



THE PORT
OF LOS ANGELES
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JUNE 24, 2020

FROM: COMMUNITY RELATIONS

**SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO
AGREEMENT NO. 17-3514 WITH SENSIS INC.**

SUMMARY:

Staff requests the Board of Harbor Commissioners (Board) approve the First Amendment to Agreement No. 17-3514 with Sensis Inc. (Sensis), The Port of Los Angeles' (Port's) advertising agency of record. The amendment extends the term of the current agreement with Sensis by one year (through August 22, 2021) and increases the total compensation in the Agreement by \$500,000 (\$150,000 for agency fees and a \$350,000 ad-buying budget). The additional budget allocation is in line with the annual allocation during the first three years of the Sensis agreement. The extension brings Agreement No. 17-3514 to a total amount not-to-exceed \$2,000,000 for the four-year period.

The City of Los Angeles Harbor Department (Harbor Department) is financially responsible for payment of expenses under the proposed agreement.

RECOMMENDATION:

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

1. Find that the Director of Environmental Management had 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 Los Angeles City Charter Section 1022, it is more feasible for outside contractors to perform this work than City employees;
3. Approve the First Amendment to Agreement No. 17-3514 with Sensis Inc. extending the three-year term to a total of four years with \$500,000 additional compensation for a total of \$2,000,000 for the entire four-year term;
4. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement No. 17-3514;
5. Direct the Board Secretary to transmit the Resolution and First Amendment to Agreement 17-3514 to the Los Angeles City Council for approval pursuant to City Charter Section 373 and City Administrative Code Section 10.5; and
6. Adopt Resolution No. _____.

SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 17-3514 (SENSIS INC.)

DISCUSSION:

Background – On August 10, 2017, the Board approved a contract with Sensis Inc. for Advertising Consulting Services. The firm was selected through a Request for Proposals (RFP) process in 2017, in accordance with the City of Los Angeles' policy of open competition for contractual services. The agreement provides the resources to augment existing Harbor Department staff with advertising consultants who have expertise in the area of digital advertising campaigns and promotions to support the Port's cargo and LA Waterfront marketing efforts.

Prior to the emergence of the COVID-19 coronavirus, certain exporter-focused advertising initiatives were in development with the intention of launching an advertising campaign in May or June. However, the campaign activity was suspended as the pandemic spread, and now the timing, messaging and media considerations for cargo-related advertising in the coming months must be curtailed in light of the current circumstances. A potential change in advertising agencies would risk disruption of continuity in marketing communications as staff are developing initiatives to promote the Port's role in helping U.S. industries recover from the current economic crisis. Sensis Agency's familiarity with the Port's competitive position and goals in the cargo marketplace are a benefit to the Port over the next six to 12 months as the nation's economic status continues to evolve.

Proposed First Amendment – The First Amendment for Agreement No. 17-3514 Sensis Inc. extends the term of the agreement by one year and increases the compensation by \$500,000.

ENVIRONMENTAL ASSESSMENT:

Approval of the proposed Amendment would extend the term of the current Agreement with Sensis by one year and increase total compensation by \$500,000. The proposed action is for the approval of the First Amendment to Agreement No. 17-3514 with Sensis Inc., 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 of the proposed Amendment would extend the term of the current Agreement with Sensis by one year and increase total compensation by \$500,000. Funds in the amount of \$150,000 are available in the FY 2020/21 budget in Account 54290 (Misc. Professional Services), 0220 (Community Relations), Program 000. Funds in the amount of \$350,000 are available in the FY 2020/21 budget in Account 52010 (Advertising), 0220 (Community Relations), Program 000.

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CITY ATTORNEY:

The office of the City Attorney has prepared and approved the proposed First Amendment as to form and legality.

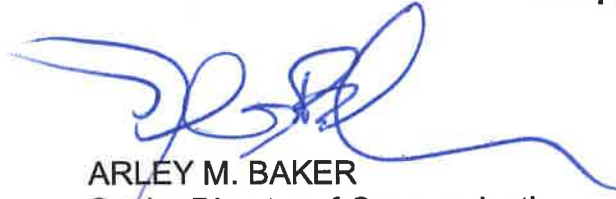
TRANSMITTALS:

1. First Amendment to Agreement No. 17-3514
2. Original agreement No. 17-3514

FIS Approval MB
CA Approval 10



THERESA ADAMS LOPEZ
Director of Community Relations



ARLEY M. BAKER
Senior Director of Communications



DAVID J. LIBATIQUE
Deputy Executive Director

APPROVED:

 FOR

EUGENE D. SEROKA
Executive Director