

To: Marketing, Planning & Legislative Committee

Date: 05/16/2017

From: Anne Muzzini, Director of Planning & Marketing

Reviewed by:

SUBJECT: Bus Advertising Services – Contract Extension

Summary of Issues:

The contract with Lamar Transit Advertising to provide bus advertising services allows for two (2) one-year extensions. If exercised this will be the first of the two option years. The current contract expires on December 31, 2017 if the first option year is not authorized. Currently County Connection is receiving more revenue under the minimum annual guarantee than the 62% revenue share, and it is likely that we would receive reduced revenue guarantees if we sought competitive bids at this time.

Lamar representatives have been good partners in the revenue generating contract, carefully reviewing advertising content. They are diligent in removing expired ads, and are responsive to maintenance concerns relating to advertising related paint damage.

Financial Implication:

County Connection will receive a minimum annual guarantee of \$590,000 in calendar year 2018. The current minimum annual guarantee is \$585,000.

Options:

1. Approve exercising the first of two option years.
2. Do not approve exercising the first option year and seek competitive bids.
3. Other action as directed.

Recommendation:

Staff recommends that the MP&L Committee forward the contract extension, with Option 1 selected, to the Board for approval at the June 15th Board of Directors meeting.