

RESOLUTION NO. 2006-160

AUTHORIZING CONTRACT NO. 2006-078 WITH BROKAW, INC. TO PROVIDE ADVERTISING SERVICES FOR A PERIOD OF THREE YEARS, WITH TWO ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$2,555,000.00 FOR THE BASE THREE YEARS, AND IN AN AMOUNT NOT TO EXCEED \$852,500.00 FOR EACH OPTION YEAR FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$4,260,000.00 (GENERAL FUND, MARKETING AND COMMUNICATIONS DEPARTMENT BUDGET)

WHEREAS, the Greater Cleveland Regional Transit Authority has determined the need to obtain the services of a professional advertising agency to provide advertising services for a period of three years with two one-year options; and

WHEREAS, the offer of Brokaw, Inc. located at 425 West Lakeside Avenue, Cleveland, Ohio 44113 to provide these services was received on July 25, 2006; and

WHEREAS, Brokaw, Inc. has offered to perform said work for the base three years at an estimated price of \$775,000.00 for the first and third years and \$1,000,000.00 for the second year, for a total negotiated contract amount not to exceed 2,555,000.00 based on a combination of Agency costs and Net Outside costs; and

WHEREAS, Brokaw, Inc. has offered to perform said work for the two option years at a total negotiated price not to exceed \$852,500.00 for each option year if exercised by the Authority; and

WHEREAS, the General Manager/Secretary-Treasurer deems the offer of Brokaw, Inc., as negotiated, to be advantageous to the Authority, cost and other factors considered, and recommends acceptance thereof 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. as modified by negotiations, for providing advertising services for a period of three years, with two one-year options, be and the same is hereby accepted as being in the best interest of the Authority.

Section 2. That the General Manager/Secretary-Treasurer be and he hereby is authorized to enter into a contract with Brokaw, Inc. to provide advertising services for a term of three years, with the Authority to exercise two one-year options.

Section 3. That said contract shall be payable out of the General Fund, Marketing and Communications Department budget, in an amount not to exceed two million five hundred fifty-five thousand & 00/100 dollars (\$2,555,000.00) for the base three years with the Authority retaining two, one-year options in an amount not to exceed eight hundred fifty-two thousand five hundred & 00/100 dollars (\$852,500.00) for each option year for a total contract amount not to exceed four million two hundred sixty thousand & 00/100 dollars (\$4,260,000.00).

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon future funding, compliance by the contractor to Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2006-77; bonding and insurance requirements and all applicable laws relating to the contractual obligation of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Brokaw, Inc. will attempt to exceed the 15% DBE goal assigned to this procurement.

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

Adopted: September 19, 2006

President

Attest: _____
CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: AUTHORIZING CONTRACT NO. 2006-078 WITH BROKAW, INC. TO PROVIDE ADVERTISING SERVICES FOR A PERIOD OF THREE YEARS, WITH TWO ONE-YEAR OPTIONS IN AN AMOUNT NOT TO EXCEED \$2,555,000.00 FOR THE BASE THREE YEARS, AND IN AN AMOUNT NOT TO EXCEED \$852,500.00 FOR EACH OPTION YEAR FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$4,260,000.00 (GENERAL FUND, MARKETING AND COMMUNICATIONS DEPARTMENT BUDGET)	Resolution No.: 2006-160
	Date: September 14, 2006
	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 enter into a contract for advertising services for a period of three years with two one-year options.
- 2.0 DESCRIPTION/JUSTIFICATION: The Authority has identified a need to obtain the services of a professional advertising agency to assist in promoting the GCRTA. 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 the purchase of media time and other items identified in the RFP scope of services.
- 3.0 PROCUREMENT BACKGROUND: The Request for Proposal was posted on the GCRTA web site and advertised in the local newspapers. Twenty-three (23) vendors downloaded the RFP. Two proposals were received on July 25, 2006. After evaluation by a panel of Authority employees in accordance with established Procurement Policies and Procedures, and subsequent negotiations, the proposal of Brokaw, Inc. was selected to be the most advantageous to the Authority to provide advertising services. Brokaw, Inc. has been the GCRTA's advertising agency since 2001. During that time, Brokaw, Inc. has supported the GCRTA's efforts to increase ridership and to establish brand awareness in the community. Brokaw, Inc. has received numerous awards including, but not limited to; the Cleveland Addys Award 7 years in a row for Best of Show; 4 Gold, 9 Silver and 8 Certificates of Merit in 2003; and 9 Silver and 14 Certificates of Merit in 2004. In 2005/2006, the agency decided not to enter the local Addy's in order to concentrate on international competition, winning the prestigious 2006 Rebrand 100. Brokaw, Inc. has been successful in developing unique grass-root and guerrilla type media activities to support the brand. This past spring, Brokaw's "No Drive Day" was so effective, APTA modeled its "Dump the Pump" national program after this campaign.

A cost analysis has been performed and the Procurement Department has determined that the negotiated rates of services are fair, reasonable and advantageous to the Authority.
- 4.0 AFFIRMATIVE ACTION/DBE BACKGROUND: All Affirmative Action requirements have been met. A 15% DBE goal was established for this procurement. Brokaw, Inc. has committed to meet the DBE goal through the utilization of the following firm(s):

DBE(s) Name/Address	DBE Category	Scope of Work	Amount	Percent
Media Impressions	Caucasian Female	Media Planning and Buying	\$36,000	4.7%
Audience Impact Research	Caucasian Female	Marketing Research & Public Opinion Polling	\$30,000	3.9%
Mobius Grey	African American Female	Graphic Design Marketing Comm.	\$23,250	3.0%
Arrasmith Promotions	Caucasian Female	Screen Printing & Promotional Items	\$15,000	1.9%
EMT Communications	Caucasian Female	PR & Public Relations	\$12,000	1.6%
Total DBE Participation:			\$116,250	15.1%

5.0 POLICY IMPACT: Does not apply.

6.0 ECONOMIC IMPACT: The contract will be funded through the General Fund, Marketing and Communications Department budget in an amount not to exceed two million five hundred thousand fifty-five & 00/100 dollars (\$2,555,000.00) for the base three years, and in an amount not to exceed eight hundred fifty-two thousand five hundred & 00/100 dollars (\$852,500.00) for each of the two option years for a total contract amount not to exceed four million two hundred sixty thousand & 00/100 dollars (\$4,260,000.00). This is within the budgeted amount for these services.

7.0 ALTERNATIVES: Reject this offer. Rejection of the offer would delay the procurement of advertising services and disrupt the scheduled planning and implementation of future marketing and advertising campaigns.

8.0 RECOMMENDATION: This contract was reviewed by the Finance Committee at their September 5, 2006 meeting and recommended for approval by the Board of Trustees. It is recommended that the offer of Brokaw, Inc., as modified by negotiations, be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.

9.0 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