

To: James L. App, City Manager

From: Mike Compton, Director of Administrative Services

Subject: Federal Transit Administration Marketing Grant - Memorandum of Understanding

DATE: October 18, 2005

Needs:

For the City Council to consider adoption of a resolution approving a memorandum of understanding (MOU) with San Luis Obispo Council of Governments (COG) to develop a marketing plan.

Facts:

1. The City applied for and received a Federal Transit Administration 5313 grant to develop a marketing plan.
2. Because "planning" grants must be included in the regional transportation planning agency's "program of projects" (POP) and/or "Federal Transportation Improvement Program" (FTIP), the COG, as the regional transportation planning agency becomes the oversight agency.
3. The COG, as the oversight agency, requires the recipient agencies of planning grants to enter into a MOU.
4. Improving senior transportation was Council Goal #6. Development of a marketing plan will contribute to meeting this goal.

Analysis
and
Conclusion:

The City applied for a FTA Section 5313 planning grant to develop a transit marketing grant. It is a requirement that the planning grants be included in the regional transportation planning agency's "program of projects" (POP) and/or "Federal Transportation Improvement Program" (FTIP) in order to be considered by the FTA and Caltrans. This inclusion in COG's POP and/or FTIP extends administrative oversight control to the COG.

Thus, this request for the Council to consider approval of the MOU between the City and the COG.

Fiscal
Impact:

The FTA grant is for \$26,559 plus a local match of \$3,441 making for a total budget of \$30,000. An additional \$25,000 of local Transportation Development Act has

been earmarked for implementation and/or for preparing the marketing plan should \$30,000 prove insufficient.

Options:

- a.** Adopt Resolution No. 05-xx approving the Memorandum of Understanding with the San Luis Obispo Council of Governments; or
- b.** Amend, modify, or reject the above option.

Transportation Planning Grant-Transit Technical Assistance

FTA Section 5313(b)

AGREEMENT

This Memorandum of Understanding has been entered into by and between the

SAN LUIS OBISPO COUNCIL OF GOVERNMENTS (hereinafter referred to as "COG") and the **CITY OF PASO ROBLES AREA TRANSIT SYSTEM** (hereinafter referred to as "CITY") for the **Paso Robles Transit Marketing Plan** (hereinafter referred to as "Project")

TERMS AND CONDITIONS

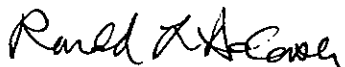
The Project shall be undertaken and accomplished in accordance with the terms and conditions specified herein or contained in the Appendices named below, which are attached hereto and by reference incorporated herein. Appendix A contains general provisions applicable to this Agreement. Appendix B describes the scope-of-work and deliverables. Appendix C contains the Plan Budget and Schedule by task.

The effective date of this Agreement shall be **November 1, 2005**. The Project shall be completed on or before **November 30, 2006**, and the Agreement shall terminate on **October 31, 2007**. The total of all expenses incurred for the project in performance of this contract shall not exceed the sum of thirty thousand dollars (\$30,000), of which twenty-six thousand five hundred fifty nine dollars (\$26,559) will be paid by COG through the FTA 5313(b) Grant, and three thousand four hundred and forty-one dollars (\$3,441) will be paid by CITY as local support. No expenses shall be incurred by the City until Caltrans issues a written Notice-to-Proceed to COG and COG notifies CITY in writing.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto:

**SAN LUIS OBISPO COUNCIL OF
GOVERNMENTS**

**PASO ROBLES CITY AREA TRANSIT
SYSTEM**



Ronald De Carli, Executive Director

Mike Compton, Administrative Services
Director

Dated: 9/27/05

Dated: _____

APPENDIX A GENERAL PROVISIONS

1. General: City shall comply with any and all laws, statutes, ordinances, rules, regulations or requirements of the federal, state or local government, and any agency thereof, which relate to or in any manner affect the performance of this Agreement. Circular 4220.1E of the Federal Transit Administration (FTA), 49 CFR Part 18, "Uniform Administrative Requirement for Grants and Cooperative Agreements to State and Local Governments," is incorporated herein by reference as though set forth in full, and shall govern this Agreement except as otherwise provided herein. Those requirements imposed upon COG as "recipient" are hereby imposed upon CITY as the "sub-recipient", and those rights reserved by the FTA or Caltrans are hereby reserved by COG. All references to "Section 5313(b) funds" refer to FTA State Planning and Research Project funds provided under 49 USC Section 5313(b).

2. Accomplishment of the Project: CITY shall carry out this Project in a timely and satisfactory manner, in conformance with the work program and project budget contained in Appendices B and C, and in compliance with the terms and conditions contained herein.

3. Project Accounts, Funds and Costs

a. Accounts: In conducting accounting activities, CITY shall comply with provisions contained in 49 CFR Part 18.

b. Funds: CITY shall contribute in cash at least eleven point four seven percent (11.47%) of the expenses incurred in the performance of this Agreement as the local share. COG shall contribute up to eighty-eight point fifty-three percent (88.53%) in cash upon receipt of an FTA planning grant for that purpose. Should funds to COG from the FTA 5313(b) grant be less than eighty-eight point fifty-three percent (88.53%), any difference shall be the responsibility of the CITY.

c. Allowable Costs: COG shall reimburse CITY for those services and expenses required to perform the work in accordance with the project budget in Appendix C. Reimbursement shall be in accordance with the cost principles set forth in Office of Management and Budget Circular A-87, Revised, "Cost Principles Applicable for State, Local and Indian Tribal Governments."

d. Record Retention and Access to Records: CITY agrees to retain all books, records, accounts and reports directly pertinent to this Agreement for a period of at least three (3) years from the end of the grant period in accordance with Generally Accepted Accounting Principles (GAAP). COG, FTA, the Comptroller General of the United States, Caltrans, or their authorized representatives shall have the right of access to such records to make audits, examinations, excerpts or transcripts.

e. Audit: CITY will provide thorough and complete accounting for all funds expended in the performance of this work, to the extent that such funds are provided by COG as set forth in Section 3 of this Agreement, consistent with 49 CFR, Part 18.37(b).

4. Project Reporting

a. **Narrative Progress Report:** CITY shall prepare a brief narrative progress report covering accomplishments during each month and submit this report electronically within ten (10) working days following the end of the month. These reports shall summarize the following information: 1) the work tasks completed or underway; 2) the tasks expected to be performed in the coming months; 3) public participation activities and outreach to community-based organizations; and 4) explanations of problems or delays encountered or anticipated. The narrative progress reports are deliverables under this agreement and, as such, must be reviewed and accepted by COG prior to COG approval and processing of reimbursement requests.

b. **Financial Report:** CITY shall submit a financial report covering a monthly reporting period (supported by the narratives on the nature of the work activities performed as defined under a. above). Such financial report shall include, but not be limited to, a project expenditure statement, and a request for reimbursement with supporting documentation. Financial reports shall be delivered to COG ten (10) working days after the end of the month.

5. Deliverable Work Products

a. **Schedule:** The delivery date for the work products to be furnished under this Agreement is shown in Appendix C.

b. **Technical Reports/Computer Files:** CITY shall deliver to COG four (4) copies of any technical reports or other items prepared under this Agreement upon their completion, except as noted below (i.e. COG will forward three (3) of those copies to Caltrans).

c. **Ownership:** Subject to the provisions of Section 18 of the Federal Transit Master Agreement referred to above, all reports, drawings, plans, studies, memoranda, computation sheets and other documents assembled for or prepared by or for, or furnished to, CITY under this Agreement shall be the joint property of CITY and COG, and shall not be destroyed without the prior written consent of COG.

d. **Acknowledgment:** All published reports shall contain a credit reference to FTA on the cover or title page "Preparation of this document was financed in part with Federal funds from the Federal Transit Administration (FTA) Section 5313 (b) rural planning and research program".

6. **Requisitions:** CITY shall prepare requests for reimbursement for services performed and/or expenses incurred under this Agreement. CITY shall maintain records of payroll distribution, receipted bills, and such other documentation as may be reasonably required by COG. Requests shall be accompanied by supporting documentation.

7. **Changes:** From time to time, circumstances or conditions may require changes to this Agreement. Changes which are mutually agreed upon between CITY and COG shall be incorporated in written amendments to this Agreement.

8. Payment: COG shall make payments to CITY as expeditiously as possible, following the review and acceptance of deliverables, and the approval of requests for reimbursement.

10. Termination: COG may terminate this Agreement, in whole or in part, at any time upon five working days' prior written notice. CITY shall submit a request to COG for an amount representing the reasonable value of services actually performed to the effective date of termination for which CITY has not been previously reimbursed. In no event shall the maximum expenditure allowed under this Agreement be exceeded. Upon payment of the amount found due, COG shall be under no further obligation to CITY, monetary or otherwise.

11. Indemnification: CITY shall indemnify, defend, and hold harmless COG, its Board members, representatives, agents or employees from and against all claims, injury, suits, demands, liability, losses, damages and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of CITY, its officers, employees or agents, or any of them in connection with this Agreement.

12. Civil Rights

a. Equal Employment Opportunity: In the performance of services under this Agreement, CITY shall not discriminate or permit discrimination against any person or group of persons on the grounds of race, religious creed, color, national origin, ancestry, age, physical handicap, medical condition, marital status or sex, in any manner prohibited by federal, state or local laws. CITY shall comply with applicable provisions of Executive Order 11246, as amended by Executive Order 1375, and as supplemented by Department of Labor regulations.

b. Title VI: CITY agrees to comply, and to assure compliance by contractors, with all the requirements imposed by Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) and the regulations of the U.S. Department of Transportation (DOT) issued there under, 49 CFR Part 21, incorporated herein by reference.

c. Disadvantaged Business Enterprises (DBE): It is the policy of COG to ensure nondiscrimination in the award and administration of DOT-assisted contracts and to create a level playing field on which disadvantaged business enterprises, as defined in 49 CFR Part 26, can compete fairly for contracts and subcontracts relating to COG's procurement and professional services activities.

CITY shall not discriminate on the basis of race, color, national origin or sex in the performance of this contract. CITY shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by CITY to carry out these requirements is a material breach of contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

13. Drug-Free Workplace: All grant recipients and Sub grantees paid by Caltrans grant funds must comply with the provision of the Government Code outlined in Section 8355, Drug-Free Workplace Certification Requirement.

APPENDIX B SCOPE OF WORK

Project Initiation Meeting

The city will solicit proposals to select a Contractor. As soon as possible, following selection of Contractor and contract issuance, contractor proposes to meet with the City's Project Manager to:

- Finalize the proposed Scope of Work and schedule of deliverables,
- Identify preliminary data needs and resources, and
- Establish points of contact between the City, the community, and the consultant team.

Contractor should submit monthly progress reports to the City's Project Manager. Each progress report will include a detailed narrative description of work underway and completed, problems encountered and recommendations for resolving same, documentation of adherence to project timeline including percentage of each task completed, project budget status, and outstanding correspondence.

Phase One – Market Research

Development of a Marketing Plan will include an assessment of any prior advertising, promotional, and community outreach efforts. The initial progress report would identify those efforts that have been most successful, present recommendations for capitalizing on these successes, and present recommendations for enhancing the effectiveness of those activities judged less than successful.

Data Review

The initial phase of the project would also include acquiring detailed knowledge of Paso Robles Transit's service offerings, including routes, schedules, customer amenities, and management approach. The new proposed super loop will be an element of great focus.

For the City to achieve its objective of increasing ridership within the specific customer or demographic markets, it must understand the respective travel or access needs. The proposed methodology will:

- Quantify current transit usage within each market segment,
- Identify any administrative, operational, or physical impediments for increased transit usage within each market segment.
- Identify and assess the marketing channels most preferred by each market segment.
- Collect and evaluate data regarding the local home-to-work travel market.
- "Map" trip generators and quantified demand.

Surveys and Interviews

Proposed outreach and data collection methodology includes:

- Conduct focus groups and/or surveys targeting local employers including inter-city surveys, seniors, the Hispanic community, and the Cuesta College community.
- Meet with community leaders, business and economic development organizations, the visitor and lodging sector, social service coordinators, and Cuesta College administration to identify transit priorities and opportunities for joint promotion.

Budget and Funding Source

The budget for Phase I - Market Research is estimated at \$11,841. Grant funding in the amount of \$9,356 is requested and local share would be in the amount of \$2,493.

Phase Two: Marketing Plan Development

A Strategic marketing plan is the cornerstone to successful marketing. A plan is essential because it enables all stakeholders to see the ultimate goal with clarity. It communicates vision.

Two key considerations during this activity are differentiation and positioning. Differentiation is the collections of differences in features and benefits versus competitive modes of travel (e.g., public transit versus the automobile). The key is to determine how important these collective differences (e.g., increased mobility, reduced expense) are to the target users.

Positioning adds brand value to the collection of differences in the mind of the target user. Once differentiation and positioning have been determined, contractor will identify those marketing elements most likely to gain increased patronage from exiting and trial ridership within the specified market segments.

This plan will identify the near-term marketing and positioning goals of the City's public transit service, outline cohesive strategies for achieving the goals, define specific tactics for implementing the strategies, and determine milestones (or control) points for tracking and evaluating the effectiveness of each proposed strategy and tactic.

This methodology offers several distinct benefits over developing independent or stand-alone campaign plans:

- 1.) Ensures all funds and resources are allocated effectively.
- 2.) Sets market and spending priorities properly.
- 3.) Ensures the integration of all marketing efforts to efficiently leverage resources and optimize their effectiveness.
- 4.) Provides a means to track plan versus actual results.
- 5.) Identifies critical marketing programs that promise the greatest return on investment.
- 6.) Affords a measure to gauge the appropriateness of marketing opportunities.

Strategies will be developed for each target market. The strategies will provide the focus for the development of specific tactics. A mix of marketing tools will form the individual programs and campaigns.

The budget for Phase II - Marketing Plan Development is estimated at \$16,924. Grant funding in the amount of \$13,849 is requested and local share would be in the amount of \$3,075.

Phase Three: Implementation Strategy**Tactics and Programs**

The value of the Marketing Plan, however, will not be realized until it is successfully implemented and produces the stated results. Successful implementation starts with a good plan. The decisions made and steps taken to put a marketing plan into action benefit from focused planning. A good marketing plan is simple specific, realistic, and complete. The Marketing Plan developed by our team will include full and specific information on milestones, responsibilities, dates and budgets.

Specific programs aimed at our target markets will be included in the following tactical sections:

1. **Marketing Collateral Plan** including the design and production of marketing materials and promotional materials. Develop recommendations for the distribution of Paso Robles transit marketing collateral via targeted mailings and/or piggybacking (i.e., marriage mail, periodical wraps, affinity marketings).
2. **Advertising Plan** including the design, production, and distribution of direct mail advertising and other media (broadcast, cable, print, outdoor). Prepare a buy plan incorporating our recommendations, outlining reach and frequency, to deliver the most effective exposure with the target audience at the lowest reasonable cost. Strategies for cooperative, barter, and earned media would be investigated and discussed.
3. **Public Relations Plan** including the production of media releases and feature articles in the local, senior, Hispanic, and Cuesta College print media. Develop recommendations for community events designed to generate word-of-mouth and put Paso Robles Transit in the spotlight.
4. **Channel Marketing Plan** including specific programs for establishing and maintaining contacts with businesses and Cuesta College for the sale of employer and students alternative transportation programs. (i.e., permitting Cuesta College students to use their student identification card as a bus pass).

Budget and Funding Source

The budget for Phase III - Implementation Strategy is estimated at \$3,802. Grant funding in the amount of \$3,354 is requested and local share would be in the amount of \$448.

APPENDIX C
PROJECT BUDGET and SCHEDULE of DELIVERABLES

PROJECT SCHEDULE AND FUNDING CHART
City of Paso Robles Marketing Plan

Project: City of Paso Robles Marketing Plan																		
		Fund Source			Fiscal Year 2005/2006													
Tasks	Responsible Party	Cost Total	Grant %	Local %	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Deliverable Product	
RFP Consultant Selection	City of Paso Robles							X	X								RFP & Consultant Selected	
Market Research	Consultant	11,841	9,356	2,493						X	X						Surveys & interviews	
Marketing Plan Development	Consultant	16,924	13,849	3,075								X	X				Identify critical marketing programs	
Implementation Strategy	Consultant	3,802	3,354	448										X	X	X	Marketing, advertising and public relations plan	
TOTAL COST:		\$32,567	\$26,559	\$6,008														

RESOLUTION NO. 05 -

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL PASO DE ROBLES
APPROVING A MEMORANDUM OF
UNDERSTANDING WITH SAN LUIS OBISPO
COUNCIL OF GOVERNMENTS

WHEREAS, the City applied for and received a Federal Transportation Administration planning grant to develop a transit marketing plan; and

WHEREAS, planning grants must be included in the regional transportation planning agency's "Program of Projects" and/or "Federal Transportation Improvement Program"; and

WHEREAS, the inclusion in the "Program of Projects" and/or "Federal Transportation Improvement Program" given the regional transportation planning agency oversight responsibility.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles that the Memorandum of Understanding between the City and the San Luis Obispo Council of Governments is hereby approved; and

BE IT FURTHER RESOLVED by the City Council of the City of El Paso de Robles that the Director of Administrative Services is hereby authorized to execute said Memorandum of Understanding.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 18th day of October 2005 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk