

Greater Cleveland Regional Transit Authority

SUMMARY OF PROPOSED AWARD On-Board Audio Advertising Services

Presented to: Operations Committee
October 13, 2015



Project Overview - Justification

Mission: To provide safe, reliable, clean and courteous public transportation

Vision: Be the transportation mode of choice
Be financially sustainable

VFO's: Maximize operating revenues
Enhance our customers' riding experience

Project Overview-Scope of Work

- Sell audio advertising on RTA revenue vehicles
- Produce, record, format, test and deliver all advertising files to the Authority
- Pay Authority for audio advertising rights as well as reimburse the Authority any expenses related to advertising program

Scope of Work – Projected Revenue

- Revenue Split
 - Year 1 – 37%
 - Year 2 – 38.5%
 - Year 3 – 40% (and option years)
- Projected Revenue
 - Year 1 – Sales: \$145,000; Revenue: \$53,650
 - Year 2 – Sales: \$210,000; Revenue: \$80,850
 - Year 3 – Sales: \$275,000; Revenue: \$110,000

Project Overview-Scope of Work

- Prepare PSA's for Authority for broadcast on vehicles
- Comply with the Authority's advertising guidelines as well as all Local, State and Federal laws
- Coordinate sales efforts with other contractors

Current Sales Partners

- *Advertising Vehicles:* Traditional print transit advertising – exterior/interior vehicles, passenger facilities
- *Superlative:* Naming rights for major transit assets – HealthLine and CSU Line

Procurement Overview- On-Board Audio Advertising Services

- RFP issued July 20, 2015
- Accessed on the GCRTA website by 8 interested parties
- One firm proposed

Procurement Overview- On-Board Audio Advertising Services

Evaluation Panel Members:

- Marketing
- Office of Management & Budget
- Electronic Repair
- Information Technology Systems
- Procurement

Procurement Overview- On-Board Audio Advertising Services

Evaluation Criteria:

- Product Offering – Viable Marketing Plan
- Experience with Transit Agencies
- Ability to service accounts in a timely manner
- Revenue Plan
- Ability to properly maintain & administer advertising inventory

Procurement Overview- On-Board Audio Advertising Services

Recommended Firm:

- Commuter Advertising, Inc.
- DBE Goal of 0%

Procurement Overview- On-Board Audio Advertising Services

Experience:

- Nations leading expert in onboard digital transit media
- Been in business since 2009
- Responsive to GCRTA's needs
- Favorable References

Procurement Overview- On-Board Audio Advertising Services

- Extensive transit experience
 - Greater Dayton Regional Transit Authority
 - Southwest Ohio Regional Transit Authority
 - Kansas City Area Transit Authority
 - Jacksonville Transportation Authority
 - Transit Authority of Lexington
 - Omnitrans

Procurement Overview- On-Board Audio Advertising Services

- Staff requests that the Operations Committee recommend to the Board of Trustees the award of a revenue generating contract to Commuter Advertising, Inc. for a period of three years with two, one-year options.