**Agenda Item 8-G**

**Action Item**

To: Chairman Milde and the VRE Operations Board

From: Doug Allen

Date: May 16, 2014

Re: Authorization to Issue a Request for Proposals for Market Research Services

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**Recommendation:**

The VRE Operations Board is being asked to authorize the Chief Executive Officer to issue a Request for Proposals (RFP) for market research services.

**Background:**

Historically, the market research conducted by VRE includes the annual Master Agreement Survey conducted in October and the annual Customer Satisfaction Survey which is conducted in May. While each survey provides valuable information about our customers’ origin and destinations and their attitudes toward our service, we have no research about non-riders, their knowledge of VRE or what would entice them to ride or become supporters of VRE. The Operations Board approved staff to issue a RFP for marketing and advertising services at its April meeting; however, prior to conducting any marketing campaign or promotions it is important that VRE gain an understanding of our name recognition, level of support, and attitudes towards VRE from riders, non-riders, opinion leaders, major employers, and partners in order to provide a baseline level of measurement from which VRE can measure the results of any marketing and public affairs programs that are conducted. This effort would be separate from the marketing, advertising and public relations services contract in order to allow for the impartial, independent and professional analysis a market research firm would bring to VRE.
It is proposed that VRE issue a RFP for a three year base contract term with two (2) one-year optional extensions. Potential goals and tasks to be performed by the market research firm include, but are not limited to:

1. Establishing a baseline of Rider, Non-Rider and opinion leader attitudes and perceptions of VRE.
2. Monitor the effectiveness of VRE advertising and marketing programs and advise on improvements.
3. Provide advice on how survey sampling may be used for the annual Master Agreement and customer satisfaction surveys with the same or better margin of error and confidence level but while conducting fewer surveys. Or allow VRE to conduct more than one customer satisfaction survey in order to better gauge attitudes regarding the service or planned system improvements.
4. Help redesign the 2015 Customer Satisfaction Survey instrument into two separate surveys with a goal of 1,200 completes per survey
5. Help organize a panel for future online surveying
6. Help VRE develop and package VRE’s “Making an Impact” story quantifying benefits to the community and stakeholders.
7. Marketing research – develop baseline values before undertaking new branding/marketing campaigns
8. Graphic design and user experience (UX) testing of the prototype of VRE’s new website
9. Potential focus groups to test VRE advertising messaging or fare policy alternatives
10. Tabulating survey results, conducting cross-tabulations of responses to understand market segments, and reporting findings

The regular collection, analysis and reporting of market research allows staff to gauge the success of programs and services in meeting goals and objectives. Market research can also lead to recommending changes in strategies and tactics to achieve desired outcomes.

It is anticipated the competitive procurement process will result in the selection of a viable candidate firm by August 2014 and that a recommendation for contract award will be brought to the Operations Board for approval at its September 2014 meeting. Depending upon approved task orders, expenses for a market research consultant could be approximately $40,000 annually.

**Fiscal Impact:**

Funding for the contract is included in VRE’s FY 2015 Operating Budget.
Authorization to Issue a Request for Proposals for Market Research Services

WHEREAS, VRE does not possess the in-house expertise required to efficiently conduct market research services; and,

WHEREAS, VRE has an ongoing need for professional support of market research that will allow VRE to establish baseline attitudes, opinions and perceptions of its brand/image and its services from rider, non-rider and opinion leader populations; and,

WHEREAS, VRE has determined it is advantageous to hire a consultant for Market Research to measure the impact of Marketing Campaigns and Public Relations activities; and

WHEREAS, hiring a market research consultant will allow VRE to better perform many mission critical functions in communicating to riders and the general public about VRE services; and

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby approve the Chief Executive Officer to issue a Request for Proposals (RFP) for market research services.

Approved this 16th day of May 2014

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Paul Milde
Chairman

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Gary Skinner
Secretary