

RESOLUTION NO. 2016-32

AUTHORIZING CONTRACT NO. 2015-128 WITH COMMUTER ADVERTISING, INC. TO PROVIDE ONBOARD AUDIO PUBLIC INFORMATION AND ADVERTISING SERVICES FOR A PERIOD OF THREE YEARS WITH TWO, ONE-YEAR OPTIONS (REVENUE GENERATING, AMOUNT VARIABLE – BASED ON SALES)

WHEREAS, Ohio Revised Code Section 306.35(J) permits the Authority to “use and sell...any interest or right in real and personal property”; and

WHEREAS, the Authority proposes to sell audio advertising space on transit revenue vehicles; and

WHEREAS, the Authority wishes to maximize the revenue generating opportunities at its disposal by the sale of audio advertising space; and

WHEREAS, the proposal of Commuter Advertising, Inc. located at 49 Park Avenue, Suite C, Dayton, Ohio 45419 was received on August 18, 2015; and

WHEREAS, the General Manager/Secretary-Treasurer deems the offer of Commuter Advertising, Inc., as negotiated, to be the most advantageous to the Authority 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 proposal submitted by Commuter Advertising, Inc. to provide Onboard Audio Public Information and Advertising Services to the Authority for a base period of three years with two, one-year options, be and the same is hereby accepted.

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

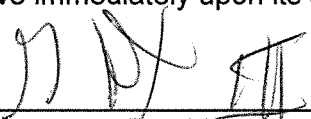
Section 3. That the proceeds to the Authority shall be deposited into the General Fund.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon future funding and compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2015-76; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Commuter Advertising, Inc. will attempt to exceed the 0% DBE goal assigned to this procurement.

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

Adopted: May 10, 2016



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: CONTRACT: PROVIDE ONBOARD AUDIO PUBLIC INFORMATION AND ADVERTISING SERVICES FOR A PERIOD OF THREE YEARS WITH TWO, ONE-YEAR OPTIONS VENDOR: COMMUTER ADVERTISING, INC. AMOUNT: VARIABLE, BASED ON SALES	Resolution No.: 2016-32
	Date: May 5, 2016
	Initiator: Marketing 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 to obtain onboard audio public information and advertising services for a period of three years with two, one-year options for renewal.

- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority desires to enter into a revenue-generating contract with an advertising partner to provide onboard public information and audio advertising services for a period of three years with two, one-year options. The advertising consists of audio ads that will be played on transit revenue vehicles. The service provider will generate revenue for the Authority based on the sales of onboard audio advertising media.

- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposals was posted on the GCRTA website and advertised in the local newspapers, as required. On August 18, 2015, one proposal was received. After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, and after negotiations, the proposal of Commuter Advertising, Inc. was determined to be in the Authority's best interest for onboard audio public information and advertising services.

 At the request of the Board of Trustees, the Authority has engaged in a pilot program for these services from December 1, 2015 through May 31, 2016. Upon the completion of the pilot program, the Authority wishes to enter into a full contract with Commuter Advertising, Inc. for a period of three years with two, one-year options. The Authority will receive 37% of gross billings in year one of the contract, 38.5% in year two, 40% in year three and, if exercised, 40% in each of the option years, with an estimated generated revenue of \$245,000 for the base three years. Current clients include Greater Dayton Regional Transit Authority in Dayton, Ohio and Southwest Ohio Regional Transit Authority in Cincinnati, Ohio, among others.

 A revenue analysis has been performed by the Procurement Department and the proposal of Commuter Advertising, Inc. has been determined to be fair and reasonable to the Authority.

- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** The Office of Business Development does not conduct Affirmative Action reviews or establish goals on Revenue generated agreements.

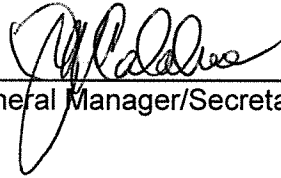
- 5.0 **POLICY IMPACT:** Does not apply.

- 6.0 **ECONOMIC IMPACT:** The exact amount of revenue that will be generated is directly dependent upon the amount of onboard audio public information and advertising sales revenue generated. Funds will be deposited into the General Fund. During the 6-month pilot program, revenue generated was approximately \$32,000.00.

- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would deny the Authority the economic benefits of onboard audio public information and advertising revenue.

- 8.0 RECOMMENDATION: This procurement was discussed by the Operations Committee at the October 13, 2015 and May 10, 2016 meetings. It is recommended that the offer of Commuter Advertising, Inc. 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