

RESOLUTION NO. 2015-001

BOARD OF DIRECTORS, CENTRAL CONTRA COSTA TRANSIT AUTHORITY
STATE OF CALIFORNIA

* * *

AUTHORIZING AWARD OF CONTRACT TO LAMAR TRANSIT, LLC
TO PROVIDE BUS ADVERTISING SERVICES

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon, and Walnut Creek, and the Towns of Danville and Moraga (hereinafter “member jurisdictions”), have formed the Central Contra Costa Transit Authority (County Connection), a joint exercise of powers agency created under California Government Code Sections 6500, *et seq.*, to provide coordinated and integrated public transportation services within the area of such member jurisdictions; and

WHEREAS, in April 2014, County Connection released a Request For Proposals (RFP) for Bus Advertising Services, for the provision of interior and exterior bus advertising for the fleet and service area of County Connection; and

WHEREAS, the RFP asked proposers to present two separate advertising space coverage proposals, consisting of ads that fit below the bus windows only (first alternative), and full coverage ads on no more than 20% of the fleet (second alternative), priced as a fixed annual guarantee, or alternatively as a percentage of gross revenues with a minimum annual guarantee ; and

WHEREAS, on June 4, 2014, one proposal was received, from Lamar Transit, LLC; and

WHEREAS, Lamar Transit, LLC has been providing bus advertising service to County Connection since 2009 under a contract that has included advertising services for the Eastern Contra Costa Transit Authority (Tri Delta Transit) and the Western Contra Costa Transit Authority (WESTCAT), and staff has found the performance of Lamar Transit, LLC to be satisfactory and professional; and

WHEREAS, staff has evaluated the proposal in accordance with the criteria set forth in the Request For Proposals, and has recommended to the Marketing, Planning, & Legislative Committee that the contract be awarded to Lamar Transit, LLC; and

WHEREAS, staff's analysis of the two pricing structures found a decrease of between \$45,000 to \$70,000 compared to current revenue for the first alternative, and an increase of between \$30,000 to \$55,000 compared to current revenue for the second alternative; and

WHEREAS, for the first alternative, under the percentage of gross revenues with a minimum annual guarantee pricing structure, the proposal submitted by Lamar Transit, LLC guarantees County Connection a minimum of \$1,440,000 in revenues over the three-year contract term, in annual payments of: Year 1 -\$475,000, Year 2- \$480,000, Year 3 - \$485,000, and two one-year option terms with minimum annual payments of Year 4 - \$490,000, Year 5- \$495,000; and

WHEREAS, for the second alternative, under the percentage of gross revenues with a minimum annual guarantee pricing structure, the proposal submitted by Lamar Transit, LLC guarantees County Connection a minimum of \$1,752,000 in revenues over the three-year contract term, in annual payments of: Year 1 -\$575,000, Year 2- \$580,000, Year 3 - \$585,000, and two one-year option terms with minimum annual payments of Year 4 -\$590,000, Year 5- \$595,000; and

WHEREAS, the Marketing, Planning & Legislative Committee has recommended adopting the pricing structure based upon a percentage of gross revenues and a minimum annual guarantee, in order to better track sales and optimize the potential for advertising revenues; and

WHEREAS, after giving careful consideration to staff's analysis, and weighing the importance of raising revenue with the value of identifying County Connection buses with public transportation service, the Marketing, Planning, & Legislative Committee has further recommended award of the contract to Lamar Transit, LLC based upon its proposal for advertising space below the bus windows only, as a reasonable and appropriate approach for both generating revenue and promoting public transit; and

WHEREAS, the Board of Directors has carefully considered the Marketing, Planning & Legislative Committee recommendations, and has physically viewed the buses, taking note of the County Connection logo placement and the configuration for advertising space; and

WHEREAS, after thorough discussion of the cost and benefits of each alternative, the Board of Directors has determined that the proposed allotment of full bus wraps for no more than 20% of the fleet would best serve the interests of County Connection, as it will optimize revenue for passenger services and preserve the County Connection logo in a prominent location on the bus.

NOW, THEREFORE, BE IT RESOLVED that the Central Contra Costa Transit Authority Board of Directors hereby authorizes and directs the General Manager, or his designee, to execute and deliver a three-year contract in a form approved by Legal Counsel, with Lamar Transit, LLC for the purpose of providing bus advertising services to include full coverage ads on no more than 20% of the fleet, for which County Connection will be paid based upon a percentage of gross revenues and a minimum annual guarantee, for a total minimum compensation of \$1,752,000; and

BE IT FURTHER RESOLVED that the Central Contra Costa Transit Authority Board of Directors hereby authorizes the General Manager, or his designee, to exercise up to two additional one-year option terms, at a total minimum compensation of \$590,000 for year four, and \$595,000 for year five, provided that such options are in the best interests of County Connection.

Regularly passed and adopted this 17th day of July, 2014, by the following vote:

- AYES: Directors Andersen, Dessayer, Hoffmeister, Hudson, Manning, Schroder, Simmons, Storer, Tatzin, Weir and Worth
- NOES: None
- ABSTAIN: None
- ABSENT: None

Bob Simmons Chair, Board of Directors

ATTEST:

Lathina Hill, Clerk to the Board