

STAFF REPORT

SUBJECT: Status of Exterior Advertising Contract

FROM: Tony McCaulay, Marketing Manager

DATE: May 22, 2017

Action Requested

None – Information Only

Background

At the April Projects and Services Committee meeting, staff was asked the status of the LAVTA exterior advertising contract. Staff noted that a Request for Proposals (RFP) had been issued and that a single proposal had been received and the likely reason for only one response was the reduced fleet availability in the RFP and the limits on the types of advertising that would be permitted. Supervisor Haggerty requested that the item be agendaized for discussions of these modifications.

As additional background, LAVTA currently contracts with Lamar Transit Advertising for the sale and installation of exterior advertising on our buses. Lamar's contract expires on June 30, 2016. In February 2016, a Request for Proposals (RFP) was issued soliciting firms interested in providing exterior ad sales for LAVTA. Following staff review, it was determined that it was not in LAVTA's best interest to accept the single proposal received, so it was rejected.

Discussion

The RFP noted above limited ad sales to 50% of the fleet and disallowed any window coverage for advertisements. Prior to this being included in the February 2017 RFP, the idea of limiting advertising space and quantities of ads was discussed with the Board as part of the Management Action Plan and in the context of the rebranding efforts at the May 2016 Projects and Services Committee meeting. No negative feedback was received.

Next Steps

Following the rejection of the single proposal received in response to the February RFP, a revised RFP was issued on May 9, 2017. Proposals are due on Tuesday May 30, 2017. Staff anticipates reviewing the proposals and making a recommendation to the LAVTA Board at the June 5 meeting.

The revised RFP provided proposers the opportunity to submit financial proposals for three options of fleet availability. The first option was similar to the February RFP, limiting access to 50 percent of the fleet. The other two options expanded availability to 75% and 100% of the fleet (excluding the buses committed to Spare the Air ads).

Budget

The budgetary impact of limiting fleet availability will be known when the proposals are received on May 31. This information will be included in the recommendation to the Board.

Recommendation

None – Information Only