoing project evaluation and measurement plan, conduct awareness surveys

Contractor shall:

Develop methods to measure outcomes. Maintain system of gathering statistical data to report monthly progress on each task. Seek evaluation and measurement opportunities through partner research. Develop awareness survey instrument with Metro's approval and conduct post-campaign mail, or telephone surveys with a representative sample of the region's residents to obtain reliable information. Develop awareness survey instruments with ODOT Steering Committee's approval and conduct pre-campaign mail, or telephone surveys with representative communities to make comparisons with findings in regional area. Develop a reporting mechanism to match up with on-going, independent member agencies' measurement systems. Provide overall progress reports on a monthly basis. Provide Metro with a copy of all raw survey responses in an Excel spreadsheet.

Task 2A deliverables: monthly progress reports to Metro project manager; evaluation and measurement plan; report on results of relevant partner research; report on results of pre- and post-campaign awareness surveys; Excel spreadsheet copies of all raw survey responses.

Task 4A - Develop partners and recruit sponsors

Contractor shall:

Identify potential sponsors, partners and in-kind contributors to provide additional resources for the campaign. Develop a cover letter and supporting information that describes sponsorship benefits. Contact and, when appropriate, meet with potential sponsors, partners and in-kind contributors, and prepare needed meeting materials. When evaluating possible sponsors or partners, look to establish long-term involvement fostering participating through the course of the 10-year program.

Task 4A deliverables: partnership/sponsorship recruitment plan; sponsorship benefits cover letter and supporting information

Task 6A - Create and test campaign message and materials, and purchase paid media

Contractor shall:

Develop a paid media strategy and schedule that includes placement of television and radio advertising. Develop media strategies concurrently to provide maximum impact and cost efficiency. Leverage schedules for maximum exposure, based on the best practice of realizing effective reach/frequency targets. Negotiate partnerships and value-added media support with each placement opportunity. Paid media may include radio, newspapers, outdoor, transit, original branded programming, and other out-of-home media. Materials may include newsletters, posters, point-of-purchase displays, door hangers, direct mail, fact sheets, videos, and other presentations including print and PowerPoint applications. Recommend how to apply the campaign theme to the campaign partner's existing marketing programs and materials. Maintain and enhance web site that provides information to support the campaign call to action.

Task 6A deliverables: campaign advertising and collateral materials; media strategy and schedules; web site enhancements

Task 7A - Earned media implementation and outreach

Contractor shall:

Review earned media possibilities and plans for all appropriate transportation agencies. Generate editorial and news coverage. Create pro-active earned media opportunities to frame and convey key messages. Develop shared media calendar and provide consultation on what transportation agencies already have planned. Expand the earned media plan and calendar to include generation of earned media coverage in key markets outside of the Portland metropolitan area. Earned media includes opinion editorials, news releases and working with television, print and radio outlets throughout the duration of campaign. Develop and implement an outreach strategy that involves businesses, retail stores, local neighborhoods and communities and employers in the campaign.

Task 7A deliverables: earned media plans; progress reports on earned media activities; shared media calendar; outreach strategy and related collateral materials

Task 13 - Implement years three and four of the campaign

Contractor shall:

Provide administrative support for years three and four of the campaign. Maintain communication with Metro and campaign partners. Schedule and conduct ODOT Travel Options Marketing Steering Committee meetings to review overall program goals, activities and expenditures. Develop meeting agendas and meeting reports for Metro review and approval. Recommend adjustments to the campaign plan based on results. Provide monthly progress reports.

Task 13 deliverables: monthly progress reports; agendas and reports.

EXHIBIT G
Delivery Schedule
January 2008 through June 30, 2009

Task 2A – Develop ongoing project evaluation and measurement plan, conduct awareness surveys

Progress reports - monthly; evaluation and measurement plan - 30 days from Notice to Proceed (NTP); report on results of relevant partner research - 45 days from conclusion of research; report on results of pre- and post-campaign awareness surveys – 45 days from end of surveys; Excel spreadsheet copies of all raw survey responses – 45 days from end of surveys.

Task 4A - Develop partners and recruit sponsors

Estimated time requirement for plan development: 60 to 90 days from NTP, to be implemented on a continual basis throughout the campaign.

Task 6A - Create and test campaign message and materials, and purchase paid media

Estimated time requirement for plan development: 60 to 90 days from NTP, to be implemented on a continual basis throughout the campaign.

Task 7A - Earned media implementation and outreach

Estimated time required for development: Earned media activities will be developed concurrently with paid media and creative materials, and implemented on a continual basis throughout the campaign.

Task 13 - Implement years three and four of the campaign

Estimated time for development: Ongoing administrative services; ODOT meeting agendas drafted and submitted to Metro Project Manager no later than seven days prior to meeting; meeting minutes provided to Metro within seven work days following meeting.

(PT3 / Travel Options Marketing Campaign / ODOT Contract No. PSK # 24838/ Metro Contract No. 926509)

2008-2009 Costs by Task

<u>Classifications</u>	<u>Task Description</u>	<u>Pac/West</u>	<u>Cappelli Miles Spring</u>	<u>DBE Contractor***</u>	<u>Costs</u>	<u>Expenses</u>	<u>Amendment #3 Total (costs plus expenses)</u>
Task 2*	Project evaluation and measurement plan, conduct survey	\$21,500.00	-	-	\$21,500.00	\$51,710.00	\$73,210.00
Task 4	Develop partnerships and recruit sponsors	\$16,000.00	-	\$30,000.00	\$46,000.00	-	\$46,000.00
Task 6**	Paid media, collateral and web site	\$57,500.00	\$1,009,791.80	\$59,211.20	\$1,126,503.00	\$10,000.00	\$1,136,503.00
Task 7	Earned media and outreach	\$240,000.00	-	\$20,000.00	\$260,000.00	-	\$260,000.00
Task 13	Implement year three and four of the campaign; plan for statewide roll out	\$77,037.00	-	\$20,000.00	\$97,037.00	-	\$97,037.00
Subtotals		\$412,037.00	\$1,009,791.80	\$129,211.20	\$1,551,040.00	\$61,710.00	\$1,612,750.00
					<u>New Contract Not-To-Exceed = \$3,492,775</u>		
<u>Direct Non-labor Costs</u> Mileage: 2880 miles @ .37 = \$1,065 Copies/reproduction = \$1,325 Subtotal = \$2,390		<u>Soft Match (estimated)</u> Donated paid media= \$165,500 Public and private in-kind contributions= \$100,000 Minimum required in soft match value= \$206,018			<u>Estimated Budget Breakdown by Fiscal Year</u> January 1, 2008 through June 30, 2008= \$585,450.30 July 1, 2008 through June 30, 2009= \$1,029,689.70		

Total Budget Estimate = \$1,800,000

Budget Notes

Task 2* Pac/West will contract with Moore Information, the research firm that has conducted previous surveys and focus groups on behalf of the campaign.

Task 6** Includes the placement of existing television ads and paid sponsorship of radio traffic reports. Pac/West is responsible for any additional collateral materials, as well as web site maintenance and updates.

DBE Contractor*** Factored at 8 percent of total budget.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 07-3870, FOR THE PURPOSE OF
AUTHORIZING THE CHIEF OPERATING OFFICER TO EXECUTE AMENDMENT 3 TO
THE CONTRACT NO. 926509 WITH PT3, INC. FOR PROVISION OF EXTENDING THE
CONTRACT AND ADDITIONAL ADVERTISING FOR THE TRAVEL OPTIONS
MARKETING CAMPAIGN

Date: Nov. 28, 2007

Prepared by: Dan Kaempff and Pam Peck

BACKGROUND

The Planning Department currently contracts with PT3, Inc. (PacWest Communications) to develop and implement a multi-year marketing campaign to increase public awareness of alternatives to driving alone and to encourage people to reduce single-occupancy vehicle trips. PT3, Inc. was awarded the contract in June 2005 through a competitive procurement process. The PT3, Inc. contract supports all elements of the development and implementation of the campaign including message development and testing, partnership and sponsorship development, production and placement of advertising, and generation of earned media. This contract is currently set to conclude December 31, 2007.

Metro's Regional Travel Options Program staff manages the PT3, Inc. contract on behalf of the Oregon Department of Transportation (ODOT) through an intergovernmental agreement that provides revenue for the marketing campaign. Project oversight is provided by ODOT's Travel Options Marketing Steering Committee, of which Metro Councilor Rex Burkholder is a member.

In 2006, the steering committee increased the project budget to support production and placement of television advertising in addition to the radio and outdoor advertising included in the original project budget. The amended budget supported additional earned media activities, additional outreach to potential partners and sponsors, as well as the development of a campaign web site. Metro Council approved this contract amendment No. 1 of \$1,049,975 on December 15, 2005. Amendment No. 2 was for the purpose of changing a subcontractor.

In October 2007, the ODOT Travel Options Marketing Steering Committee recommended that ODOT continue implementation of the campaign in the Portland metropolitan region under Metro's management through June 30, 2009. ODOT is requesting that Metro amend the PT3, Inc. contract to provide for continued implementation of the current campaign scope of work. This proposed amendment No. 3 extends the contract with PT3, Inc. to June 30, 2009 and adds \$1,612,750 to the project budget. ODOT intends to assume management of the marketing campaign as of July 1, 2009 and expand it to cover the state. ODOT will initiate a competitive procurement process in 2008 to select a contractor to implement the statewide campaign. Metro will continue to be a partner agency in the campaign.

Original contract amount:	\$840,025
Amended contract amount – Amendment No. 1:	\$1,890,000
Requested Amendment No. 3:	\$1,612,750
New total contract amount:	\$3,492,775

Metro Code Section 2.04.046 requires the approval of the Metro Council for amendments to personal services contracts greater than \$50,000 for any amendment that increases the total amount payable to an amount more than \$100,000 greater than the initial contract amount.

ANALYSIS/INFORMATION

1. **Known Opposition:** None
2. **Legal Antecedents:** Metro Code Section 2.04.046.
3. **Anticipated Effects:** The amended contract budget will enable television and radio advertising to continue throughout the life of the contract. Additionally, public awareness survey information will provide guidance on the future direction of the campaign.
4. **Budget Impacts:** \$1,612,750 - revenue provided by ODOT through an intergovernmental agreement (ODOT #22211) with Metro.

RECOMMENDED ACTION

The Chief Operating Officer recommends approval of Resolution 07-3870.