



City of San Antonio

Agenda Memorandum

File Number: 17-5701

Agenda Item Number: 16.

Agenda Date: 11/2/2017

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Russell J. Handy

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Advertising and Marketing Services Professional Services Agreement for the San Antonio Airport System

SUMMARY:

This Ordinance will authorize a professional services agreement with PAVLOV Advertising, LLC (PAVLOV) for on-call advertising and marketing services for the San Antonio Airport System (SAAS). The term of the agreement is for three years with the option to extend for two, one-year periods. The total contract amount is in an amount not to exceed \$4,000,000.00 over the entire contract period.

PAVLOV will provide media program evaluation and purchases across various domestic and international media markets and types; creative concept development; design and production; strategic planning and project management; online, website and social media marketing strategies; and other related tasks to support the Airline Incentive Program, Airport Concession Marketing Campaigns, *Meet Me* Campaign and other marketing campaigns the Aviation Department may require to support the marketing of the airport system. Projects are assigned under this agreement through an “on-call” task order basis to allow flexibility to the Aviation Department staff, airlines and concessionaires to address their marketing and advertising needs. In accordance with federal requirements, the solicitation was released under the Airport Concessions Disadvantaged Business Enterprise (ACDBE) program.

BACKGROUND INFORMATION:

The City requires a full-service agency to manage marketing and advertising campaigns in support of the Air Service Incentive Program, Concessions Marketing Campaign for the San Antonio International Airport (SAT),

SAT *Meet Me* advertising campaign, and miscellaneous on-call airport advertising, graphic design, print production, and video photography projects. The current contract for on-call marketing and advertising for the SAAS expired on September 30, 2017.

Air Service Incentive Program

The on-call advertising and marketing services firm will assist in promoting the new air service in the U.S., Mexico, Canada, and potentially other international markets, as required under the SAT Air Service Incentive Program. Airlines typically provide the artwork and the selected Respondent purchases advertising media in San Antonio and new non-stop destination markets. Other promotions are eligible under the Incentive Program.

Concession Marketing Program

The Concession Marketing Program is funded by the airport concession tenants at SAT. The on-call advertising and marketing services firm will assist in promoting the SAT Airport Concession Program with the goal of increasing sales and revenue to the concessionaires and SAAS. The firm will provide design and/or maintenance of a concession web-based landing page and mobile phone/tablet websites indicating terminal locations of individual concessions and popular products for sale, airport signage and directory map design and production, services for mystery shopper and sales training programs, as well as develop and implement sale promotional events such as discounts or offers with purchase coupons/gift cards, quarterly concession newsletter and other on-call services.

Meet Me Marketing Campaign

The City seeks to establish SAT in the Central and South Texas area as the best option for air service to Mexico destinations. In 2012, the City launched the branded *Meet Me* Marketing Campaign to promote air service awareness among residents and Mexican nationals who drive to/from the greater San Antonio area and Mexico who may not know that SAT offers more than 50 flights to Mexico each week. Past campaigns have included signage at the area malls most often frequented by international visitors and billboards for the drive market along Interstate 35 to/from San Marcos and Laredo and along Interstate 35 between San Antonio and Corpus Christi. The firm will build on what has been previously done and make suggestions for new campaigns to market international travel south of Texas.

Miscellaneous Services

As requested, the firm may provide the City on an on-call basis graphic design, print production and media buys for general airport marketing, as well as video photography, production and editing services. The firm may be asked to develop branding for a special airport project along with print production.

Solicitation

On May 30, 2017, the Aviation Department briefed the solicitation as a presolicitation select item to the Audit Council Committee. The Request For Proposals was released on June 7, 2017 and advertised on the websites for the *San Antonio Express-News*, City, American Association of Airport Executives and Airports Council International - North America as well as on *TVSA*. Five proposals were received on July 12. One response was deemed non-responsive due to multiple missing documents. On August 15, 2017, the evaluation committee comprised of representatives from the Aviation Department and Airport Advisory Commission reviewed the proposals and selected two firms for interviews on September 22, 2017. PAVLOV received 91.90 points, 40.23 points ahead of the other vendor. The item was presented to the Audit Committee on October 3, 2017 as a postsolicitation select item.

Airport Concessions Disadvantaged Business Enterprise (ACDBE) program

The ACDBE goal for this project is 12% and PAVLOV exceeded the goal. While this solicitation was not released under the Small Business Economic Development Advocacy Program, PAVLOV has 57% Small

Business Enterprise (SBE) and Women Business Enterprise (WBE) and 15% Minority Business Enterprise.

PAVLOV has two local subcontracts, Aguillon & Associates (15%) and KGBTexas Marketing/Public Relations Inc. (42%). Aguillon & Associates will provide event management and execution services as well as translations and marketing materials. KGBTexas will provide account management, strategy, creative, public relations, public affairs, media planning and buying, social media and mystery shopping services.

PAVLOV's clients include DFW Airport, VIA Metropolitan Transit, Shooting Star Casino, Texas Christian University, Fort Worth Transportation Authority. KGBTexas' clients include IBC Bancshares, San Antonio Economic Development Foundation, San Antonio Tricentennial Commission, Insperity and CPS Energy. They have also provided service for Southwest Airlines and Valley International Airport. Aguillon & Associates' clients include The NPR Group, SolarHost SA, Phipps Anderson Deacon and the San Antonio Hispanic Chamber of Commerce.

ISSUE:

City Council is required to authorize professional services agreements over \$50,000.00.

ALTERNATIVES:

City Council could elect not to approve the professional services agreement with PAVLOV and request a new solicitation be released. However, this solicitation was released utilizing the procurement policies of the City. In addition, marketing and advertisement services to support the air service incentive and the airport concessions programs would be unserved as a new solicitation was developed and released.

FISCAL IMPACT:

This agreement shall have a value not to exceed \$4,000,000.00. No funds are appropriated by this action. Expenditures for these services are subject to available funding and are authorized by individual project budgets at the time work is requested or project funds are appropriated through ordinance. The City will make no minimum guarantee pertaining to the volume of work which may be expected from the consultant.

RECOMMENDATION:

Staff recommends approval of the professional services agreement with PAVLOV for on-call marketing and advertising services for the San Antonio Airport System.