

Request for Proposal

Advertising
Agency
of Record

October 1, 2014



visit
California

To All Prospective Bidders:

Visit California, a privately funded nonprofit corporation, is seeking a qualified advertising agency to develop the California brand and promote tourism to the State of California.

The California Travel and Tourism Commission, dba Visit California, is a private non-profit 501(C)(6) funded by assessed businesses that have an interest in promoting tourism to California. California Tourism is marketed exclusively by Visit California. **The Tourism Assessment Program** was created under the **California Tourism Marketing Act** in 1995 with the passage of SB 256. The legislation authorized self-imposition of an assessment by businesses that benefit from travel and tourism. It also authorized the establishment of a non-profit, public benefit corporation, Visit California, to oversee the promotion of California as a premier travel destination.

Visit California oversees the production of a variety of marketing activities, including on and offline advertising, visitor publications and maps, cooperative programs, public relations and tradeshow – all designed to promote California to travelers, tourists and the travel trade. For more details please visit <http://tourism.visitcalifornia.com> in the "Travel Industry" section.

The purpose of this request for proposal (RFP) is to seek and retain a qualified advertising agency to develop the California brand and promote tourism. The results of these efforts will benefit Visit California's assessed businesses, as well as in-state Destination Marketing Organizations by increasing tourism revenue and, on a larger scale, increasing the employment base for the State of California.

The contract period for the Scope of Work contained within this RFP will be approximately March 1, 2015 to June 30, 2016, or 16 months. Visit California's fiscal year runs from July 1st through June 30th. The first fiscal year of the contract will be funded up to \$26 million. Moving forward, the budget for this contract could potentially scale to \$80 million annually over the next two years. We reserve the right to adjust this amount based on the content of the proposals and related factors.

Attached is a RFP to be filled out by those capable of meeting minimum requirements and carrying out the scope of work. All responses will be carefully reviewed and evaluated based on the criteria noted in the attached document. Any questions you may have to clarify this RFP are due to Visit California no later than 5:00 p.m., Pacific Daylight Time (PDT) October 15, 2014.

Sincerely,

Caroline Beteta
President and Chief Executive Officer
Visit California

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VISIT CALIFORNIA

Request for Proposal Advertising Agency

1. INTRODUCTION

California is the leading visitor destination in the United States with almost \$110 billion in travel and tourism related spending in 2013. This spending directly supported jobs for 965,800 Californians and generated \$7.1 billion in state and local tax revenues. Among California's export-oriented industries tourism is the fifth largest employer. Since 1998, consistent investment in the California Tourism program (a joint marketing venture of Visit California and the California Division of Tourism) has helped to reverse a decade-long decline in domestic market share and put California in a strong position to weather the recent economic storm.

About Visit California

Visit California is a not-for-profit, 501(C)(6) corporation formed in 1998 to work jointly with the State of California's Division of Tourism to implement the annual Marketing Plan, which promotes California as a travel destination. While these two partners (Visit California and Division of Tourism) are separate legal entities, they are commonly referred to jointly as California Tourism.

From 1998 to 2003, California Tourism consisted of the originally conceived private-public joint marketing venture partnership of Visit California and the State of California. The primary source of California tourism marketing budget is now directly derived from assessed businesses in the travel and tourism industry, car rental assessment, and a small contribution from the State.

Visit California operates under the auspices of the Governor's Office of Business and Economic Development. Michael E. Rossi, Senior Advisor for Jobs and Business Development, Office of the Governor, currently serves as Chair of the organization.

Visit California's 37-member board of commissioners is composed of individuals from all 12 designated regions of California. Members represent five principal industry sectors: Accommodations, Restaurants and Retail, Attractions and Recreation, Transportation and Travel Services, and the Passenger Car Rental Industry. Twenty-four of the commissioners are elected by the approximately 9,500 assessed California businesses; 12 are appointed by the governor; and the 37th is the director of the Governor's Office of Business and Economic Development. The Commission meets three times a year to direct Visit California's programs and activities. A 34-member statewide Marketing Advisory Committee also provides input in developing the marketing plan.

2. PURPOSE

The purpose of this request is to seek and retain a qualified advertising agency to develop the California brand and promote tourism. The results of these efforts will benefit Visit California's assessed businesses, as well as in-state Destination Marketing Organizations by increasing tourism revenue and, on a larger scale, increasing the employment base for the State of California.

3. CURRENT STRUCTURE

Visit California's global agency infrastructure consists of a brand agency (currently MeringCarson), consumer content and publishing services partner (currently Sunset Custom Publishing) and 11 international travel trade and PR partners around the world. As the core consumer agencies, the brand agency and the consumer content and publishing services partner must work closely together to ensure a seamless brand experience for potential visitors. The brand agency will work collaboratively with travel trade and public relations (PR) partners in the markets with direct to consumer activity. The RFP for the content and publishing services contract is running on the same schedule as this global brand agency opportunity.

4. CONTRACT TERM

The successful proposer will enter into a contract for services with Visit California. The duration of the initial contract between Visit California and the successful proposer is expected to begin upon the date of contract approval (approximately March 1, 2015) and terminate on June 30, 2016. Visit California reserves the right to renew its agreement prior to the end of each contract term for a total of five (5) years, providing funding to do so is appropriated for this purpose in subsequent budgets. There will be a 6-month oral review in 2015 and subsequent reviews annually in each year the contract is renewed. Proposed renewals are also assessed according to program direction, funding, and consistency of price and scope of work continuity.

5. AVAILABLE FUNDS

Visit California will initially fund this contract up to \$26 million for services rendered for the 15/16 fiscal year.¹ Funding at this level is dependent on an overall Visit California budget of \$50 million. This budget

¹ The budget for this contract could potentially scale to \$80 million annually over the next two years. Agencies selected as finalists will be given an assignment focused on scaling the Visit California advertising program to a higher funding level. Please do not submit a response to this assignment as part of your written proposal, as it will not be reviewed or scored.

figure is based on brand development, creative production, strategy execution, media planning and placement (both offline and online), account management fees, and out-of-pocket expenses. However, Visit California reserves the right to adjust both the budget and related services.

6. EVALUATION PROCESS & CRITERIA

Visit California will form a committee to evaluate the written proposals. The criterion for the scoring of the proposals is included as Attachment C. The committee may at any time during the evaluation process seek clarification from Proposers regarding any information contained within their proposal. Final scores for each Proposer will reflect a consensus of the evaluation committee. Any attempt by a proposer to contact a member of the evaluation committee outside the RFP process, in an attempt to gain knowledge or an advantage may result in disqualification of proposer.

The top three to five finalists chosen by the evaluation committee will be asked to provide oral presentations to the evaluation committee at Visit California's office in Sacramento, California. After the oral presentations, there will be a question and answer period. In addition to Proposer management, key personnel performing day-to-day activities will be requested to attend.

The top three to five finalists will also be given a project for scaling their proposed work plan to a higher funding level as well as further clarifying administrative and billing procedures.

7. TENTATIVE SCHEDULE

This tentative schedule may be altered at any time at the discretion of Visit California.

10/01/14	RFP dissemination
10/15/14, 5:00pm PDT	Q & A and Notice of Intent to Bid (if not already submitted) due
10/22/14	Q & A sent to agencies
12/05/14, 5:00pm PDT	Proposals due
Week of 01/05/15	3-5 finalists chosen
Week of 01/26/15	Oral presentations by finalists
Week of 02/02/15	Selected proposer announced & contract negotiations begin
Week of 03/02/15	Start date – overlap with current agency

8. AGENCY OBJECTIVES

Primary:

Plan, develop, execute and track results for Visit California's brand advertising program.

- **Marketing and Advertising Planning:** Develop recommendations for a Marketing and Advertising Plan that supports the strategies set forth by Visit California. Includes Strategic Direction, Creative Strategy, Brand Development and Stewardship, Media Plan and Cooperative Plan.
- **Media Buy:** Buy (execute) the media plan presented in the Advertising Plan and approved by Visit California. Execution includes placement, optimization, cancellations, auditing, payment to vendors and billing.
- **Concept Development/Production:** Concept creative materials/campaign elements (TV, online, etc.) as described in the Marketing and Advertising Plan. Once approved, produce and bring to final form the approved advertising materials to run/air on behalf of Visit California.

Secondary:

- **Research:** Work with Visit California's research team in implementing tracking research and other projects as needed.
- **Account Stewardship:** Attend Visit California board meetings (three per year), prepare periodic reports and a monthly budget recap, and arrange for storage and shipment of materials and documents as directed by Visit California.
- **Miscellaneous:** Provide creative input and support for other projects, and work collaboratively with global trade and public relations agencies, as well as the content agency, which oversees and develops all owned channel content.

9. PROPOSAL REQUIREMENTS

Proposals must address each item listed within the following sections, giving specific details of techniques to be used in meeting these requirements.

The proposal should describe how the Proposer intends to perform the scope of work during a 12-month period and shall be subject to negotiation between Visit California and the Awardees' for the initial contract period. The information provided will be used to negotiate the contract scope of work, and to score proposals as described in Attachment C, Proposal Evaluation Criteria.

Proposals must be based on a funding level of \$26 million per fiscal year. If additional funding becomes available, this budget may increase. See Attachment A for links to the Visit California's public documents related to strategic planning.

9.1 Minimum Requirements

- Questions: All Proposers wishing clarification of this RFP must submit questions via email to: rfps@visitcalifornia.com by the date and time referenced in the Tentative Schedule. Questions must be categorized based on scope of work elements.²
- Notice of Intent to Bid (non-binding): All Proposers interested in responding to this RFP must submit Attachment B, Notice of Intent to Bid by the date and time referenced in the Tentative Schedule. If you responded to the RFQ, this requirement has been met.
- Annual Billings: Proposers must have 2013 annual billings over \$20 million. If you did not respond to the RFQ, please include clients and budgets.
- Experience: International media planning and buying experience – both online and offline – in at least four markets worldwide with at least one being non-English speaking. If you did not provide this in response to the RFQ, please list markets in which your agency has experience and what media vehicles were planned and purchased. If using a subcontractor, provide a signed letter of commitment that includes the name of the subcontractor, their annual billings and the information requested above regarding international media planning and buying. All media planning/buying subcontractors must also meet the stated minimum requirements.
- References: Provide three client references. At least two must be current clients. Include client name, contact information, and the engagement start and end dates.
- Financial Statements: Proposers are required to demonstrate financial viability for maintaining an account of this size. For Proposers who did not submit financial statements with the RFQ, please provide GAAP compliant financial statements, including but not limited to:
 - Statements of Financial Position;
 - Statements of Activities; and
 - Statements of Cash Flows.

All of the above Financial Statements must be the most recent statements available, but no more than 12 months old. Financial statements are to be submitted in a sealed envelope. After review,

² Costs for developing proposals are entirely the responsibility of the proposer and shall not be reimbursed by Visit California. This RFP is not subject to State contracting rules and regulations and Visit California reserves the right to modify any and all terms and conditions in its sole and absolute discretion.

all financial statements will be destroyed or returned to Proposer. If Proposer would like a Non-Disclosure Agreement (NDA) signed, the NDA must be received along with the Q&A by the date specified in the Tentative Schedule.

- Contract Requirements: Winner of RFP will be required to abide by Visit California contracting requirements. Information on contracting requirements can be found at <http://industry.visitcalifornia.com/About-Visit-California/Requests-for-Proposals/>

All proposals submitted shall become the property of Visit California and shall not be returned to the Proposer. Visit California also reserves the right to:

- Reject any and all bids;
- Waive any or all mandatory requirements, if no proposers meet one or more of those requirements;
- Cancel this RFP;
- Revise the amount of funds available under this RFP;
- Amend this RFP as needed³; and
- Not select a vendor and award a contract from this RFP.

All proposers agree that budget costs submitted with their proposals are valid for 180 days from the date Visit California receives your proposal.

Proposals may be rejected if minimum requirements are not met.

9.2 Description of Proposer

- **Services & Activities:**
 - Provide a letter of interest and an executive summary of your proposal.
 - Provide a description of the nature of the Proposer's services and activities. Provide the year in which your company was formed. Note your company's history and expertise in travel and tourism advertising. List the address from which the primary work on the contract would be performed and size of agency by headcount. List the number of full and part-time employees. Do not list any sub-contractors in this section.

³ If RFP is amended, Visit California will send an addendum to all Proposers.

- **Conflicts of Interest:**
 - List all tourism-related clients for whom you have acted in the United States during the past 12 months.
 - You must certify that there are no conflicts of interest between any existing contracts. Client relationships that could potentially be a conflict of interest must be listed together with a discussion of how the Proposer will resolve the potential conflict of interest. The respondent cannot currently be working with Texas State Tourism Office, Florida State Tourism Office, New York State Office of Tourism, New York City DMO, Orlando DMO, or Las Vegas DMO.

- **Personnel/Management:**
 - Identify those individuals on the Proposer's account team who will manage the contract work. Identify specific individuals who will be conducting day-to-day activities. Identify all personnel assigned to this account by position title. Include a description of the duties for each position title.
 - Note who will be the contract manager and primary contact.
 - For all individuals, please document overall experience on tourism accounts, and include current resumes/biographies. Provide education, experience and expertise with pertinent information demonstrating qualifications for this RFP. Include length of time with agency, and length of time in any previous related positions. Do not exceed two pages per person.
 - Include a detailed organizational chart for your entire organization, and an organizational chart for the management and personnel that will be assigned to this account, if applicable.

- **Subcontractors:**
 - Identify all proposed subcontractors for work that exceeds \$25,000 annually and document which portions of service will be performed by subcontractors and their ability to perform the work. Additionally, Proposer should submit signed letters of commitment for all proposed subcontractors and resumes/biographies of proposed subcontractor's key personnel, including those conducting day to day activities. Resumes/biographies should detail education, experience, and key timeframes for all individuals on the account. Do not exceed two pages per person.
 - The use of subcontractors is subject to approval by the President and CEO of Visit California. Therefore, not all work recommended by the Proposer will necessarily be approved and not all subcontractors listed in the Proposal will necessarily be selected. The Proposer must make it clear to any subcontractors included in the Proposal that even if the Proposer is selected, the subcontractors may not necessarily be selected.

9.3 Scope of Work

For each of the following project areas, the Proposer should prove capability; describing strategies to be used and quality controls. Sufficient detail must be given and must include examples of past projects, ability to meet deadlines, and managerial experience. The Proposer should demonstrate knowledge and understanding of brand in a global marketplace, and the shifting dynamics of how consumers receive and use information today.

- **Strategic Planning:** Provide us an “insider’s look” at your strategic account planning process. What goes into the development of a plan? What type of research do you do? Etc.
- **Advertising Campaign Development:** Demonstrate how your agency develops a holistic approach to client brand advertising, integrating interactive, including social, into the overall strategy. Include how your media planning has changed due to barriers effecting traditional frequency and reach via TV – e.g. video on demand, recording devices, etc. How does your agency approach extend beyond that 30-second spot? Exemplify how your agency has evolved based on the way consumers are receiving and using their information today.
- **Production/Creative:** Do you do production in-house? If not, how do you manage production? Is your creative team located in the office that this account will be managed? Show current and/or past client examples of how your brand development moves across all mediums.
- **Media Planning & Buying:** Provide us with your process in deciding where, when, and how to purchase media. What tools or analytics do you use? What are the determining elements that make your purchasing decisions? Optimization strategy? Co-op Strategy? Give us an overview of your philosophy as it relates to planning and buying media domestically and internationally, including Asia, for a budget of our size and tracking/optimizing to metrics similar to those used by Visit California.
- **Promotional and Strategic Partnerships:** Where do strategic partnerships or alliances fit into your overall approach? How have you used strategic partnerships to extend a client's budget and exposure?
- **Social Media:** Show us how you integrate social media into a brand strategy and how you would approach a global social strategy. Visit California currently manages all social profiles internally, but is interested in hearing your thinking on how a brand our size should resource to efficiently manage a global social footprint. At a minimum, we would look to the winning Proposer to provide the overarching social strategy and guidance on implementation.
- **Research & Analytics:** Provide an overview of how you determine success. What are the analytic tools or services that you use, and what type of information will you be reporting back to Visit California as it relates to meeting our objectives. Please define how your analytics can be

converted into insights, and how the insights will help guide us in making decisions on how we market in the future.

- **Travel and Administration:** The Proposer should estimate travel (three Visit California board meetings per year), monthly meetings (can be done virtually), communication and postage/shipping expenses expected to incur during contract period, and any additional reserve funds to be held for marketing contingencies. Travel and per diem expenses shall not exceed rates authorized by Visit California's Travel and Expense Policy.

9.4 Innovation Case Study

Innovation is a part of the Visit California DNA. In fact, it is one of the organization's guiding principles. Visit California is constantly seeking new opportunities to connect with our target audiences and build and leverage the power of the California brand. Provide a case study that demonstrates how your agency has pushed a client beyond the norm for their industry and achieved success. The example does not have to be tourism specific.

9.5 Work Plan

Please submit a preliminary work plan or schedule for the completion of the following project tasks based on a contract period of March 1, 2015 – June 30, 2016. The objective of the work plan is to give Visit California an opportunity to study how Proposers would schedule various elements and distribute the workload among staff.

The Work Plan should include a schedule for completion of the following project tasks:

- Strategic Planning;
- Advertising Campaign Development;
- Production/Creative Services;
- Media Planning & Buying;
- Promotional & Strategic Partnerships; and
- Research & Analytics.

9.6 Required Project

In 2013 Visit California rolled out the *Dream Big* brand platform including the migration to a new consumer tagline and launch of our new umbrella brand television commercial, "Dreamers."

Additionally, Visit California launched the *Dream365* Project, a new consumer content initiative designed to fuel inspiration through in-depth brand storytelling and foster consumer engagement.

Please demonstrate how you would take the *Dream Big* brand platform and develop the next evolution of our advertising campaign (creative only) to reach our global audience. How would you keep the messaging fresh?

Please see the 2014-15 Work Plan (Attachment A) for an overview of the *Dream Big* brand platform.

9.7 Budget

Proposer shall provide an overview of how they would allocate Visit California's budget using percentages. These allocations will be used to demonstrate your firm's philosophy on resource allocation and compensation. If commission or other fees are part of the media or production breakdown, proposers must list the percentage rates of those commissions and fees. Please also provide your point of view on compensation – commission, retainer, hourly fees or any hybrid approach.

A budget is not required for the Required Project, however the ideas presented should be feasible within the available funds.

Budget Format

The table presented below is the minimum acceptable budget format. Additional detail may be provided if applicable.

CATEGORY	% OF TOTAL BUDGET	COMMISSION % OR HOURLY RATE (if applicable)
STRATEGIC PLANNING		
PRODUCTION / CREATIVE		
MEDIA BUYING / PLACEMENT		
RESEARCH & ANALYTICS		
TRAVEL & ADMINISTRATION		
AGENCY FEE		
OTHER		
TOTAL		

9.8 Internal Control Structure

Please provide a discussion of your internal control structure for ensuring key controls are in place and operating effectively for such items as:

- Sales and use taxes;
- Exchange rates;
- Reconciliation of pre-paid media;
- Media performance reconciliations; and
- Expense approvals.

10. BILLING & RELATED REQUIREMENTS

Invoices

- Please identify any discounts you offer for payment within certain timeframes. For example, 'payment within 10 days of invoice' or something similar.
- Please identify all acceptable methods of payment.

Exchange Rates

- Please identify your agency's policy on foreign exchange policy in regards to foreign media or production costs.
- Please identify any subcontractor policy on foreign exchange policy in regards to foreign media or production costs.

11. DELIVERY OF PROPOSAL

Each bidder is required to deliver ten typed copies in addition to an electronic version of the proposal. Electronic versions of the proposal must be in PDF format and delivered on a digital storage device or emailed to rfps@visitcalifornia.com. The Required Project can be emailed, provided on a digital storage device or set up on a web-based platform, and must be submitted with the proposal. Any print, TV or brand creative samples should be submitted with Proposal. Proposals may not be faxed.

Proposals may be sent by courier such as FedEx or UPS to:

Visit California
Advertising Agency Request for Proposal
ATTN: RFP Submissions
555 Capitol Mall, Suite 1100
Sacramento, CA 95814 USA

Proposals must be received by the date and time referenced in the Tentative Schedule. Late submissions will not be accepted.

ATTACHMENT A
STRATEGIC PLANNING RESOURCES

5-Year Strategic Marketing Plan:

<http://industry.visitcalifornia.com/Market-Strategy/Strategic-Marketing-Plan/>

2014/15 Work Plan:

<http://industry.visitcalifornia.com/Market-Strategy/FY14-15-Work-Plans-Draft/>

Advertising Effectiveness & ROI:

<http://industry.visitcalifornia.com/Find-Research/Visit-California-Ad-Effectiveness-ROI/>

ATTACHMENT B

INTENT TO BID

Content & Publishing Services

Due: October 15, 2014

5:00 PM Pacific Time

Send to:

Debi Robarts

Operations Coordinator

rfps@visitcalifornia.com

Name of Proposer:
Contact Person:
Mailing Address:
Agency URL:
Telephone:
Fax Number:
Email Address:
Signed:

ATTACHMENT C

PROPOSAL EVALUATION CRITERIA

Proposals will be reviewed, evaluated and scored by an evaluation committee. Evaluation of proposals will be based on the following criteria for each component. Each criterion will be scored according to the degree of responsiveness present in the proposal being evaluated.

	Max. Points	Score
1. OVERALL EXPERIENCE OF COMPANY & DEMONSTRATED RESULTS	15	
Our evaluation will include an assessment of the history of your company, your experience as it relates to the requirements within this RFP, evidence of past performance, quality and relevance of past work, references, and related items.		
2. CREATIVITY	20	
Our evaluation will include an assessment of the quality of proposed strategies, and creativity as demonstrated by the required project.		
3. FAMILIARITY WITH VISIT CALIFORNIA & TOURISM INDUSTRY	10	
Our evaluation will include our assessment of your understanding of our organization and the tourism industry and how you integrated this knowledge into your proposal.		
4. QUALIFICATIONS OF PERSONNEL	15	
Our evaluation will include an assessment of the qualifications and experience of your managerial team, staff, and subcontractors, and related items.		
5. PLANNING & INNOVATION Ability of firm to think beyond the now and set California up to be at the forefront of the changing marketing landscape.	15	
6. STRATEGIC THINKING/PLANNING APPROACH Philosophy/approach to account planning, media planning and overall campaign development.	15	
7. BUDGET APPROACH/COST EFFECTIVENESS Effective and efficient delivery of quality services is demonstrated in relation to the budget allocation. The allocation is reasonable and appropriate. Approach to compensation structure is balanced and structured to maximize marketing investment.	10	
TOTAL POINTS	100	