



THE PORT  
OF LOS ANGELES  
Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE:** JULY 29, 2021

**FROM:** COMMUNITY RELATIONS

**SUBJECT:** RESOLUTION NO. \_\_\_\_\_ - AGREEMENT BETWEEN THE  
CITY OF LOS ANGELES HARBOR DEPARTMENT AND SENSIS INC.

**SUMMARY:**

Staff requests that the Board of Harbor Commissioners approve a three-year agreement with Sensis Inc. (Sensis) to provide the City of Los Angeles Harbor Department (Port) with advertisement creation and media-planning/placement support with an emphasis on Internet-based ("digital") advertising.. The proposed annual authority for the combined programs is estimated at approximately \$250,000 per with a total not-to-exceed amount of \$750,000 for the duration of the three-year agreement. The Port is financially responsible for 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 for a term of three years for a total not-to-exceed amount of \$750,000;
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. \_\_\_\_\_.

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**DISCUSSION:**

The Port of Los Angeles' advertising strategy is to deliver a high level of brand and service awareness in timely fashion to specific audiences. Campaign flights are 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 LA Waterfront. Cargo campaign examples include: advertising during the annual (Q1) Retail Industry Leaders Association (RILA) and Transpacific Maritime (TPM) conferences; promotion of the LA Waterfront visitor as a visitor destination before the summer vacation season; and promotion of 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.

Given the high-level of awareness that the Port has maintained during the COVID-19 pandemic – including record-levels of media coverage and stakeholder engagement – it is anticipated that advertising programs in the coming year will 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 was amended last summer to add one additional year to Agreement 17-3514 and will end on August 22, 2021. The extension request was due to the challenge of conducting an RFP process during the COVID-19 crisis. Under the previous agreement, media planning and purchasing was performed by Sensis Inc., and staff recommends awarding the proposed contract again to Sensis based upon the results of a competitive selection process.

Selection Process – Los Angeles-based Sensis Inc. was selected through a Request for Proposals (RFP) process with the RFP being issued on January 28, 2021. Seven firms responded with proposals. The selection panel consisted of two Communications Group employees and one local outside rater from the City's Recreation and Parks Department. Sensis Inc. was selected on the basis of the strength of their team and demonstrated

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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 contract budget and nature of the Harbor Department's campaigns, selection of 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 \$750,000 over the three-year term of the agreement. It is anticipated that the funds would be expended as follows:

<b>Fiscal Year (FY)</b>	<b>Account 54290</b>	<b>Account 52010</b>	<b>Total</b>
FY 2021-22	\$100,000	\$150,000	\$250,000
FY 2022-23	\$100,000	\$150,000	\$250,000
FY 2023-24	\$100,000	\$150,000	\$250,000
<b>Total</b>	<b>\$300,000</b>	<b>\$450,000</b>	<b>\$750,000</b>

Funds in the amount of \$100,000 are available in the FY 2021/22 budget in Account 54290 (Professional Services), 0220 (Community Relations), Program 000. Funds in the amount of \$150,000 are available in the FY 2021/22 budget in Account 52010 (Advertising), 0220 (Community Relations), Program 000. 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 by the Agreement, the Agreement shall be terminated. However, such termination shall not relieve the parties of liability for any obligation previously incurred.

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CITY ATTORNEY:

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

TRANSMITTALS:

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

FIS Approval: *MB* (initials)  
CA Approval: *JS* (initials)

*Arley Baker*

ARLEY BAKER  
Sr. Director of Communications

*David Libatique*

DAVID LIBATIQUE  
Deputy Executive Director

APPROVED:

*Marla Bleavins* For

EUGENE D. SEROKA  
Executive Director

AB:me