

RESOLUTION 2004-45

AUTHORIZING THE EXERCISE OF AN OPTION TO CONTRACT 2001-052 WITH BROKAW, INC. TO PROVIDE ADVERTISING SERVICES FOR AN ADDITIONAL TWO YEAR PERIOD IN AN AMOUNT NOT TO EXCEED \$2,000,000.00, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$5,000,000.00 (RTA GENERAL FUND, MARKETING AND COMMUNICATIONS DEPARTMENT BUDGET).

WHEREAS, the Authority requires the services of a professional advertising agency to provide services for an additional two year period; and

WHEREAS, by Resolution 2001-113, the Board of Trustees authorized Contract 2001-052 with Brokaw, Inc. located at 425 West Lakeside Ave, Cleveland, Ohio 44113 to provide these services for a three year period with the Authority retaining two, one-year options at a price not to exceed \$1,000,000.00 per year, subject to approval of the exercise of each option by the Authority's Board of Trustees; and

WHEREAS, the General Manager/Secretary-Treasurer deems exercising the two option years to be advantageous to the Authority and recommends acceptance by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of Brokaw, Inc. to provide advertising services for an additional two years be and the same is hereby accepted as the most advantageous to the Authority, price and other factors considered.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to amend Contract 2001-052 with Brokaw, Inc. to exercise both one-year options to provide advertising services.

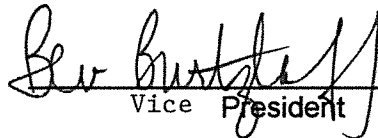
Section 3. That said contract option shall be payable from the General Fund, Marketing and Communications Department budget with future funds in an amount not to exceed two million and 00/100 dollars (\$2,000,000.00) for the additional two-year period.

Section 4. That all other terms and conditions of said contract shall remain unchanged.

Section 5. That the Greater Cleveland Transit Authority's Board of Trustees expects that Brokaw, Inc. will attempt to exceed the 10% DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: April 20, 2004


Vice President

Attest: 
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING THE EXERCISE OF AN OPTION TO CONTRACT 2001-052 WITH BROKAW, INC. TO PROVIDE ADVERTISING SERVICES FOR AN ADDITIONAL TWO-YEAR PERIOD IN AN AMOUNT NOT TO EXCEED \$2,000,000.00, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$5,000,000.00 (RTA GENERAL FUND, MARKETING AND COMMUNICATIONS DEPARTMENT BUDGET).	Resolution No.: 2004- 45
	Date: April 15, 2004
	Initiator: Marketing and Communications Department
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

1.0 **PURPOSE/SCOPE:** This action will allow the Authority to exercise two, one-year options on Contract 2001-052 to retain Brokaw, Inc. as the advertising agency for the Authority.

2.0 **DESCRIPTION/JUSTIFICATION:** The Authority has identified the need to obtain services of a professional advertising agency to assist in allocating the advertising budget. These services include consulting in the development of advertising campaigns and the supervision of sub-contractors/vendors to assure effective implementation of the campaign. This contract includes the purchase of all services related to the Authority's advertising including purchase of media time and other items identified in the scope of services.

3.0 **PROCUREMENT BACKGROUND:** Brokaw, Inc. was awarded Contract 2001-052 in an amount not to exceed \$3,000,000.00 for a three-year period as a result of a competitive, negotiated process. This included two, one-year options subject to approval of the exercise of each option by the Board of Trustees. During the initial term, a total of \$2,425,000.00 has been allocated for this contract. Brokaw, Inc. has worked with the Authority to conduct major advertising campaigns in a very difficult market and has achieved excellent results.

A negotiated not to exceed price of \$2,000,000.00 for the two-year option period includes both Agency costs and Net Outside costs. The Agency costs include all billable contractor services of account service, media, creative, public relations, and various support staff. Costs for Net Outside (non-Brokaw) product and services include media space, printing, TV & radio production, special events, etc. The contractor estimates costs for projects which are approved by GCRTA with mutually agreed upon deliverables.

Brokaw, Inc. is a company with strong local credentials and varied advertising experience serving clients such as The Metro Health System, Smith Dairy, Lake Hospital System, and the City of Euclid among others. Brokaw has won numerous local, regional, and national advertising awards.

A cost analysis has been performed and the Procurement Department has determined that the price is fair and reasonable.

4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: All Affirmative Action requirements have been met. A 10% DBE goal was established for this procurement in September 2001 (Reso. #2001-052). For the contract period, Brokaw, Inc. has committed to achieve 10.2% DBE participation* through the utilization of the following DBE firm(s)

DBE(s) Name/Address	DBE Category	Scope of Work	Amount	Percent
Media Impressions. Bay Village, Ohio	Caucasian Female	Media Management (Scheduling/Buying)	\$116,000.00	3.56%
New Concepts Consulting Inc. Beachwood, Ohio	African American Female	Video productions/Website Management	\$52,500.00	1.61%
Renco Printing Brookpark, Ohio	Caucasian Female	Printing Services	\$90,000.00	2.76%
Phiffer Printing Shaker Heights, Ohio	African American Male	Printing Services	\$75,000.00	2.30%
Total DBE Participation:			*\$333,500.00	10.23%

*The DBE participation amount was based on \$3,261,200.00 (which is the actual budgeted contract amount minus the cost of the media buys) as provided by the Marketing Department.

4.0 POLICY IMPACT: Does not apply.

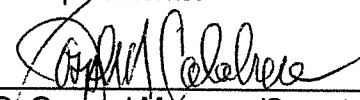
5.0 ECONOMIC IMPACT: The option years of this contract shall be funded through the General Fund, Marketing and Communications Department Budget in an amount not to exceed two million and 00/100 dollars (\$2,000,000.00), for a total contract amount not to exceed five million and 00/100 dollars (\$5,000,000.00).

6.0 ALTERNATIVES: Reject the offer. Rejection of this proposal will leave the Authority without advertising support, jeopardizing the Authority's ability to retain and increase ridership.

7.0 RECOMMENDATION: It is recommended that the exercise of both one-year options be accepted and the resolution passed authorizing the General Manager to amend the contract, contingent upon funding availability for said options.

8.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



 CEO, General Manager/Secretary-Treasurer