

DATE: NOVEMBER 13, 2024

FROM: COMMUNITY RELATIONS

SUBJECT: RESOLUTION NO. _____ - AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SENSIS, INC.

SUMMARY:

Staff requests approval of a three-year Agreement with Sensis, Inc. (Sensis) to provide the City of Los Angeles Harbor Department (Harbor Department or Port) with advertisement creation and media-planning/placement support with an emphasis on Internet-based (“digital”) advertising. Approval of the proposed Agreement will authorize up to \$350,000 per year or up to \$1,050,000 for the duration of the three-year Agreement. The Port is financially responsible for payment of expenses incurred under the proposed Agreement.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines;
2. Find that in accordance with the City Charter Section 1022, work under the Personal Service Agreement can be performed more feasibly by an independent consultant than by City employees;
3. Approve the Agreement with Sensis, Inc. for a term of three years and a total not-to-exceed amount of \$1,050,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest to said Agreement for and on behalf of the Board; and
5. Adopt Resolution No. _____.

DATE: NOVEMBER 13, 2024

PAGE 2 OF 4

SUBJECT: AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SENSIS, INC.

DISCUSSION:

Background – The Port of Los Angeles’ (POLA) advertising strategy is to deliver a high level of brand and service awareness in a timely fashion to specific audiences. Campaign flights are typically 45 to 90 days in length and generally run during seasonal decision-making periods for cargo owners and audiences relative to destination marketing for the Los Angeles Waterfront (LA Waterfront) and cruise industry. Cargo campaign examples include advertising during the annual Retail Industry Leaders Association (RILA) and Transpacific Maritime (TPM) conferences; promoting the LA Waterfront as a visitor destination before the summer vacation season; and promoting the Port’s cruise offerings to consumers and travel agents during the annual December-January “wave season” when most cruise vacations are booked.

Regionally focused campaigns have also been developed to target manufacturers of plastics and resins in the greater Houston area, and produce importers and exporters. Most recently, campaigns have focused on supply chain-impacted cargo stakeholders in the Inland Empire (warehouse and logistics community), Central Valley (farmers and produce exporters), and local and national manufacturers.

With the highly anticipated grand opening of the new West Harbor development slated to open in 2025, advertising programs in the coming year will continue to focus on promoting LA Waterfront cruise and visitor offerings.

Since it is seldom possible to measure these campaigns against actual increases in commercial activity, we have focused on online digital advertising, where we can more effectively reach target audiences and provide metrics to assess the efficacy of a campaign. These metrics include but are not limited to: ad impressions (size of audience seeing the ads), responses to the ads (ad click-throughs to custom landing pages), and the cost for the advertising channel relative to its audience reach and response (cost per click). Campaigns run over a variety of digital networks based on the target audience. Tactics have included “geo-fencing” around cargo industry conferences to serve ads to conference attendees through their web-connected devices. These efforts support visibility for POLA’s Cargo Marketing efforts during such events.

The previous Agreement with Sensis (Agreement 21-9827) ended on September 13, 2024. Under the previous agreement, Sensis provided media planning, purchasing and stewardship, creative development and production, engagement of social media influencers, paid social media, paid search, digital display and video ads, and website landing page design when needed. In addition, Sensis provided ad campaign performance analytics. Staff recommends awarding the proposed Agreement (Transmittal 1) to Sensis.

Selection Process – Los Angeles-based Sensis, Inc. was selected through a Request for Proposals (RFP) process with the RFP being issued on January 18, 2024. Sixteen (16)

SUBJECT: AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SENSIS, INC.

firms responded with proposals. Three of the firms were non-responsive. The selection panel consisted of two Harbor Department employees from Community Relations and Cargo Marketing Divisions, and one local outside rater from the Los Angeles World Airports. Sensis, Inc. was selected based on the strength of their team and demonstrated history of successful digital-based creative advertising and media planning for clients with similar needs and challenges as the Harbor Department (Transmittal 2).

Due to the agreement budget and nature of the Harbor Department’s campaigns, selection of a contractor with demonstrable digital marketing and media-buying experience was particularly important. It was not a necessity that advertising contractors responding to the RFP have previous experience in one or more Port business lines. However, consultants had to demonstrate strong expertise in digital campaigns for large service-based organizations; deep knowledge of general and niche digital advertising networks; and capacity to work simultaneously on advertising programs supporting two or more client lines of business services.

ENVIRONMENTAL ASSESSMENT:

The proposed action is the approval of a three-year Agreement with Sensis to provide the Port with advertising creation and media-planning/placement support, which is an administrative activity. Therefore, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

FINANCIAL IMPACT:

Approval on the proposed three-year Agreement authorizes a total not-to-exceed amount of \$1,050,000 over the three-year term of the Agreement. It is anticipated that the funds would be expended as follows:

Fiscal Year (FY)	Account 521000	Account 544160	Total
FY 2024/25	\$100,000	\$75,000	\$175,000
FY 2025/26	\$200,000	\$150,000	\$350,000
FY 2026/27	\$200,000	\$150,000	\$350,000
FY 2027/28	\$100,000	\$75,000	\$175,000
Total	\$600,000	\$450,000	\$1,050,000

Funds in the amount of \$100,000 are available in the FY 2024/25 budget within Account 521000 (Advertising Expense), Division 20200 (Community Relations). Funds in the amount of \$75,000 are available in the FY 2024/25 budget within Account 544160 (Misc. Professional Services), Division 20200 (Community Relations). The Harbor Department’s financial commitments for the proposed Agreement beyond the current fiscal year are contingent upon approval of funds by the Board as part of the annual budget adoption process. If future fiscal year funds are not appropriated by the Board for the work in any subsequent fiscal year as per the Agreement, the Agreement

DATE: NOVEMBER 13, 2024

PAGE 4 OF 4

SUBJECT: AGREEMENT BETWEEN THE CITY OF LOS ANGELES HARBOR DEPARTMENT AND SENSIS, INC.

shall be terminated. However, such termination shall not relieve the parties of liability for any obligation previously incurred.

CITY ATTORNEY:

The Office of the City Attorney has reviewed and approved the proposed Agreement as to form and legality.

TRANSMITTALS:

1. Proposed Agreement with Sensis, Inc.
2. Matrix Score Sheet

FIS Approval: 95
CA Approval: 80



CECILIA MORENO
Director of Community Relations



DAVID LIBATIQUE
Deputy Executive Director
Stakeholder Engagement

APPROVED:

Erica M. Calhoun for

EUGENE D. SEROKA
Executive Director

Author: J. Bautista