Greater Cleveland Regional Transit Authority

SUMMARY OF PROPOSED AWARD SHELTER ADVERTISING SALES

Presented to: Finance Committee
September 19, 2017



Scope of Work

- Maximize revenue opportunities related to the sale of shelter advertising in shelters located within the City of Cleveland
- Advertising media includes static art applied directly to the shelter, as well as 3D extensions and digital displays

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



Unit Inventory

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



Direct Application





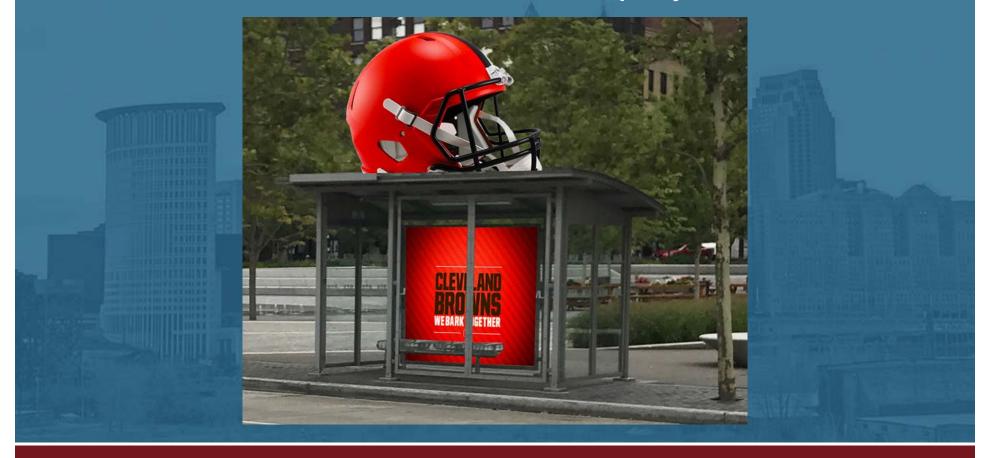


Digital Display





3-D Extension Display





- o RFP issued July 2017
- Accessed on the GCRTA website by 11 interested parties
- Three firms proposed



Evaluation Panel Members

- o Legal
- Marketing
- Office of Business Development
- Operations
- o Procurement



Evaluation Criteria

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





Annual Revenue Guarantee (62.5% of sales)

Year One: \$140,000

Year Two: \$140,000

Year Three: \$140,000

Year Four: \$140,000

Year Five: \$140,000

Minimum Total Guarantee: \$700,000



Annual Revenue Guarantee (continued)

- The minimum annual guarantee for years two through five will be determined annually at 75% of the total payment from the previous year, or \$140,000.00, whichever is greater.
- The yearly revenue guarantee will be pre-paid to the Authority within 30 days of each contract year commencement.
- Annual overage payments will be made within 25 days of the end of each contract year.



Experience

- Our current transit advertising sales contractor, with an established local sales staff in Cleveland.
- 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 and shelter advertising experience, with 45 current shelter clients.



Experience (continued)

 Transit clients include: San Bernardino County Public Transit, TriMet, Valley Metro, 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.

Recommendation:

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.