

Our File/N/Réf.  
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DATE: 10 March 1999

TO/DEST: Co-ordinator  
Transit Services Committee

FROM/EXP: General Manager

SUBJECT/OBJET: **AGENCY OF RECORD FOR ADVERTISING SERVICES**

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### **DEPARTMENTAL RECOMMENDATION**

**That the Transit Services Committee recommend to the Commission the appointment of Acart Communications as OC Transpo's Advertising Agency of Record to provide assistance with the development and execution of OC Transpo's promotional strategy, for a twelve-month term with provision for two twelve-month extensions, subject to satisfactory performance.**

### **BACKGROUND**

Both the interim and final reports from the Comprehensive Review noted that marketing and customer service activities will play a critical role in the achievement of OC Transpo's ridership growth objectives. Aggressive marketing will be required to support the introduction of changes in transit services and routes flowing from the Review, and to increase awareness of and loyalty to the transit service.

KPMG/IBI recommended that OC Transpo increase the level of funding and resources allocated to marketing, and to formally appoint an Agency of Record for the provision of advertising and promotion services to provide continuity of thinking and execution. The Agency of Record would work with OC Transpo's marketing team and be expected to undertake the following tasks, as part of an integrated approach to marketing and promotions.

- Contribute to the formulation of marketing and promotional strategies.
- Advise on and implement a branding and positioning strategy for OC Transpo in the region.
- Design and undertake advertising campaigns that lead to the achievement of our marketing objectives relating to ridership growth, through an integrated use of mass media advertising, targeted direct marketing and supporting point-of-sale materials and sales promotions.

- Negotiate and manage the purchase and placement of media time and space.
- Undertake advertising and promotional activities required to support other OC Transpo marketing initiatives, such as the development and enhancement of partnership arrangements.

Based on these recommendations a decision was made by the Management Committee to proceed with the selection and appointment of an Agency of Record.

### SELECTION PROCESS

Advertisements seeking expressions of interest and statements of qualifications from eligible agencies were placed in the Ottawa Citizen, Sun, Le Droit and Ottawa Business Journal at the end of January 1999. Eight agencies responded and the following three were identified as having the strongest potential capability to meet OC Transpo's requirements:

- Mediaplus Advertising
- Acart Communications
- The Bytown Group

The shortlisted agencies were briefed on the recommendations from the Comprehensive Review and asked to prepare presentations, with supporting submissions, recommending an appropriate promotional strategy for achieving OC Transpo's 1999 ridership objectives and establishing the foundation for achieving ridership objectives through to 2003. The selection process was managed on OC Transpo's behalf by KPMG.

### RATIONALE FOR RECOMMENDATION

Each agency's presentation was evaluated using a set of criteria focussing on the quality and appropriateness of the recommended strategy, proposed arrangements for staffing and managing the OC Transpo advertising account, client references and proposed billing arrangements.

Acart's presentation provided the best integrated approach to meet our requirements in 1999 and establish the foundation for achieving further ridership growth in subsequent years. The agency has a demonstrated capability to undertake and integrate the mix of activities required to reach out and retain our existing riders and attract new riders.

### FINANCIAL IMPLICATIONS

The approved 1999 operating budget for Marketing includes approximately \$600,000 for the costs of advertising activities and related costs of design, production and management. Once the Agency of Record is formally appointed, a detailed promotional plan will be finalized with the agency, including breakdowns of planned spending by project and activity.

*Approved by  
M.J.E Sheflin, P.Eng.*