

Greater Cleveland Regional Transit Authority

SUMMARY OF PROPOSED AWARD TRANSIT ADVERTISING SALES

Presented to: Finance Committee
November 1, 2016



Project Overview

Transit Advertising Sales

Scope of Work

- Maximize revenue opportunities related to the sale of transit advertising media.
- Advertising media includes signage inside and outside of revenue vehicles and at selected major passenger facilities.

Project Overview

Transit Advertising Sales

Scope of Work (continued)

- GCRTA receives a commission based on sales (with an annual guarantee).
- Contract consists of a three-year base term with two, one-year options. Commission rates for all years are negotiated.

Project Overview

Transit Advertising Sales

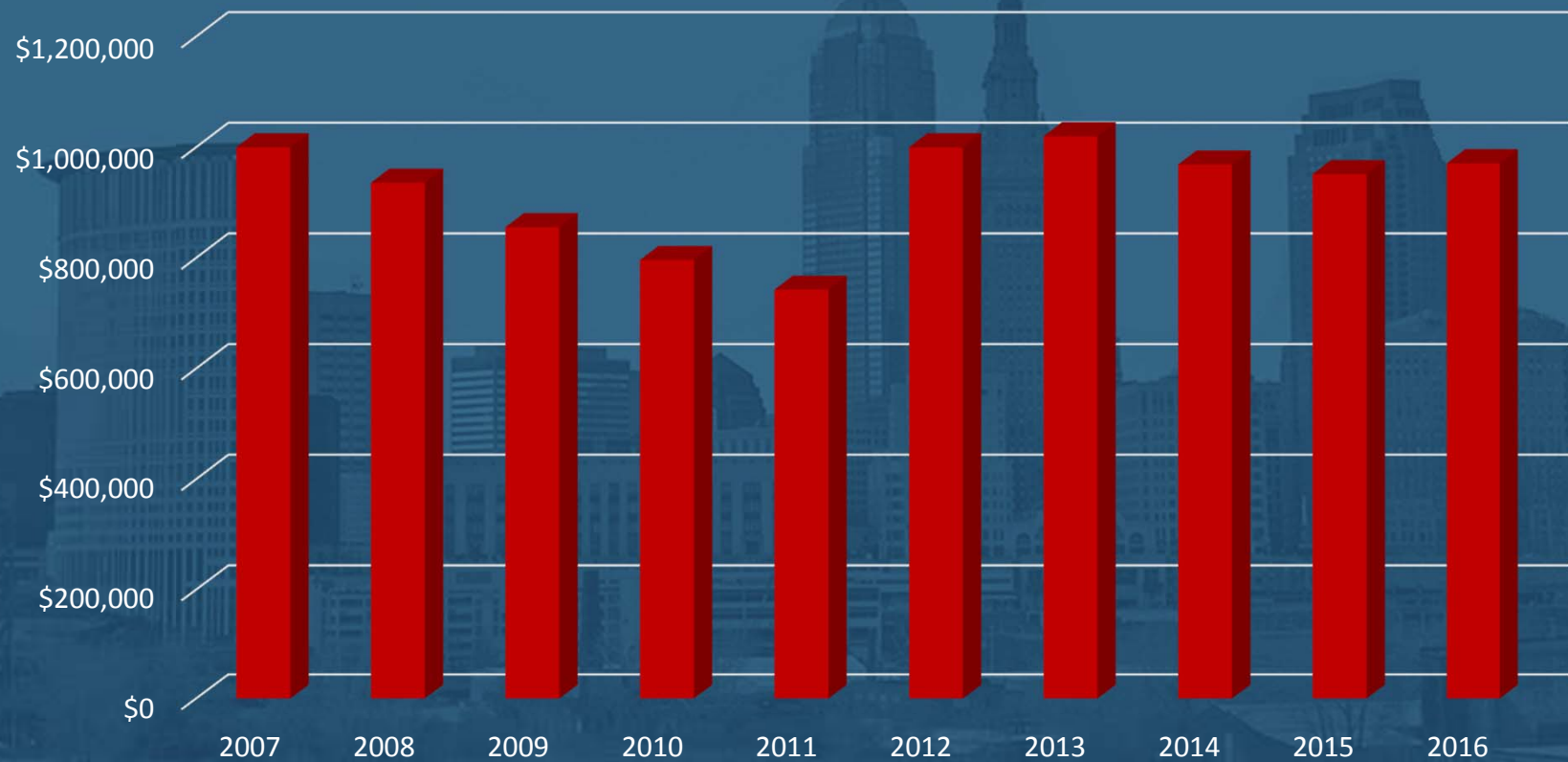


Project Overview

Transit Advertising Sales



Transit Advertising Revenue 2007 - 2016



Greater Cleveland Regional Transit Authority



Procurement Overview

Transit Advertising Sales

- RFP issued August 2016
- Accessed on the GCRTA website by 13 interested parties
- Four firms proposed

Procurement Overview

Transit Advertising Sales

Evaluation Panel Members

- Marketing
- Office of Management & Budget
- Operations
- Procurement
- Legal
- Office of Business Development

Procurement Overview

Transit Advertising Sales

Evaluation Criteria

- Revenue plan
- Experience providing comparable service
- Vendor product offerings – presenting a viable marketing plan
- Ability to service account in a timely manner

Procurement Overview

Transit Advertising Sales

Recommended Firm

- Lamar Transit LLC
- DBE Goal: 0%

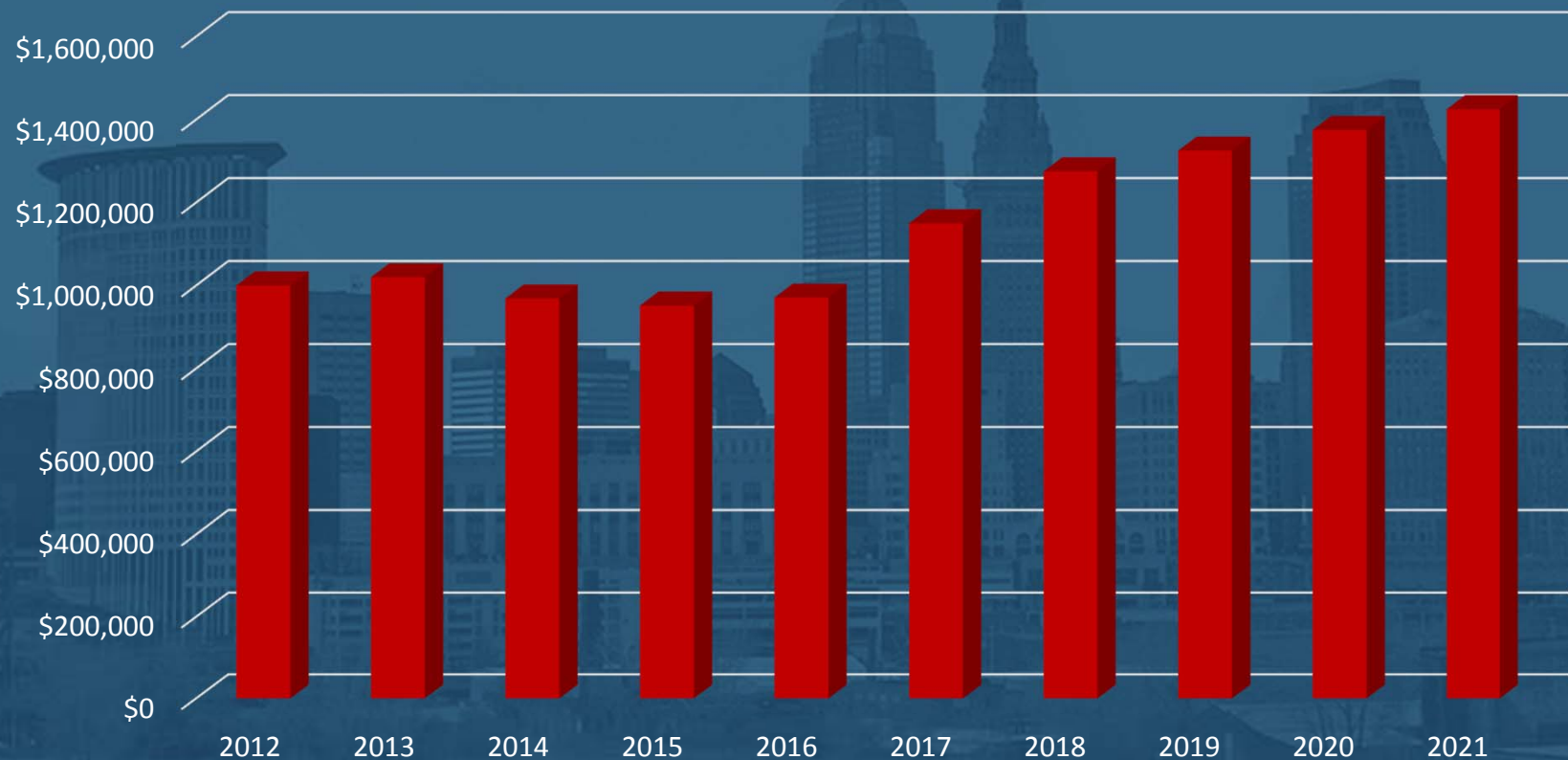
Procurement Overview- Transit Advertising Sales

Annual Revenue Guarantee (62.5% of sales)

- Year One: \$1,150,000
- Year Two: \$1,275,000
- Year Three: \$1,325,000
- Year Four: \$1,375,000
- Year Five: \$1,425,000

Total Guarantee: \$6,550,000

Transit Advertising Revenue 2012 - 2021



Greater Cleveland Regional Transit Authority



Procurement Overview

Transit Advertising Sales

Annual Revenue Guarantee (continued)

- The yearly revenue guarantee will be pre-paid to the Authority within 30 days of each contract year commencement.

Procurement Overview

Transit Advertising Sales

Experience

- A division of Lamar Advertising Company, founded in 1902 and one of the largest outdoor advertising companies in the world.
- They have an extensive network of national, regional, and local prospective advertising buyers.
- They have over 30 years transit advertising experience, with 75 current transit clients.

Procurement Overview

Transit Advertising Sales

Experience (continued)

- Transit clients include: San Bernardino County Public Transit, Utah Transit Authority, Niagara Frontier Transit Authority, Lane Transit, Central New York Regional Transit Authority, Palm Tran, Sacramento Regional Transit Authority, and Napa Valley Transit Authority.

Procurement Overview

Transit Advertising Sales

- Staff requests that the Finance Committee recommend to the Board of Trustees the award of a three-year revenue generating contract with two, one-year options for renewal to Lamar Transit LLC.

Shelter Advertisements

Enhancing Transit Advertising Revenue

Greater Cleveland Regional Transit Authority



Our Challenge:

***Maximize revenue opportunities
associated with the sale of advertising
on transit related media.***

Shelter Advertising

Florida, Direct Application



Greater Cleveland Regional Transit Authority



Shelter Advertising

California, Direct Application



Shelter Advertising Chicago, Digital Display



Shelter Advertising

Chicago, Illuminated Display



Shelter Advertising

British Columbia, Extension Ads



Shelter Advertising New York, 3-D Extension



Greater Cleveland Regional Transit Authority



Shelter Advertising

Creative Seating



Shelter Advertising



Norway, Interactive
Ant Farm

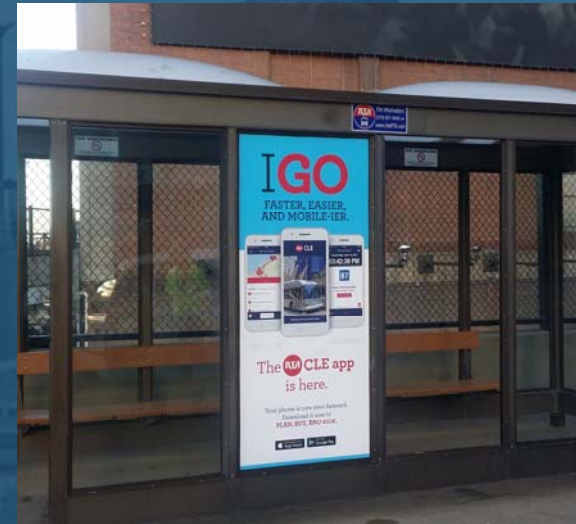


Australia, Interactive
Postage Stamp

Shelter Advertising Netherlands, Interactive



Shelter Advertising Local, Direct Application



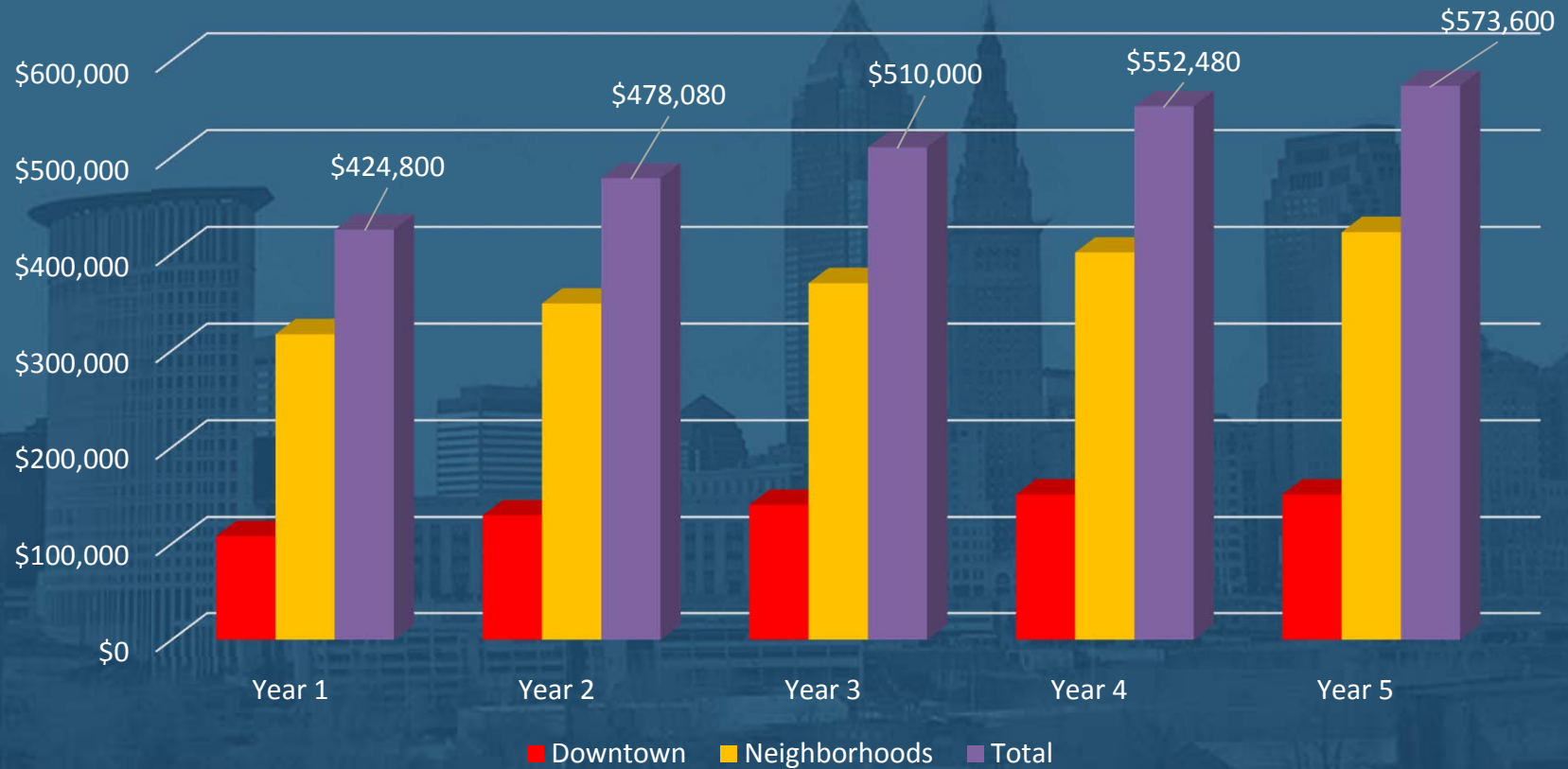
Shelter Advertising Unit Inventory

- Shelters in Cleveland 500
- Shelters in Suburbs 800
- Total Shelters: 1,300

Shelter Advertising Unit Inventory

- Shelters in the Downtown Area 60
- Shelters in City Neighborhoods 440
- Total Shelters within City Limits: 500

Shelter Advertising Projected Sales



Shelter Advertising Projected Sales/Revenues

