

RESOLUTION NO. 2017-78

AUTHORIZING CONTRACT NO. 2017-079 WITH LAMAR TRANSIT, LLC TO PROVIDE SHELTER ADVERTISING SALES SERVICES FOR A PERIOD OF THREE YEARS, WITH TWO, ONE-YEAR OPTIONS, REVENUE GENERATING (AMOUNT VARIABLE BASED UPON NET SALES)

WHEREAS, recent legislation passed by the Cleveland City Council, permits the Greater Cleveland Regional Transit Authority to sell advertising space on shelters; and

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

WHEREAS, the proposal of Lamar Transit, LLC, located at 247 Cayuga Road, Buffalo, NY 14225, to provide shelter advertising sales services was received on August 15, 2017; 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 shelter advertising sales 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 shelter advertising sales services for a period of three years, with authority 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: September 19, 2017



President

Attest: 

CEO, General Manager/Secretary-Treasurer

RTA Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

TITLE/DESCRIPTION: CONTRACT: SHELTER ADVERTISING SALES	Resolution No.: 2017-78
VENDOR: LAMAR TRANSIT, LLC	Date: September 14, 2017
AMOUNT: VARIABLE, DEPENDING ON ACTUAL SALES	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 to obtain shelter 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 shelter-related advertising media. Legislation was recently passed by Cleveland City Council, enabling the Authority to post paid advertisements inside and outside of 546 shelters located in the City of Cleveland's right-of-way. The service provider will generate revenue for the Authority from the sales of shelter-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. Eleven (11) interested parties downloaded the solicitation and three (3) 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 \$140,000.00 for the first year of the contract term. The minimum annual revenue 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 guaranteed minimum revenue over the five-year contract term totals \$700,000.00. In addition, the yearly revenue guarantee will be pre-paid to the Authority within 30 days of each contract year commencement. Lamar Transit, LLC will make applicable annual overage payments within 25 days of the end of each contract year.

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: The Office of Business Development does not conduct Affirmative Action reviews or establish goals on revenue generating contracts.
- 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 shelter 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 shelter advertising revenue.

- 8.0 RECOMMENDATION: This procurement was discussed at the September 19, 2017 Finance Committee meeting. 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.



CEO, General Manager/Secretary-Treasurer