



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

**DATE: AUGUST 1, 2017**

**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 cargo trade and LA Waterfront advertising creation and media-planning/placement support with an emphasis on Internet-based ("digital") advertising. The proposed annual authority for the combined programs is not-to-exceed \$500,000 (\$150,000 for agency services and \$350,000 for direct media costs) with a total not-to-exceed amount of \$1,500,000 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 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 \$1,500,000;
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: AUGUST 1, 2017**

**PAGE 2 OF 4**

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**DISCUSSION:**

Background – As a leading international seaport and the number one container port in the nation, it is important for the Port to maintain a high level of brand awareness with cargo decision-makers and the international trade community at large in order to maintain top-of-mind awareness and promote the Port’s world-class facilities and expertise so the Port can grow its cargo business. Additionally, as the Port has invested hundreds of millions of dollars to create a public waterfront, it must also advertise the “LA Waterfront” as a visitor destination in order to build awareness, grow tourism and attract more private business investment. For both of these lines of business, it is imperative that strategic and insightful messaging, coupled with ad frequency and measurable delivery methods be utilized in Port advertising.

Over the past decade, traditional print media has been surpassed by internet media in terms of audience. Social media has also become a key channel for engagement with key audiences. As a result, digital-only industry news sources and marketing channels have emerged as cost-effective ways to reach both broad and very targeted audiences. Digital marketing expertise is needed to research and evaluate internet advertising in order to maximize both spending and audience-reach efficiencies. The advertising agency will work with Harbor Department staff to develop creative advertising messages and media placement strategies.

Previously, advertising and media planning services were performed by Sensis Incorporated under a one-year executive director agreement for \$150,000. The previous Agreement expired June 27, 2017 and all funds have been expended. Under the previous agreement, media planning was done by Sensis while Harbor Department staff were responsible for the actual placement and payment of direct media costs. This proved very cumbersome and under this new Agreement (Transmittal 1), Sensis will take responsibility for the placement and payment of direct media costs, which costs would then be reimbursed by the Department to Sensis.

Selection Process – Los Angeles-based Sensis Inc. was selected through a Request for Proposals (RFP) process with the RFP being issued on March 13, 2017. Nine firms responded with proposals and two were invited to make an in-person presentation to the selection panel which 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 demonstrating a history of successful digital-based creative advertising and media planning for clients with similar needs and challenges as the Harbor Department (Transmittal 2).

**DATE: AUGUST 1, 2017**

**PAGE 3 OF 4**

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**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of an Agreement with Sensis Inc. for cargo trade and LA Waterfront advertising services. As an administrative activity, the Director of Environmental Management has determined that the proposed action is 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 \$1,500,000. It is anticipated that the funds would be expended as follows:

<b>Fiscal Year (FY)</b>	<b>Total</b>
FY 2017-18	\$500,000
FY 2018-19	\$500,000
FY 2019-20	\$500,000
<b>TOTAL</b>	<b>\$1,500,000</b>

Funds in the amount of \$150,000 are available in the FY 2017/18 budget in Account 54290 (Professional Services), 0220 (Community Relations), Program 000. Funds in the amount of \$350,000 are available in the FY 2017/18 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.

DATE: AUGUST 1, 2017

PAGE 4 OF 4

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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:  (initials)  
CA Approval:  (initials)



THERESA ADAMS LOPEZ  
Director of Community Relations



ARLEY BAKER  
Sr. Director of Communications

APPROVED:



EUGENE D. SEROKA  
Executive Director

TAL:jb