

STAFF REPORT

SUBJECT: Bus Exterior Advertising Contract – Exercise Option Year 1

FROM: Tony McCaulay, Director of Planning and Marketing

DATE: September 23, 2019

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**Action Requested**

Consider exercising the first option year of our contract with Lamar Transit Advertising for the sale and installation of exterior bus advertising and forward a recommendation to the Board.

**Background**

LAVTA currently contracts with Lamar Transit Advertising for the sale of advertising on our buses. The current contract expires on June 30, 2020. The contract contains two option years that can be exercised if mutually agreed upon. Lamar has indicated they are amenable to exercising the option. The terms for the option year are the same as the first three years of the contract, with Lamar providing annual revenue to LAVTA of 50 percent of net sales or a minimum annual guarantee of \$95,000, whichever is higher.

**Discussion**

Lamar has been effective in maintaining a high level of sales during the first two years of the current contract. Actual revenue to LAVTA has exceeded \$125,000 both years. Lamar has also been very responsive when there have been issues with the quality of ad installations.

**Recommendation**

Staff is asking the Projects & Services Committee to approve the requested action of exercising the first option year of the contract with Lamar Transit Advertising for the sale and installation of exterior bus advertising.