



# Transit and Shelter Advertising Sales

Organizational, Services & Performance  
Monitoring Committee

December 5, 2023



# Project Overview

- GCRTA is in the final year of two separate advertising sales contracts, transit and shelter, which both expire December 31, 2023
  - Contractor sells, produces, installs, and removes advertising on GCRTA shelters (in Cleveland) and vehicles (coaches and rail cars)
- The Request for Proposal package was prepared to combine both the transit (vehicle) and shelter (including rail stations and the Ron Tober Walkway) contracts

# Updates to GCRTA Advertising Policy & Standards

- Enable GCRTA to consistently manage advertising to reflect mission and public image
  - Advertising Policy (adopted June 27, 2023)
  - Advertising Standards (effective June 30, 2023)
- The Request for Proposal package for Transit and Shelter Advertising Sales contained the updated advertising standards and the contractor is responsible for compliance

# Inventory

## Transit (Vehicles)

- Coaches: 218 total (does not include approximately 70 vehicles: Trolleys, CSU Line, HealthLine, MetroHealth Line)
- Rail cars: 47 total (32 HRV + 15 LRV)
- Paratransit: Approximately 80 GCRTA-owned

## Shelters

- 500-600 in City of Cleveland (644 as of August 2023, which includes exemptions along CSU Line, HealthLine, MetroHealth Line)
- Rail stations (all except Tri-C Campus District on Red Line)
- Ron Tober Walkway (Tower City/Rocket Mortgage FieldHouse)

# Work Samples



# Scope of Services

- Maximize revenue opportunities related to the sale of advertising in and on vehicles, shelters, and select facilities
- Advertising media includes static art (primarily vinyl graphics) applied directly to vehicles and shelters
- Explore opportunities for additional, improved, and/or creative displays

# Connecting the Community

Advertising program and value-added services to align with mission

- Advertising Policy & Standards
- Leverage advertising program to maximize benefit to GCRTA and community

Contractor expectations: a committed partner to GCRTA

- Transparency
- Open communication
- Cooperation and collaboration
- Dedicated account manager and sales staff

Win – win – win: includes riders and public with GCRTA and Contractor



# Procurement Overview

- Request for Proposal (RFP) issued on July 21, 2023
- Accessed on the GCRTA website by 14 interested parties
- 3 firms proposed



# Procurement Overview

## Evaluation Panel

- Administration and External Affairs
- Marketing
- Office of Management and Budget
- Operations - Service Management
- Operations - District Management
- Procurement

# Procurement Overview

## Evaluation Criteria

- Revenue share plan
- Objectively measured results achieved on similar contracts
- Marketing strategy, including presentation of a viable marketing plan
- Vendor productive offerings, including creative variety of advertising opportunities
- Qualifications and relevant experience

# Procurement Overview

## Recommended Firm

- HFT Management, Inc. dba Gateway Outdoor Advertising, headquartered in New Jersey with 17 regional offices

0% Disadvantaged Business Enterprise (DBE) Goal assigned by the Office of Business Development

# Procurement Overview

## HFT Management, Inc. dba Gateway Outdoor Advertising

- Established in 1937 and acquired by current Owner/President 40 years ago
- Family-owned business focused solely on transit advertising markets
- Previously contracted with the Authority from 1992 to 1996, wherein revenues increased from \$1,100,000 to \$2,240,000 by 1996
- In addition to a dedicated national sales team, will establish a Cleveland-based office and hire locally to include a market manager, office manager, 2 local sales staff, and an operations team
- Commitment to innovation, technology, and transparency.

# Procurement Overview

HFT Management, Inc. dba Gateway Outdoor Advertising, continued

- Will offer discounted rates to non-profit organizations, public service agencies, community agencies, and minority businesses to promote brand awareness and growth
- All sales staff will be members of local business organizations and attend outreach events on a regular basis to promote the benefits of brand advertising on the Authority's assets
- Will provide \$100,000 annually in media trade to use at GCRTA's discretion
- Will pay a minimum annual guarantee (MAG) to the Authority for each contract year with a 65% revenue share for any revenue exceeding the minimum annual guarantee

## Minimum Annual Guarantee (MAG)

Contract Year	MAG
2024	\$ 1,200,000
2025	\$ 1,400,000
2026	\$ 1,600,000
2027	\$ 1,700,000
2028	\$ 1,800,000
2029 (Option Year 1)	\$ 1,900,000
2030 (Option Year 2)	\$ 2,000,000
<b>TOTAL</b>	<b>\$ 11,600,000</b>

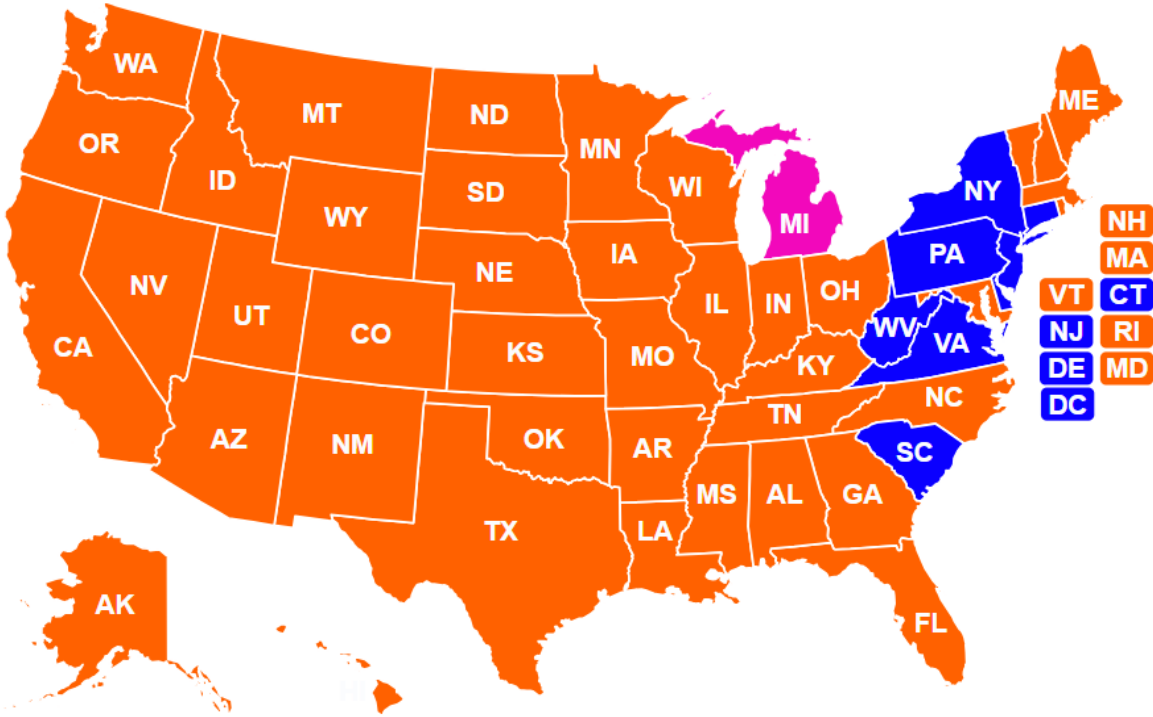
# Procurement Overview

## Other Clients

- Delaware Area Rapid Transit
- Ocean City Transportation
- Hillsborough Regional Transit Authority
- Nassau County Bus System
- Rochester-Genesee Regional Transit Authority
- City of Pittsburgh



# Markets



*Blue denotes transit advertising partnerships*

**Connecticut**

HARTtransit - Greater Danbury Region

**Delaware**

DART - State of Delaware

**Michigan**

Detroit 8-Sheet Billboards

**New Jersey**

- Hudson County Transit
- Mercer County Transit
- Trenton/Mercer County Airport
- Sussex County Transit
- Union County Transit
- Warren County Transit

**West Virginia**

KRT - Chareleston, WV - Buses and Shelters

**New York**

- Bee-Line - Manhattan
- Bee-Line - Westchester County/Bronx
- Dutchess County, NY
- NICE - Nassau County / Long Island
- RTS - Rochester Regional Transit
- Westchester County Kiosks / Benches

**Virginia/WDC**

- Connector - Fairfax County, VA
- Alexandria, VA

**Pennsylvania**

- City of Pittsburgh
- LANTA - Lehigh Valley

**South Carolina**

The COMET - Columbia, SC



## Procurement Recommendation

Staff requests that the Organizational, Services & Performance Monitoring Committee recommend an award of a revenue-generating contract to HFT Management, Inc. dba Gateway Outdoor Advertising to provide Transit and Shelter Advertising Sales for a period of five years with two, one-year options for renewal.

QUESTIONS?

