

Greater Cleveland Regional Transit Authority

SUMMARY OF PROPOSED AWARD SHELTER ADVERTISING SALES

Presented to: Finance Committee

September 19, 2017



Project Overview

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

Project Overview

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

Project Overview

Unit Inventory

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

Project Overview

Direct Application



Project Overview

Digital Display



Project Overview

3-D Extension Display



Greater Cleveland Regional Transit Authority



Procurement Overview

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

Procurement Overview

Evaluation Panel Members

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

Procurement Overview

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

Recommended Firm

- Lamar Transit LLC
 - Located in Buffalo, NY
- DBE Goal: 0%

Procurement Overview

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

Procurement Overview

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.

Procurement Overview

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.

Procurement Overview

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.

Procurement Overview

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.