

RESOLUTION NO. 2016-101

AUTHORIZING CONTRACT NO. 2016-099 WITH LAMAR TRANSIT, LLC TO PROVIDE TRANSIT ADVERTISING SALES SERVICES FOR A PERIOD OF THREE YEARS, WITH TWO, ONE-YEAR OPTIONS, REVENUE GENERATING (AMOUNT VARIABLE BASED UPON NET SALES)

WHEREAS, the Greater Cleveland Regional Transit Authority permits the sale of advertising space on transit revenue vehicles and property; and

WHEREAS, the Authority wishes to maximize the revenue generating opportunities at its disposal by the sale of transit related advertising media; and

WHEREAS, the proposal of Lamar Transit, LLC, located at 247 Cayuga Road, Buffalo, NY 14225 to provide transit advertising sales services was received on September 8, 2016; and

WHEREAS, the CEO, General Manager/Secretary-Treasurer deems the offer of Lamar Transit, LLC, as negotiated, to be in the best interest of 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 Lamar Transit, LLC, as modified by negotiations, to provide transit advertising services for a 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 Lamar Transit, LLC for transit advertising sales 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 compliance by the contractor to the Specifications and Addenda, thereto, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2015-076; bonding and insurance requirements; and all applicable laws relating to the contractual obligations of the Authority.


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

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

Adopted: November 15, 2016

  
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President

Attest:

  
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CEO, General Manager/Secretary-Treasurer

TITLE/DESCRIPTION: <b>CONTRACT: TRANSIT ADVERTISING SALES</b>  <b>VENDOR: LAMAR TRANSIT, LLC</b>  <b>AMOUNT: VARIABLE, DEPENDING ON ACTUAL SALES</b>	Resolution No.: 2016-101
	Date: November 10, 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 transit advertising sales services for a period of three years with two, one-year options.
  
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority desires to maximize the revenue generating opportunities at its disposal by the sale of transit related advertising media. Advertising space is available on the inside and outside of GCRTA buses, inside rail cars, and at rail stations and other passenger facilities. The service provider will generate revenue for the Authority from the sales of transit related advertising media, as well as servicing and maintaining the advertising space.
  
- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposal (RFP) was posted on the GCRTA Procurement web site and advertised in the local newspapers. Thirteen (13) interested parties downloaded the solicitation and four (4) proposals were received. After evaluation by a panel of Authority employees, in accordance with established Procurement Department policies and procedures, and after negotiations, the proposal of Lamar Transit, LLC was determined to be the most advantageous to the Authority. Lamar Transit, LLC offers a very competitive overall commission rate and an annual guaranteed commission. The compensation package includes a commission based on 62.5% of net sales, with a minimum annual revenue guarantee of \$1,150,000.00 for the first year of the contract term, with increases of \$125,000.00 for the second contract year and an additional \$50,000.00 over the previous year's amount each year thereafter. The guaranteed revenue over the five-year contract term is \$6,550,000.00. In addition, the yearly revenue guarantee will be pre-paid to the Authority within 30 days of each contract year commencement.  
  
 A revenue analysis was performed and the Procurement Department has determined that the offer of Lamar Transit, LLC is fair and reasonable for the Authority.
  
- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement due to the lack of certified DBE firms.
  
- 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 advertising sales revenue generated. Funds will be deposited into the General Fund.
  
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would deny the Authority the economic benefits of transit advertising revenue.

- 8.0 RECOMMENDATION: This procurement was discussed at the November 1, 2016 Finance Committee and recommended for approval to the Board of Trustees. It is recommended that the offer of Lamar Transit, LLC, as negotiated, be accepted and the resolution passed authorizing the CEO, 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.

  
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CEO, General Manager/Secretary-Treasurer